

The Bridge, Inc.

Financial Statements
For the Year Ended December 31, 2020

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Independent Auditor's Report

Board of Directors
The Bridge, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The Bridge, Inc. (the Organization), which comprise the statement of assets and net assets arising from cash transactions as of December 31, 2020, the related statements of revenue collected and expenses paid, and functional expenses – cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in note 2; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

The Organization has not maintained adequate records of furniture and equipment costs. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Organization's furniture and equipment stated at \$325,993 on the statement of assets and net assets arising from cash transactions as of December 31, 2020.

Qualified Opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine adequate records regarding the cost of furniture and equipment as described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the assets and net assets arising from cash transactions of The Bridge, Inc. as of December 31, 2020, and its revenue collected and expenses paid during the year then ended in accordance with the cash basis of accounting described in note 2.

Basis of Accounting

We draw attention to note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Brentwood, Tennessee
November 17, 2021

The Bridge, Inc.
Statement of Assets and Net Assets
December 31, 2020

Assets Recognized

Cash	\$ 179,201
Furniture and equipment	<u>325,993</u>
Total assets recognized	\$ 505,194

Net assets

Without donor restrictions	494,894
With donor restrictions	<u>10,300</u>
Total net assets	\$ 505,194

The Bridge, Inc.
Statement of Revenues Collected and Expenses Paid
For the Year Ended December 31, 2020

	Without donor restrictions	With donor restrictions	Total
Revenues Collected			
Public support			
Contributions	\$ 1,435,837	\$ 10,300	\$ 1,446,137
Other income	<u>23,221</u>	<u>-</u>	<u>23,221</u>
Total revenue collected	1,459,058	10,300	1,469,358
Expenses Paid			
Program services	947,036	-	947,036
Management and general	176,807	-	176,807
Fundraising	<u>217,865</u>	<u>-</u>	<u>217,865</u>
Total expenses paid	1,341,708	-	1,341,708
 Excess of revenue collected over expenses paid	 \$ 117,350	 \$ 10,300	 \$ 127,650

The Bridge, Inc.
Statement of Functional Expenses - Cash Basis
For the Year Ended December 31, 2020

	Program services	Management and general	Fundraising	Total
Payroll	\$ 376,690	\$ 108,690	\$ 108,832	\$ 594,212
Automobile	32,107	-	-	32,107
Bank fees	-	8,998	6,374	15,372
Building and ground maintenance	15,523	862	862	17,248
Charitable contributions	69,564	-	700	70,264
Client appreciation	-	-	5,421	5,421
Communication	6,526	6,724	6,526	19,775
Computer software	3,145	7,186	7,090	17,421
Dues and subscriptions	852	878	852	2,581
Food services	280,835	-	-	280,835
Event rentals and supplies	-	-	49,265	49,265
Insurance	-	4,049	-	4,049
Licenses and permits	396	-	-	396
Office	36,647	13,640	13,349	63,636
Loan repayment	-	15,000	-	15,000
Professional fees	-	4,166	-	4,166
Rent	107,561	5,746	7,746	121,052
Repairs and maintenance	3,360	101	101	3,561
Travel and entertainment	-	-	6,279	6,279
Utilities	13,831	768	768	15,368
Miscellaneous	-	-	3,700	3,700
	\$ 947,036	\$ 176,807	\$ 217,865	\$ 1,341,708

The Bridge, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2020

Note 1. Nature of Activities

The Bridge, Inc. (the Organization) exists to alleviate the suffering of underprivileged children, the homeless, and the working poor by providing life-sustaining resources and a message of hope. The Organization is housed in a 20,000 square foot warehouse in Nashville, TN which stores the food for the Tuesday evening services, but also acts as a local food bank for other area ministries focused on similar populations. The Organization also aids schoolchildren on assisted lunch programs by filling their backpacks with food on Friday afternoons so they have food to eat over the weekend.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The Organization's accounts are maintained on a cash basis, and the statement of revenue collected and expenses paid and statement of assets and net assets arising from cash transactions recognize only cash received and disbursed. Therefore, receivables and payables, accrued income and expenses, and amortization and depreciation, which would be recognized under generally accepted accounting principles, and which are material in amount, are not recognized in the accompanying financial statements.

