

BUILDABRIDGE INTERNATIONAL
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019
TOGETHER WITH
INDEPENDENT ACCOUNTANT'S REVIEW REPORT

BUILDABRIDGE INTERNATIONAL

DECEMBER 31, 2020 AND 2019

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Independent Accountant's Review Report

To: The Board of Directors
BuildaBridge International
Philadelphia, PA

Report on the Financial Statements

We have reviewed the accompanying financial statements of ***BuildaBridge International*** (a Pennsylvania non-profit corporation), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 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 and only provided limited assurance.

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.

Accountant's 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.

We are required to be independent of **BuildaBridge International** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's 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.

Renzi, Bernardi, Perry & Co

Cherry Hill, NJ
August 10, 2021

BUILDBRIDGE INTERNATIONAL
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 14,081	\$ 16,797
Accounts receivable	3,019	-
	<u>17,100</u>	<u>16,797</u>
Total assets	<u>\$ 17,100</u>	<u>\$ 16,797</u>
<u>LIABILITIES AND NET ASSETS</u>		
Accounts payable and accrued expenses	\$ 784	\$ 871
	<u>784</u>	<u>871</u>
Total liabilities		
Net assets		
Without donor restriction	16,316	15,926
With donor restriction	-	-
	<u>16,316</u>	<u>15,926</u>
Total net assets		
	<u>16,316</u>	<u>15,926</u>
Total liabilities and net assets	<u>\$ 17,100</u>	<u>\$ 16,797</u>

See accompanying notes and independent accountant's review report.

BUILDABRIDGE INTERNATIONAL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>REVENUE AND SUPPORT</u>	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Contributions	\$ 22,253	\$ -	\$ 22,253
Grant income	47,856	-	47,856
Paycheck Protection Program income	8,707	-	8,707
Program income	7,450	-	7,450
In kind - rent	2,000	-	2,000
Other income	1,066	-	1,066
Net assets released from restrictions:			
Satisfaction of program restrictions	-	-	-
	<u>89,332</u>	<u>-</u>	<u>89,332</u>
Total revenue and support			
	<u>89,332</u>	<u>-</u>	<u>89,332</u>
 <u>EXPENSES</u>			
Program expenses	<u>60,842</u>	<u>-</u>	<u>60,842</u>
Supporting services			
Management and general	15,702	-	15,702
Fundraising	<u>12,398</u>	<u>-</u>	<u>12,398</u>
Total supporting services	<u>28,100</u>	<u>-</u>	<u>28,100</u>
Total expenses	<u>88,942</u>	<u>-</u>	<u>88,942</u>
Changes in net assets	390	-	390
Net assets - beginning of year	<u>15,926</u>	<u>-</u>	<u>15,926</u>
Net assets - end of year	<u>\$ 16,316</u>	<u>\$ -</u>	<u>\$ 16,316</u>

See accompanying notes and independent accountant's review report.

BUILDBRIDGE INTERNATIONAL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

<u>REVENUE AND SUPPORT</u>	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Contributions	\$ 33,340	\$ -	\$ 33,340
Grant income	24,011	10,000	34,011
Program income	20,798	-	20,798
Registration	1,851	-	1,851
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>10,000</u>	<u>(10,000)</u>	<u>-</u>
Total revenue and support	<u>90,001</u>	<u>-</u>	<u>90,001</u>
 <u>EXPENSES</u>			
Program expenses	<u>107,707</u>	<u>-</u>	<u>107,707</u>
Supporting services			
Management and general	16,260	-	16,260
Fundraising	<u>9,654</u>	<u>-</u>	<u>9,654</u>
Total supporting services	<u>25,914</u>	<u>-</u>	<u>25,914</u>
Total expenses	<u>133,621</u>	<u>-</u>	<u>133,621</u>
Changes in net assets	(43,620)	-	(43,620)
Net assets - beginning of year	<u>59,546</u>	<u>-</u>	<u>59,546</u>
Net assets - end of year	<u>\$ 15,926</u>	<u>\$ -</u>	<u>\$ 15,926</u>

See accompanying notes and independent accountant's review report.

