

BRIDGES FOR THE DEAF AND HARD OF HEARING

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BRIDGES FOR THE DEAF AND HARD OF HEARING**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 798,684	\$ 957,230
Promises to give	2,000	-
Accounts receivable, net of allowance for uncollectible accounts of \$11,193 in 2023 and \$16,214 in 2022	449,277	280,051
Grants receivable	32,643	39,772
Investments in marketable securities	8,580	6,851
Prepaid expenses	637	4,678
Property and equipment, net	2,008,864	2,087,126
Finance leases, right-of-use assets	7,712	-
Security deposit	-	895
	<u>-</u>	<u>895</u>
TOTAL ASSETS	<u>\$ 3,308,397</u>	<u>\$ 3,376,603</u>
<u>LIABILITIES AND NET ASSETS</u>		
Accounts payable and accrued liabilities	\$ 139,352	\$ 134,336
Finance lease liability	7,960	-
Note payable	331,034	343,622
Total liabilities	<u>478,346</u>	<u>477,958</u>
NET ASSETS:		
Without donor restrictions	2,828,967	2,893,790
With donor restrictions	1,084	4,855
Total net assets	<u>2,830,051</u>	<u>2,898,645</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,308,397</u>	<u>\$ 3,376,603</u>

The accompanying notes are an integral part of the financial statements.

BRIDGES FOR THE DEAF AND HARD OF HEARING**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT:			
Public support:			
Gross special events revenue	\$ 68,575	\$ -	\$ 68,575
Less: direct cost of special events	(30,115)	-	(30,115)
Net special events revenue	38,460	-	38,460
Contributions and private grants	95,799	-	95,799
State and local government grants	358,356	-	358,356
In-kind revenue	12,253	-	12,253
Program service fees:			
Interpreting services	2,190,172	-	2,190,172
Classes, camps, workshops	32,005	-	32,005
Net investment return	4,618	-	4,618
Loss on asset disposal	(1,304)	-	(1,304)
Other income	230	-	230
Total	2,730,589	-	2,730,589
Net assets released from restrictions	3,771	(3,771)	-
Total revenues, gains and other support	2,734,360	(3,771)	2,730,589
EXPENSES:			
Program services	2,419,609	-	2,419,609
Fundraising	108,616	-	108,616
Management and general	270,958	-	270,958
Total expenses	2,799,183	-	2,799,183
CHANGE IN NET ASSETS	(64,823)	(3,771)	(68,594)
NET ASSETS:			
Beginning of year	2,893,790	4,855	2,898,645
End of year	<u>\$ 2,828,967</u>	<u>\$ 1,084</u>	<u>\$ 2,830,051</u>

The accompanying notes are an integral part of the financial statements.

BRIDGES FOR THE DEAF AND HARD OF HEARING**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT:			
Public support:			
Gross special events revenue	\$ 70,765	\$ -	\$ 70,765
Less: direct cost of special events	(26,252)	-	(26,252)
Net special events revenue	44,513	-	44,513
Contributions and private grants	189,629	-	189,629
State and local government grants	353,448	-	353,448
In-kind revenue	14,960	-	14,960
Program service fees:			
Interpreting services	1,696,910	-	1,696,910
Classes, camps, workshops	27,859	-	27,859
Net investment return	3,045	-	3,045
Other income	315	-	315
Total	2,330,679	-	2,330,679
Net assets released from restrictions	52,500	(52,500)	-
Total revenues, gains and other support	2,383,179	(52,500)	2,330,679
EXPENSES:			
Program services	2,053,559	-	2,053,559
Fundraising	106,218	-	106,218
Management and general	240,646	-	240,646
Total expenses	2,400,423	-	2,400,423
CHANGE IN NET ASSETS	(17,244)	(52,500)	(69,744)
NET ASSETS:			
Beginning of year	2,911,034	57,355	2,968,389
End of year	<u>\$ 2,893,790</u>	<u>\$ 4,855</u>	<u>\$ 2,898,645</u>

The accompanying notes are an integral part of the financial statements.

