



LIFEBRIDGE PARTNERSHIP

Financial Statements
with
Independent Auditor's Report

DECEMBER 31, 2019



THE FIRM FOR GROWTH.®

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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, 2019 and 2018, 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, 2019 and 2018, 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.

Emphasis of a Matter

As discussed in Note B to the financial statements, in March of 2020, the World Health Organization has declared COVID-19 constitutes a "Public Health Emergency of International Concern." Given the uncertainty of the situation, the duration of any organizational disruption and related financial impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

Brown Smith Wallace, LLP

St. Louis, Missouri
May 28, 2020

LIFEBRIDGE PARTNERSHIP

Statements of Financial Position

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 52,568	\$ 80,500
Accounts receivable	80,028	32,529
Contributions receivable	109,000	113,200
Prepaid expenses	18,921	14,645
Total Current Assets	260,517	240,874
Investments, at fair value	926,690	747,352
Property and equipment, net	37,486	21,466
Other assets	8,537	8,537
TOTAL ASSETS	\$ 1,233,230	\$ 1,018,229
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and other liabilities	\$ 18,300	\$ 20,658
Deferred revenue	12,139	5,600
Total Current Liabilities	30,439	26,258
Net Assets		
Without Donor Restrictions		
Available for general use	128,122	108,749
Board designated for operating reserves	369,879	280,016
Net investments in property and equipment	37,486	21,466
Total Without Donor Restrictions	535,487	410,231
With Donor Restrictions		
Time restricted for future periods	199,968	114,404
Perpetual in nature	467,336	467,336
Total With Donor Restrictions	667,304	581,740
Total Net Assets	1,202,791	991,971
TOTAL LIABILITIES AND NET ASSETS	\$ 1,233,230	\$ 1,018,229

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

LIFEBRIDGE PARTNERSHIP

Statement of Activities

Year ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions	\$ 68,157	\$ -	\$ 68,157
United Way	-	110,493	110,493
Bequests from estates	42,597	-	42,597
Government payments - program services	555,875	-	555,875
Special events, net of direct expenses of \$44,952	86,722	-	86,722
Program fees	36,152	-	36,152
Investment income	89,474	89,475	178,949
Miscellaneous income	2,247	-	2,247
Net assets released from restrictions	114,404	(114,404)	-
Total support and revenues	995,628	85,564	1,081,192
EXPENSES			
Program services:			
LifeBridge Camps	154,145	-	154,145
After School Services	121,731	-	121,731
Out & About	401,729	-	401,729
Total program services	677,605	-	677,605
Supporting services:			
Management and general	74,328	-	74,328
Fundraising	118,439	-	118,439
Total supporting services	192,767	-	192,767
TOTAL EXPENSES	870,372	-	870,372
CHANGE IN NET ASSETS	125,256	85,564	210,820
Net assets, beginning of year	410,231	581,740	991,971
Net assets, end of year	\$ 535,487	\$ 667,304	\$ 1,202,791

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

LIFEBRIDGE PARTNERSHIP

Statement of Activities

Year ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions	\$ 82,044	\$ -	\$ 82,044
United Way	-	114,404	114,404
Bequests from Estates	58,864	-	58,864
Government payments - program services	384,884	-	384,884
Special events, net of direct expenses of \$52,846	111,072	-	111,072
Program fees	30,938	-	30,938
Investment income	(16,631)	(27,719)	(44,350)
Miscellaneous income	1,377	-	1,377
Net assets released from restrictions	196,308	(196,308)	-
Total support and revenues	848,856	(109,623)	739,233
EXPENSES			
Program services:			
LifeBridge Camps	155,388	-	155,388
After School Services	106,856	-	106,856
Out & About	404,443	-	404,443
Total program services	666,687	-	666,687
Supporting services:			
Management and general	77,173	-	77,173
Fundraising	118,712	-	118,712
Total supporting services	195,885	-	195,885
TOTAL EXPENSES	862,572	-	862,572
CHANGE IN NET ASSETS	(13,716)	(109,623)	(123,339)
Net assets, beginning of year	423,947	691,363	1,115,310
Net assets, end of year	\$ 410,231	\$ 581,740	\$ 991,971

