

THE 410 BRIDGE, INC.
FINANCIAL STATEMENTS
For the Year Ended December 31, 2021
with
Independent Auditor's Report

The 410 Bridge, Inc.

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December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The 410 Bridge, Inc.

Opinion

We have audited the accompanying financial statements of The 410 Bridge, Inc. (“the Organization”), which comprise the statements of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The 410 Bridge, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The 410 Bridge, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The 410 Bridge, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 410 Bridge, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The 410 Bridge, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Geeslin Group LLC

GEESLIN GROUP LLC

Peachtree City, Georgia
August 31, 2022



The 410 Bridge, Inc.
STATEMENT OF FINANCIAL POSITION
December 31, 2021

ASSETS	
Current assets	
Unrestricted cash and cash equivalents	\$ 962,339
Restricted cash and cash equivalents	4,126,789
Total current assets	<u>5,089,128</u>
Other Assets	
Due from related parties	138,483
Due from related parties - restricted	10,356
Deposit	4,580
Fixed assets, net	2,325
Total other assets	<u>155,744</u>
TOTAL ASSETS	<u><u>\$ 5,244,872</u></u>
LIABILITIES AND NET ASSETS	
Current liabilities	
Accounts payable	\$ 24,954
Accrued expenses	15,214
Total current liabilities	<u>40,168</u>
TOTAL LIABILITIES	<u>40,168</u>
Net assets without donor restrictions	1,067,560
Net assets with donor restrictions	4,137,144
TOTAL NET ASSETS	<u>5,204,704</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 5,244,872</u></u>

See accompanying notes.

The 410 Bridge, Inc.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE, SUPPORT, AND GAINS			
Contributions and grants	\$ 521,365	\$ 3,298,100	\$ 3,819,465
Interest income	4,552	-	4,552
Paycheck Protection loan forgiveness	480,895	-	480,895
Net assets released from restrictions	2,807,543	(2,807,543)	-
Total operating revenues	<u>3,814,355</u>	<u>490,557</u>	<u>4,304,912</u>
Gross special events revenue - Golf Events	58,850	-	58,850
Less cost of direct benefits to donors	<u>(33,520)</u>	<u>-</u>	<u>(33,520)</u>
Net revenue - Golf Events	<u>25,330</u>	<u>-</u>	<u>25,330</u>
Total revenue, support, and gains	<u>3,839,685</u>	<u>490,557</u>	<u>4,330,242</u>
EXPENSES			
Program services	2,710,717	-	2,710,717
General and administrative	313,193	-	313,193
Fundraising	446,984	-	446,984
Total operating expenses	<u>3,470,894</u>	<u>-</u>	<u>3,470,894</u>
Change in net assets	368,791	490,557	859,348
Net assets, beginning of year	698,769	3,646,587	4,345,356
NET ASSETS, END OF YEAR	<u>\$ 1,067,560</u>	<u>\$ 4,137,144</u>	<u>\$ 5,204,704</u>

See accompanying notes.

The 410 Bridge, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021

EXPENSES	Program Services	General and Administrative	Fundraising	Included on Statement of Activities	Total
Salaries	\$ 382,150	\$ 158,851	\$ 233,492	\$ -	\$ 774,493
Payroll taxes	29,568	11,465	19,310	-	60,343
Total payroll expense	411,718	170,316	252,802	-	834,836
Project costs	1,369,977	-	-	-	1,369,977
Contract labor	58,220	-	77,175	-	135,395
Accounting and professional	8,328	74,949	-	-	83,277
Advertising	-	-	3,986	-	3,986
Bank charges	20,462	2,274	-	-	22,736
Gifts and donations	697,653	-	-	-	697,653
Depreciation	894	347	583	-	1,824
Dues and subscriptions	6,312	6,846	23,727	-	36,885
Fundraising	-	-	18,680	33,520	52,200
Health insurance	45,228	17,537	29,537	-	92,302
Insurance- general	3,939	11,818	-	-	15,757
Professional development	14,628	4,876	-	-	19,504
Licenses and taxes	-	415	-	-	415
Office	2,971	1,152	1,940	-	6,063
Postage	600	233	391	-	1,224
Printing	665	581	211	-	1,457
Rent	30,435	11,801	19,876	-	62,112
Repairs and maintenance	-	2,470	-	-	2,470
Telephone and internet	4,324	2,162	4,324	-	10,810
Travel	23,482	1,381	2,763	-	27,626
Meals and Lodging	4,498	2,999	7,497	-	14,994
Utilities	2,620	1,016	1,710	-	5,346
Website	1,056	20	880	-	1,956
Miscellaneous	2,707	-	902	-	3,609
Total expenses by function	<u>2,710,717</u>	<u>313,193</u>	<u>446,984</u>	<u>33,520</u>	<u>3,504,414</u>
Less expenses included with revenues on the statement of activities					
Cost of direct benefits to donors	-	-	-	(33,520)	(33,520)
Total expenses included in the expense section on the statement of activities	<u>\$ 2,710,717</u>	<u>\$ 313,193</u>	<u>\$ 446,984</u>	<u>\$ -</u>	<u>\$ 3,470,894</u>

See accompanying notes.

