

HOPE BEYOND BRIDGES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

CONTENTS

	<u>Page</u>
Independent Accountant's Compilation Report.....	1
Financial Statements	
Statement of Financial Position.....	2
Statement of Activities.....	3
Statement of Functional Expenses.....	4
Statement of Cash Flows.....	5
Notes to Financial Statements.....	6-9

Calvin K. Tang CPA

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors and Management
Hope Beyond Bridges

I have compiled the accompanying financial statements of Hope Beyond Bridges (a non-profit organization), which comprise the statement of financial position as of DECEMBER 31, 2020, and the related statements of activities and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.



Calvin K. Tang CPA

Iowa Colony, Texas
April 14, 2021

HOPE BEYOND BRIDGES

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020
(with comparative amounts at December 31, 2019)**

	2020	2019
ASSETS		
Current Assets		
Cash	\$ 48,732	\$ 64,253
Total Current Assets	48,732	64,253
Long-term Assets		
Properties, Plants, and Equipment (net)	1,327	5,197
Total Long-term Assets	1,327	5,197
Total Assets	\$ 50,059	\$ 69,450
LIABILITIES AND NET ASSETS		
Current Liabilities		
Account Payables	\$ 2,775	\$ 5,034
PPP Loan Payable	19,000	-
Other Payables	55	60
Total Current Liabilities	21,830	5,094
Total Liabilities	21,830	5,094
Net Assets		
Without Donor Restrictions	25,410	61,102
With Donor Restrictions	2,819	3,254
Total Net Assets	28,229	64,356
Total Liabilities and Net Assets	\$ 50,059	\$ 69,450

See notes to financial statements

HOPE BEYOND BRIDGES

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020
 (with summarized totals for year ended December 31, 2019)

	2020			2019 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenue				
Contributions & Donations	\$ 85,732	\$ -	\$ 85,732	\$ 99,687
Events	32,259	-	32,259	65,244
Sales	2,360	-	2,360	2,250
Interest Income	2	-	2	2
Others	1,000	-	1,000	628
Total Revenue	<u>121,353</u>	<u>-</u>	<u>121,353</u>	<u>167,811</u>
Expenses				
Events	16,067	-	16,067	31,292
Programs	107,061	435	107,496	117,217
Fundraising	20,836	-	20,836	19,985
Administrative Expense	13,016	-	13,016	17,469
Interest Expense	65	-	65	-
Total Expense	<u>157,045</u>	<u>435</u>	<u>157,480</u>	<u>185,963</u>
Change in Net Assets	<u>\$ (35,692)</u>	<u>\$ (435)</u>	<u>\$ (36,127)</u>	<u>\$ (18,152)</u>

HOPE BEYOND BRIDGES

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

(with summarized totals for year ended December 31, 2019)

	2020						2019		
	Program Services			Support Services			Total Expenses	Total	Total
	Harvey	Hygiene Kits	Homeless Ministries	Total	Management and General	Fundraising			
Payroll	\$ -	\$ -	\$ 72,000	\$ 72,000	\$ 4,000	\$ 4,000	\$ 8,000	\$ 80,000	\$ 80,022
Employee Benefit	-	-	4,512	4,512	1,995	-	1,995	6,507	5,884
Vehicle Maintenance	-	-	5,402	5,402	-	-	-	5,402	5,306
Travel Expenses	-	-	2,550	2,550	-	-	-	2,550	5,870
Depreciation	-	-	1,243	1,243	3,728	-	3,728	4,971	5,745
Bank Fee	-	-	-	-	4	-	4	4	8
Charitable Contributions	-	-	903	903	-	-	-	903	1,750
Branding & Communication	-	-	-	-	-	11,342	11,342	11,342	2,623
Office Equipment	-	-	144	144	106	-	106	250	479
Professional Fees	-	-	-	-	1,472	3,540	5,012	5,012	3,333
Dues & Subscriptions	-	-	1,299	1,299	468	108	576	1,875	2,639
Event Expenses	-	-	823	823	-	17,661	17,661	18,484	29,646
Material and Supplies	435	4,371	6,115	10,921	283	-	283	11,204	15,857
Insurance	-	-	1,628	1,628	960	-	960	2,588	3,523
Meals & Entertainment	-	-	382	382	-	143	143	525	577
Miscellaneous	-	-	-	-	-	-	-	-	34
Office Supplies	-	-	761	761	-	59	59	820	1,728
Postage and Mailing Service	-	-	108	108	-	50	50	158	1,306
Telephone	-	-	-	-	-	-	-	-	37
Professional Development	-	-	453	453	-	-	-	453	658
Interest Expense	-	-	-	-	65	-	65	65	-
Rent	-	-	4,367	4,367	-	-	-	4,367	4,856
Total Expense	\$ 435	\$ 4,371	\$ 102,690	\$ 107,496	\$ 13,081	\$ 36,903	\$ 49,984	\$ 157,480	\$ 171,881

