



BRIDGING BIONICS FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
DECEMBER 31, 2023



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Bridging Bionics Foundation
Basalt, Colorado

Opinion

We have audited the accompanying financial statements of Bridging Bionics Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023 and the related statement of activities, functional expense and cash flow for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bridging Bionics Foundation as of December 31, 2023 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bridging Bionics Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bridging Bionics Foundation ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bridging Bionics Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bridging Bionics Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.


DAVE. V. JOHN, LLC

Tamarac, Florida
July 24, 2024

BRIDGING BIONICS FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ <u>1,074,262</u>
Total Current Assets	<u>1,074,262</u>

OTHER ASSETS

Operating lease-right of use asset	<u>90,436</u>
Total Other Assets	<u>90,436</u>

Total Assets	\$ <u><u>1,164,698</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 7,845
Current portion of operating lease liability	<u>49,350</u>
Total Current liabilities	<u>57,195</u>

NON-CURRENT LIABILITIES

Non current operating lease liability	<u>6,604</u>
Total Non-Current liabilities	<u>6,604</u>

TOTAL LIABILITIES	<u>63,799</u>
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NET ASSETS

With donor restrictions	-
Without donor restrictions	<u>1,100,899</u>

Total Net Assets	<u>1,100,899</u>
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Total Liabilities and Net Assets	\$ <u><u>1,164,698</u></u>
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The accompanying notes are an integral part of these financial statements.

BRIDGING BIONICS FOUNDATION

(A NOT-FOR-PROFIT ORGANIZATION)

STATEMENT OF ACTIVITIES

FOR THE YEAR BEGINNING JANUARY 1, 2023 TO THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions	\$ 1,107,002	\$ -	\$ 1,107,002
Other income	32,746	-	32,746
Interest income	<u>26,473</u>	<u>-</u>	<u>26,473</u>
Total revenues and other support	<u>1,166,221</u>	<u>-</u>	<u>1,166,221</u>
EXPENSES			
Program expenses	<u>640,698</u>	<u>-</u>	<u>640,698</u>
Total program expenses	<u>640,698</u>	<u>-</u>	<u>640,698</u>
Supporting services expenses			
Management and general	100,361	-	100,361
Fundraising expenses	<u>285,241</u>	<u>-</u>	<u>285,241</u>
Total supporting services expenses	<u>385,602</u>	<u>-</u>	<u>385,602</u>
Total expenses	<u>1,026,300</u>	<u>-</u>	<u>1,026,300</u>
Change in net assets	<u>139,921</u>	<u>-</u>	<u>139,921</u>
Net assets, beginning of year	<u>960,978</u>	<u>-</u>	<u>960,978</u>
Net assets, end of year	\$ <u>1,100,899</u>	\$ <u>-</u>	\$ <u>1,100,899</u>

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

BRIDGING BIONICS FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR BEGINNING JANUARY 1, 2023 TO THE YEAR ENDED DECEMBER 31, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising Expense</u>	<u>Total</u>
Salaries and wages	\$ 181,107	\$ 23,580	\$ 38,410	\$ 243,097
Employee benefits	34,250	4,227	4,227	42,704
Professional fees	-	6,897	-	6,897
General administrative	6,559	5,599	3,839	15,997
Rent	21,593	113	113	21,819
Independent contractors	8,174	59,945	22,707	90,826
Program expense	389,015	-	-	389,015
Fundraising expense	-	-	215,945	215,945
	\$ <u>640,698</u>	\$ <u>100,361</u>	\$ <u>285,241</u>	\$ <u>1,026,300</u>

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

BRIDGING BIONICS FOUNDATION

(A NOT-FOR-PROFIT ORGANIZATION)

STATEMENT OF CASH FLOWS

FOR THE YEAR BEGINNING JANUARY 1, 2023 TO THE YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 139,921
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:	
Changes in operating assets and liabilities	
Accounts payable (decrease) increase	<u>(2,969)</u>
Net cash provided by (used in) Operating activities	<u>136,952</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Operating lease right of use assets	<u>(6,030)</u>
Net cash (used in) provided by Investing Activities	<u>(6,030)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Operating lease liability	<u>(5,877)</u>
Net cash (used in) provided by Financing Activities	<u>(5,877)</u>

Net increase (decrease) in cash and cash equivalents 125,045

Cash and cash equivalents, beginning of year 949,217

Cash and cash equivalents, end of year \$ 1,074,262

Supplementary Cash Flow Disclosure Information

Interest expense \$ -

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

BRIDGING BIONICS FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – DESCRIPTION OF THE ORGANIZATION

Bridging Bionics Foundation is a not-for-profit organization incorporated under the laws of Colorado in 2013. Their goal is to provide access to this cutting-edge technology, which is typically cost prohibitive, to enhance neuro-recovery and quality of life for individuals who have neurological disorders or mobility impairments. The program enables such individuals to exercise in an inclusive health club environment that promotes well-being.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The financial statements of Bridging Bionics Foundation have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require Bridging Bionics Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of Bridging Bionics Foundation's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Bridging Bionics Foundation's or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of operations – The statements of activities report's all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to Bridging Bionics Foundation's program expenses. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and cash equivalents – Bridging Bionics Foundation's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

BRIDGING BIONICS FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Concentrations of credit risk – Financial instruments that potentially subject Bridging Bionics Foundation to concentrations of credit risk consist principally of cash and cash equivalents and contributions receivable. Bridging Bionics Foundation maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. Bridging Bionics Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts.

