

# BRIDGE TO TÜRKİYE FUND AND SUBSIDIARY

Consolidated Financial Statements  
With Independent Auditors' Report

June 30, 2024



# BRIDGE TO TÜRKIYE FUND AND SUBSIDIARY

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Bridge to Türkiye Fund and Subsidiary  
Chapel Hill, North Carolina

### ***Opinion***

We have audited the accompanying consolidated financial statements of Bridge to Türkiye Fund and Subsidiary (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Bridge to Türkiye Fund and Subsidiary as of June 30, 2024, 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of Bridge to Türkiye Fund and Subsidiary 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 Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bridge to Türkiye Fund and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Board of Directors  
Bridge to Türkiye Fund and Subsidiary  
Chapel Hill, North Carolina

***Auditors' Responsibility for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 consolidated 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 consolidated 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 consolidated 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 Bridge to Türkiye Fund and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bridge to Türkiye Fund and Subsidiary'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.

*Capin Crouse LLC*

Lawrenceville, Georgia  
March 21, 2025

# BRIDGE TO TÜRKIYE FUND AND SUBSIDIARY

## Consolidated Statement of Financial Position

June 30, 2024

ASSETS:	
Cash and cash equivalents	\$ 54,073
Contributions receivable-net	1,531,344
Investments	<u>5,790,075</u>
Total Assets	<u>\$ 7,375,492</u>
LIABILITIES AND NET ASSETS:	
Liabilities:	
Grants payable	\$ 1,138,872
Total liabilities	<u>1,138,872</u>
Net assets:	
Without donor restrictions	1,264,524
With donor restrictions	<u>4,972,096</u>
Total net assets	<u>6,236,620</u>
Total Liabilities and Net Assets	<u>\$ 7,375,492</u>

See notes to consolidated financial statements

# BRIDGE TO TÜRKIYE FUND AND SUBSIDIARY

## Consolidated Statement of Activities

Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE:</b>			
Support:			
Contributions	\$ 1,026,722	\$ 4,463,891	\$ 5,490,613
Revenue:			
Investment income	489,639	-	489,639
Total Support and Revenue	<u>1,516,361</u>	<u>4,463,891</u>	<u>5,980,252</u>
<b>RECLASSIFICATIONS:</b>			
Satisfaction of purpose restrictions	<u>6,155,383</u>	<u>(6,155,383)</u>	<u>-</u>
<b>EXPENSES:</b>			
Program services	<u>7,914,165</u>	<u>-</u>	<u>7,914,165</u>
Supporting activities:			
General and administrative	84,145	-	84,145
Fundraising	<u>65,917</u>	<u>-</u>	<u>65,917</u>
	<u>150,062</u>	<u>-</u>	<u>150,062</u>
Total Expenses	<u>8,064,227</u>	<u>-</u>	<u>8,064,227</u>
Change in Net Assets	(392,483)	(1,691,492)	(2,083,975)
Net Assets, Beginning of Year	<u>1,657,007</u>	<u>6,663,588</u>	<u>8,320,595</u>
Net Assets, End of Year	<u>\$ 1,264,524</u>	<u>\$ 4,972,096</u>	<u>\$ 6,236,620</u>

See notes to consolidated financial statements

# BRIDGE TO TÜRKIYE FUND AND SUBSIDIARY

## Consolidated Statement of Functional Expenses

Year Ended June 30, 2024

	Supporting Activities			Total Supporting Activities	Total Expenses
	Program Services	General and Administrative	Fundraising		
Grants to others	\$ 7,746,298	\$ -	\$ -	\$ -	\$ 7,746,298
Salaries and benefits	141,241	48,980	53,988	102,968	244,209
Bank charges	26,332	5,712	-	5,712	32,044
Information technology	223	11,552	-	11,552	11,775
Advertising and promotion	-	-	11,309	11,309	11,309
Office expenses	71	10,045	620	10,665	10,736
Travel	-	3,299	-	3,299	3,299
Conferences and meetings	-	3,198	-	3,198	3,198
Professional fees	-	1,359	-	1,359	1,359
	\$ 7,914,165	\$ 84,145	\$ 65,917	\$ 150,062	\$ 8,064,227

See notes to consolidated financial statements

# BRIDGE TO TÜRKIYE FUND AND SUBSIDIARY

## Consolidated Statement of Cash Flows

Year Ended June 30, 2024

### CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (2,083,975)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Realized/unrealized gains on investments	(199,600)
Changes in operating assets and liabilities:	
Contributions receivable-net	(1,531,344)
Grants payable	1,138,872
Net Cash Used by Operating Activities	<u>(2,676,047)</u>

### CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of investments	(1,054,887)
Proceeds from sales of investments	<u>3,734,734</u>
Net Cash Provided by Investing Activities	<u>2,679,847</u>

Net Change in Cash and Cash Equivalents 3,800

Cash and Cash Equivalents, Beginning of Year 50,273

Cash and Cash Equivalents, End of Year \$ 54,073

See notes to consolidated financial statements

# BRIDGE TO TÜRKIYE FUND AND SUBSIDIARY

## Notes to Consolidated Financial Statements

June 30, 2024

### 1. NATURE OF ORGANIZATION:

Bridge to Türkiye Fund and Subsidiary (collectively referred to as BTFS) is the consolidated financial reporting entity for Bridge to Türkiye Fund (BTF) and its subsidiary, Bridge to Türkiye Fund–Canada (BTFC).

BTF was incorporated in the state of North Carolina on December 18, 2003. BTF is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (Code) and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the Code. BTF has been classified as a public charity, which is not a private foundation under Section 170(b)(1)(A)(vi) of the Code. BTF exists to connect communities worldwide for a brighter Türkiye by transforming goodwill into sustainable and impactful programs that improve lives. The primary source of revenue for BTF is contributions from the general public.

A culture of giving and civic involvement is a part of BTF's heritage. BTF was established by a few like-minded Turkish-Americans and friends of Türkiye with the simple desire to give back. Founded on citizen-based, democratic and secular principles, BTF encourages all to contribute to the welfare of less fortunate children and youth in Türkiye. BTF's goal is to be the bridge that connects brilliant ideas with philanthropic resources. BTF's trusted and collaborative platform is designed to enable social entrepreneurs to flourish and transform their ideas into reality. BTF maintains a portfolio of carefully vetted Turkish NGOs and localized projects to accomplish this goal. This makes it possible for BTF's donors to support impactful causes simply and safely from abroad. BTF's focus areas include education, the health and wellbeing of youth, environmental and natural life conservation, and disaster management. BTF's shared vision is to unite friends of Türkiye and give back as a community. It is an organized attempt to leverage individual diaspora resources who believe in the power of investing together for education and building better futures for disadvantaged youth in Türkiye.

BTFC was organized in March 2023, under the laws of Canada. BTFC exists to further the purposes of BTF. Control of BTFC by BTF is complete because BTF controls the majority of the board of directors positions of BTFC. BTFC had no financial activity for the year ended June 30, 2024. Effective October 2024, the number of board of directors positions held by BTF was reduced to a minority and BTF no longer controls BTFC subsequent to the date of these consolidated financial statements.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

#### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the operations of BTF and BTFC. All significant inter-company balances and transactions have been eliminated.

# BRIDGE TO TÜRKIYE FUND AND SUBSIDIARY

## Notes to Consolidated Financial Statements

June 30, 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and disclosures of contingent assets and liabilities at the date of the consolidated financial statements. Actual results could differ from those estimates.

#### CASH AND CASH EQUIVALENTS

BFTS considers cash and cash equivalents to be cash held in checking accounts. While deposits may be in excess of federally insured limits, BFTS has not experienced any losses in such accounts. At June 30, 2024, cash balances did not exceed federally insured limits.

#### CONTRIBUTIONS RECEIVABLE–NET

Contributions receivable–net includes unconditional promises made by certain donors wherein the donors have unconditionally promised contributions to the Organization in future periods. Unconditional promises expected to be collected within one year are recorded as support and a receivable at net realizable value. Unconditional promises expected to be collected in future years are recorded as support and a receivable at the present value of the expected future cash flows. Discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. For the contributions receivable received during the year ended June 30, 2024, the discount rate used was 4.52%. Amortization of discounts is included in contributions in the accompanying statements of activities. The allowance for doubtful accounts is maintained at a level which, in management’s judgment, is adequate to absorb potential losses inherent in the contributions receivable portfolio. The amount of the allowance is based on management’s evaluation of the collectability of the contributions receivable portfolio, including the nature of the portfolio, trends in historical loss experience, specific impaired accounts, and economic conditions. For the year ended June 30, 2024, no allowance was recorded as management has determined that all contributions receivable are fully collectible.

#### INVESTMENTS

Investments in marketable securities with readily determinable fair values are recorded at fair market value based on the last reported sales price on the valuation date. Donated investments are recorded at market value at the date of donation and thereafter carried in conformity with the stated policy. Interest and dividend income and the realized and unrealized gains and losses on marketable securities and other investments are included in investment income (loss) in the accompanying consolidated statement of activities.

