

**LIFEBRIDGE PARTNERSHIP**

FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT

**DECEMBER 31, 2014**

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## Independent Auditor's Report

Board of Directors  
LifeBridge Partnership  
St. Louis, Missouri

We have audited the accompanying financial statements of LifeBridge Partnership ("LifeBridge"), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### *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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to LifeBridge's preparation and fair presentation of the financial statements 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 LifeBridge's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LifeBridge Partnership as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Brown Smith Wallace, LLC*

St. Louis, Missouri

April 23, 2015

# LIFEBRIDGE PARTNERSHIP

## Statements of Financial Position

December 31, 2014 and 2013

|  | 2014                | 2013                |
|--|---------------------|---------------------|
| <b>ASSETS</b>                            |                     |                     |
| <b>Current Assets</b>                    |                     |                     |
| Cash and cash equivalents                | \$ 117,259          | \$ 188,143          |
| Investments, at fair value               | 915,948             | 831,581             |
| Accounts receivable                      | 47,412              | 48,879              |
| Pledges receivable                       | 154,835             | 172,159             |
| Bequest receivable                       | 150,000             | -                   |
| Prepaid expenses                         | 29,655              | 29,273              |
| <b>Total Current Assets</b>              | <b>1,415,109</b>    | <b>1,270,035</b>    |
| <b>Property and equipment, net</b>       | <b>43,525</b>       | <b>69,957</b>       |
| <b>Other assets</b>                      | <b>8,537</b>        | <b>8,537</b>        |
| <b>TOTAL ASSETS</b>                      | <b>\$ 1,467,171</b> | <b>\$ 1,348,529</b> |
| <b>LIABILITIES AND NET ASSETS</b>        |                     |                     |
| <b>Current Liabilities</b>               |                     |                     |
| Accounts payable and accrued expenses    | \$ 31,795           | \$ 31,303           |
| <b>Total Current Liabilities</b>         | <b>31,795</b>       | <b>31,303</b>       |
| <b>Net Assets</b>                        |                     |                     |
| Unrestricted - Available for general use | 270,103             | 138,229             |
| Unrestricted - Board designated          | 476,132             | 386,299             |
| Unrestricted - Property and equipment    | 43,525              | 69,957              |
| <b>Total Unrestricted</b>                | <b>789,760</b>      | <b>594,485</b>      |
| Temporarily restricted                   | 187,343             | 264,468             |
| Permanently restricted                   | 458,273             | 458,273             |
| <b>Total Net Assets</b>                  | <b>1,435,376</b>    | <b>1,317,226</b>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>  | <b>\$ 1,467,171</b> | <b>\$ 1,348,529</b> |

The accompanying notes are an integral part of these financial statements.

# LIFEBRIDGE PARTNERSHIP

## Statement of Activities

Year ended December 31, 2014

|  | Unrestricted     | Temporarily Restricted | Permanently Restricted | Total            |
|--|------------------|------------------------|------------------------|------------------|
| <b>SUPPORT AND REVENUES</b>                        |                  |                        |                        |                  |
| Contributions                                      | \$ 128,698       | \$ -                   | \$ -                   | \$ 128,698       |
| United Way   | -                | 154,918                | -                      | 154,918          |
| Bequests from estates                              | 243,770          | -                      | -                      | 243,770          |
| Government payments - program services             | 474,635          | -                      | -                      | 474,635          |
| Special events, net of direct expenses of \$79,228 | 76,795           | -                      | -                      | 76,795           |
| Program fees                                       | 26,158           | -                      | -                      | 26,158           |
| Investment income                                  | 32,383           | 32,425                 | -                      | 64,808           |
| Miscellaneous income                               | 2,380            | -                      | -                      | 2,380            |
| In-kind  | 23,734           | -                      | -                      | 23,734           |
| Net assets released from restrictions              | 264,468          | (264,468)              | -                      | -                |
| <b>Total support and revenues</b>                  | <b>1,273,021</b> | <b>(77,125)</b>        | <b>-</b>               | <b>1,195,896</b> |
| <b>EXPENSES</b>                                    |                  |                        |                        |                  |
| <b>Program services:</b>                           |                  |                        |                        |                  |
| Sports camp  | 113,253          | -                      | -                      | 113,253          |
| Youth recreation                                   | 121,443          | -                      | -                      | 121,443          |
| After school program                               | 108,472          | -                      | -                      | 108,472          |
| Adult recreation                                   | 36,392           | -                      | -                      | 36,392           |
| Out & About  | 544,637          | -                      | -                      | 544,637          |
| <b>Total program services</b>                      | <b>924,197</b>   | <b>-</b>               | <b>-</b>               | <b>924,197</b>   |
| <b>Supporting services:</b>                        |                  |                        |                        |                  |
| Management and general                             | 49,335           | -                      | -                      | 49,335           |
| Fundraising  | 104,214          | -                      | -                      | 104,214          |
| <b>Total supporting services</b>                   | <b>153,549</b>   | <b>-</b>               | <b>-</b>               | <b>153,549</b>   |
| <b>TOTAL EXPENSES</b>                              | <b>1,077,746</b> | <b>-</b>               | <b>-</b>               | <b>1,077,746</b> |
| <b>CHANGE IN NET ASSETS</b>                        | <b>195,275</b>   | <b>(77,125)</b>        | <b>-</b>               | <b>118,150</b>   |
| Net assets, beginning of year                      | 594,485          | 264,468                | 458,273                | 1,317,226        |
| Net assets, end of year                            | \$ 789,760       | \$ 187,343             | \$ 458,273             | \$ 1,435,376     |

