

BRIDGE OF HOPE – GREATER DENVER

FINANCIAL STATEMENTS

MARCH 31, 2020

(See Independent Accountants' Review Report)

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Independent Accountants' Review Report

To the Board of Directors
Bridge of Hope - Greater Denver

We have reviewed the accompanying financial statements of Bridge of Hope - Greater Denver (a nonprofit organization), which comprise the statement of financial position as of March 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Summarized Comparative Information

We previously compiled Bridge of Hope - Greater Denver's financial statements for the year ended March 31, 2019. We did not audit or review those financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We did not express an opinion, a conclusion, nor provide any assurance on those financial statements. The summarized comparative information presented herein as of and for the year ended March 31, 2019 is derived from those financial statements.

Bee, Bergvall & Co.

Bee, Bergvall & Company, P.C.
Certified Public Accountants

Warrington, PA
February 18, 2021

Bridge of Hope - Greater Denver

Statements of Financial Position

March 31, 2020 and 2019

	<u>ASSETS</u>	
	Reviewed <u>2020</u>	Compiled <u>2019</u>
Current Assets		
Cash and cash equivalents	\$ 141,284	\$ 296,818
Accounts receivable	125	1
Grants receivable	34,886	-
Prepaid expenses and other current assets	9,585	-
Total Current Assets	<u>185,880</u>	<u>296,819</u>
Investments	<u>205,557</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 391,437</u>	<u>\$ 296,819</u>

	<u>NET ASSETS</u>	
Net Assets		
Without donor restrictions	\$ 356,551	\$ 296,819
With donor restrictions	34,886	-
Total Net Assets	<u>391,437</u>	<u>296,819</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 391,437</u>	<u>\$ 296,819</u>

See accompanying notes and Independent Accounts' Review Report

Bridge of Hope - Greater Denver

Statements of Activities

For the Year Ended March 31, 2020
With Comparative Totals for the Year Ended March 31, 2019

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Reviewed Total 2020</u>	<u>Compiled Total 2019</u>
Support and Revenue				
Individual contributions	\$ 76,874	\$ -	\$ 76,874	\$ 293,825
Church contributions	34,525	-	34,525	24,450
Corporate contributions	36,452	-	36,452	10,451
Foundation grants	46,058	34,886	80,944	11,000
Peer to peer contributions	2,473	-	2,473	430
Special fundraising events, net	86,992	-	86,992	31,839
Investment income	(3,508)	-	(3,508)	-
Total Public Support and Revenue	<u>279,866</u>	<u>34,886</u>	<u>314,752</u>	<u>371,995</u>
Expenses				
Program Expenses				
Program services	167,218	-	167,218	113,986
Supporting Services				
Management and general	28,594	-	28,594	13,237
Fundraising	<u>24,322</u>	<u>-</u>	<u>24,322</u>	<u>13,463</u>
Total Expenses	<u>220,134</u>	<u>-</u>	<u>220,134</u>	<u>140,686</u>
Change in Net Assets	59,732	34,886	94,618	231,309
Net Assets, Beginning of year	<u>296,819</u>	<u>-</u>	<u>296,819</u>	<u>65,510</u>
Net Assets, End of year	<u>\$ 356,551</u>	<u>\$ 34,886</u>	<u>\$ 391,437</u>	<u>\$ 296,819</u>

