

THE BRIDGE MINISTRY, INC.
STATEMENTS OF CASH RECEIPTS
AND DISBURSEMENTS

December 31, 2016 and 2015

THE BRIDGE MINISTRY, INC.

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of cash receipts and disbursements of The Bridge Ministry, Inc. (a not-for-profit organization), for the years ended December 31, 2016 and 2015, 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 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 these risk assessments, the auditor considers internal control relevant to the entity'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 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 statements.

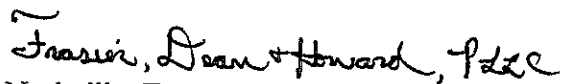
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements of The Bridge Ministry, Inc. for the years ended December 31, 2016 and 2015, 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 to 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.

Fraser, Dean + Howard, PLLC

Nashville, Tennessee

September 1, 2017

THE BRIDGE MINISTRY, INC.
STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash receipts:		
Donations	\$ 732,246	\$ 680,281
Grants	19,750	65,450
Rent receipts	-	29,110
Total cash receipts	<u>751,996</u>	<u>774,841</u>
Cash disbursements:		
Employee compensation and related taxes	294,995	264,173
Fundraising	89,770	91,664
Rent	71,700	73,536
Equipment, furniture and fixtures	58,662	1,230
Ministry tithes and gifts	54,089	76,833
Food	39,922	50,499
Supplies	18,705	11,426
Automobile	18,651	14,901
Honorarium	18,203	4,200
Communications	15,809	12,832
Utilities	15,180	17,602
Travel	13,265	13,186
Printing	13,126	11,114
Website	12,734	6,464
Building and grounds maintenance	7,026	13,860
Professional fees	6,810	9,000
Miscellaneous	6,485	5,836
Postage and delivery	6,095	5,048
Client appreciation	5,655	6,874
Insurance	4,601	4,151
Bank charges	3,926	8,972
Volunteer appreciation	2,402	9,010
Credit card fees	685	135
Security	546	-
Rent pass-through	-	29,110
Marketing	-	11,009
Conference	-	1,250
Total cash disbursements	<u>779,042</u>	<u>753,915</u>
(Decrease) increase in cash	(27,046)	20,926
Cash, beginning of year	<u>108,127</u>	<u>87,201</u>
Cash, end of year	<u>\$ 81,081</u>	<u>\$ 108,127</u>

See accompanying notes.

THE BRIDGE MINISTRY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Bridge Ministry, Inc. (the “Organization”) 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 (see Note 5).

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 September 1, 2017 when these financial statements were available to be issued. Other than disclosed in Note 4, 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 statements.

THE BRIDGE MINISTRY, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2016 and 2015

NOTE 2 – RELATED PARTIES

The spouse of the founder of the Organization serves as the pastor of The Resting Place Foundation (“Foundation”) and also serves on the board of directors of the Organization. In accordance with its policies, the Organization gifted approximately 7% of 2016 and 10% of 2015 donations or \$54,089 and \$76,833, respectively, to various not-for-profit organizations. Also in accordance with its policies, less than 35% of those gifts were given to any one recipient including donations of approximately \$17,000 and \$38,000 gifted to the Foundation, respectively, in 2016 and 2015. Also during 2016 and 2015, the Foundation donated \$22,600 and \$27,000, respectively, to the Organization.

During a portion of 2015, the Organization sublet rented warehouse space to the Foundation. Rent receipts from the Foundation during 2015 totaling \$29,110 were remitted to the landlord of the warehouse.

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

NOTE 3 – 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:

<u>Years Ending</u> <u>December 31:</u>	
2017	\$ 69,048
2018	<u>5,768</u>
	<u>\$ 74,816</u>

Rent paid totaled \$71,700 and \$73,536 for the years ended December 31, 2016 and 2015, respectively.

NOTE 4 – CONTRIBUTION RECEIVED

Subsequent to December 31, 2016 and before the date of this report, the Organization received a \$250,000 contribution from an inactive 501(c)(3). The \$250,000 contribution represents the first installment of the donor’s intent to give to the Organization.

NOTE 5 – RESTRICTED CASH

During 2016, the Organization received a donation of approximately \$35,000 restricted for the purchase of a stove and freezer. At December 31, 2016, the Organization had spent \$15,000 towards this purchase and \$20,000 remains restricted. The entire cash balance of \$108,127 at December 31, 2015 was unrestricted.