The accompanying notes are an integral part of these financial statements.

# LIFEBRIDGE PARTNERSHIP

## Statement of Activities

Year ended December 31, 2013

|  | Unrestricted      | Temporarily<br>Restricted | Permanently<br>Restricted | Total               |
|--|-------------------|---------------------------|---------------------------|---------------------|
| <b>SUPPORT AND REVENUES</b>                        |                   |                           |                           |                     |
| Contributions                                      | \$ 99,248         | \$ 6,000                  | \$ -                      | \$ 105,248          |
| United Way   | -                 | 172,159                   | -                         | 172,159             |
| Bequests from estates                              | 600               | -                         | -                         | 600                 |
| Government payments - program services             | 609,264           | -                         | -                         | 609,264             |
| Special events, net of direct expenses of \$60,644 | 96,783            | -                         | -                         | 96,783              |
| Program fees                                       | 21,744            | -                         | -                         | 21,744              |
| Investment income                                  | 70,307            | 86,309                    | -                         | 156,616             |
| Miscellaneous income                               | 877               | -                         | -                         | 877                 |
| In-kind  | -                 | -                         | -                         | -                   |
| Net assets released from restrictions              | 244,274           | (244,274)                 | -                         | -                   |
| <b>Total support and revenues</b>                  | <b>1,143,097</b>  | <b>20,194</b>             | <b>-</b>                  | <b>1,163,291</b>    |
| <b>EXPENSES</b>                                    |                   |                           |                           |                     |
| <b>Program services:</b>                           |                   |                           |                           |                     |
| Sports camp  | 77,494            | -                         | -                         | 77,494              |
| Youth recreation                                   | 65,545            | -                         | -                         | 65,545              |
| After school program                               | 90,824            | -                         | -                         | 90,824              |
| Adult recreation                                   | 32,771            | -                         | -                         | 32,771              |
| Out & About  | 646,521           | -                         | -                         | 646,521             |
| <b>Total program services</b>                      | <b>913,155</b>    | <b>-</b>                  | <b>-</b>                  | <b>913,155</b>      |
| <b>Supporting services:</b>                        |                   |                           |                           |                     |
| Management and general                             | 46,437            | -                         | -                         | 46,437              |
| Fundraising  | 100,027           | -                         | -                         | 100,027             |
| <b>Total supporting services</b>                   | <b>146,464</b>    | <b>-</b>                  | <b>-</b>                  | <b>146,464</b>      |
| <b>TOTAL EXPENSES</b>                              | <b>1,059,619</b>  | <b>-</b>                  | <b>-</b>                  | <b>1,059,619</b>    |
| <b>CHANGE IN NET ASSETS</b>                        | <b>83,478</b>     | <b>20,194</b>             | <b>-</b>                  | <b>103,672</b>      |
| <b>Net assets, beginning of year</b>               | <b>511,007</b>    | <b>244,274</b>            | <b>458,273</b>            | <b>1,213,554</b>    |
| <b>Net assets, end of year</b>                     | <b>\$ 594,485</b> | <b>\$ 264,468</b>         | <b>\$ 458,273</b>         | <b>\$ 1,317,226</b> |

The accompanying notes are an integral part of these financial statements.