PPP Loan

On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. The Organization received a loan in accordance with the Paycheck Protection Program (PPP) section of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). The Organization has accounted for the PPP loan as a conditional contribution.

Net Assets

The following classifications of net assets are reported on the statement of assets and net assets arising from cash transactions:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence of any donor restrictions. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as net assets with donor restrictions. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purposes restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of statement of revenues collected and expenses paid as net assets released from restrictions. Donor-restricted contributions for which the restrictions are met in the same reporting period are reported as net assets without donor restrictions.

The Bridge, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2020

Note 2. Summary of Significant Accounting Policies

Donated Goods

Donated goods are excluded from the statement of revenues collected and expenses paid in accordance with the cash basis of reporting selected. For the year ended December 31, 2020, there was a total of \$310,685 in-kind contributions received, consisting primarily of food used in Organization ministry distribution.

Additionally, a number of unpaid volunteers have made significant contributions of their time to assist the Organization in implementing various programs. The value of contributed time is not reflected in these financial statements.

Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Program services – Includes costs that enable the Organization to provide services to clients to fulfill its mission.

Management and general – Includes costs related to administering the day-to-day activities of the Organization. These costs include bookkeeping, management, and governance.

Fundraising – Includes costs related to an appeal for financial support or for a contribution to the Organization. These costs are typically related to a fundraising event or solicitation of donations.

Allocation of Functional Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs may be allocated among more than one program or activity based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management. They are as follows:

	Method of allocation
Salaries	Time and effort
Payroll taxes and benefits	Time and effort
Facilities rent	Square footage
Utilities	Square footage
Repairs and maintenance	Square footage
Website and communication	Even distribution

Income Taxes

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization is subject to routine audits by taxing jurisdictions for the periods of 2017 to the present; however, there are currently no audits for any tax periods in progress.

Note 3. Leases

The Organization leases commercial office space under an operating. Office rental expense, including common area maintenance, under this agreement was \$114,912 for the year ended December 31, 2020. The lease was extended in January 2021 through January 2024 with standard 2% rent increases under substantially the same terms.

The Bridge, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2020

Note 4. Net Assets with Donor Restrictions

Net asset with donor restrictions consists of \$10,300 for Christmas celebration expenses as of December 31, 2020.

Note 5. Concentration

Approximately 11% of the Organization's total contributions received for 2020 were received from a single private donor.

Note 6. PPP Loan

On July 11, 2020, the Organization received a loan in the amount of \$81,261 in accordance with the PPP section of the CARES Act. On January 27, 2021, the Organization received notification the loan was fully forgiven by the Small Business Administration. Cash was received and acknowledged as revenue in the accompanying 2020 financials under the cash basis of accounting.

Note 7. Related Parties

Board members, organizations which employ board members, and Organization employees and their families donated approximately \$105,300 to the Organization for the year ended December 31, 2020.

One organization who employs the founder's husband (who is also a Board member) donates in-kind square footage within their location for use by the Organization as a commercial kitchen for ministry food preparation. There is no formal agreement governing this arrangement and the effects of the arrangement are not reflected in the financial statements.

One organization who employs the founder's husband (who is also a Board member) provided a short-term, five-week, no-interest loan of \$15,000 during the year ended December 31, 2020. The loan was repaid in full by year-end with no outstanding obligations. There is no formal agreement governing this arrangement. The loan is reported within other income in the statement of revenues collected and expenses paid and as other operating expenses on the statement of functional expenses – cash basis.

Note 8. Subsequent Events

The Organization's management has evaluated subsequent events through November 17, 2021, the date on which the financial statements were available to be issued.

In January 2021, the organization signed a lease agreement extension for their existing location through January 31, 2024.