# BRIDGE TO TÜRKIYE FUND AND SUBSIDIARY

## Notes to Consolidated Financial Statements

June 30, 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### GRANTS PAYABLE

Grants authorized but unpaid at year-end are reported as liabilities. The entire amount accrued in the consolidated statement of financial position is expected to be disbursed during the year ended June 30, 2025 and no discount has been applied to these grants payable.

#### CLASSES OF NET ASSETS

The consolidated financial statements report amounts separately by class of net assets:

*Nets assets without donor restrictions* are currently available for general purposes under the direction of the board.

*Net assets with donor restrictions* are currently contributed with donor stipulations for specific operating purposes or programs, time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

#### SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES

BFTS reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as reclassifications.

BFTS reports revenue from conditional grants in the period in which the conditions are met. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Gifts-in-kind that can be used or sold are measured at fair value on the date of donation.

BFTS reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, BFTS reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of BFTS. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These expenses include salaries and benefits which are allocated based on time and effort estimates.

# BRIDGE TO TÜRKIYE FUND AND SUBSIDIARY

## Notes to Consolidated Financial Statements

June 30, 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### CONCENTRATIONS

During the year ended June 30, 2024, BFTS received 52%, of total contributions from three donors. BFTS's operations and program activities could be impacted if these donor relationships were to be terminated and could not be replaced by new donors with comparable donations.

### 3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects BFTS's financial assets as of June 30, 2024, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. BFTS considers general expenditures to be all expenditures related to its ongoing activities of connecting communities worldwide for a brighter Türkiye by transforming goodwill into sustainable and impactful programs that improve lives as well as the conduct of services undertaken to support those activities to be general expenditures.

Financial assets, at year-end:	
Cash and cash equivalents	\$ 54,073
Contributions receivable–net	1,531,344
Investments	5,790,075
	<u>7,375,492</u>
Less those not available for general expenditure within one year, due to:	
Contributions receivable due beyond one year	<u>(256,344)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,119,148</u>

As part of BFTS's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At June 30, 2024, BFTS has \$4,640,752 in net assets with donor restrictions for project support. These funds are considered available to meet needs for general expenditures as funds are used for their donor restricted purpose.

# BRIDGE TO TÜRKIYE FUND AND SUBSIDIARY

## Notes to Consolidated Financial Statements

June 30, 2024

4. CONTRIBUTIONS RECEIVABLE–NET:

Contributions receivable–net, consist of:

Expected future cash flow from unconditional contributions receivable	\$ 1,550,000
Less present value discount	(18,656)
	<u>1,531,344</u>
Less allowance	<u>-</u>
	<u>\$ 1,531,344</u>

Amounts of unconditional contributions receivable due in:

Less than one year	\$ 1,275,000
One to five years	<u>256,344</u>
	<u>\$ 1,531,344</u>

5. INVESTMENTS:

Investments consist of:

Held at fair value:	
Exchange traded funds	<u>\$ 1,716,699</u>
Held at cost:	
Cash and cash equivalents	2,045,641
Certificates of deposit	<u>2,027,735</u>
	<u>4,073,376</u>
	<u>\$ 5,790,075</u>

6. FAIR VALUE MEASUREMENTS:

FASB Accounting Standards Codification (FASB ASC) topic 820, *Fair Value Measurements and Disclosure*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs, other than the quoted prices in active markets, are observable either directly or indirectly, and Level 3 consists of unobservable inputs in which there is little or no market data, which requires BFTS to develop its own assumptions. BFTS uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, BFTS measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. There were no changes in methods or assumptions from prior year.

# BRIDGE TO TÜRKIYE FUND AND SUBSIDIARY

## Notes to Consolidated Financial Statements

June 30, 2024

6. FAIR VALUE MEASUREMENTS, continued:

	Fair Value Measurements at June 30, 2024			Total
	Level 1	Level 2	Level 3	
Investments:				
Exchange traded funds	\$ 1,716,699	\$ -	\$ -	\$ 1,716,699
Reconciling items at cost:				
Cash and cash equivalents				2,045,641
Certificates of deposit				2,027,735
				4,073,376
Total investments				\$ 5,790,075

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

*Exchange traded funds*—The fair value of these financial instruments is based upon quoted market prices or dealer quotes in an active market.

*Changes in valuation techniques*—None.

7. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consists of:

Restricted for time	\$ 331,344
Restricted for time/purpose:	
Child Amputees of Türkiye Earthquake—purpose	2,128,885
Disaster management—purpose	1,284,655
Educational buildings—time and purpose	1,000,000
Scholarships—time and purpose	200,000
Health and wellbeing—purpose	27,212
	\$ 4,972,096

8. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through March 21, 2025, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.