BRIDGES FOR THE DEAF AND HARD OF HEARING**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (68,594)	\$ (69,744)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	86,751	84,865
Unrealized (gains) losses on investments	(1,729)	(1,805)
Loss on disposal of property	1,304	-
Provision for uncollectible accounts and loans receivable	(5,021)	(200)
Net changes in operating assets and liabilities:		
Promises to give and other receivables	(159,076)	(19,990)
Prepaid expenses and other assets	4,936	769
Accounts payable and accrued liabilities	5,016	15,993
Net cash provided by (used in) operating activities	<u>(136,413)</u>	<u>9,888</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(5,148)</u>	<u>(437,040)</u>
Net cash used in investing activities	<u>(5,148)</u>	<u>(437,040)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	-	352,750
Principal payments on note payable	(12,588)	(9,128)
Payment of lease liability	<u>(4,397)</u>	
Net cash provided by (used in) financing activities	<u>(16,985)</u>	<u>343,622</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(158,546)	(83,530)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>957,230</u>	<u>1,040,760</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 798,684</u>	<u>\$ 957,230</u>
ADDITIONAL CASH FLOW INFORMATION		
Interest paid	\$ 12,324	\$ 9,285

The accompanying notes are an integral part of the financial statements.

BRIDGES FOR THE DEAF AND HARD OF HEARING

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023**

	Program Services								Supporting Services		
	Adult Education & Outreach	Interpreting Services	Youth Education & Programs	Empowerment	Advocacy	Bridges EAST	Bridges WEST	Total Program	Fundraising	Management and General	Total Expenses
Salaries and employee benefits	\$ 113,207	\$ 219,614	\$ 72,710	\$ 63,967	\$35,856	\$ 11,290	\$ 241,913	\$ 758,557	\$ 82,449	\$ 201,496	\$ 1,042,502
Bad debts	-	-	-	-	-	-	-	-	-	-	-
Books, subscriptions and dues	-	1,045	-	-	-	-	830	1,875	553	152	2,580
Computer related	681	12,464	266	-	-	-	90	13,501	4,600	1,262	19,363
Depreciation	16,468	19,603	4,227	5,471	1,642	-	12,971	60,382	7,839	18,530	86,751
Equipment rental	202	477	-	-	-	-	479	1,158	267	317	1,742
Fundraising expenses	-	-	-	-	-	-	2,482	2,482	27,633	-	30,115
In-kind expense	-	-	12,253	-	-	-	-	12,253	-	-	12,253
Insurance	4,945	5,883	1,656	2,060	618	-	2,871	18,033	2,355	9,261	29,649
Interest expense	-	-	-	-	-	-	12,111	12,111	-	213	12,324
Janitorial and grounds	1,469	1,784	402	511	153	-	1,338	5,657	699	1,619	7,975
Maintenance and repair	421	712	137	176	53	1,876	3,385	6,760	200	585	7,545
Miscellaneous expense	7,383	9,488	586	-	-	-	2,964	20,421	7,237	4,017	31,675
Occupancy	294	-	-	-	-	-	7,238	7,532	-	-	7,532
Postage and mailing	-	-	-	-	-	-	129	129	-	-	129
Professional fees - interpreters	319	1,189,488	-	-	-	1,035	182,866	1,373,708	-	-	1,373,708
Professional fees - other	23,887	9,778	5,081	-	-	231	7,629	46,606	47	20,137	66,790
Staff and board development	1,215	818	219	-	-	-	579	2,831	279	2,031	5,141
Supplies	717	1,098	307	-	-	-	2,471	4,593	952	975	6,520
Telephone	134	152	39	46	14	-	4,894	5,279	64	152	5,495
Utilities	1,958	2,190	10,785	558	-	-	704	16,195	1,075	10,152	27,422
Vehicles and travel	8,167	6,508	-	-	-	-	9,292	23,967	-	59	24,026
Youth activities	-	-	22,456	-	-	-	5,605	28,061	-	-	28,061
Total expenses	181,467	1,481,102	131,124	72,789	38,336	14,432	502,841	2,422,091	136,249	270,958	2,829,298
Less expenses included with revenues on Statement of Activities											
Direct cost of special events	-	-	-	-	-	-	(2,482)	(2,482)	(27,633)	-	(30,115)
Total expenses	\$ 181,467	\$ 1,481,102	\$ 131,124	\$ 72,789	\$38,336	\$ 14,432	\$ 500,359	\$2,419,609	\$ 108,616	\$ 270,958	\$ 2,799,183

The accompanying notes are an integral part of the financial statements.

