

THE 410 BRIDGE, INC.
FINANCIAL STATEMENTS
For the Year Ended December 31, 2023
with
Independent Auditor's Report

THE 410 BRIDGE, INC.

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December 31, 2023

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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, 2023, 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, 2023, 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
September 30, 2024



THE 410 BRIDGE, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2023

ASSETS

Current assets

Unrestricted cash and cash equivalents	\$ 1,155,656
Restricted cash and cash equivalents	<u>2,807,903</u>
Total current assets	<u>3,963,559</u>

Other Assets

Accounts receivable	114,713
Due from related parties	68,829
Due from related parties - restricted	4,800
Deposit	4,580
Fixed assets, net	<u>1,038</u>
Total other assets	<u>193,960</u>

TOTAL ASSETS \$ 4,157,519

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable	\$ 42,059
Deferred revenue	100,000
Accrued expenses	<u>900</u>
Total current liabilities	<u>142,959</u>

TOTAL LIABILITIES 142,959

Net assets without donor restrictions	1,281,872
Net assets with donor restrictions	<u>2,732,688</u>
TOTAL NET ASSETS	<u>4,014,560</u>

TOTAL LIABILITIES AND NET ASSETS \$ 4,157,519

See accompanying notes.

THE 410 BRIDGE, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions and grants	\$ 843,010	\$ 3,041,639	\$ 3,884,649
Interest income	102,144	-	102,144
Net assets released from restrictions	4,436,422	(4,436,422)	-
Total operating revenues	<u>5,381,576</u>	<u>(1,394,783)</u>	<u>3,986,793</u>
Gross special events revenue - Golf Events	31,271	-	31,271
Less cost of direct benefits to donors	<u>(21,950)</u>	<u>-</u>	<u>(21,950)</u>
Net revenue - Golf Events	<u>9,321</u>	<u>-</u>	<u>9,321</u>
Gross special events revenue - Global Outreach Network	6,254	-	6,254
Less cost of direct benefits to donors	<u>(10,619)</u>	<u>-</u>	<u>(10,619)</u>
Net revenue - Global Outreach Network	<u>(4,365)</u>	<u>-</u>	<u>(4,365)</u>
Total revenue, support, and gains	<u>5,386,532</u>	<u>(1,394,783)</u>	<u>3,991,749</u>
EXPENSES			
Program services	3,965,932	-	3,965,932
General and administrative	446,156	-	446,156
Fundraising	<u>372,352</u>	<u>-</u>	<u>372,352</u>
Total operating expenses	<u>4,784,440</u>	<u>-</u>	<u>4,784,440</u>
OTHER INCOME			
Investment gain, net	<u>15,033</u>	<u>-</u>	<u>15,033</u>
Total other income	<u>15,033</u>	<u>-</u>	<u>15,033</u>
Change in net assets	617,125	(1,394,783)	(777,658)
Net assets, beginning of year	<u>664,747</u>	<u>4,127,471</u>	<u>4,792,218</u>
NET ASSETS, END OF YEAR	<u>\$ 1,281,872</u>	<u>\$ 2,732,688</u>	<u>\$ 4,014,560</u>

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See accompanying notes.

THE 410 BRIDGE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2023

EXPENSES	Program Services	General and Administrative	Fundraising	Included on Statement of Activities	Total
Salaries	\$ 783,614	\$ 207,427	\$ 161,332	\$ -	\$ 1,152,373
Payroll taxes	61,926	16,392	12,749	-	91,067
Total payroll expense	<u>845,540</u>	<u>223,819</u>	<u>174,081</u>	-	<u>1,243,440</u>
Accounting	-	23,888	-	-	23,888
Advertising	50,147	-	16,716	-	66,863
Bank charges	8,489	8,489	-	-	16,978
Contract labor	53,883	55,516	53,883	-	163,282
Depreciation	918	311	251	-	1,480
Dues and subscriptions	11,836	14,712	9,162	-	35,710
Fundraising	-	-	41,490	32,569	74,059
Gifts	-	2,222	1,049	-	3,271
Health insurance	127,607	29,167	25,521	-	182,295
Insurance- general	-	14,355	-	-	14,355
Licenses and taxes	-	410	-	-	410
Meals and Lodging	5,043	3,362	8,406	-	16,811
Office	4,385	1,753	608	-	6,746
Postage	1,093	-	-	-	1,093
Printing	7,987	693	5,130	-	13,810
Project costs	2,647,564	-	-	-	2,647,564
Professional development	9,298	-	-	-	9,298
Professional fees	81,265	45,483	17,829	-	144,577
Rent	43,196	17,279	5,981	-	66,456
Repairs and maintenance	1,833	733	254	-	2,820
Telephone and internet	5,748	2,299	796	-	8,843
Travel	36,120	-	4,013	-	40,133
Utilities	4,162	1,665	576	-	6,403
Video & audio production	18,456	-	6,152	-	24,608
Website	1,362	-	454	-	1,816
Total expenses by function	<u>3,965,932</u>	<u>446,156</u>	<u>372,352</u>	<u>32,569</u>	<u>4,817,009</u>
Less expenses included with revenues on the statement of activities					
Cost of direct benefits to donors	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,569)</u>	<u>(32,569)</u>
Total expenses included in the expense section on the statement of activities	<u>\$ 3,965,932</u>	<u>\$ 446,156</u>	<u>\$ 372,352</u>	<u>\$ -</u>	<u>\$ 4,784,440</u>

See accompanying notes.