See accompanying notes and Independent Accounts' Review Report

Bridge of Hope - Greater Denver

Statements of Functional Expenses

For the Year Ended March 31, 2020

With Comparative Totals for the Year Ended March 31, 2019

	Reviewed 2020				Compiled 2019
	Program Services	Management & General	Fundraising	Total	Total
Payroll and related expenses					
Salaries	\$ 61,971	\$ 16,585	\$ 19,559	\$ 98,115	\$ 63,260
Contract labor	4,525	308	960	5,793	-
Payroll taxes	5,205	1,404	1,652	8,261	4,749
Other expenses					
Advertising	-	229	400	629	802
Dues and subscriptions	4,280	-	-	4,280	2,334
Event related expenses	478	153	11	642	3,331
Insurance	508	1,325	146	1,979	2,893
Legal and accounting	-	4,100	-	4,100	-
Office supplies and postage	845	1,186	371	2,402	2,847
Other	301	94	6	401	2,882
Participant supplies	295	-	-	295	1,148
Payments to affiliates	1,368	437	31	1,836	459
Participant rental assistance	74,659	-	-	74,659	52,808
Participant emergency funds	4,182	-	-	4,182	-
Telephone	539	755	236	1,530	-
Training	3,656	1,168	82	4,906	-
Travel and meals	4,406	850	868	6,124	3,173
Total Functional Expenses	<u>\$ 167,218</u>	<u>\$ 28,594</u>	<u>\$ 24,322</u>	<u>\$ 220,134</u>	<u>\$ 140,686</u>

See accompanying notes and Independent Accounts' Review Report

Bridge of Hope - Greater Denver

Statements of Cash Flows

For the Years Ended March 31, 2020 and 2019

	Reviewed <u>2020</u>	Compiled <u>2019</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 94,618	\$ 231,309
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized loss in investments	6,720	-
Net change in assets and liabilities:		
Accounts receivable	(124)	985
Grants receivable	(34,886)	-
Prepaid expenses and other current assets	(9,585)	5,028
Accounts payable	-	(115)
Accrued expenses	-	(677)
Accrued payroll and payroll related expenses	-	(983)
Net cash provided by operating activities	<u>56,743</u>	<u>235,547</u>
Cash Flows from Investing Activities		
Purchase of investments	(222,193)	-
Sale of investments	<u>9,916</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>(212,277)</u>	<u>-</u>
Net increase (decrease) in cash	<u>(155,534)</u>	<u>235,547</u>
Cash		
Beginning of year	<u>296,818</u>	<u>61,271</u>
End of year	<u>\$ 141,284</u>	<u>\$ 296,818</u>

See accompanying notes and Independent Accounts' Review Report

Bridge of Hope - Greater Denver

Notes to Financial Statements

March 31, 2020

NOTE 1. Summary of Significant Accounting Policies

Organization: Bridge of Hope - Greater Denver (the Organization), is a non-profit organization located in Denver, Colorado, whose mission is to engage Christian faith communities in ending family homelessness through neighboring relationships that demonstrate Christ's love.

Basis of Accounting: The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Comparative Information: The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting policies generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended March 31, 2019, from which the summarized information was derived.

Cash Equivalents: The Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Investments: Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their quoted fair values in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets. Donated investments are reflected as contributions at their market values at the date of receipt. Interest earnings, realized gains and losses, and unrealized gains and losses are reported as investment income.

Receivables: Receivables are estimated to be fully collectible and no allowance for bad debts has been provided. If a receivable is determined to be uncollectible, it will be charged directly to operation in the year that determination is made. Receivables are considered to be delinquent when they are 90 days past their due date.

Prepaid Expenses: Rent and services are included in prepaid expenses for all items paid in advance.

Bridge of Hope - Greater Denver

Notes to Financial Statements

March 31, 2020

NOTE 1. Summary of Significant Accounting Policies (Continued)

Net Assets: Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, a board-designated endowment.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. There are no net assets with donor restrictions.

Revenue Recognition: All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give are recorded as received. Unconditional promises to give which are due in future years are recorded as contributions with donor restrictions at the present value of their net realizable value. Conditional promises to give are not included as support until such time as the condition is substantially met. However, the Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

Special Event Revenue: The Statement of Activities presents the gross amounts of revenues and expenses from special events. The portion of a special event payment that represents the amount in excess of any direct benefit that the donor receives is recognized as contributions. The portion representing the cost of the direct benefit to the donors is reported as a reduction of gross special events revenue on the Statement of Activities and on the Statement of Functional Expenses.