BRIDGES FOR THE DEAF AND HARD OF HEARING

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services					Supporting Services			Total Expenses
	Adult Education & Outreach	Interpreting Services	Youth Education & Programs	Empowerment	Bridges WEST	Total Program	Fundraising	Management and General	
Salaries and employee benefits	\$ 149,880	\$ 195,755	\$ 83,604	\$ 26,424	\$ 247,000	\$ 702,663	\$ 81,708	\$ 185,524	\$ 969,895
Advertising and public relations	-	-	-	-	-	-	-	-	-
Bad debts	-	10,067	-	-	-	10,067	-	-	10,067
Books, subscriptions and dues	60	974	75	66	745	1,920	526	296	2,742
Computer related	377	12,211	363	416	1,625	14,992	3,439	1,052	19,483
Depreciation	8,143	21,425	10,926	8,594	8,727	57,815	7,934	19,116	84,865
Equipment rental	375	983	490	414	2,418	4,680	376	902	5,958
Fundraising expenses	-	-	-	-	3,858	3,858	22,394	-	26,252
In-kind expense	-	-	14,960	-	-	14,960	-	-	14,960
Insurance	1,908	5,143	2,659	2,099	2,204	14,013	1,792	8,604	24,409
Interest on loan	-	-	-	-	9,285	9,285	-	-	9,285
Janitorial and grounds	851	2,494	1,066	935	1,063	6,409	851	2,042	9,302
Maintenance and repair	307	789	395	337	517	2,345	307	736	3,388
Miscellaneous expense	7,310	7,905	1,213	944	4,441	21,813	3,721	2,334	27,868
Occupancy	96	-	-	-	2,685	2,781	-	-	2,781
Postage and mailing	48	127	60	53	111	399	48	115	562
Professional fees - interpreters	794	957,937	-	-	86,192	1,044,923	-	-	1,044,923
Professional fees - other	27,737	18,459	6,715	1,140	10,249	64,300	1,882	7,150	73,332
Staff and board development	572	1,196	390	370	145	2,673	336	2,028	5,037
Supplies	170	2,472	170	277	3,541	6,630	1,614	353	8,597
Telephone	1,090	2,163	948	539	6,009	10,749	802	1,888	13,439
Utilities	1,608	1,798	8,856	458	4,933	17,653	882	8,336	26,871
Vehicles and travel	5,420	9,331	-	-	7,508	22,259	-	170	22,429
Youth activities	-	-	14,376	-	5,854	20,230	-	-	20,230
Total expenses	206,746	1,251,229	147,266	43,066	409,110	2,057,417	128,612	240,646	2,426,675
Less expenses included with revenues on Statement of Activities									
Direct cost of special events	-	-	-	-	(3,858)	(3,858)	(22,394)	-	(26,252)
Total expenses	\$ 206,746	\$ 1,251,229	\$ 147,266	\$ 43,066	\$ 405,252	\$ 2,053,559	\$ 106,218	\$ 240,646	\$ 2,400,423

The accompanying notes are an integral part of the financial statements.

BRIDGES FOR THE DEAF AND HARD OF HEARING

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 AND 2022

NOTE 1 – THE ENTITY

Bridges for the Deaf and Hard of Hearing ("BridgesDHH") operates to provide interpreters for the D/deaf, Deaf-Blind, and hard of hearing communities in educational, vocational, medical and legal situations. BridgesDHH also provides the deaf and hard of hearing with information and referral services. BridgesDHH is supported primarily through private grants, federal and state grants, program service fees, and donor contributions. BridgesDHH originated in Nashville, TN in 1948 and expanded operations to Memphis, TN in 2019 ("BridgesWEST") and east Tennessee area in 2023 ("BridgesEAST").

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Periods

All references to 2023 and 2022 in these financial statements refer to the years ended June 30, 2023 and 2022 unless otherwise noted.

Financial Statement Presentation

BridgesDHH is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – This class includes net assets that are not subject to any donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of BridgesDHH. These net assets may be used at the discretion of BridgesDHH' management and the Board of Directors.