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

LIFEBRIDGE PARTNERSHIP

Statement of Functional Expenses

Year ended December 31, 2019

	Program Services					Supporting Services			Total Expenses
	LifeBridge Camps	After School Services	Out & About Program	Transportation	Total Program Services	Management and General	Fund-Raising	Total Supporting Services	
Staff salaries and support									
Direct support staff salaries	\$ 68,419	\$ 52,988	\$ 190,529	\$ 35,026	\$ 346,962	\$ -	\$ -	\$ -	\$ 346,962
Direct support payroll taxes and fringe benefits	10,443	8,704	31,632	5,459	56,238	-	-	-	56,238
Administrative staff salaries	6,525	4,375	10,381	-	21,281	46,248	91,438	137,686	158,967
Administrative payroll taxes and fringe benefits	1,348	903	2,143	-	4,394	10,079	18,276	28,355	32,749
Total staff salaries and support	86,735	66,970	234,685	40,485	428,875	56,327	109,714	166,041	594,916
Operating expenses									
Program supplies	13,204	6,419	20,756	13,035	53,414	7,661	353	8,014	61,428
Equipment maintenance and repair	-	-	-	10,584	10,584	1,825	1,535	3,360	13,944
Service agreements	5,833	3,991	13,354	4,451	27,629	-	-	-	27,629
Communications	2,437	1,135	4,544	1,259	9,375	434	434	868	10,243
Professional fees	5,384	3,684	12,328	4,109	25,505	1,417	1,417	2,834	28,339
Staff Travel	406	673	644	-	1,723	885	-	885	2,608
Continuing education	1,340	1,569	1,900	30	4,839	240	-	240	5,079
Miscellaneous	11	47	25	2,798	2,881	556	3	559	3,440
Total operating expenses	28,615	17,518	53,551	36,266	135,950	13,018	3,742	16,760	152,710
Facility expenses									
Utilities, rent and maintenance	13,111	8,971	30,018	10,006	62,106	3,450	3,450	6,900	69,006
Insurance - other	4,563	2,808	6,188	2,634	16,193	878	878	1,756	17,949
Insurance - vehicles	-	-	-	21,654	21,654	-	-	-	21,654
Total facility expenses	17,674	11,779	36,206	34,294	99,953	4,328	4,328	8,656	108,609
Transportation expenses	18,631	23,760	71,587	(113,978)	-	-	-	-	-
Depreciation	2,490	1,704	5,700	2,933	12,827	655	655	1,310	14,137
Total expenses per the statement of activities	\$ 154,145	\$ 121,731	\$ 401,729	\$ -	\$ 677,605	\$ 74,328	\$ 118,439	\$ 192,767	\$ 870,372
Direct cost of special events	-	-	-	-	-	-	44,952	44,952	44,952
Total expenses	\$ 154,145	\$ 121,731	\$ 401,729	\$ -	\$ 677,605	\$ 74,328	\$ 163,391	\$ 237,719	\$ 915,324