# LIFEBRIDGE PARTNERSHIP

## Statement of Functional Expenses

Year ended December 31, 2014

|  | Program Services |                  |                      |                  |                     |                | Supporting Services    |                        |              |                           | Total Expenses |
|--|------------------|------------------|----------------------|------------------|---------------------|----------------|------------------------|------------------------|--------------|---------------------------|----------------|
|  | Sports Camp      | Youth Recreation | After School Program | Adult Recreation | Out & About Program | Transportation | Total Program Services | Management and General | Fund-Raising | Total Supporting Services |                |
| <b>Staff salaries and support</b>          |                  |                  |                      |                  |                     |                |                        |                        |              |                           |                |
| Staff salaries                             | \$ 32,522        | \$ 66,019        | \$ 39,450            | \$ 10,040        | \$ 306,948          | \$ 55,480      | \$ 510,459             | \$ 24,095              | \$ 75,202    | \$ 99,297                 | \$ 609,756     |
| Payroll taxes and fringe benefits          | 4,558            | 11,491           | 5,428                | 1,608            | 47,348              | 6,430          | 76,863                 | 6,630                  | 13,227       | 19,857                    | 96,720         |
| Total staff salaries and support           | 37,080           | 77,510           | 44,878               | 11,648           | 354,296             | 61,910         | 587,322                | 30,725                 | 88,429       | 119,154                   | 706,476        |
| <b>Operating expenses</b>                  |                  |                  |                      |                  |                     |                |                        |                        |              |                           |                |
| Program supplies and client transportation | 40,872           | 6,407            | 3,386                | 2,769            | 20,691              | 35,923         | 110,048                | 5,627                  | 6,488        | 12,115                    | 122,163        |
| Equipment maintenance, repair and rental   | 2,207            | 1,226            | 981                  | 1,716            | 12,627              | 29,591         | 48,348                 | 2,183                  | 2,166        | 4,349                     | 52,697         |
| Communications                             | 865              | 499              | 387                  | 682              | 4,964               | 1,649          | 9,046                  | 361                    | 367          | 728                       | 9,774          |
| Professional fees                          | 3,169            | 1,761            | 1,408                | 2,465            | 18,133              | 5,634          | 32,570                 | 1,502                  | 1,408        | 2,910                     | 35,480         |
| Miscellaneous                              | 1,092            | 1,945            | 1,889                | 402              | 5,759               | 2,533          | 13,620                 | 3,913                  | 1,957        | 5,870                     | 19,490         |
| Total operating expenses                   | 48,205           | 11,838           | 8,051                | 8,034            | 62,174              | 75,330         | 213,632                | 13,586                 | 12,386       | 25,972                    | 239,604        |
| <b>Facility expenses</b>                   |                  |                  |                      |                  |                     |                |                        |                        |              |                           |                |
| Utilities, rent and sanitation             | 5,024            | 2,823            | 2,212                | 3,873            | 28,322              | 8,731          | 50,985                 | 1,977                  | 2,340        | 4,317                     | 55,302         |
| Insurance                                  | 1,252            | 1,001            | 1,001                | 1,752            | 13,684              | 27,244         | 45,934                 | 2,997                  | 1,001        | 3,998                     | 49,932         |
| Total facility expenses                    | 6,276            | 3,824            | 3,213                | 5,625            | 42,006              | 35,975         | 96,919                 | 4,974                  | 3,341        | 8,315                     | 105,234        |
| <b>Transportation expenses</b>             | 21,692           | 28,271           | 52,330               | 10,983           | 85,445              | (198,721)      | -                      | -                      | -            | -                         | -              |
| <b>Depreciation</b>                        | -                | -                | -                    | 102              | 716                 | 25,506         | 26,324                 | 50                     | 58           | 108                       | 26,432         |
| Total expenses                             | \$ 113,253       | \$ 121,443       | \$ 108,472           | \$ 36,392        | \$ 544,637          | \$ -           | \$ 924,197             | \$ 49,335              | \$ 104,214   | \$ 153,549                | \$ 1,077,746   |

The accompanying notes are an integral part of these financial statements.