Net assets with donor restrictions – This class includes net assets whose use by BridgesDHH is subject to donor-imposed restrictions. Some donor restrictions are temporary in nature; those restrictions will be fulfilled by actions of BridgesDHH pursuant to those restrictions or by the passage of time. BridgesDHH has no donor restrictions which are perpetual in nature, whereby the donor has stipulated that resources be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

See Note 9 for further details related to net assets.

BRIDGES FOR THE DEAF AND HARD OF HEARING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2023 AND 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purposes of the statement of cash flows, BridgesDHH considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

BridgesDHH may, at times, maintain bank accounts whose balances exceed federally insured limits. However, BridgesDHH has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

Investments in Marketable Securities

The fair value measurement accounting literature has established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs are inputs from quoted market prices in active markets for similar assets and liabilities, which are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable and have the lowest priority. BridgesDHH uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, BridgesDHH measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

Gains and losses, whether realized or unrealized, are included in the Statements of Activities and Changes in Net Assets as net investment return. See Note 4 for further details related to investments.

Contributions and Promises to Give

Contributions are recognized as revenues when the donor makes a promise to give to BridgesDHH which is, in substance, unconditional. Contributions restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

BridgesDHH uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. At June 30, 2023 and 2022, management deemed all promises to give to be fully collectible, and no allowances were recorded.

See Note 5 for further details related to promises to give.

BRIDGES FOR THE DEAF AND HARD OF HEARING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2023 AND 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Allowance for Uncollectible Accounts

Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Unpaid accounts receivable with invoice dates over 30 days old bear interest at 1% per month. Accounts receivables are stated at unpaid balances, less an allowance for uncollectible accounts.

BridgesDHH provides for losses on accounts receivable using the allowance method. The allowance is estimated by management based upon historical experience, current economic conditions, and projections of trends. Uncollectible accounts receivable are written off when management determines that the related receivable will not be collected.

Property and Equipment

Property and equipment more than \$1,000 are recorded at cost at the date of purchase or fair value at the date of gift. Depreciation expense is computed by using the straight-line method over the estimated useful lives of the related assets, which range from five to ten years for furniture and equipment and forty years for the building.

See Note 6 for further details related to property and equipment.

Revenue Recognition

BridgesDHH provides interpreting services for the deaf and hard of hearing. These program service revenues contain a single delivery element and revenue is recognized at a single point in time when the interpreting service occurs in an amount that reflects the consideration that BridgesDHH expects to be entitled to in exchange for the service performed. Accordingly, there are no remaining performance obligations or contract liabilities after the service is performed. BridgesDHH does not have any significant financing components as payments are received at or shortly after the service.

BridgesDHH also provides classes and workshops to teach American Sign Language and provides summer camps and after-school clubs for students. These program service revenues are reported at the amount that reflects the consideration to which BridgesDHH expects to be entitled in exchange for providing instruction. Revenue is recognized as performance obligations are satisfied, which is ratably over the class and camp periods, generally a maximum of 8 weeks. BridgesDHH believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. BridgesDHH measures performance obligations from the start of the class and camp. BridgesDHH bills for these services and payment is due prior to the beginning of the events.

BRIDGES FOR THE DEAF AND HARD OF HEARING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2023 AND 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Grants

BridgesDHH receives grant revenue from government agencies. In accordance with ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, revenue from government grants are considered contributions because the customer does not receive commensurate value for the consideration received by the Organization; rather, the purpose of these arrangements is for the benefit of the general public. These grants are conditional due to rights of return and barriers to entitlement to funds. Grant revenue is recognized when the condition is satisfied in the period a liability is incurred for eligible expenditures under the terms of the grant.

Income Taxes

BridgesDHH is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation. Accordingly, no provision for income taxes is included in the accompanying financial statements.

BridgesDHH files an annual information return (Form 990) with the U.S. government. At June 30, 2023, BridgesDHH is no longer subject to U.S. tax examinations of these returns by tax authorities for years before June 30, 2020.

Donated Nonfinancial Assets and Services

Donated services are recognized, at fair value, if they create or enhance nonfinancial assets or require specialized skills and would be purchased by BridgesDHH if not contributed. Volunteers donated a significant amount of time to program services, administration and fundraising activities. These services did not meet the criteria for recognition and are not included in the Statements of Activities and Changes in Net Assets.

Donated assets and rights or benefits (e.g., leases, etc.) are recognized at fair value on the date contributed.