The 410 Bridge, Inc.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

Cash flows from operating activities	
Increase in net assets	\$ 859,348
Adjustment to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,496
Gain on extinguishment of debt - Paycheck Protection Program 1 & 2	(477,895)
Change in:	
Due from related parties	8,417
Accounts payable	23,144
Accrued expenses	(10,250)
Net cash provided by operating activities	<u>404,260</u>
Cash flows from investing activities	
Purchase of fixed assets	<u>(3,341)</u>
Net cash used by investing activity	<u>(3,341)</u>
Cash flows from financial activities	
Proceeds from Paycheck Protection Program 2	<u>213,085</u>
Net cash provided by financing activities	<u>213,085</u>
Net increase in cash and cash equivalents	614,004
Cash and cash equivalents, beginning of year	<u>4,475,124</u>
Cash and cash equivalents, end of year	<u><u>\$ 5,089,128</u></u>

See accompanying notes.

The 410 Bridge, Inc.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The 410 Bridge, Inc. (410 Bridge or the Organization) is a Christ-centered, non-profit organization committed to relentlessly pursuing healthy community development in nations confined by poverty. The 410 Bridge engages communities to participate in their own development, resorting their sense of dignity, purpose, and freedom. The Organization works alongside local churches and leadership to assess and leverage their community's gifts and strengths, not just their needs. Working in conjunction with the Organization's partners, they activate a unique, holistic approach that combines Christian discipleship, economic development, quality education, clean water, as well as health and wellness initiatives to alleviate poverty. The 410 Bridge was incorporated in 2006 and is located in Alpharetta, Georgia.

Basis of Accounting

The Organization prepares its financial statements using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted 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.

Financial Statement Presentation

As required by the "Financial Statements of Not-For-Profit Organizations" topic of FASB Accounting Standards Codification, The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

Uninsured Cash Balances

The Organization maintains cash balances in multiple accounts at more than one institution with amounts that are periodically in excess of federal insurance coverage. Management does not believe this results in a credit risk.

The 410 Bridge, Inc.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

Contributions

The Organization reports contributions in accordance with Financial Standards Accounting Board ASC 958-605, “*Accounting for Contributions Received*” whereby contributions received are recorded as restricted or unrestricted support. A not-for-profit entity shall distinguish between contributions received with donor-imposed restrictions and those received without donor-imposed restrictions. Contributions without donor-imposed restrictions shall be reported as unrestricted support that increases unrestricted net assets. Promises to give without a stipulated due date and for which the Organization has met all conditions precedent to receipt of the contribution prior to the Organization’s fiscal year-end are classified as unrestricted net assets.

A donor restriction is satisfied when a stipulated time restriction ends or when a purpose restriction is accomplished. Upon satisfaction of the purpose restrictions , temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions. Restricted contributions received in the same year in which the restrictions are met are recorded as an increase to restricted support at the time of receipt and as net assets released from restrictions within the same year.

Any restricted funds at year end that have yet to satisfy the purpose restrictions remain classified as restricted funds. 410 Bridge will use these funds for the restricted purpose established by the donor at a subsequent time. If funds remain for a mission that has been fulfilled, the funds will be used for similar mission purposes / needs.

Contributed Services

Members of the Board of Directors contribute uncompensated services to assist the Organization in governance and fundraising activities. The value of such contributed services has not been recorded because the criteria for recognition in the financial statements under accounting principles generally accepted in the United States of America have not been met.

Investments

The Organization carries investments in accordance with Financial Standards Accounting Board ASC 958-320, “*Accounting for Certain Investments Held by Not-for-Profit Organizations*,” whereby investments in marketable securities with readily determinable fair market values and all investments in debt securities are valued at their fair market values in the statement of financial positions. Unrealized gains and losses are included in the change in net assets. Investment income is shown on the statement of activities.