# LIFEBRIDGE PARTNERSHIP

## Statement of Functional Expenses

Year ended December 31, 2013

|  | Program Services |                  |                      |                  |                     |                | Supporting Services    |                        |              |                           | Total Expenses |  |
|--|------------------|------------------|----------------------|------------------|---------------------|----------------|------------------------|------------------------|--------------|---------------------------|----------------|--|
|  | Sports Camp      | Youth Recreation | After School Program | Adult Recreation | Out & About Program | Transportation | Total Program Services | Management and General | Fund-Raising | Total Supporting Services |                |  |
| <b>Staff salaries and support</b>          |                  |                  |                      |                  |                     |                |                        |                        |              |                           |                |  |
| Staff salaries                             | \$ 20,440        | \$ 23,095        | \$ 30,051            | \$ 9,680         | \$ 353,301          | \$ 37,115      | \$ 473,682             | \$ 23,382              | \$ 73,417    | \$ 96,799                 | \$ 570,481     |  |
| Payroll taxes and fringe benefits          | 3,316            | 4,754            | 4,514                | 1,595            | 56,899              | 5,623          | 76,701                 | 6,052                  | 13,424       | 19,476                    | 96,177         |  |
| Total staff salaries and support           | 23,756           | 27,849           | 34,565               | 11,275           | 410,200             | 42,738         | 550,383                | 29,434                 | 86,841       | 116,275                   | 666,658        |  |
| <b>Operating expenses</b>                  |                  |                  |                      |                  |                     |                |                        |                        |              |                           |                |  |
| Program supplies and client transportation | 40,057           | 5,886            | 3,597                | 2,565            | 25,715              | 36,042         | 113,862                | 4,388                  | 4,633        | 9,021                     | 122,883        |  |
| Equipment maintenance, repair and rental   | 1,158            | 926              | 926                  | 1,622            | 13,088              | 30,279         | 47,999                 | 944                    | 1,437        | 2,381                     | 50,380         |  |
| Communications                             | 314              | 389              | 274                  | 508              | 4,252               | 2,533          | 8,270                  | 369                    | 159          | 528                       | 8,798          |  |
| Professional fees                          | 1,531            | 1,225            | 1,225                | 2,144            | 17,303              | 4,900          | 28,328                 | 3,452                  | 1,225        | 4,677                     | 33,005         |  |
| Miscellaneous                              | 473              | 1,044            | 1,218                | 198              | 10,028              | 1,771          | 14,732                 | 4,060                  | 1,765        | 5,825                     | 20,557         |  |
| Total operating expenses                   | 43,533           | 9,470            | 7,240                | 7,037            | 70,386              | 75,525         | 213,191                | 13,213                 | 9,219        | 22,432                    | 235,623        |  |
| <b>Facility expenses</b>                   |                  |                  |                      |                  |                     |                |                        |                        |              |                           |                |  |
| Utilities, rent and sanitation             | 3,469            | 2,776            | 2,776                | 4,857            | 39,204              | 11,100         | 64,182                 | 2,428                  | 2,776        | 5,204                     | 69,386         |  |
| Insurance                                  | 1,252            | 1,001            | 1,001                | 1,752            | 14,142              | 27,778         | 46,926                 | 1,267                  | 1,001        | 2,268                     | 49,194         |  |
| Total facility expenses                    | 4,721            | 3,777            | 3,777                | 6,609            | 53,346              | 38,878         | 111,108                | 3,695                  | 3,777        | 7,472                     | 118,580        |  |
| <b>Transportation expenses</b>             | 5,484            | 24,449           | 45,242               | 7,743            | 111,912             | (194,830)      | -                      | -                      | -            | -                         | -              |  |
| <b>Depreciation</b>                        | -                | -                | -                    | 107              | 677                 | 37,689         | 38,473                 | 95                     | 190          | 285                       | 38,758         |  |
| Total expenses                             | \$ 77,494        | \$ 65,545        | \$ 90,824            | \$ 32,771        | \$ 646,521          | \$ -           | \$ 913,155             | \$ 46,437              | \$ 100,027   | \$ 146,464                | \$ 1,059,619   |  |

The accompanying notes are an integral part of these financial statements.

# LIFEBRIDGE PARTNERSHIP

## Statements of Cash Flows

Years ended December 31, 2014 and 2013

|   | 2014              | 2013              |
|---|-------------------|-------------------|
| <b>Cash flows from operating activities:</b>  |                   |                   |
| Change in net assets  | \$ 118,150        | \$ 103,672        |
| Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities: |                   |                   |
| Depreciation  | 26,432            | 38,758            |
| Unrealized gain on investments  | (9,868)           | (117,869)         |
| Changes in assets and liabilities:  |                   |                   |
| Accounts receivable   | 1,467             | 14,238            |
| Pledges receivable  | 17,324            | (3,967)           |
| Bequest receivable  | (150,000)         | -                 |
| Prepaid expenses and other assets   | (382)             | (754)             |
| Accounts payable and accrued expenses   | 492               | 8,498             |
| <b>Net cash provided by operating activities</b>  | <b>3,615</b>      | <b>42,576</b>     |
| <b>Cash flows from investing activities:</b>  |                   |                   |
| Purchases of property and equipment   | -                 | (700)             |
| Reinvestment of dividends   | (54,940)          | (38,747)          |
| Proceeds from sales of marketable securities  | 35,000            | -                 |
| Purchases of investments  | (54,559)          | -                 |
| <b>Net cash used in investing activities</b>  | <b>(74,499)</b>   | <b>(39,447)</b>   |
| <b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>   | <b>(70,884)</b>   | <b>3,129</b>      |
| <b>Cash and cash equivalents, beginning of year</b>   | <b>188,143</b>    | <b>185,014</b>    |
| <b>Cash and cash equivalents, end of year</b>   | <b>\$ 117,259</b> | <b>\$ 188,143</b> |

The accompanying notes are an integral part of these financial statements.

# LIFEBRIDGE PARTNERSHIP

## Notes to Financial Statements

December 31, 2014

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### Note A - Nature of Operations and Summary of Significant Accounting Policies

LifeBridge Partnership, formerly known as St. Louis Society for Children and Adults with Physical Disabilities, (“LifeBridge”) is a Missouri not-for-profit corporation. Founded in 1927, LifeBridge’s overriding philosophy is to provide opportunities for children and adults with disabilities to live full, productive lives. During our history, we have evolved to meet the ever-changing needs of people with disabilities in the St. Louis community.