BUILDABRIDGE INTERNATIONAL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Expenses	Supporting Services		Total
		Management and General	Fundraising	
Salaries and wages	\$ 31,350	\$ 6,688	\$ 3,762	\$ 41,800
Payroll taxes	2,854	609	342	3,805
Total personnel costs	34,204	7,297	4,104	45,605
Accounting	-	3,900	-	3,900
Bank and finance fees	-	110	-	110
Conference	250	-	-	250
Dues and subscriptions	501	-	-	501
Fundraising expenses	-	-	6,079	6,079
In kind - rent	2,000	-	-	2,000
Insurance	4,046	1,839	1,471	7,356
Marketing and public relations	3	-	-	3
Office expense	-	751	-	751
Payroll processing fees	-	875	-	875
Program expenses:				
Art supplies	468	-	-	468
Contract services	16,393	-	-	16,393
Student lessons	930	-	-	930
Rent	220	100	80	400
Telephone and internet	1,827	830	664	3,321
Total expenses	\$ 60,842	\$ 15,702	\$ 12,398	\$ 88,942

See accompanying notes and independent accountant's review report.

BUILDBRIDGE INTERNATIONAL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Expenses	Supporting Services		Total
		Management and General	Fundraising	
Salaries and wages	\$ 31,406	\$ 6,700	\$ 3,769	\$ 41,875
Payroll taxes	2,632	561	316	3,509
Total personnel costs	34,038	7,261	4,085	45,384
Bank service charges	-	1,105	-	1,105
Conferences/seminars	718	-	-	718
Depreciation	322	-	-	322
Dues and subscriptions	-	290	-	290
Fundraising expenses	-	-	3,066	3,066
Insurance	4,373	1,988	1,590	7,951
Miscellaneous	336	-	-	336
Office expense	-	543	-	543
Payroll processing fees	-	257	-	257
Program expenses:				
Artists, teachers, etc.	64,343	-	-	64,343
Art supplies	155	-	-	155
Housing and hotel	677	-	-	677
Professional fees	-	3,675	-	3,675
Rent	1,320	600	480	2,400
Telephone and internet	1,191	541	433	2,165
Travel	234	-	-	234
Total expenses	\$ 107,707	\$ 16,260	\$ 9,654	\$ 133,621

See accompanying notes and independent accountant's review report.

BUILDABRIDGE INTERNATIONAL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>2020</u>	<u>2019</u>
Changes in net assets	\$ 390	\$ (43,620)
Adjustments to reconcile changes in net assets to net cash (used in) operating activities:		
Depreciation	-	322
Increase (decrease) in:		
Accounts receivable	(3,019)	-
Prepaid expenses	-	1041
(Decrease) in:		
Accounts payable and accrued expenses	<u>(87)</u>	<u>(397)</u>
Net cash (used in) operating activities	<u>(2,716)</u>	<u>(42,654)</u>
Net (decrease) in cash and cash equivalents	(2,716)	(42,654)
Cash and cash equivalents - beginning of year	<u>16,797</u>	<u>59,451</u>
Cash and cash equivalents - end of year	<u>\$ 14,081</u>	<u>\$ 16,797</u>

See accompanying notes and independent accountant's review report.

BUILDABRIDGE INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

1. PROGRAMS AND ACTIVITIES

BuildaBridge International ("BaB") is a non-profit arts education and intervention organization that engages creative people and the transformative power of art-making to bring hope, healing, and resilience to children, families and communities living in contexts of crisis and poverty in Philadelphia and around the world. BaB accomplishes this through direct arts-based services and through training artists in the "BuildaBridge Classroom Model", a trauma-informed, hope-infused, child-centered replicable model that includes a restorative approach for working with youth. BaB was founded on the core values of love, compassion, justice, reconciliation, and service to others. Through these values, BaB seeks to motivate, enlist, train and connect those who have the desire to serve others through their artistic gifts with those in greatest need.

BaB engages the arts to bridge barriers of race, class, and ethnicity and to impact a child's academic, social, artistic and character development. Recognizing that in many communities the arts are not thought of as a vehicle for service, but rather an enjoyment reserved for the elite, BaB developed direct service programs that made the arts accessible to underserved populations, providing aesthetic nourishment, therapeutic intervention, holistic development as well as enjoyment.

Primarily a volunteer organization, BaB serves the community through three distinct and unique programs: the Community Arts Program, the BuildaBridge Institute, and consultation services. BaB receives grants and contributions to support its programs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed are described below.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, which require BaB to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of BaB. These net assets may be used at the discretion of BaB's management and the Board of Directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of BaB or by the passage of time.

BUILDABRIDGE INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor. We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Use of Estimates

The timely preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounts Receivable

BaB considers its accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment

Property and equipment are recorded at cost and depreciated on a straight-line method over the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged against operations as incurred and major renewals and improvements are capitalized.