The 410 Bridge, Inc.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

Fair Value Measurement

The Organization has adopted FASB ASC 820-10, “*Fair Value Measurements*” which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820-10 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization’s assumptions about the assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

The carrying value of the Organization’s financial instruments not discussed in other notes, including cash and other assets, approximates their fair value based on the short term maturities of these instruments using Level 1 inputs. All other financial instruments are carried at amounts that approximate estimated fair value.

The 410 Bridge, Inc.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

Income Taxes

The Organization is exempted from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has also determined that the Organization is not a private foundation as defined by Section 509(a)(1) of the code. The Organization believes that it has appropriate support for any tax positions taken, and as such does not have any uncertain tax positions that are material to the financial statements or any tax year still open to taxing authorities.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

Concentration of Credit Risk

The Organization may maintain bank accounts with financial institutions where balances are insured by the Federal Deposit Insurance Corporation (FDIC) within limits. Periodically, balances may exceed FDIC coverage. No credit risk is expected from uninsured deposits.

Net Assets

Net assets, revenues, 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 restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-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 restricted net assets were available at December 31, 2021 for the following purposes:

Programs	\$ 4,042,646
Trips	94,498
	<u>\$ 4,137,144</u>

The 410 Bridge, Inc.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

Subsequent Events

Subsequent events have been evaluated by management through date of the audit report, which is the date that the financial statements were available to be issued and determined that none of the events occurring after December 31, 2021 substantially affects the amounts, presentation, and disclosure of the accompanying financial statements.

NOTE 2 – LEASE OBLIGATIONS

On December 1, 2016, The 410 Bridge entered a five-year lease for its new office space. On December 1, 2021 an amendment to the lease was signed for a one-year term. Rent expense under the previous lease as well as the amendment was \$62,112 for the year ending December 31, 2021. The commitment for the remaining term of this lease as of December 31, 2021 was \$55,000. The term of the current lease expires November 30, 2022.

NOTE 3 – RELATED PARTY TRANSACTIONS

The 410 Bridge, Inc. has two officers who also serve as board members for one of 410 Bridge's partner organizations. The 410 Bridge receives services from this partner, which helped facilitate approximately \$1,500,000 in sponsorship donations. This partner and 410 Bridge have a signed agreement with 410 Bridge being charged the same rates as those charged to non-related partners. In 2021, The 410 Bridge paid approximately \$150,000 for sponsorship services received from this related partner.

The Daraja Children's Choir, Inc. was originally a division of 410 Bridge. The Choir became an independent entity in 2010. When the Choir separated from 410 Bridge, the Organization provided assets to the choir and has subsequently provided funding to assist with operations. The Choir intends to pay back the support provided by 410 Bridge from future tour proceeds. The receivable from the Choir was \$138,483 at December 31, 2021.

The 410 Bridge, Inc. also has an agency agreement with 410 Bridge Canada. This agreement indicates that 410 Bridge, Inc. acts as the executing agent for 410 Bridge Canada by utilizing the donations provided by 410 Bridge Canada to The 410 Bridge, Inc. to alleviate poverty through Christ-centered sustainable community development initiatives in various communities located in Guatemala, Haiti and Kenya. The receivable from 410 Bridge Canada was \$10,336 at December 31, 2021.

The 410 Bridge, Inc.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

NOTE 4 – CONCENTRATIONS

During 2021, approximately 38% of all contributions were routed through a partner organization specializing in child sponsorship services. The total contributions received is made up of donations made by hundreds of contributors on a recurring basis utilizing the collection software provided by the child sponsorship service organization. In addition to this concentration, ten donors account for approximately 30% of the total contributions.

NOTE 5 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position. The Organization had \$951,984 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and cash equivalents and the unrestricted portion of the Organization’s investments. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization’s financial assets available within one year of the balance sheet dates for designated expenditures are as follows:

Cash and cash equivalents	\$ 5,089,128
Total liquid assets	<u>5,089,128</u>
Less net assets with restrictions	(4,137,144)
Financial assets available to meet cash needs within one year	<u><u>\$ 951,984</u></u>

NOTE 6 – OTHER DISCLOSURES

In April 2020, the Organization received loan proceeds in the amount of \$264,810 pursuant to the Paycheck Protection Program (the “PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying organizations for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying organization. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness may be reduced if the borrower terminates employees or reduces salaries during the covered period. In January 2021, the Organization received full forgiveness for the entirety of its loan.

In February 2021, the organization received a second PPP loan in the amount of \$213,085. This loan was subsequently forgiven September 2021. Both loans were recognized as income during the year ending December 31, 2021.