

**Bridge Builders International**  
**Audited Financial Statements**  
**For the Years Ended May 31, 2019 and 2018**

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Independent Auditor's Report

To the Board of Directors of  
Bridge Builders International  
Salem, Oregon

We have audited the accompanying financial statements of Bridge Builders International (the "Organization"), a nonprofit organization, which comprise the statements of financial position as of May 31, 2019 and 2018, and the related statements of activities and changes in net assets, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 the Organization'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 the Organization'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.

Independent Auditor's Report (continued)

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of May 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.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Net Asset Balances on page 11 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Tighe, Kress & Orr, PC*

Elgin, Illinois  
November 15, 2019

## **Financial Statements**

**Bridge Builders International**  
**Statements of Financial Position**  
**May 31, 2019 and 2018**

<b>Assets</b>		<u>2019</u>	<u>2018</u>
<b>Current Assets:</b>			
Cash and cash equivalents	\$	<u>100,210</u>	\$ <u>150,390</u>
Total Current Assets		<u>100,210</u>	<u>150,390</u>
Property and Equipment, net		<u>-</u>	<u>269</u>
Total Assets	\$	<u><u>100,210</u></u>	\$ <u><u>150,659</u></u>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$	11,581	\$ 11,581
Payroll liabilities		3,792	6,668
Credit cards payable		<u>3,104</u>	<u>1,616</u>
Total Current Liabilities		<u>18,477</u>	<u>19,865</u>
<b>Net Assets:</b>			
Without donor restrictions		33,507	34,126
With donor restrictions		<u>48,226</u>	<u>96,668</u>
Total Net Assets		<u>81,733</u>	<u>130,794</u>
Total Liabilities and Net Assets	\$	<u><u>100,210</u></u>	\$ <u><u>150,659</u></u>

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

**Bridge Builders International**  
**Statements of Activities and Changes in Net Assets**  
**For the Years Ended May 31, 2019 and 2018**

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:						
Contributions	\$ 380,939	\$ 386,923	\$ 767,862	\$ 332,650	\$ 549,917	\$ 882,567
Interest	19	-	19	55	-	55
Total Revenue	<u>380,958</u>	<u>386,923</u>	<u>767,881</u>	<u>332,705</u>	<u>549,917</u>	<u>882,622</u>
Net assets released from restrictions	<u>435,365</u>	<u>(435,365)</u>	<u>-</u>	<u>542,419</u>	<u>(542,419)</u>	<u>-</u>
Expenses:						
Program Expenses	643,668	-	643,668	794,982	-	794,982
General and administrative	114,818	-	114,818	49,824	-	49,824
Fundraising	58,456	-	58,456	69,552	-	69,552
Total Expenses	<u>816,942</u>	<u>-</u>	<u>816,942</u>	<u>914,358</u>	<u>-</u>	<u>914,358</u>
Change in net assets	<u>(619)</u>	<u>(48,442)</u>	<u>(49,061)</u>	<u>(39,234)</u>	<u>7,498</u>	<u>(31,736)</u>
Net assets, beginning of year	34,126	96,668	130,794	73,360	89,170	162,530
Net assets, end of year	<u>\$ 33,507</u>	<u>\$ 48,226</u>	<u>\$ 81,733</u>	<u>\$ 34,126</u>	<u>\$ 96,668</u>	<u>\$ 130,794</u>

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

**Bridge Builders International**  
**Statements of Functional Expenses**  
**For the Years Ended May 31, 2019 and 2018**

	2019			Total Expenses 2019	Total Expenses 2018
	Program Services	Management and General	Fundraising Services		
<b>Salaries and related expenses:</b>					
Salaries, wages and other compensation	\$ 176,081	\$ 45,743	\$ 22,896	\$ 244,721	\$ 273,620
Employee benefits	23,582	21,845	4,814	50,241	49,047
Payroll taxes	3,603	3,683	721	8,007	10,325
Total salaries and related expenses	<u>203,267</u>	<u>71,271</u>	<u>28,431</u>	<u>302,969</u>	<u>332,992</u>
<b>Operating Expenses:</b>					
Occupancy	-	1,560	-	1,560	1,560
Telephone	-	2,835	-	2,835	2,992
Supplies	-	413	-	413	447
Computer Expense	-	26,176	2,223	28,399	28,367
Printing and Publication	-	-	3,448	3,448	8,922
Postage and Shipping	-	-	5,286	5,286	4,581
Conferences and Meetings	-	-	-	0	1,320
Travel	20,913	-	12,480	33,393	26,592
Professional Fees	-	7,100	-	7,100	6,800
Insurance	976	1,013	50	2,039	1,228
Miscellaneous Expenses	(200)	-	-	(200)	330
Service Fees	-	1,333	2,095	3,428	3,397
Missions	388,886	-	-	388,886	454,809
Hospitality	4,599	-	383	4,982	6,986
Board Expenses	-	2,573	-	2,573	4,719
Operating Costs	25,215	-	-	25,215	22,461
Gifts	-	225	-	225	215
Organization Costs	-	50	-	50	50
Dues and Subs	12	-	4,060	4,071	3,969
Total operating expenses	<u>440,401</u>	<u>43,277</u>	<u>30,025</u>	<u>513,703</u>	<u>579,745</u>
Depreciation and amortization	-	270	-	270	1,621
Total Expenses	<u>\$ 643,668</u>	<u>\$ 114,818</u>	<u>\$ 58,456</u>	<u>\$ 816,942</u>	<u>\$ 914,358</u>