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

LIFEBRIDGE PARTNERSHIP

Statement of Functional Expenses

Year ended December 31, 2018

	Program Services					Supporting Services			Total Expenses
	LifeBridge Camps	After School Services	Out & About Program	Transportation	Total Program Services	Management and General	Fund-Raising	Total Supporting Services	
Staff salaries and support									
Direct support staff salaries	\$ 61,645	\$ 47,238	\$ 198,699	\$ 30,963	\$ 338,545	\$ -	\$ -	\$ -	\$ 338,545
Direct support payroll taxes and fringe benefits	8,425	7,404	34,332	11,202	61,363	-	-	-	61,363
Administrative staff salaries	8,425	4,213	14,210	-	26,848	48,631	89,643	138,274	165,122
Administrative payroll taxes and fringe benefits	1,740	869	2,934	-	5,543	11,219	18,320	29,539	35,082
Total staff salaries and support	80,235	59,724	250,175	42,165	432,299	59,850	107,963	167,813	600,112
Operating expenses									
Program supplies	12,243	2,465	14,230	14,319	43,257	4,910	851	5,761	49,018
Equipment maintenance and repair	-	-	133	15,781	15,914	-	-	-	15,914
Service agreements	6,703	3,881	15,875	5,292	31,751	1,764	1,764	3,528	35,279
Communications	2,355	1,000	4,749	1,343	9,447	451	753	1,204	10,651
Professional fees	5,172	2,995	12,250	4,083	24,500	1,361	1,735	3,096	27,596
Staff Travel	396	462	32	6	896	1,230	647	1,877	2,773
Continuing education	53	173	204	30	460	2	-	2	462
Miscellaneous	137	79	87	2,909	3,212	1,892	37	1,929	5,141
Total operating expenses	27,059	11,055	47,560	43,763	129,437	11,610	5,787	17,397	146,834
Facility expenses									
Utilities, rent and maintenance	12,200	7,063	28,894	9,631	57,788	3,210	3,210	6,420	64,208
Insurance - other	7,475	4,616	9,555	4,248	25,894	2,119	1,391	3,510	29,404
Insurance - vehicles	-	-	-	13,828	13,828	-	-	-	13,828
Total facility expenses	19,675	11,679	38,449	27,707	97,510	5,329	4,601	9,930	107,440
Transportation expenses	27,045	23,603	65,005	(115,653)	-	-	-	-	-
Depreciation	1,374	795	3,254	2,018	7,441	384	361	745	8,186
Total expenses per the statement of activities	\$ 155,388	\$ 106,856	\$ 404,443	\$ -	\$ 666,687	\$ 77,173	\$ 118,712	\$ 195,885	\$ 862,572
Direct cost of special events	-	-	-	-	-	-	52,846	52,846	52,846
Total expenses	\$ 155,388	\$ 106,856	\$ 404,443	\$ -	\$ 666,687	\$ 77,173	\$ 171,558	\$ 248,731	\$ 915,418

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

LIFEBRIDGE PARTNERSHIP

Statements of Cash Flows

Years ended December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 210,820	\$ (123,339)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	14,137	8,186
Unrealized (gain) loss on investments	(130,899)	107,051
Changes in assets and liabilities:		
Accounts receivable	(47,499)	17,860
Pledges receivable	4,200	2,919
Bequests receivable	-	25,000
Prepaid expenses and other assets	(4,276)	15,622
Accounts payable and other liabilities	(2,358)	(2,024)
Deferred Revenue	6,539	(3,160)
Net cash provided by operating activities	50,664	48,115
Cash flows from investing activities:		
Purchases of property and equipment	(30,157)	-
Reinvestment of dividend	(48,439)	(62,701)
Proceeds from the sale of marketable securities	-	70,000
Net cash (used in)/provided by investing activities	(78,596)	7,299
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(27,932)	55,414
Cash and cash equivalents, beginning of year	80,500	25,086
Cash and cash equivalents, end of year	\$ 52,568	\$ 80,500

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

LIFEBRIDGE PARTNERSHIP

Notes to Financial Statements

December 31, 2019

Note A - Summary of Services to Clients

LifeBridge Partnership (“LifeBridge” or the “Organization”) 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.

The Organization’s mission is 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 sporting and recreational activities such as basketball, golf, dance, music and art therapy. Activities also include experiential learning activities such as a behind the scenes tour of the St. Louis Zoo or exploring a pirate ship. LifeBridge currently offers two camps in the summer, a Winter Break Camp in late December, and a Spring Break Camp in March.
- **After School Services** are enrichment programs offered through SPARK Club and LifeBridge Leaders Club in partnership with St. Louis Public Schools. SPARK Club is held four days per week for students at Gateway Michael School. The primary goals of SPARK Club are to encourage the students to develop friendships and for them to experience a sense of belonging. Students participate in two hours of enrichment activities such as developing sporting skills, art and music therapy, field trips, and themed learning experiences. LifeBridge Leaders Club is held two days per week at Nottingham CAJT High School. The main goals of LifeBridge Leaders Club are to promote the development of soft skills for employment and for them to experience a sense of belonging. Students participate in two hours of activities including soft skill classroom instruction and team building activities. The students also visit work places to learn about job opportunities and practice soft skills with hiring managers.

