

THE BRIDGE, INC.
STATEMENT OF CASH RECEIPTS
AND DISBURSEMENTS
December 31, 2015 and 2014

THE BRIDGE, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Bridge, Inc.
Nashville, Tennessee

We have audited the accompanying statements of cash receipts and disbursements of The Bridge, Inc. (a not-for-profit organization), for the years ended December 31, 2015 and 2014, 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 the financial statements in accordance with the cash receipts and disbursements basis of accounting described in Note 1; this includes determining that the cash receipts and disbursements basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity'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 statement.

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 cash receipts and disbursements of The Bridge, Inc. for the years ended December 31, 2015 and 2014, in accordance with the cash receipts and disbursements basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash receipts and disbursements basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Frasier, Dean & Howard, PLLC

Nashville, Tennessee
December 21, 2016

THE BRIDGE, INC.
STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS
For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash receipts:		
Donations	\$ 680,281	\$ 517,755
Grants	65,450	58,000
Rent receipts	<u>29,110</u>	<u>48,000</u>
Total cash receipts	<u>774,841</u>	<u>623,755</u>
Cash disbursements:		
Employee compensation and related taxes	264,173	232,343
Fundraising	91,664	44,121
Ministry tithes and gifts	76,833	61,165
Rent	73,536	71,874
Food	50,499	19,369
Rent pass-through	29,110	48,000
Utilities	17,602	11,637
Automobile	14,901	13,303
Building and grounds maintenance	13,860	5,632
Travel	13,186	9,295
Communications	12,832	6,941
Supplies	11,426	28,180
Printing	11,114	8,102
Marketing	11,009	-
Volunteer appreciation	9,010	7,525
Professional fees	9,000	-
Bank charges	8,972	3,990
Client appreciation	6,874	8,084
Website	6,464	6,035
Miscellaneous	5,836	2,202
Postage and delivery	5,048	3,956
Honorarium	4,200	6,160
Insurance	4,151	4,776
Conference	1,250	2,000
Equipment, furniture and fixtures	1,230	12,204
Credit card fees	135	216
Contract labor	-	2,294
Security	-	1,400
Public relations	<u>-</u>	<u>800</u>
Total cash disbursements	<u>753,915</u>	<u>621,604</u>
Increase in cash	20,926	2,151
Cash, beginning of year	<u>87,201</u>	<u>85,050</u>
Cash, end of year	<u><u>\$ 108,127</u></u>	<u><u>\$ 87,201</u></u>

See accompanying notes.

THE BRIDGE, INC.
NOTES TO FINANCIAL STATEMENT
December 31, 2015 and 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Bridge, Inc. (the “Organization”), also known as The Bridge Ministry, Inc., was formed in November 2005 and operates as a religious organization in the State of Tennessee. The Organization is dedicated to serving the hungry and homeless and motivating people to be passionate for the poor. The Organization provides the hungry and homeless a hot meal, non-perishable food items, supplies, a worship experience and fellowship every Tuesday evening under the Jefferson Street Bridge in Nashville, Tennessee. The Organization also aids school children on assisted lunch programs by filling their backpacks with food for the weekend. The Organization is supported through cash and in-kind donations and grants.

Basis of Accounting

The Organization prepares its financial statements using the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, revenue and support are recognized when received rather than when earned, and expenses are recognized when paid rather than when the related obligation is incurred. In addition, expenditures for property and equipment are expensed rather than capitalized and depreciated over their estimated useful lives.

Donated Services and Goods

Donated services, including the time of unpaid volunteers and noncash donations are not reflected in the accompanying statements of cash receipts and disbursements. The Organization also receives a substantial amount of donated food and supplies that are disbursed to the hungry and homeless.

Restricted Receipts

The Organization tracks cash receipts restricted by donors for a specific time or purpose.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Subsequent Events

The Organization evaluated subsequent events through December 21, 2016 when these financial statements were available to be issued. The Organization is not aware of any significant events that occurred subsequent to the statement of cash receipts and disbursements date but prior to the filing of this report that would have a material impact on the financial statement.

THE BRIDGE, INC.
NOTES TO FINANCIAL STATEMENT (Continued)
December 31, 2015 and 2014

NOTE 2 – CASH

The Organization's cash balances consist of the following at December 31:

	<u>2015</u>	<u>2014</u>
Unrestricted cash	\$ 108,127	\$ 82,729
Cash temporarily restricted for technology	<u>-</u>	<u>4,472</u>
Total cash	<u>\$ 108,127</u>	<u>\$ 87,201</u>

NOTE 3 – RELATED PARTIES

In accordance with its policies, the Organization gifted approximately 10% of 2015 and 2014 donations or \$76,833 and \$61,165, respectively, to various not-for-profit organizations. Approximately \$38,000 and \$56,000 of these gifts were paid to The Resting Place Foundation ("Foundation"), respectively, in 2015 and 2014. The spouse of the founder of the Organization serves as the pastor of the Foundation and also serves on the board of directors of the Organization. Effective October 2015, the Organization adopted a tithing policy to cap any one tithing recipient to 35% of its annual tithings. Also during 2014 and during a portion of 2015, the Organization sublet a portion of its rented warehouse space to the Foundation. During 2015 and 2014, the Foundation paid the Organization \$29,110 and \$48,000, respectively, in rent which was remitted to the landlord of the warehouse. Effective July 15, 2015, the warehouse lease was amended and the Foundation began leasing its space directly from the owner of the property. Also during 2015 and 2014, the Foundation donated \$27,000 and \$11,000, respectively, to the Organization.

The Organization employs relatives of the Organization's founder and certain board members.

NOTE 4 – LEASE COMMITMENTS

The Organization leases a warehouse under a non-cancelable operating lease that originally expired in January 2015 and was extended through January 2018. Future minimum lease payments under this non-cancelable lease are as follows:

Years Ending <u>December 31:</u>	
2016	\$ 67,200
2017	69,048
2018	<u>5,768</u>
	<u>\$ 142,016</u>

Rent paid totaled \$73,536 and \$71,874 for the years ended December 31, 2015 and 2014, respectively.

NOTE 4 – CONCENTRATION

During 2015, the Organization received approximately 13% of its cash receipts from one donor.