LifeBridge’s mission continues to empower people with disabilities to develop skills for independence and to actively participate in the community. We accomplish this mission by providing:

- Personalized support focused on individual abilities.
- Innovative, community-based learning opportunities.
- Accessible, door-to-door transportation.
- Compassionate, family-oriented environment.
- Advocacy to enhance quality of life and to educate society.

LifeBridge provides support services to children and adults with disabilities through a variety of programs and activities:

- **LifeBridge Camps** provide children and young adults an opportunity to become active participants, rather than observers. Using adaptive equipment and techniques, children participate in a variety of activities including, but not limited to, basketball, hockey, golf, music therapy, and martial arts. LifeBridge currently offers a four day Sports Camp in the summer and a Winter Break Camp in late December.
- Our **Youth Recreation** program is comprised of two groups: Stars (ages six to thirteen) and Young Adults (ages fourteen to twenty-one, if still in school). Weekly Youth Recreation activities provide participants with opportunities to become part of the community through visits to venues in the St. Louis area. Over the course of a year, Society Stars and Young Adults can visit the Zoo, explore the Science Center, cheer on their favorite team, or create a work of art at a pottery class.
- The **After School Program** is held four days per week for students at Gateway Michael School in the City of St. Louis. The main goal of the After School Program is to encourage the students to feel comfortable and have fun in an environment focused on individual abilities. Students participate in two hours of recreational activities to build sporting skills, participate in art therapy, go on field trips, and build self-esteem.

# LIFEBRIDGE PARTNERSHIP

## Notes to Financial Statements - Continued

December 31, 2014

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### Note A - Nature of Operations and Summary of Significant Accounting Policies (Continued)

- The **Adult Recreation** and **Out & About** programs provide adults with support services they need to be active in the community and in their pursuit of skills for independence. In cooperation with LifeBridge's staff, participants initiate and coordinate recreational and educational activities at venues throughout the St. Louis area. Through these activities participants learn to navigate the community, develop skills essential to independence, build relationships and independence, and lead an active life.

#### **Financial Statements Basis of Accounting and Presentation**

LifeBridge uses the accrual basis of accounting and accounting principles generally accepted in the United States of America. LifeBridge reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

*Unrestricted Net Assets* – Net assets and contributions not subject to donor-imposed stipulations.

*Temporarily Restricted Net Assets* – Net assets and contributions subject to donor-imposed stipulations that may or will be met by actions of LifeBridge and/or the passage of time. After the donor-imposed time or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported within the statement of activities as net assets released from restrictions.

*Permanently Restricted Net Assets* – Net assets and contributions subject to donor-imposed stipulations requiring that they be maintained permanently by LifeBridge. Generally, the donors of these assets permit LifeBridge to use all or part of the income earned on related investments for specific purposes.

#### **Cash and Cash Equivalents**

For purposes of the statements of financial position and cash flows, LifeBridge considers all highly liquid investments with a maturity of 90 days or less when purchased to be cash equivalents. Cash equivalents are stated at cost, which approximates market value. At times, bank deposits were in excess of federally insured limits.

# LIFEBRIDGE PARTNERSHIP

## Notes to Financial Statements - Continued

December 31, 2014

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### Note A - Nature of Operations and Summary of Significant Accounting Policies (Continued)

#### **Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with funding sources having outstanding balances and current relationships with them, management has concluded that realization losses on balances outstanding at year-end are immaterial.

#### **Pledges Receivable**

Pledges receivable are recognized in the period the pledge is made. Conditional pledges receivable are not recognized until they become unconditional, that is when the conditions are substantially met. Unconditional pledges expected to be collected in future years are recorded at the present value of expected future cash flows. The cash flows are discounted at a discount rate commensurate with the risks involved, at the date the pledge was made. When considered necessary, an allowance is recorded based on management estimate of uncollectibility including such factors as prior collection history, type of contribution, and the nature of fund-raising activity.

#### **Bequest Receivable**

Bequest receivable represents an estimate of a gift to be received. This promise to give is recognized when verifiable documentary evidence is received from an independent third party. At a minimum, this evidence must identify the source of the gift, the party responsible for coordinating distribution of the gift, an estimate of the value, and an anticipated distribution date of less than 12 months. When considered necessary, an allowance is recorded based on management estimate of uncollectibility including such factors type of contribution and the identified investment types.

#### **Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, and permanently restricted support depending on the existence and/or nature of any donor restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions. Contributions received with restriction that are satisfied within the same year are recorded as increases in unrestricted net assets.

# LIFEBRIDGE PARTNERSHIP

## Notes to Financial Statements - Continued

December 31, 2014

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### Note A - Nature of Operations and Summary of Significant Accounting Policies (Continued)

#### Contributions (Continued)

Pledges, including unconditional promises to give in future periods, are recognized as support in the period received. Conditional pledges receivable, which depend upon specified future and uncertain events, are recognized as support when the conditions upon which they depend are substantially met.