LIFEBRIDGE PARTNERSHIP

Notes to Financial Statements - Continued

December 31, 2019

Note A - Summary of Services to Clients (Continued)

- The **Out & About** program provides adults with individualized support services to assist with building skills for independence and experiencing an inclusive community life. In cooperation with LifeBridge staff, participants initiate and coordinate recreational and educational activities at venues throughout the St. Louis metropolitan area. Through these activities participants develop skills to navigate the community, socialize in a community-based setting, and self-advocate.
- **LifeBridge Friends** provides adults who have gained the ability to independently pursue an active community life to remain connected to participants, staff, and volunteers of LifeBridge.

Note B - Summary of Significant Accounting Policies

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. Information regarding financial position, revenues, gains and losses is reported based on the absence or presence of donor restrictions. Net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets and contributions not subject to donor-imposed stipulations and available for general operations. These net assets may include funds available for general use, net investments in property and equipment, and assets designated by the Board for a specific purpose.

Net Assets With Donor Restrictions – Net assets and contributions subject to donor-imposed stipulations include assets that are perpetual in nature and time restricted assets. Restrictions that are perpetual in nature include 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. Time restrictions include those that may or will be met by actions of LifeBridge and/or the passage of time. Net assets with donor restrictions are released to net assets without donor restrictions once restrictions are satisfied.

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. The organization did not have cash equivalents during the years ended December 31, 2019 and 2018.

LIFEBRIDGE PARTNERSHIP

Notes to Financial Statements - Continued

December 31, 2019

Note B - Summary of Significant Accounting Policies (Continued)

Investments

Investments are stated at fair market value under Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-325-50-4, *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 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 on the date of donation. Such donations are reported as net assets without donor restrictions 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 support with donor restrictions. Absent donor 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 net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment greater than \$500 are capitalized and 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.

LIFEBRIDGE PARTNERSHIP

Notes to Financial Statements - Continued

December 31, 2019

Note B - Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Contributions received are recorded as available for general use, restricted for future use, or perpetual in nature depending on the existence and/or nature of any donor restrictions. Net assets with restrictions for future use are reclassified to net assets available for general use upon satisfaction of the time or purpose restrictions. Contributions received with restriction that are satisfied within the same year are recorded as increases in net assets available for general use.

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 no allowance for losses is considered necessary at December 31, 2019 and 2018.

Contributions receivable are recognized as revenue in the period the promise to contribute is made. Conditional contributions receivable are not recognized as revenue until they become unconditional, that is when the conditions are substantially met. Unconditional contributions 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 rate commensurate with the risks involved, at the date the promise to contribute was made.

Bequests receivable represent an estimate of a gift to be received. A bequest receivable is recognized as revenue 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.

Government payments – program services represent conditional promises to give under annual contracts with county SB40 Boards and the City of St. Louis. These contracts, which require fulfillment of certain conditions and performance of services, may provide either a fixed payment for each unit of service provided to a client or a lump sum payment in accordance with the terms of the contracts. Cash and other assets received under these contracts are recognized and recorded as the conditions are met. No amounts have been reflected in these financial statements for the conditional promises to give until conditions are satisfied at which time amounts are recorded as revenue in the statement of activities.

Revenue from special events and program fees from clients are recognized as revenue when earned. Revenue is earned upon completion of an event or service provided over the course of time. Special event tickets sales received in advance are deferred to the period in which the related event is held. Program fees are realized at the completion of service provided to clients.

LIFEBRIDGE PARTNERSHIP

Notes to Financial Statements - Continued

December 31, 2019

Note B - Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

When considered necessary, an allowance is recorded on contributions and bequests receivable based on management estimate of uncollectibility including such factors as prior collection history, type of contribution, and the nature of activity.