See Note 10 for further details related to nonfinancial assets.

Functional Allocation of Expenses

Expenses, which are directly related to a function, are charged to that function. Expenses that are related to more than one function are allocated to the applicable functions based upon various allocation methods to reflect the total cost of each function. See Note 11 for further details related to the methods used to allocate expenses.

BRIDGES FOR THE DEAF AND HARD OF HEARING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2023 AND 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Events Occurring After the Reporting Date

BridgesDHH has evaluated events and transactions that occurred between June 30, 2023 and October 26, 2023, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

Reclassifications

Certain reclassifications have been made to the 2022 financial statements for consistency with the presentation for 2023. These reclassifications did not have a significant impact on the previously reported financial position, changes in net assets, and cash flows.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under *Topic 840, Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; and ASU 2019-01, *Leases (Topic 842): Codification Improvements*. The most significant change in the new leasing guidance is the requirement to recognize right-of-use ("ROU") assets and lease liabilities for finance leases on the statement of financial position.

BridgesDHH assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. BridgesDHH allocates the right to use the asset as lease components. Non-lease components, such as monthly service and maintenance charges, are charged to expense as incurred.

Finance lease ROU assets represent BridgesDHH' right to use the underlying assets for the lease term, and finance lease liabilities represent BridgesDHH' obligation to make lease payments.

Finance lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term, using the borrowing interest rate at lease commencement. The ROU assets are amortized on the straight-line basis over the lease term. Leases with an initial term of 12 months or less are not recorded on the statement of financial position. Lease expense is recognized for these short-term leases on a straight-line basis over the lease term. See Note 7 for further details related to leases.

BRIDGES FOR THE DEAF AND HARD OF HEARING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2023 AND 2022

NOTE 3 – LIQUIDITY

Financial assets available for general expenditures within one year of June 30, 2023 and 2022, consist of the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 798,684	\$ 957,230
Promises to give	2,000	-
Accounts receivable, net	449,277	280,051
Grants receivable	32,643	39,772
Investments	8,580	6,851
Total financial assets at year end	<u>\$ 1,291,184</u>	<u>\$ 1,283,904</u>

BridgesDHH has certain promises to give which are limited in use but expected to be available for general expenditures within one year in the normal course of operations. Accordingly, these promises have been included in the quantitative information above.

NOTE 4 – INVESTMENTS IN MARKETABLE SECURITIES

BridgesDHH' investments consist entirely of marketable equity securities, which are recorded at fair value using Level 1 inputs based on the quoted market prices of the shares of common stock held by BridgesDHH. BridgesDHH had no investments that required the use of Level 2 or Level 3 inputs.

The fair value and cost of these investments in marketable equity securities were as follows at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Fair value	\$ 8,580	\$ 6,851
Cost	(1,338)	(1,338)
Net unrealized gains	<u>\$ 7,242</u>	<u>\$ 5,513</u>

The net investment return consisted of the following for 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Interest income on cash equivalents	\$ 2,889	\$ 1,240
Net unrealized gains (losses) during the year	1,729	1,805
Net investment return	<u>\$ 4,618</u>	<u>\$ 3,045</u>

BRIDGES FOR THE DEAF AND HARD OF HEARING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2023 AND 2022

NOTE 5 – PROMISES TO GIVE

Promises to give consisted of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
For subsequent fiscal year's operations	\$ 2,000	\$ -

The carrying value of these promises to give approximates fair value.

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Land	\$ 120,164	\$ 122,794
Building and improvements	2,384,215	2,381,170
Office furniture and equipment	209,878	219,820
Vehicles	22,205	32,705
Total cost	<u>2,736,462</u>	<u>2,756,489</u>
Less accumulated depreciation	<u>(727,598)</u>	<u>(669,363)</u>
Property and equipment, net	<u>\$2,008,864</u>	<u>\$2,087,126</u>

NOTE 7 – LEASES

BridgesDHH has lease agreements to lease copiers that expire in 2025. The lease asset and liability were calculated utilizing BridgesDHH' borrowing rate. Additional information about the leases as of June 30, 2023 is as follows:

Other Information

Cash paid for amounts included in
measurement of lease liabilities:

Financing cash flows from financing leases	\$ 4,759
Right-of-use assets obtained in exchange for new finance lease liabilities	\$ 12,358
Weighted-average remaining lease term	1.71 years
Weighted-average discount rate	3.50%