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



**Bridge Builders International**  
**Statements of Functional Expenses**  
**For the Years Ended May 31, 2018 and 2017**

	2018			Total Expenses 2018	Total Expenses 2017
	Program Services	Management and General	Fundraising Services		
<b>Salaries and related expenses:</b>					
Salaries, wages and other compensation	\$ 201,711	\$ 45,738	\$ 26,171	\$ 273,620	\$ 257,803
Employee benefits	22,823	21,584	4,640	49,047	45,374
Payroll taxes	4,646	4,750	929	10,325	11,372
Total salaries and related expenses	229,180	72,072	31,740	332,992	314,549
<b>Operating Expenses:</b>					
Occupancy	-	1,560	-	1,560	1,410
Telephone	-	2,992	-	2,992	2,228
Supplies	-	447	-	447	875
Computer Expense	-	24,512	3,855	28,367	30,367
Printing and Publication	-	-	8,922	8,922	7,281
Postage and Shipping	-	-	4,581	4,581	3,585
Conferences and Meetings	1,320	-	-	1,320	1,391
Travel	13,856	-	12,736	26,592	38,341
Professional Fees	-	6,800	-	6,800	5,300
Insurance	360	847	21	1,228	1,544
Miscellaneous Expenses	294	-	-	294	-
Service Fees	-	1,275	2,122	3,397	3,796
Missions	454,809	-	-	454,809	407,359
Hospitality	5,387	-	1,635	7,022	35,650
Board Expenses	-	4,719	-	4,719	2,945
Operating Costs	22,461	-	-	22,461	18,965
Gifts	-	215	-	215	837
Organization Costs	-	50	-	50	50
Dues and Subs	27	-	3,942	3,969	5
Total operating expenses	498,514	43,417	37,814	579,745	561,929
Depreciation and amortization	-	1,621	-	1,621	2,265
<b>Total Expenses</b>	<b>\$ 727,694</b>	<b>\$ 117,110</b>	<b>\$ 69,554</b>	<b>\$ 914,358</b>	<b>\$ 878,743</b>

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

**Bridge Builders International**  
**Statements of Cash Flows**  
**For the Years Ended May 31, 2019 and 2018**

	2019	2018
Cash flow from operating activities:		
Change in net assets	\$ (49,061)	\$ (31,736)
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	270	1,621
Cash provided (used) by assets and liabilities:		
Accounts payable	-	4,363
Accrued payroll liabilities	(2,876)	(144)
Credit cards	1,487	(442)
Net cash used in operating activities	(50,180)	(26,338)
Net decrease in cash	(50,180)	(26,338)
Cash and cash equivalents balance, beginning of year	150,390	176,728
Cash and cash equivalents balance, end of year	\$ 100,210	\$ 150,390

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

**Bridge Builders International**  
**Notes to Financial Statements**  
**May 31, 2019 and 2018**

**Note 1 – Summary of Significant Accounting Policies**

**Nature of Activities:**

Bridge Builders International (the “Organization”) is an Oregon nonprofit corporation. The mission of the Organization is to assist Christ-centered churches and missionary organizations to build working relationships with churches and other ministries in developing countries by establishing partnerships between them. The activity of the Organization includes the development of training materials to promote the purposes of the Organization and the mobilization of believers in the United States to have effective ministries in the developing countries of the world. The Organization is primarily supported through contributions from individuals and churches.

**Basis of Accounting:**

The financial statements of the Organization have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America applicable to non-profit organizations.

**Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues, gains, and expenses during the reported period. Actual results could differ from these estimates.

**Cash and Cash Equivalents:**

The Organization defines cash and cash equivalents, for the purposes of reporting cash flows, as cash on hand, amounts held at financial institutions, and short-term highly liquid investments that are readily convertible to known amounts of cash. Investments with an original maturity of three months or less are considered short-term for these purposes.

**Property and Equipment:**

Expenditures for land, building and equipment are recorded at cost. Donated assets are recorded at their estimated fair market values at the date of donation. Depreciation expense is calculated using the straight-line method and estimated useful lives of the assets.

Repairs and maintenance which materially add to the value of the property or appreciably prolong its life are recorded as an increase to the appropriate asset account. The Organization capitalizes all property and equipment with a cost greater than or equal to \$2,500.

**Advertising:**

Advertising costs are expensed as incurred.