Bridge of Hope - Greater Denver

Notes to Financial Statements

March 31, 2020

NOTE 1. Summary of Significant Accounting Policies (Continued)

Donated Services and Materials: Donated materials, services, and other noncash assets are reflected as contributions in the accompanying statements of activities at their estimated fair market value on the date received. Donated materials included the following for the year ended March 31, 2020:

Car	\$ 10,500
Stock	10,039
Food	10,000
Items for Auction	24,703
Tax Services	1,500
Rental Space	<u>10,000</u>
Total	<u>\$ 66,742</u>

The Organization receives significant volunteer time for help in fundraising and in completing various office and administrative duties. No values have been assigned to these donated services, as they do not meet the criteria of recognition under FASB 116.

Federal Income Tax: The Organization is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization is not a private foundation as defined in Sections 170 and 509 of the Internal Revenue Code.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications: Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Bridge of Hope - Greater Denver

Notes to Financial Statements

March 31, 2020

NOTE 1. Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses: The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The Statements of Functional Expenses present the natural classification detail of expenses by function. Accordingly, costs have been allocated among the programs and supporting services benefited. Certain expenses require allocation between program and support services on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and taxes, contract labor, insurance, office supplies and postage, payments to affiliates, telephone, training, travel and meals. All other expenses were allocated based on the program or supporting service directly benefited.

Advertising Costs: Advertising costs are expensed as incurred.

Subsequent Events: The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through the date of this report, which is the date the financial statements were available for release. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which could impact operations. However, the related financial impact and duration cannot be reasonably estimated at this time.

In 2020, the Organization received loan proceeds in the amount of \$17,700 under the Paycheck Protection Program, (“PPP”). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). Under the CARES Act, there is a possibility for a portion of the loan to be forgiven if certain conditions are met. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with deferral payments for the first six months. The Organization intends to use the proceeds for purposes consistent with the PPP. While the Organization currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, the Organization is unable to determine the amount of loan forgiveness at this time.

Bridge of Hope - Greater Denver

Notes to Financial Statements

March 31, 2020

NOTE 2. Liquidity and Availability

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 141,284
Accounts receivable	<u>125</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 141,409</u>

It is the Organization's liquidity plan to maintain assets in the form of cash so that assets are available as needed.

NOTE 3. Concentration of Credit Risk

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash. The Organization places its cash and temporary cash investments with high credit quality institutions. At times such investments may be in excess of the FDIC insurance limit. As of March 31, 2020, the Organization was not in excess of these insurance limits.

NOTE 4. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for use in the fiscal year ending March 31, 2021.

NOTE 5. Fair Value Measurements and Disclosure

The Organization follows Fair Value Measurements as required by the FASB Standards Codification, which applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. The Codification emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumption that market participants would use in pricing the asset or liability and establishes a fair value hierarchy.

Bridge of Hope - Greater Denver

Notes to Financial Statements

March 31, 2020

NOTE 5. Fair Value Measurements and Disclosure (Continued)

Fair Value of Financial Instruments: The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 - Inputs that utilized quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 - Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 - Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The primary uses of fair value measures in the Organization's financial statements are: recurring measurement of short term investments.

The following table represents the Organization's fair value hierarchy for those investments, excluding money market funds, measured at fair value on a recurring basis as of March 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	<u>\$ 205,557</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,557</u>
Total	<u>\$ 205,557</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,557</u>

Bridge of Hope - Greater Denver

Notes to Financial Statements

March 31, 2020

NOTE 6. Special Events

The Organization had special events for the year ended March 31, 2020 as follows:

	<u>Gala Night</u>	<u>Golf Tournament</u>	<u>Other</u>	<u>Total</u>
Sales	\$ 5,000	\$ 11,600	\$ 1,962	\$ 18,562
Contributions	149,938	12,220	-	162,158
Less Direct Expenses	<u>(81,012)</u>	<u>(12,716)</u>	<u>-</u>	<u>(93,728)</u>
Total	<u>\$ 73,926</u>	<u>\$ 11,104</u>	<u>\$ 1,962</u>	<u>\$ 86,992</u>