BRIDGES FOR THE DEAF AND HARD OF HEARING**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2023 AND 2022**NOTE 7 – LEASES (CONTINUED)**

Future maturities of finance lease liabilities as of June 30, 2023 are as follows:

<u>Year Ending December 31,</u>	<u>Finance Lease Liability</u>
2024	\$ 4,759
2025	3,460
Total lease payments	8,219
Less amounts representing interest	(259)
Finance lease liabilities	7,960
Current portion	4,554
Long-term portion	<u>\$ 3,406</u>

NOTE 8 – NOTE PAYABLE

Note payable consists of the following as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Note payable to bank, due in monthly payments of \$2,046 with principal and accumulated interest due on September 16, 2031. Secured by the building being financed.	\$ 331,034	\$ 343,622
Less current maturities	<u>(12,981)</u>	<u>(12,170)</u>
Long-term notes payable and long-term debt	<u>\$ 318,053</u>	<u>\$ 331,452</u>

Future maturities of the note payable are as follows:

Year ending June 30,:	
2024	\$ 12,981
2025	13,480
2026	13,967
2027	14,470
2028	14,966
Later	261,170
Total	<u>\$ 331,034</u>

BRIDGES FOR THE DEAF AND HARD OF HEARING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2023 AND 2022

NOTE 9 – NET ASSETS

Net assets with donor restrictions consisted of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
For specific purposes:		
Youth bus	-	3,571
Middle TN deaf campers	1,084	1,084
Scholarships	-	200
Total donor restricted net assets	<u>\$ 1,084</u>	<u>\$ 4,855</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restrictions or by the passage of time restrictions.

NOTE 10 – DONATED NONFINANCIAL ASSETS

In-kind revenue and expense consisted of significant discounts on the use of the venue for youth camps. The in-kind gift is valued at fair value obtained from the vendor. The in-kind gift is unrestricted. Total in-kind revenue and expense was \$12,253 and \$14,960 for 2023 and 2022, respectively.

NOTE 11 – FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses which are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis which is consistently applied. The allocated expenses include occupancy, which is allocated on a square footage basis, as well as salaries, employee benefits, telephone, information technology, insurance, utilities, janitorial, repairs and maintenance and miscellaneous, which are allocated based on estimates of time and effort.

NOTE 12 – EMPLOYEE BENEFIT PLANS

BridgesDHH maintains a 401(k)-retirement benefit plan. All employees, full-time and part-time, are eligible to participate in the 401(k) plan on the first day of the month after completing thirty days of service and attaining age twenty-one and are fully vested in their own contributions. After one year of service, with a minimum of 1,000 hours of service in the twelve-month period, BridgesDHH matches employee contributions to the plan for all eligible employees in an amount equal to the lesser of 100% of salary reduction contributions deferred during the plan year or 3% of compensation. Employees are fully vested in matching contributions after completing three years of service.

The total expenses related to these plans were \$14,396 and \$12,985 for 2023 and 2022, respectively.

BRIDGES FOR THE DEAF AND HARD OF HEARING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2023 AND 2022

NOTE 13 – COMMITMENTS

Grant expenditures are subject to review and audit by the grantor agencies. Although such audits could result in disallowance of expenditures, management believes any required reimbursements to the grantors would not be significant. Accordingly, no provision has been made for potential reimbursements.

NOTE 14 – CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject BridgesDHH to concentrations of credit risk principally consist of promises to give, accounts receivable, and grants receivable. At June 30, 2023 and 2022, two different entities comprised the entire balance of grants receivable. These entities accounted for \$358,356 and \$353,448 of grant revenue recognized by BridgesDHH during 2023 and 2022, respectively.

During 2023, program service fees for two entities individually accounted for at least 10% of total program service fees. Together, both entities represented 27.4% of total program service fees.

NOTE 15 – SUPPLEMENTARY INFORMATION – NONACCOUNTING INFORMATION - UNAUDITED

BridgesDHH serves the Deaf and hard of hearing communities through a variety of programs and services. We envision a world without barriers and filled with self-realization and empowerment. Our annual report for 2020-21 can be found at bridgesannualreport.org.

