

HOPE BEYOND BRIDGES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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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, 2021, 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, CGMA

Iowa Colony, Texas
May 11, 2022

HOPE BEYOND BRIDGES

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(with comparative amounts at December 31, 2020)**

	2021	2020
ASSETS		
Current Assets		
Cash	\$ 76,324	\$ 48,732
Prepaid Expenses	1,136	-
Total Current Assets	77,460	48,732
Long-term Assets		
Properties, Plants, and Equipment (net)	1,327	1,327
Total Long-term Assets	1,327	1,327
Total Assets	\$ 78,787	\$ 50,059
LIABILITIES AND NET ASSETS		
Current Liabilities		
Account Payables	\$ 5,314	\$ 2,775
PPP Loan Payable	-	19,000
Other Payables	53	55
Total Current Liabilities	5,367	21,830
Total Liabilities	5,367	21,830
Net Assets		
Without Donor Restrictions	72,620	25,410
With Donor Restrictions	800	2,819
Total Net Assets	73,420	28,229
Total Liabilities and Net Assets	\$ 78,787	\$ 50,059

See notes to financial statements

HOPE BEYOND BRIDGES

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

(with summarized totals for year ended December 31, 2020)

	2021			2020 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenue				
Contributions & Donations	\$ 103,155	\$ -	\$ 103,155	\$ 85,732
Events	43,989	-	43,989	32,259
Sales	-	-	-	2,360
Interest Income	2	-	2	2
Others	37,123	-	37,123	1,000
Total Revenue	<u>184,269</u>	<u>-</u>	<u>184,269</u>	<u>121,353</u>
Expenses				
Events	6,643	-	6,643	16,067
Programs	103,737	-	103,737	107,496
Fundraising	17,113	-	17,113	20,836
Administrative Expense	11,230	-	11,230	13,016
Interest Expense	-	-	-	65
Total Expense	<u>138,723</u>	<u>-</u>	<u>138,723</u>	<u>157,480</u>
Change in Net Assets	<u>\$ 45,546</u>	<u>\$ -</u>	<u>\$ 45,546</u>	<u>\$ (36,127)</u>

HOPE BEYOND BRIDGES

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021
(with summarized totals for year ended December 31, 2020)

	2021				2020				
	Program Services		Support Services		Program Services		Support Services		
	Hope Recovery	Hygiene Kits	Homeless Ministries	Total	Management and General	Fundraising	Total	Total Expenses	Total
Payroll	\$ -	\$ -	\$ 72,000	\$ 72,000	\$ 4,000	\$ 4,000	\$ 8,000	\$ 80,000	\$ 80,000
Employee Benefit	-	-	2,055	2,055	4,562	-	4,562	6,617	6,507
Vehicle Maintenance	-	-	2,322	2,322	-	-	-	2,322	5,402
Travel Expenses	-	-	3,172	3,172	-	-	-	3,172	2,550
Depreciation	-	-	-	-	-	-	-	-	4,971
Bank Fee	-	-	-	-	4	1,663	1,667	1,667	4
Charitable Contributions	-	-	1,138	1,138	-	-	-	1,138	903
Branding & Communication	-	-	30	30	-	9,494	9,494	9,524	11,342
Office Equipment	-	-	200	200	-	-	-	200	250
Professional Fees	-	-	30	30	1,513	-	1,513	1,543	5,012
Dues & Subscriptions	-	-	698	698	233	956	1,189	1,887	1,875
Event Expenses	-	-	-	-	-	6,643	6,643	6,643	18,484
Material and Supplies	57	3,546	7,277	10,880	-	388	388	11,268	11,204
Insurance	-	-	4,862	4,862	896	-	896	5,758	2,588
Meals & Entertainment	-	-	923	923	22	118	140	1,063	525
Office Supplies	-	-	1,200	1,200	-	-	-	1,200	820
Postage and Mailing Service	-	-	78	78	-	60	60	138	158
Telephone	-	-	129	129	-	-	-	129	-
Professional Development	-	-	110	110	-	-	-	110	453
Interest Expense	-	-	-	-	-	-	-	-	65
Rent	-	-	3,907	3,907	-	-	-	3,907	4,367
Miscellaneous	-	-	3	3	-	434	434	437	-
Total Expense	\$ 57	\$ 3,546	\$ 100,134	\$ 103,737	\$ 11,230	\$ 23,756	\$ 34,986	\$ 138,723	\$ 157,480

HOPE BEYOND BRIDGES

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021 (with comparative amounts for year ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 45,546	\$ (36,127)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	-	4,970
Changes in operating assets and liabilities	(17,954)	15,636
Total Adjustments	<u>(17,954)</u>	<u>20,606</u>
Net Cash Provided (Used) by Operating Activities	<u>27,592</u>	<u>(15,521)</u>
Net Increase (Decrease) in Cash	27,592	(15,521)
Cash, Beginning of Year	48,732	64,253
Cash, End of Year	<u><u>\$ 76,324</u></u>	<u><u>\$ 48,732</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, 2021, 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 2021 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, 2021, HBB has no unconditional or conditional promises to give.

NOTE D – INVESTMENTS

For the year ending December 31, 2021, HBB has no investment.

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2021</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.

In January 2021, HBB received the second draw of loan proceeds in the amount of \$18,023 under the PPP. It intended to use all proceeds received in accordance with regulations established by the PPP. Management believed that both the first and second draw of the loan proceeds would be forgiven.

The first draw of the PPP loan was forgiven in full by the SBA in August 2021 and the second draw in October 2021. As a result, the total amount of \$37,023 in PPP loan was recognized as other income as of December 31, 2021.