Contributions of assets other than cash are recorded at their estimated fair value at the date of donation. Contributions of cash or other assets to be used to acquire property and equipment are reported as revenues of the temporarily restricted net asset class; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

Contributions of services are recognized in the financial statements when they are received if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

Volunteers donate significant amounts of time to LifeBridge in various capacities. However, these services have not been recognized in the financial statements since they do not require specialized skills. The value of these services is not readily determinable.

#### Investments

Investments are stated at fair market value under Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) 820-10, *Fair Value Measurements and Disclosures*. Three levels of inputs are established to measure fair value. Each level of input has different levels of subjectivity and difficulty involved in determining fair value. Level 1 instruments represent quoted prices in active markets for identical assets that LifeBridge has the ability to access. Level 2 instruments include observable inputs other than Level 1 prices, such as quoted prices for similar instruments in markets with insufficient volume or infrequent transactions (less active markets). Level 3 instruments include unobservable inputs that require significant management judgment and subjectivity. LifeBridge’s investments consist of money market funds and mutual funds, and are carried at fair value based on quotes in active markets (Level 1).

Management determines the fair value measurement valuation policies and procedures, which are subject to Board of Directors assessment and approval. At least annually, Management determines if the current valuation techniques used in fair value measurements are still appropriate.

# LIFEBRIDGE PARTNERSHIP

## Notes to Financial Statements - Continued

December 31, 2014

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### Note A - Nature of Operations and Summary of Significant Accounting Policies (Continued)

#### **Investments (Continued)**

LifeBridge recognized transfers, if any, between levels in the fair value hierarchy at the end of the reporting period.

The cost of investment securities sold is determined using the specific identification method. Unrealized gains and losses and investment income are included in the accompanying statements of activities. See Note E for additional disclosures.

#### **Property and Equipment**

Property and equipment are carried at cost. Donations of property are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property are reported as restricted support. Absent donors stipulations regarding how long those donated assets must be maintained, LifeBridge reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. LifeBridge reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over their estimated useful lives ranging from three to ten years. Expenditures for major renewals and improvements, which increase the useful lives of respective assets, are capitalized, while expenditures for repairs and maintenance are expensed.

#### **Functional Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on the estimates of management at that time. Transportation services are provided for each program offered by LifeBridge. As a result, during the years ended December 31, 2014 and 2013, LifeBridge allocated transportation expenses to each program.

#### **Income Tax Status**

LifeBridge constitutes a qualified not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and is, therefore, exempt from federal income taxes.

# LIFEBRIDGE PARTNERSHIP

## Notes to Financial Statements - Continued

December 31, 2014

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### Note A - Nature of Operations and Summary of Significant Accounting Policies (Continued)

#### Income Tax Status (Continued)

LifeBridge has addressed the provisions of ASC 740, *Accounting for Income Taxes*. In that regard, LifeBridge has evaluated its tax positions, expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings and believes that no provision for income taxes is necessary, at this time, to cover any uncertain tax positions. LifeBridge's federal Form 990 for tax years 2011 and later remains subject to examination by taxing authorities.

#### Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of support, revenue, and expenses during the reporting period. Actual results could differ from those estimates.

#### Subsequent Events

LifeBridge evaluated all subsequent events through April 23, 2015, the date the financial statements were available to be issued.

### Note B - Cash and Cash Equivalents

During the years ended December 31, 2014 and 2013, cash consisted of the following designations:

|                                   | <u>2014</u>       | <u>2013</u>       |
|-----------------------------------|-------------------|-------------------|
| Operating cash                    | \$ 66,377         | \$ 87,261         |
| Endowment – Board Designated cash | <u>50,882</u>     | <u>100,882</u>    |
| Total                             | <u>\$ 117,259</u> | <u>\$ 188,143</u> |

### Note C - Pledges Receivable

Pledges receivable for the years ended December 31, 2014 and 2013, consists of a pledge related to LifeBridge's United Way allocation in the amount of \$154,835 and \$172,159, respectively, all of which management has determined is collectible within one year.



# LIFEBRIDGE PARTNERSHIP

## Notes to Financial Statements - Continued

December 31, 2014

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### Note D - Bequest Receivable

LifeBridge was notified of a distribution to be received from the Nick Kiriakos Trust. The administrator of the trust estimates the final distribution to be \$150,000 and to be made prior to the end of 2015.

### Note E - Investments

LifeBridge invests in various securities including money market and mutual funds. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term and those changes could negatively affect the amount reported in the statement of financial position.