In-kind contributions are contributions of assets other than cash and contributions of services that are recorded at their estimated fair value at the date of donation. 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.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional program basis in the statement of activities. The statement of functional expenses presents the detailed classification of expenses for each functional program. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on the estimates of management at that time. Management allocates certain costs to functional programs based on the following:

- Utilization of organizational common resources such as square footage, professional services, and general supplies,
- Estimate of management's time and effort spent on specific functional program operations and oversight,
- Hours of service and number of one-way trips provided to clients within a functional program as a percentage of total services and/or trips provided,

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 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 PARTNERSHIP

Notes to Financial Statements - Continued

December 31, 2019

Note B - Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of 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 May 28, 2020, the date the financial statements were available to be issued. The organization may be affected by the World Health Organization's declaration, in March of 2020, that COVID-19 constitutes a "Public Health Emergency of International Concern." Given the uncertainty of the situation, the duration of any organizational disruption and related financial impact cannot be reasonably estimated at this time. However, LifeBridge has successfully transitioned support services to virtual channels. Certain funding sources, which historically have provided funding based upon units of service provided face to face with clients, transitioned funding from point of service contracts to a grant contracts. Accordingly, financial support in 2020 remains equal to funding under point of service contracts. Additionally, On March 27, 2020, The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was signed into law. The legislation includes provisions for expansion of the U.S. Small Business Administration's 7(a) Loan Program to support the new Paycheck Protection Program ("PPP"). Loans made under the PPP can be forgiven if certain conditions are met. The Organization submitted an application and was awarded a loan in the amount of \$127,500 under the PPP. Management does not believe these subsequent events will negatively impact the long-term operations of LifeBridge.

Note C - Change in Accounting Policy

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU clarifies and improves guidance for contributions received and contributions made and provides guidance to the Organization on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities. The change in accounting principle was adopted under the modified prospective in 2019. No restatement of prior amounts was recognized in the 2019 financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (ASC 606). This guidance outlines a single, comprehensive model for accounting for revenue from contracts with customers. The standard was adopted on January 1, 2019. The Organization's program revenue is generated substantially from providing various services to clients. The revenue for those services is recognized over time as the performance obligation is met. The Organization's revenue for special events is recognized over time when the performance obligation is met. The timing of revenue recognition was not affected by the new standard.

LIFEBRIDGE PARTNERSHIP

Notes to Financial Statements - Continued

December 31, 2019

Note D - Contributions Receivable

Contributions receivable for the years ended December 31, 2019 and 2018, consists of a pledge related to LifeBridge's United Way allocation in the amounts of \$109,000 and \$113,200, respectively, all of which management has determined is collectible within one year.

Note E - Investments and Fair Value Measurements

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, 2019 and 2018 consist of:

	<u>2019</u>	<u>2018</u>
	(Level 1)	(Level 1)
Mutual funds	\$ <u>926,690</u>	\$ <u>747,352</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.

Note F - Property and Equipment

	<u>2019</u>	<u>2018</u>
Transportation equipment	\$ 234,974	\$ 234,974
Recreation equipment	61,364	31,207
Office furniture and equipment	<u>14,383</u>	<u>14,383</u>
Property and equipment, at cost	310,721	280,564
Less accumulated depreciation	<u>(273,235)</u>	<u>(259,098)</u>
Property and Equipment, net	\$ <u>37,486</u>	\$ <u>21,466</u>

LIFEBRIDGE PARTNERSHIP

Notes to Financial Statements - Continued

December 31, 2019

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. Obligations under the leases are:

<u>Years ending December 31,</u>	<u>Amount</u>
2020	67,742
2021	46,917
2022	2,817
2023	2,817
Thereafter	2,113

During the years ended December 31, 2019 and 2018, rent expense was \$69,006 and \$64,208, respectively.

In April of 2020, LifeBridge entered into a collaborative agreement to share office space with two nonprofit organizations, Pathways to Independence and Options for Justice, collectively IDD Partnership, LLC ("IDD"). IDD was established to serve as tenant and each organization is a member of IDD. The lease commences on August 1, 2020 with a term of ten years and four months and base rent of \$8,143 starting December 1, 2020. LifeBridge's will be responsible 53.8% of rent.