THE 410 BRIDGE, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

Cash flows from operating activities	
Decrease in net assets	\$ (777,658)
Adjustment to reconcile change in net assets to net cash used by operating activities:	
Depreciation	1,480
Change in:	
Accounts receivable	(114,713)
Due from related parties	76,275
Accounts payable	3,861
Deferred revenue	100,000
Net cash used by operating activities	<u>(710,755)</u>
Cash flows from investing activities	
Purchase of investments	<u>-</u>
Net cash used by investing activity	<u>-</u>
Cash flows from financial activities	
Net cash provided by financing activities	<u>-</u>
Net decrease in cash and cash equivalents	(710,755)
Cash and cash equivalents, beginning of year	<u>4,674,314</u>
Cash and cash equivalents, end of year	<u>\$ 3,963,559</u>

See accompanying notes.

THE 410 BRIDGE, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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, restoring 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, 2023

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, 2023

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 the 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, 2023

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, 2023 for the following purposes:

Programs	\$ 2,683,332
Trips	49,356
	<u>\$ 2,732,688</u>

THE 410 BRIDGE, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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

Revenue Recognition

Additionally, effective January 1, 2020 the Organization adopted Accounting Standards Codification (ASC) 606. *Revenue from Contracts with Customers*, which introduces a new core principle that requires organizations to approach revenue recognition in a new way. The focus of ASC 606 is on the transfer of control and requires that the entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that they expect to be entitled to in exchange. ASC 606 provides a five-step framework for organizations to determine the amount and timing of revenue recognition:

- Identify the contract(s) with the customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations.
- Recognize revenue when (or as) the entity satisfies a performance obligation.

After a detailed evaluation by the Organization, it was determined that the adoption of ASU 2018-08 and ASC 606 do not result in a materially different revenue recognition as compared to previous accounting standards.

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, 2023 substantially affects the amounts, presentation, and disclosure of the accompanying financial statements.

NOTE 2 – CONCENTRATIONS

During 2023, 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 other donors account for approximately 30% of the total contributions.

THE 410 BRIDGE, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

NOTE 3 – LEASE OBLIGATIONS

On January 1, 2022, the Organization adopted the requirements of Accounting Standards Update 2016-02, Leases (Topic 842) (“ASC 842”), which supersedes existing guidance for accounting for leases under Topic 840, Leases. The new standard requires the recognition of a right-of-use (“ROU”) asset and lease liability on the statement of financial position. The new standard requires disclosures to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. Under ASC 842, the Organization uses three primary accounting provisions to classify transactions as financing or operating leases. Leases meeting any of these conditions are accounted for as finance leases, those that meet none, as operating leases.

1. Review of the lease term to determine if it is for the major part of the economic life of the underlying asset, defined as greater than 75%
2. Review of the present value of the lease payments to determine if they are equal to or greater than substantially all of the fair market value of the equipment at the inception of the lease, defined as greater than 90%.
3. Review of the lease agreement to determine if there is an option to purchase the underlying asset that the Company is reasonably certain to exercise, or if the ownership of the underlying asset transfers to the Company at the end of the lease term.

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. The term of the lease expired November 30, 2022. The lease is now on a month-to-month basis. Lease expense paid for the office space was \$63,600 in 2023. As the lease is month-to-month, this operating lease has no impact on the balance sheet for the year under audit.

NOTE 4 – 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 \$1,230,871 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	\$ 3,963,559
Total liquid assets	<u>3,963,559</u>
Less net assets with restrictions	(2,732,688)
Financial assets available to meet cash needs within one year	<u><u>\$ 1,230,871</u></u>

THE 410 BRIDGE, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

NOTE 5 – 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 \$1,350,000 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 2023, The 410 Bridge paid approximately \$135,000 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 \$68,543 at December 31, 2023.

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 \$4,800 at December 31, 2023.

NOTE 6 – EMPLOYEE RETENTION CREDIT AND RESTATEMENT OF BEGINNING NET ASSETS

In response to the economic disruption caused by the COVID-19 pandemic, the Organization applied for and received the Employee Retention Credit (ERC) under the provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The ERC is a refundable tax credit against certain employment taxes, designed to encourage employers to retain employees during the pandemic. In connection with the CARES Act, the Organization adopted a policy to recognize the employee retention credit when received. Accordingly, the Organization recorded \$298,456 in “Contributions and grants” for the year ended December 31, 2023, which is also the same year the credit was applied for.

The ERC program imposes certain conditions, including the requirement that the Organization maintains its employee retention levels during the applicable periods. The Organization has complied with all relevant conditions of the ERC program. Should the Organization be found ineligible for any amounts claimed under the ERC program, repayment of such amounts may be required.