Investments stated at fair value and at December 31, 2014 and 2013 consist of:

|                    | <u>2014</u><br>(Level 1) | <u>2013</u><br>(Level 1) |
|--------------------|--------------------------|--------------------------|
| Money market funds | \$ 24,251                | \$ 4,618                 |
| Mutual funds       | <u>891,697</u>           | <u>826,963</u>           |
| Total              | <u>\$ 915,948</u>        | <u>\$ 831,581</u>        |

Investment income consists of:

|                                     | <u>2014</u>      | <u>2013</u>       |
|-------------------------------------|------------------|-------------------|
| Reinvestment of dividends           | \$ 54,940        | \$ 38,747         |
| Net unrealized gains on investments | <u>9,868</u>     | <u>117,869</u>    |
| Investment income                   | <u>\$ 64,808</u> | <u>\$ 156,616</u> |

During the year, there were no changes in the methods or assumptions utilized to derive the fair value of LifeBridge's assets and liabilities.

# LIFEBRIDGE PARTNERSHIP

## Notes to Financial Statements - Continued

December 31, 2014

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### Note F - Property and Equipment

|                                 | <u>2014</u>      | <u>2013</u>      |
|---------------------------------|------------------|------------------|
| Transportation equipment        | \$ 289,455       | \$ 289,455       |
| Recreation equipment            | 23,577           | 23,577           |
| Office equipment                | <u>82,793</u>    | <u>82,793</u>    |
| Property and equipment, at cost | 395,825          | 395,825          |
| Less accumulated depreciation   | <u>(352,300)</u> | <u>(325,868)</u> |
| Property and Equipment, net     | <u>\$ 43,525</u> | <u>\$ 69,957</u> |

Depreciation expense for 2014 and 2013 totaled \$26,432 and \$38,758, respectively.

### Note G - Operating Leases

LifeBridge leases office space and office equipment from unrelated parties under operating leases that have non-cancellable lease terms in excess of one year. A new office lease agreement entered in during 2014 allowed for six months of rent abatement. LifeBridge recorded the rate abatement as in-kind revenue during the year ended December 31, 2014. Future obligations under the office leases are:

| <u>Years ending<br/>December 31,</u> | <u>Amount</u> |
|--------------------------------------|---------------|
| 2015                                 | \$ 57,242     |
| 2016                                 | 57,855        |
| 2017                                 | 59,692        |
| 2018                                 | 61,390        |
| 2019                                 | 63,088        |
| Thereafter                           | 109,025       |

During the years ended December 31, 2014 and 2013, rent expense was \$54,532 and \$68,365, respectively.

# LIFEBRIDGE PARTNERSHIP

## Notes to Financial Statements - Continued

December 31, 2014

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### Note H - Temporarily Restricted Net Assets

LifeBridge's temporarily restricted net assets as of December 31, 2014 and 2013 are available for the following purposes or periods:

|                                | <u>2014</u>       | <u>2013</u>       |
|--------------------------------|-------------------|-------------------|
| Program Restricted             | \$ 32,425         | \$ 92,309         |
| Time Restricted - United Way   | <u>154,918</u>    | <u>172,159</u>    |
|                                | <u>\$ 187,343</u> | <u>\$ 264,468</u> |
| Net assets released:           |                   |                   |
| Program restricted             | \$ 92,309         | \$ 76,115         |
| Timing restricted - United Way | <u>172,159</u>    | <u>168,159</u>    |
| Total net assets released      | <u>\$ 264,468</u> | <u>\$ 244,274</u> |

### Note I - Concentrations

LifeBridge received 38.7% and 56.4% of its revenue from two funding sources in 2014 and 2013, respectively. While these funding sources annually consider continuation of funding, management believes support from these funding sources will remain consistent with 2014 levels.

### Note J - Grants and Government Payments

LifeBridge received government payments and grants for program services from the following agencies for the years ended December 31, 2014 and 2013:

|  | <u>2014</u>       | <u>2013</u>       |
|--|-------------------|-------------------|
| Productive Living Board ("PLB")                                    | \$ 260,144        | \$ 461,795        |
| St. Louis Office of Developmental Disability Resources ("DDR")     | 202,188           | 133,858           |
| Developmental Disabilities Resource Board of St. Charles ("DDRBR") | 11,259            | 9,419             |
| Missouri Department of Transportation                              | <u>1,044</u>      | <u>4,192</u>      |
|  | <u>\$ 474,635</u> | <u>\$ 609,264</u> |

Funds from the PLB, DDR, and DDRBR are to be used in the programs as set forth in agreements between LifeBridge and the PLB, DDR, and DDRBR, respectively, to serve individuals with developmental disabilities. Funds from the Missouri Department of Transportation are for the operating and maintaining of the fleet for the Transportation programs.

# LIFEBRIDGE PARTNERSHIP

## Notes to Financial Statements - Continued

December 31, 2014

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### Note K - Endowment Funds

LifeBridge follows the requirements stipulated in the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”). LifeBridge’s endowment includes both donor-restricted and board designated endowments.

LifeBridge classifies donor-designated permanently restricted net assets as (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-designated endowment that is not classified in permanently restricted net assets is classified as temporary restricted net assets until those amounts are appropriated for expenditure by LifeBridge.