Note H - Net Assets with Donor Restrictions

LifeBridge's net assets with donor restrictions as of December 31, 2019 and 2018 consist of:

	<u>2019</u>	<u>2018</u>
Unexpended endowment earnings	\$ 89,475	\$ -
Perpetual in nature:		
Mrs. Katherine B. Humphrey Fund	458,273	458,273
Dr. George Bernard Key Endowment Fund	9,063	9,063
Time restricted:		
United Way	<u>110,493</u>	<u>114,404</u>
Net assets with donor restrictions	<u>\$ 667,304</u>	<u>\$ 581,740</u>

LifeBridge's net assets that became available during the years ended December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Expended endowment earnings	\$ -	\$ 54,147
Time restricted:		
United Way	114,404	117,161
Bequest	<u>-</u>	<u>25,000</u>
Net assets released from donor restrictions	<u>\$ 114,404</u>	<u>\$ 196,308</u>

LIFEBRIDGE PARTNERSHIP

Notes to Financial Statements - Continued

December 31, 2019

Note I - Revenues from Special Event and Program Fees

Program fees included on the statement of activities are billed for services performed in a previous period in accordance with agreed-upon contractual terms, either monthly or upon achievement of contractual milestones. The Organization recognizes revenue for these arrangements evenly over time.

Disaggregation of Revenue

The following tables present revenue disaggregated by revenue source and pattern of revenue recognition over time for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Program fees	\$ 36,152	\$ 30,938
Special events	<u>44,100</u>	<u>81,900</u>
	<u>\$ 80,252</u>	<u>\$ 112,838</u>

	<u>2019</u>	<u>2018</u>
Special event ticket sales	\$ 44,100	\$ 81,900
Special event contributions	87,574	82,018
Special event expenses	<u>(44,952)</u>	<u>(52,846)</u>
Special event revenue, net as Presented on the statement of activities	<u>\$ 86,722</u>	<u>\$ 111,072</u>

Note J - Concentrations

LifeBridge received 50.9% and 63.8% of its revenue from three funding sources in 2019 and 2018, respectively. While these funding sources annually consider continuation of funding, management believes support from these funding sources will remain consistent with 2019 levels.

Note K - Grants and Government Payments

LifeBridge received government payments and grants for program services from the following agencies for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Productive Living Board (PLB)	\$ 331,325	\$ 247,162
St. Louis Office of Developmental Disability Resources (DDR)	110,425	108,732
City of St. Louis	82,459	-
Developmental Disabilities Resource Board of St. Charles (DDR)	29,968	24,680
Missouri Department of Transportation	<u>1,698</u>	<u>4,310</u>
	<u>\$ 555,875</u>	<u>\$ 384,884</u>

LIFEBRIDGE PARTNERSHIP

Notes to Financial Statements - Continued

December 31, 2019

Note K - Grants and Government Payments

Funds from the PLB, DDR, and DDRB are to be used in the programs as set forth in agreements between LifeBridge and the PLB, DDR, and DDRB, respectively to serve individuals with developmental disabilities. In 2019, the PLB funding includes a one-time capacity grant of \$50,000. This grant was used to replace computer software, upgrade client and donor software, and renovate vehicle accessibility features. The City of St. Louis provided funding with a Youth Empowerment Services Program pilot program grant for the LifeBridge Leaders Club. Funds from the Missouri Department of Transportation are for operating and maintaining the fleet used to provide transportation services.

Note L - Liquidity

Following the December 31, 2019 statement of financial position, LifeBridge has \$241,596 of financial assets available consisting of:

	<u>2019</u>	<u>2018</u>
Cash	\$ 52,568	\$ 80,500
Accounts receivable	80,028	32,529
Contributions receivable	<u>109,000</u>	<u>113,200</u>
	<u>\$ 241,596</u>	<u>\$ 226,229</u>

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure. The contributions receivable are subject to time restrictions, but will be collected before December 31, 2019.

LifeBridge applies annually for funding through the PLB, DDR, and DDRB to support program services. LifeBridge has historically been awarded funding from each agency and receives payment for each unit of service provided to clients eligible for funding through the respective agencies. LifeBridge believes support from these funding sources will remain consistent with 2019 levels.