Contributions – Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Functional expenses – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

Use of estimates – The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income taxes – The Organization is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. Bridging Bionics Foundation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. Bridging Bionics Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

BRIDGING BIONICS FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Property and Equipment – Property and equipment will be stated at cost. Depreciation is computed by using the straight-line method based over the estimated useful lives of the assets as follows:

Building and Improvements	40 Years
Furniture, Fixtures and Equipment	7 Years
Library Books	5 Years
Computer Equipment	5 Years

Expenditures for major renewals and improvements that are more than \$1,000 and extend the useful life of the property and equipment will be capitalized, while expenditures for maintenance and repairs that do not improve or extend the useful lives of the respective assets are currently expensed.

Impairment of long-lived assets – The Organization adheres to the Property, Plant and Equipment Topic of FASB ASC 360 to account for the impairment of long-lived assets. This statement requires, among other things, that entities identify events or changes in circumstances that indicates that the carrying amount of an asset may not be recoverable. This statement had no effect on the financial statements of the Organization since no assets were considered to be impaired for the year ended December 31, 2023.

Fair Value Measurement – Under FASB ASC 820, Fair Value Measurements and disclosure (SFAS No.157), Fair value is defined as the exchange price that would be received for an asset or paid to transfer (an exit price) in the principal or most advantageous market for the asset or liability in an order transaction between market participants on the measurement date.

The Organization has determined that there were no material differences between the carrying value and the fair value of its financial assets and liabilities, and therefore, no adjustment for the effect of FASB ASC 820 was made to the Organization's financial statements at December 31, 2023.

Revenue Recognition – Grants and Contributions - Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Conditional promises to give are not recognized until they become unconditional. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donor-imposed contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. Net assets restricted for acquisition of buildings

BRIDGING BIONICS FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

or equipment are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization's when the restrictions are released.

Functional Expenses – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

Leases – The Organization determines if an arrangement is a lease at inception. Right-of-use (ROU) assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments. The ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date or at lease modification date for certain lease modifications. For all leases, we use a rate that represents a collateralized incremental borrowing rate based on similar terms and information available at lease commencement date or at the modification date for certain lease modifications in determining the present value of lease payments. In addition to the lease payments, the determination of an ROU asset may also include certain adjustments related to lease incentives and initial direct costs incurred. Options to extend or terminate a lease are included in the determination of the ROU asset and lease liability only when it is reasonably certain that we will exercise that option.

Lease expense for operating leases is recognized on a straight-line basis over the lease term, while the lease expense for finance leases is recognized using the effective interest method. ROU assets are reviewed for impairment when events or circumstances indicate that the carrying amount may not be recoverable. For operating leases, if deemed impaired, the ROU asset is written down and the remaining balance is subsequently amortized on a straight-line basis which results in lease expense recognition that is similar to finance leases. For all leases, we have elected to account for the contractual lease and non-lease components as a single lease component and include in the calculation of the lease liability.

Going Concern Evaluation – Management evaluated whether there were conditions or events that raised substantial doubt about the entity's ability to continue as a going concern for a period of one year from the date the financial statements were issued.

Adoption of Accounting Standard - In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The standard requires lessees to recognize the assets and liabilities that arise from leases in the balance sheet. Additionally, in July 2018, the FASB issued ASU 2018-11, Leases (Topic 842) - Targeted Improvements, which, among other things, provides an additional transition method that would allow entities to not apply the guidance in ASU 2016-02 in the comparative periods presented in the financial statements and instead recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption.

BRIDGING BIONICS FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

New Accounting Pronouncement – On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return.

Bridging Bionics Foundation has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

NOTE 3 – DATE OF MANAGEMENT REVIEW

In preparing the financial statements, the Bridging Bionics Foundation has evaluated events and transactions for potential recognition or disclosures through July 24, 2024, the date that the financial statements were available to be issued.

NOTE 4 – CONCENTRATIONS AND CREDIT RISK

Financial Instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents. Cash on deposit with two financial institutions at December 31, 2023 was approximately \$1,074,262, and was insured up to \$250,000 by the U.S Federal Deposit Insurance Corporation. At December 31, 2023, the Organization had \$729,611 in excess of FDIC insured limits.

NOTE 5 – AVAILABILITY AND LIQUIDITY

The following represents the Organization’s financial assets at December 31, 2023:

Financial assets at year end:	<u>2023</u>
Cash and cash equivalents	<u>\$ 1,074,262</u>
Total financial assets	<u>1,074,262</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	-
Less net assets with purpose restrictions to be met in less than a year	-
Board-designated funds for future use	<u>-</u>
	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,074,262</u>

BRIDGING BIONICS FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 – RISK AND UNCERTAINTIES

The COVID-19 virus was declared a global pandemic as it continues to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

NOTE 7 – OPERATING LEASES

The Organization entered into a 36-month lease agreement for its operating facility expiring in March 2025. The terms of the operating lease agreement include a free rent period for the first year and annual base rentals which escalate. Facilities rental expense was \$33,300 in 2023.

Operating lease right-of-use assets as of December 31, 2023 were as follows:

Right-of-use assets:	
Operating lease assets	\$ 90,436
Lease liabilities:	
Current operating lease liabilities	49,350
Noncurrent operating lease liabilities	6,604
Total operating lease liabilities	<u>\$ 55,954</u>

The following is a schedule of future minimum rental cash payments required under the above operating lease as of December 31:

2024	47,123
2025	8,831
Total	\$ <u>55,954</u>

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Bridging Bionics Foundation could be party to various legal actions normally associated in the course of its operation, the aggregate effect of which, in management's opinion would not be material to the future financial condition of the Organization.

NOTE 9 – SUBSEQUENT EVENTS

Under FASB ASC 855, subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or ready to be issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements.

BRIDGING BIONICS FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

SUBSEQUENT EVENTS – continued

The Organization's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before financial statements are issued. Bridging Bionics Foundation is not aware of any material subsequent events.