Realized gains as well as the net appreciation of permanent endowment funds may be expended for the same purpose as the endowment was established, unless explicit donor restrictions specify other treatment.

The Board of Directors adopted the following policies related to the endowment fund:

- Build non-designated Endowment principal to fund a minimum of twelve months of operations in the event of a catastrophic loss (i.e., more than 50%) of funding.
- Manage the Endowment in accordance with state and federal investment guidelines established for not-for-profits.
- Utilize a diversified investment strategy giving consideration to preservation of principal, generation of both growth and income and diversity of investment vehicles with ratings of AA or above unless approved by the Board of Directors.
- Provide annual realized investment income sufficient to supplement operations as deemed necessary.

# LIFEBRIDGE PARTNERSHIP

## Notes to Financial Statements - Continued

December 31, 2014

### Note K - Endowment Funds (Continued)

The following tables summarize the endowment activity for the years ended December 31, 2014 and 2013:

| Change in Endowment Assets              |   |   |                                      |                   |
|---|---|---|--------------------------------------|-------------------|
| December 31, 2014                       | Permanently<br>Restricted<br>Donor-<br>Designated | Temporarily<br>Restricted<br>Donor-<br>Designated | Unrestricted<br>Board-<br>Designated | Total             |
| Endowment net assets, beginning of year | \$ 458,273  | \$ 86,309   | \$ 386,299                           | \$ 930,881        |
| Dividends, net of investment expenses   | -   | 27,488  | 27,452                               | 54,940            |
| Net appreciation                        | -   | 4,937   | 4,931                                | 9,868             |
| Contributions                           | -   | -   | 4,560                                | 4,560             |
| Expenditures                            | -   | -   | (33,419)                             | (33,419)          |
| Released to board designated            | -   | (86,309)  | 86,309                               | -                 |
| Endowment net assets, end of year       | <u>\$ 458,273</u>                                 | <u>\$ 32,425</u>                                  | <u>\$ 476,132</u>                    | <u>\$ 966,830</u> |

| Change in Endowment Assets              |   |   |                                      |                   |
|---|---|---|--------------------------------------|-------------------|
| December 31, 2013                       | Permanently<br>Restricted<br>Donor-<br>Designated | Temporarily<br>Restricted<br>Donor-<br>Designated | Unrestricted<br>Board-<br>Designated | Total             |
| Endowment net assets, beginning of year | \$ 458,273  | \$ 54,114   | \$ 261,878                           | \$ 774,265        |
| Dividends, net of investment expenses   | -   | 21,354  | 17,393                               | 38,747            |
| Net appreciation                        | -   | 64,955  | 52,914                               | 117,869           |
| Released to board designated            | -   | (54,114)  | 54,114                               | -                 |
| Endowment net assets, end of year       | <u>\$ 458,273</u>                                 | <u>\$ 86,309</u>                                  | <u>\$ 386,299</u>                    | <u>\$ 930,881</u> |

# LIFEBRIDGE PARTNERSHIP

## Notes to Financial Statements - Continued

December 31, 2014

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### Note K - Endowment Funds (Continued)

#### Composition of Endowment Net Assets December 31, 2014

|                                  | Permanently<br>Restricted<br>Donor-<br>Designated | Temporarily<br>Restricted<br>Donor-<br>Designated | Unrestricted<br>Board-<br>Designated | Total             |
|----------------------------------|---|---|--------------------------------------|-------------------|
| Donor designated endowment funds | \$ 458,273  | \$ 32,425   | \$ -                                 | \$ 490,698        |
| Board designated endowment funds | -   | -   | 476,133                              | 476,133           |
| Total endowment funds            | <u>\$ 458,273</u>                                 | <u>\$ 32,425</u>                                  | <u>\$ 476,133</u>                    | <u>\$ 966,831</u> |

#### Composition of Endowment Net Assets December 31, 2013

|                                  | Permanently<br>Restricted<br>Donor-<br>Designated | Temporarily<br>Restricted<br>Donor-<br>Designated | Unrestricted<br>Board-<br>Designated | Total             |
|----------------------------------|---|---|--------------------------------------|-------------------|
| Donor designated endowment funds | \$ 458,273  | \$ 86,309   | \$ -                                 | \$ 544,582        |
| Board designated endowment funds | -   | -   | 386,299                              | 386,299           |
| Total endowment funds            | <u>\$ 458,273</u>                                 | <u>\$ 86,309</u>                                  | <u>\$ 386,299</u>                    | <u>\$ 930,881</u> |

### Note L - Simple IRA Retirement Plan

During 2012, LifeBridge established a simple IRA plan for its employees, matching 100% of contributions up to 3% of participants' eligible compensation. Matching contributions were \$10,960 and \$10,030 for the years ended December 31, 2014 and 2013, respectively.