In 2019, the City of St. Louis granted LifeBridge funding for LifeBridge Leaders Club. This grant funding totaled \$82,459 with \$41,230 outstanding at December 31, 2019.

The Board has designated endowment assets that are not perpetual in nature for operating reserves. These assets total \$459,354 at December 31, 2019. Additionally, management estimates that realized investment income of \$20,000 may be utilized during 2020. Through the annual budget process the Board has approved an income appropriation representing this estimated investment income.

LIFEBRIDGE PARTNERSHIP

Notes to Financial Statements - Continued

December 31, 2019

Note M - Endowment Funds

Following the requirements stipulated in the Uniform Prudent Management of Institutional Funds Act (UPMIFA), LifeBridge classifies net assets with donor designations that are perpetual in nature as (a) the original value of gifts donated as such, (b) the original value of subsequent gifts donated as such, and (c) accumulations to the endowment that is perpetual in nature 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 endowment with donor restrictions that is not classified as net assets that are perpetual in nature is classified as net assets time restricted for future use 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. During the years ending December 31, 2019 and 2018, there were no explicit donor restrictions regarding the expenditure of realized gains or net appreciation attributed to net assets that are perpetual in nature.

With the goal of providing supplemental income for operations as needed and funding the long-term objectives of the organization as defined within the strategic plan, the Board of Directors had adopted the following policies and objectives 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.

LIFEBRIDGE PARTNERSHIP

Notes to Financial Statements - Continued

December 31, 2019

Note M - Endowment Funds (Continued)

The following table summarizes the endowment activity for the years ended December 31, 2019 and 2018:

Change in Endowment Assets:

December 31, 2019	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 280,016	\$ 467,336	\$ 747,352
Dividends, net of investment expenses	24,219	24,220	48,439
Net appreciation (depreciation)	65,255	65,255	130,510
Gifts & Expenditures	389	-	389
Released from time restriction	-	-	-
Endowment net assets, end of year	<u>\$ 369,879</u>	<u>\$ 556,811</u>	<u>\$ 926,690</u>
December 31, 2018	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 312,500	\$ 549,202	\$ 861,702
Dividends, net of investment expenses	23,513	39,188	62,701
Net appreciation (depreciation)	(40,144)	(66,907)	(107,051)
Expenditures	(70,000)	-	(70,000)
Released from time restriction	54,147	(54,147)	-
Endowment net assets, end of year	<u>\$ 280,016</u>	<u>\$ 467,336</u>	<u>\$ 747,352</u>

Composition of Endowment Assets:

December 31, 2019	Without Donor Restrictions	With Donor Restrictions	Total
Unexpended endowment earnings	\$ -	\$ 89,475	\$ 89,475
Perpetual in nature	-	467,336	467,336
Board designated for operating reserves	369,879	-	369,879
Total Endowment Funds	<u>\$ 369,879</u>	<u>\$ 556,811</u>	<u>\$ 926,690</u>
December 31, 2018	Without Donor Restrictions	With Donor Restrictions	Total
Perpetual in nature	\$ -	\$ 467,336	\$ 467,336
Board designated endowment funds	280,016	-	280,016
Total Endowment Funds	<u>\$ 280,016</u>	<u>\$ 467,336</u>	<u>\$ 747,352</u>

LIFEBRIDGE PARTNERSHIP

Notes to Financial Statements - Continued

December 31, 2019

Note N - Simple IRA Retirement Plan

LifeBridge offers a simple IRA plan for its employees, matching 100% of contributions up to 3% of participants' eligible compensation. Matching contributions were \$5,854 and \$6,213 for the years ended December 31, 2019 and 2018, respectively.

Note O - Related Party

An employee of the organization is related to a vendor. This vendor was paid \$16,203 and \$15,631 for services rendered for the years ended December 31, 2019 and 2018, respectively. In accordance with policy, the vendor was awarded the contract after a competitive bidding process ratified by the Board of Directors. The related employee did not participate in the review or approval of this vendor.