See notes to financial statements

HOPE BEYOND BRIDGES

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
(with comparative amounts for year ended December 31, 2019)

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (36,127)	\$ (18,152)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	4,970	4,970
Changes in operating assets and liabilities	15,636	(1,379)
Total Adjustments	<u>20,606</u>	<u>3,591</u>
Net Cash Provided (Used) by Operating Activities	<u>(15,521)</u>	<u>(14,561)</u>
Net Increase (Decrease) in Cash	(15,521)	(14,561)
Cash, Beginning of Year	64,253	78,814
Cash, End of Year	<u><u>\$ 48,732</u></u>	<u><u>\$ 64,253</u></u>

NOTES TO FINANCIAL STATEMENTS

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

Nature of Activities

Hope Beyond Bridges (HBB), a 501(c)(3) non-profit organization, provides meals and hygiene items for the homeless in Houston, Texas. Its mission is to bring hope to the homeless through developing lasting relationships and sharing the grace and love of Jesus Christ. HBB is supported primarily through donor contributions and fundraising activities.

Summary of Significant Accounting Policies

1. Revenue Recognition

HBB records earned revenues on an accrual basis. In addition, it records as revenue the following types of contributions, when they are received unconditionally at their fair value: cash, promises to give, and gifts of other assets. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met.

HBB records contributions as with donor restrictions if they are received with donor stipulations that limit their use either through purpose or time restrictions. When donor restriction expires, i.e., when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions.

2. Contributed Services

Many individuals volunteered their time and performed a variety of tasks that assist HBB in preparing meals and the distribution of meals and hygiene items. HBB received approximately 4,000 volunteer hours per year. However, in the year ending December 31, 2020, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

3. Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United State of America (“USGAAP”), which requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS – continued

4. Property and Equipment

HBB capitalizes all property and equipment purchased or donated with a cost of \$5,000 or more. Property and equipment are depreciated using the straight-line method.

5. Net Asset Presentation

- a. Without donor restrictions – consist of resources available for the general support of HBB’s operations. They may be used at the discretion of HBB’s management and Board of Directors.
- b. With donor restrictions – consist of amounts restricted by donors to be used for specific activities or at some future date, or which require HBB to maintain in perpetuity. When a donor restriction expires, i.e., when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions.

6. Changes in Accounting Principle

Revenue from Contracts with Customers

Effective January 1, 2020, HBB adopted Accounting Standards Update (ASU 2014-09), Revenue from Contracts with Customers, as amended. The guidance provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The new revenue recognition guidance does not apply to how contributions and pledges are recognized, as they are specifically scoped out of the new guidance. As a result, there is no change in the way HBB recognizes revenue.

Recognition of Contributions

Effective January 1, 2020, HBB adopted ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. It provides a framework for evaluating whether grants and contributions should be accounted for as exchange transactions or as non-exchange transactions. This guidance has no impact on HBB’s financial statements.

7. Income Taxes

HBB is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

NOTES TO FINANCIAL STATEMENTS – continued

8. Investments

Under SFAS No. 124, Accounting for Certain Investments Held by Not-for-Profit Organizations, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

9. Cash and Cash Equivalents

For purposes of the statements of cash flows, HBB considers all highly liquid investments available for current use with an initial maturity of three (3) months or less to be cash equivalents.

NOTE B – RESTRICTIONS ON NET ASSETS

Substantially all of the restrictions on net assets at the end of 2020 related to funds raised to provide meals and hygiene items to people displaced by Hurricane Harvey.

NOTE C – PROMISES TO GIVE

For the year ending December 31, 2020, HBB has no unconditional or conditional promises to give.

NOTE D – INVESTMENTS

For the year ending December 31, 2020, HBB has no investment.

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2020</u>
Vehicles	\$ 40,217
Furniture	1,100
Accumulated depreciation	<u>(39,990)</u>
	\$ 1,327

NOTE F – LONG TERM DEBT

PPP Forgivable Loan

In June 2020, HBB received loan proceeds in the amount of \$19,000 under the Paycheck Protection Program (PPP), which was established as a part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) that provides for loans to qualifying entities for an amount of up to 2.5 times the 2019 average payroll expenses of the qualifying entity. The PPP Loan bears an interest rate of 1% per annum. All or a portion of the PPP loan principal and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes as described in the CARES Act over a period of either eight (8) or twenty four (24) weeks (Covered Period). The amount of loan forgiven could be reduced if the borrower terminates employees or reduced salaries above a certain threshold during the Covered Period and does not qualify for certain safe harbors. The unforgiven portion of the PPP loan, if any, is payable within two (2) years from the date of the loan. Payment of principal or interest are deferred until the amount of loan forgiveness is determined by the U.S. Small Business Administration (SBA). If HBB does not apply for forgiveness, repayments begin approximately sixteen (16) months after the loan date.