Please visit bridgesfordeafandhh.org and bridgesannualreport.org for more information.

MISSION

to build access, equity, and inclusion in partnership with the D/deaf, Deaf-Blind, and Hard of Hearing communities through advocacy, education, empowerment, and effective communication

VISION

A world free of audism, language deprivation, and barriers where equity builds equality and
Community welcomes and respects all people

OUTCOMES

Adult Education & Outreach

AEO served 1,802 unduplicated clients. There were 216 students in ASL I, II, and III classes that were onsite, online, or community based. AEO presented 71 virtual and in-person workshops on Deaf culture and ASL in Middle Tennessee businesses, universities, law enforcement, first responders, congregations, and agencies and presented/hosted 14 workshops for the D/deaf and hard of hearing communities. The statewide Driver's Education class had 18 students, and there were 7 GED students with two attaining their GEDs this year. Nine Deaf community members met monthly with the Slovak Association of the Deaf in our cultural exchange partnership.

BRIDGES FOR THE DEAF AND HARD OF HEARING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2023 AND 2022

NOTE 15 – SUPPLEMENTARY INFORMATION – NONACCOUNTING INFORMATION - UNAUDITED (CONTINUED)

Adult Education & Outreach (continued)

AEO hosted our 4th, annual Trunk or Treat, Tax Days, Community Health & Vaccine Clinics, Thanksgiving, Game Days, and Signing Santa. We held bowling events in rural communities-- Putnam and Warren Counties.

Advocacy

We continued to push forward on increased access and quality of care for our communities in mental health, substance abuse, and supported housing services, hosting our first Town Hall on Mental Health in the Deaf Community. This successful training and dialogue between providers and the Community led to training all of Tennessee's state-run mental health hospitals and State funding to support additional training for interpreters.

We established open caption movies for summer series hosted by Nashville, Clarksville, Murfreesboro, McMinnville, and Cookeville. We continued the Little Pantry in Nashville, allowing our neighbors both to participate in sharing food and in receiving food as needed. We hosted Community Meetings in Nashville, Memphis, Johnson City, and virtually to set our strategic plans.

We worked with stakeholders and the State of Tennessee to address emergency preparedness plans and readiness to include our D/deaf, Deaf-Blind, and Hard of Hearing communities. We planned and facilitated panel on Disability in Diversity: Inclusion for the D/deaf, Deaf-Blind, and Hard of Hearing for the Junior League of Nashville and for the Center for Nonprofit Management. We produced a video and news article about making holidays more inclusive for D/deaf and hard of hearing family and friends.

BridgesEAST

In June 2022, BridgesDHH was excited to open BridgesEAST! BridgesEAST serves northeastern Tennessee and parts of Virginia and North Carolina. We were honored to be invited by the Community to serve, and we pledge to honor that trust. From our first day on June 14th, we've been busy, busy, busy, so check back in the new fiscal year for all the wonderful things to come!

BridgesWEST

The story of BridgesWEST is growth, growth, growth! BridgesWEST served 449 clients and hosted 7 workshops and 5 community presentations as well as 57 community activities, including Tax Days, Trunk or Treat, Deaf Days Out in the Park, Police Trainings, and more. BridgesWEST also provided 117 referrals and 121 hours of education, including ASL classes and workshops.

The Signing ACEs, our youth program in Memphis continued our successful collaboration with the Mayor's Office of Youth Services. We were proud to work with Shelby County and the City of Memphis to make news briefings, City Council meetings, MLGW board meetings, and Health Department briefings accessible. We provided over 5,495 hours of interpreting services, including 460 pro bono hours.

BRIDGES FOR THE DEAF AND HARD OF HEARING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2023 AND 2022

NOTE 15 – SUPPLEMENTARY INFORMATION – NONACCOUNTING INFORMATION - UNAUDITED (CONTINUED)

Empowerment

Empowerment is our case management program. Empowerment served 245 individual clients, primarily in the areas of jobs, housing, individual access, education, and assisting clients with written English.. Other priorities were food security, training opportunities, educational advocacy, and advocacy for access to health care, mental health care, and other services. Empowerment made over 120 referrals to other agencies, including the Civil Rights Enforcement & Education Center, Disability Rights TN, Vocational Rehabilitation Services, Financial Empowerment Center, attorneys, doctors, churches, and more.