Contributed In-Kind Services

Donated services are recognized as contributions in accordance with ASC No. 958-605-25-16, "Not-For-Profit Entities - Revenue Recognition - Contributed Services", if the services: (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. BaB also receives donated services through interns and other volunteers. No amounts for these donated services have been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer effort have not been satisfied. A substantial number of volunteers have donated significant amounts of time in various capacities. However, the value of the services has not been recognized for reasons described above. Nonetheless, these services are critical to the successful completion of BaB's mission.

Income Taxes

BaB is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

BUILDABRIDGE INTERNATIONAL
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Management has adopted the accounting standard, "Accounting for Uncertainty Income Taxes." This standard clarifies the accounting and reporting of uncertainties in income tax positions taken or expected to be taken in filings with taxing jurisdictions, using minimum recognition and measurement thresholds.

Management has reviewed tax positions taken in filings with federal and state jurisdictions and believes those positions would be sustained should the filings be examined by the relevant taxing authority. These filings are subject to examination generally for three years after they are filed.

Should settlement of an examination or other event result in a change in management's evaluation of a tax position taken or expected to be taken in filings that have not been closed by statute or examination, any interest and penalties related to the unrecognized tax benefit as a result of the uncertain tax position would be included in interest expense and administrative expenses, respectively.

3. LIQUIDITY AND AVAILABILITY

	<u>2020</u>	<u>2019</u>
Total financial assets	\$ 17,100	\$ 16,797
Donor-imposed restrictions:		
Restricted funds	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 17,100</u>	<u>\$ 16,797</u>

BaB manages its liquidity by operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs. In addition to these available financial assets, a significant portion of BaB's annual expenditures will be funded by current year operating revenues including contributions, grants, and contract income.

During the years ended December 31, 2020 and 2019, BaB has been able to meet cash needs for general expenditures within each respective year.

4. CONCENTRATION OF CREDIT RISK

BaB maintains its operating cash at a local bank. These balances are insured by the FDIC up to \$250,000.

BUILDBRIDGE INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

5. ALLOCATION OF FUNCTIONAL EXPENSES

The cost of providing the various programs and other activities has been summarized in general categories based on specific identification in the statement of functional expenses. Direct costs are allocated by specific identification and indirect expenses are allocated based upon salary expenditures.

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2020	2019
Capital improvements	\$ 5,557	\$ 5,557
Leasehold improvements	5,655	5,655
Furniture, fixtures, and equipment	21,158	21,158
Pre-2008 assets	5,638	5,638
	38,008	38,008
Less: accumulated depreciation	(38,008)	(38,008)
Property and equipment, net	\$ -	\$ -

Depreciation expense for the years ended December 31, 2020 and 2019 were \$0 and \$322, respectively. All property and equipment have been depreciated in full over the course of each asset's life span. No new fixed assets were acquired for 2020.

7. LEASING ARRANGEMENTS

BaB has been renting office space on a month-to-month basis since its lease agreement expired in January 2018, at a monthly rental at \$200 per month. Rent expense including utilities was \$400 and \$2,400 for the years ended December 31, 2020 and 2019. Due to the effects of the pandemic the landlord agreed not to charge rent for the remainder of the year from March 2020 to December 2020.

8. PAYROLL PROTECTION PROGRAM

In June 2020, the Organization received a first draw Paycheck Protection Program (PPP) loan advance in the amount of \$8,707. The Paycheck Protection Program is an initiative of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) passed by Congress in response to COVID-19.

Pursuant to the terms of the CARES Act, BaB has been granted forgiveness of the loan. This has been reflected as Payroll Protection Program income.

BUILDABRIDGE INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

9. IN-KIND

In 2020, BaB only paid \$400 in rent expense for months January through February. When March arrived BaB and the landlord of the location had an agreement to forego any rent payments for the rest of the year due to Covid-19 implications. Total rent expense for 2020 should have been \$2,400. Considering that only \$400 was paid to rent for 2020, \$2,000 of the \$2,400 should have been considered as in-kind according to GAAP. The review report reflects this notation.

10. SUBSEQUENT EVENTS

In preparing these financial statements, management of BaB has evaluated events and transactions for potential recognition or disclosure through August 10, 2021, the date the financial statements were available to be issued.

In June 2021, through the CARES Act, BaB received a second PPP loan in the amount of \$8,707 through the Paycheck Protection Program with the intention of having that loan forgiven.

Rent payments for the organization were put on hold until April 2021.