**Bridge Builders International**  
**Notes to Financial Statements**  
**May 31, 2019 and 2018**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Revenue Recognition:**

The Organization accounts for contributions in accordance with the recommendations in FASB ASC 958-225. In accordance with FASB ASC 958-225, contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by donors. Unrestricted contributions are recognized when received.

All donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (such as when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

**Income Tax Status:**

The Organization is a tax-exempt organization as defined in Section 501(c)(3) of the Internal Revenue Code. Accounting principles generally accepted in the United States of America requires management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service or other applicable taxing authorities.

Management has analyzed the tax positions taken by the Organization, and has concluded that as of May 31, 2019 and 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Organization is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress.

**Basis of Presentation:**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Update (“ASU”) 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities*. Under FASB ASU 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions include undesignated and board-designated sources with no legal donor-imposed restrictions.

Net assets with donor restrictions represent net assets subject to donor-imposed or legal restrictions; which will either be met by the Organization’s actions, the passage of time or are perpetual in nature. Net assets with donor restrictions are reclassified to net assets without donor restrictions when the restrictions are met or have expired. These reclassifications are reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

**Bridge Builders International**  
**Notes to Financial Statements**  
**May 31, 2019 and 2018**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Liquidity:**

The Organization has \$100,210 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$100,210. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 30 days of normal operating expenses, which are, on average, approximately \$68,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**New Accounting Pronouncement:**

During the year, the Organization adopted FASB ASU 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities*. This pronouncement improves not-for-profit financial statements to provide more useful information to donors, grantors, creditors, and other financial statement users.

**Note 2 – Property and Equipment**

Property and equipment consists of the following:

	2019	2018
Equipment	\$ 4,676	\$ 12,825
Less: accumulated depreciation	4,676	12,556
Property and equipment, net	\$ -	\$ 269

Depreciation expense for the years ended May 31, 2019 and 2018 was \$270 and \$1,621, respectively

**Note 3 – Compensated Absences**

Employees of the Organization are entitled to paid vacation, depending on job classification, length of service, and other factors. All vacation hours have been used; therefore no accrued liability was calculated as of May 31, 2019 or 2018.

**Note 4 – Related-Party Transactions**

The Organization partners with a related party in Latvia to carry out ministry and programs. This organization has an independent board and is not under control of the Organization. During the year ended May 31, 2019, the related party contributed \$87,292 and provided expense reimbursement of \$99,179. During the year ended May 31, 2018, the related party contributed \$413,244 and provided expense reimbursement of \$60,830.

**Bridge Builders International**  
**Notes to Financial Statements**  
**May 31, 2019 and 2018**

**Note 5 – Reclassification**

Certain reclassifications have been made to the 2018 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

**Note 6 – Date of Management's Review**

Subsequent events have been evaluated through the date of this report. It was concluded there are no subsequent events required to be disclosed.

**Supplemental Information**

**Bridge Builders International**  
**Schedule of Net Asset Balances**  
**For the Year Ended May 31, 2019**

Fund	Beginning Balance	Donations	Expenses	Ending Balance
Baltic Pastoral Institute	\$ 3,997	\$ 3,960	\$ 7,344	\$ 613
Eagle's Wings Camp	13,440	68,193	57,458	24,175
Camp Ganibas	-	145,100	145,100	-
Celebrate Recovery	-	4,975	4,800	175
European Student Fund	-	31,200	31,200	-
Sheep Farm EW-Hope for Farm Families	288	3,525	302	3,511
Humanitarian Aid Designed to Live	14,612	1,400	16,012	-
Humanitarian Aid Intern Funds	-	675	67	608
Imago Dei - Art Ministry Latvia	-	16,665	16,611	54
Latvian Christian Counseling Center	-	3,000	2,500	500
Ministry Hewitt	620	25,859	24,545	1,934
Ministry Leatherwood	60,505	22,126	82,631	-
Ministry Lidums	962	10,140	9,991	1,111
Ministry Roth	217	4,040	3,603	654
Mission Pakapieni	117	4,190	4,190	117
Pastors Latvian	1,910	10,700	11,800	810
Pastors Philippines	-	550	550	-
Program - EAN	-	10,000	9,966	34
Misc. Ministry Trips	-	14,610	2,500	12,110
City Church of Christ Riga	-	2,800	2,080	720
Pastor Janis - Prison Ministry	-	3,215	2,115	1,100
<b>Total Net Assets With Donor Restrictions</b>	<b>96,668</b>	<b>386,923</b>	<b>435,365</b>	<b>48,226</b>
<b>Total Net Assets Without Donor Restrictions</b>	<b>34,126</b>	<b>380,958</b>	<b>381,577</b>	<b>33,507</b>
<b>Total Net Assets</b>	<b>\$ 130,794</b>	<b>\$ 767,881</b>	<b>\$ 816,942</b>	<b>\$ 81,733</b>

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