Empowerment collaborated with the Financial Empowerment Center to provide bi-weekly financial counseling, providing interpreters and a social worker to work with the counselor. If there were identified barriers to program participation, we were able to provide some direct financial assistance to remove those barriers. Over 90% of clients in the financial program had increased credit scores, paid off debt, or built savings.

We partnered with Genoa Healthcare to hold three vaccine and community health clinics.

Interpreting Services

From BridgesTN, 27,594 hours of interpreting services were provided by a team of staff and freelance interpreters, including 895 hours by Deaf interpreters, 736 pro bono hours, and 95 hours of CART, and 728. From BridgesWEST, we provided over 5,495 hours of interpreting services, including 460 pro bono hours. That's a total of over 33,000 hours of interpreting services we provided in Tennessee!

Interpreting Services with BridgesTN also provided 2,330 Video Remote Interpreting (VRI) minutes. VRI allows us to provide services quickly and cost-effectively to remote areas but never replaces the value and quality of having an interpreter in person. Access on Demand provided 208 hours of on-demand service.

BridgesDHH was awarded a five-year grant to train 240 educational interpreters in Tennessee!

Interpreting Services provided a robust program of virtual professional development, using qualified interpreters with specific areas of expertise to offer professional development on topics such as legal, medical, performance, mental health, and more. Interpreting Services continues to lead the push for improved access to and quality of mental health services for the D/deaf and hard of hearing, leading a statewide Mental Health Task Force.

BRIDGES FOR THE DEAF AND HARD OF HEARING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2023 AND 2022

NOTE 15 – SUPPLEMENTARY INFORMATION – NONACCOUNTING INFORMATION - UNAUDITED (CONTINUED)

Interpreting Services (continued)

Interpreting Services signed our first Access on Demand contracts. AOD is a new on-demand, video remote interpreting service. Access on Demand creates access where it did not previously exist--in those impromptu, walk into the store/pharmacy/professor's office/traffic stop interactions that seem small but that have a huge impact. Customers of this service simply click on a link or app on any smartphone, tablet, or computer, and a qualified interpreter appears in less than one minute, no scheduling required. Access on Demand also offers over 200 spoken languages, meaning our service has broad appeal, allowing us to work with a number of important customers and to make quality ASL, equal access, and effective communication a priority.

Youth Education & Services

Little ACEs welcomed new Deaf Mentors who meet with families with D/deaf and hard of hearing children ages 0 to 5 each week. Those families also have access to a free, weekly Parent ASL class offered virtually. We matched families in Nashville, Memphis, Paris, and Cookeville, and we continue to grow. Enrollment in Little ACEs tripled in the last year.

We transitioned our after-school program in Nashville to school-based mentoring, providing weekly Deaf Mentors for Eakin Elementary and West End Middle School. In Memphis, we continued our collaboration with the Mayor's Office for Youth Services with the I AM INCLUDED after-school program, and we matched our first Deaf Mentors!

Partnering with Interpreting Services, we hosted the Deaf Education Institute virtually. Deaf educators, and parents all across the country. We hosted Signing Santa where children met with a Deaf Santa and his interpreter, Rudolph. We filmed and distributed Santa signing "The Night Before Christmas." We sponsored transportation for Nashville's Deaf Ed program to visit the Nashville Sounds for Fantasy Baseball Camp and joined them for the day.

We hosted four, full weeks of Camp Sign Me Up for hearing students who want to learn ASL and Deaf culture, and we were thrilled to welcome deaf and hard of hearing students who were embracing their identities and communities for the first time. We were also excited to have a new Camp Coordinator who is Deaf and to have two, teen counselors, both Deaf, who grew up in our youth programs!

Camp Rise & Sign welcomed students from Middle and West Tennessee for our second summer! CRS was an amazing experience--fully and equally accessible to every D/deaf, hard of hearing, sibling, and CODA student who attended. The campers were amazing--kind, generous, enthusiastic. We did canoes, the zip line, and a high-velocity swing. We swam daily and did arts and crafts. We learned about ASL storytelling and had a talent show with skits on our final night. We played lots of volleyball and basketball. We made lifelong friends and memories, and we are grateful for every volunteer and donor and particularly for For the Kingdom Camp and Sertoma Club of Nashville for their sponsorships.