



October 12, 2022

Bridge Builders International
PO Box 216
Albany, OR 97321

Dear Bridge Builders International:

Enclosed please find one bound copy of the audited financial statements of Bridge Builders International for the years ended May 31, 2022 and 2021. If you have any questions, please do not hesitate to contact me.

Very truly yours,

Tighe, Kress & Orr, PC
Certified Public Accountants

Bridge Builders International
Audited Financial Statements
For the Years Ended May 31, 2022 and 2021
(With Independent Auditor's Report Thereon)

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Independent Auditor's Report

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

Opinion

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, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 the Organization as of May 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits 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 the Organization to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditor's Report (continued)

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 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 the Organization'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 the Organization'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.

Independent Auditor's Report (continued)

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 13 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.

Ligke Kross : Om, PC

Elgin, Illinois
September 28, 2022

Bridge Builders International
Statements of Financial Position
For the Years Ended May 31, 2022 and 2021

Assets		<u>2022</u>	<u>2021</u>
Current Assets:			
Cash and cash equivalents	\$	301,728	\$ 125,302
Other current assets		<u>12,134</u>	<u>-</u>
Total Current Assets		<u>313,862</u>	<u>125,302</u>
Total Assets	\$	<u><u>313,862</u></u>	\$ <u><u>125,302</u></u>
Liabilities and Net Assets			
Current Liabilities:			
Accounts payable	\$	2,951	\$ 4,893
Credit cards payable		15,422	5,690
Payroll liabilities		<u>1,293</u>	<u>3,131</u>
Total Current Liabilities		<u>19,666</u>	<u>13,714</u>
Net Assets:			
Without donor restrictions		46,393	57,606
Board designated		<u>34,151</u>	<u>-</u>
Total Net Assets Without Donor Restrictions		80,544	57,606
With donor restrictions		<u>213,652</u>	<u>53,982</u>
Total Net Assets		<u>294,196</u>	<u>111,588</u>
Total Liabilities and Net Assets	\$	<u><u>313,862</u></u>	\$ <u><u>125,302</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, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:						
Contributions	\$ 469,479	\$ 496,036	\$ 965,515	\$ 371,384	\$ 289,090	\$ 660,474
Government grant	-	-	-	24,712	-	24,712
Total Revenue	<u>469,479</u>	<u>496,036</u>	<u>965,515</u>	<u>396,096</u>	<u>289,090</u>	<u>685,186</u>
Net assets released from restrictions	<u>336,366</u>	<u>(336,366)</u>	<u>-</u>	<u>274,603</u>	<u>(274,603)</u>	<u>-</u>
Expenses:						
Program expenses	624,738	-	624,738	515,973	-	515,973
General and administrative	106,764	-	106,764	92,378	-	92,378
Fundraising	51,405	-	51,405	41,319	-	41,319
Total Expenses	<u>782,907</u>	<u>-</u>	<u>782,907</u>	<u>649,670</u>	<u>-</u>	<u>649,670</u>
Change in Net Assets	<u>22,938</u>	<u>159,670</u>	<u>182,608</u>	<u>21,029</u>	<u>14,487</u>	<u>35,516</u>
Net Assets, Beginning of Year	57,606	53,982	111,588	36,577	39,495	76,072
Net Assets, End of Year	<u>\$ 80,544</u>	<u>\$ 213,652</u>	<u>\$ 294,196</u>	<u>\$ 57,606</u>	<u>\$ 53,982</u>	<u>\$ 111,588</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, 2022 and 2021

	2022			Total Expenses 2022	Total Expenses 2021
	Program Services	Management and General	Fundraising Services		
Salaries and Related Expenses:					
Salaries, wages, and other compensation	\$ 202,263	\$ 42,537	\$ 28,771	\$ 273,571	\$ 237,926
Employee benefits	10,129	10,355	2,026	22,510	26,899
Payroll taxes	4,170	4,262	834	9,266	8,499
Total Salaries and Related Expenses	<u>216,562</u>	<u>57,154</u>	<u>31,631</u>	<u>305,347</u>	<u>273,324</u>
Operating Expenses:					
Missions	332,203	-	-	332,203	273,221
Computer expense	930	871	10,138	11,939	31,147
Operating costs	27,042	-	-	27,042	24,543
Hospitality	-	-	-	-	3,579
Travel	44,486	-	-	44,486	17,758
Accounting fees	-	8,116	2,475	10,591	-
Professional fees	-	-	-	-	7,328
Postage and printing	-	-	2,097	2,097	1,654
Management fees	-	27,000	-	27,000	2,078
Service fees	-	1,459	4,818	6,277	3,951
Special events	-	-	246	246	-
Telephone	-	-	-	-	2,295
Dues and subscriptions	-	-	-	-	3,083
Occupancy	-	6,285	-	6,285	2,760
Conferences and meetings	-	-	-	-	110
Board expenses	3,149	3,148	-	6,297	-
Insurance	255	1,782	-	2,037	2,194
Gifts	-	838	-	838	494
Supplies	111	111	-	222	75
Organization costs	-	-	-	-	50
Miscellaneous expenses	-	-	-	-	26
Total Operating Expenses	<u>408,176</u>	<u>49,610</u>	<u>19,774</u>	<u>477,560</u>	<u>376,346</u>
Total Expenses	<u>\$ 624,738</u>	<u>\$ 106,764</u>	<u>\$ 51,405</u>	<u>\$ 782,907</u>	<u>\$ 649,670</u>

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

Bridge Builders International
Statement of Functional Expenses
For the Year Ended May 31, 2021

	2021			Total Expenses 2021
	Program Services	Management and General	Fundraising Services	
Salaries and Related Expenses:				
Salaries, wages, and other compensation	\$ 178,592	\$ 33,562	\$ 25,772	\$ 237,926
Employee benefits	12,872	11,376	2,651	26,899
Payroll taxes	3,825	3,909	765	8,499
Total Salaries and Related Expenses	<u>195,289</u>	<u>48,847</u>	<u>29,188</u>	<u>273,324</u>
Operating Expenses:				
Missions	273,221	-	-	273,221
Computer expense	1,162	27,276	2,709	31,147
Operating costs	24,543	-	-	24,543
Hospitality	3,512	-	67	3,579
Travel	17,758	-	-	17,758
Professional fees	-	7,328	-	7,328
Postage and shipping	-	-	1,654	1,654
Printing and publication	-	-	2,078	2,078
Service fees	-	1,400	2,551	3,951
Telephone	-	2,295	-	2,295
Dues and subscriptions	11	-	3,072	3,083
Occupancy	-	2,760	-	2,760
Conferences and meetings	110	-	-	110
Board expenses	-	-	-	-
Insurance	341	1,853	-	2,194
Gifts	-	494	-	494
Supplies	-	75	-	75
Organization costs	-	50	-	50
Miscellaneous expenses	26	-	-	26
Total Operating Expenses	<u>320,684</u>	<u>43,531</u>	<u>12,131</u>	<u>376,346</u>
Total Expenses	<u>\$ 515,973</u>	<u>\$ 92,378</u>	<u>\$ 41,319</u>	<u>\$ 649,670</u>

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

Bridge Builders International
Statements of Cash Flows
For the Years Ended May 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flow from Operating Activities:		
Change in net assets	\$ 182,608	\$ 35,516
Cash provided (used) by assets and liabilities:		
Other current assets	(12,134)	-
Accounts payable	(1,942)	3,944
Payroll liabilities	(1,838)	762
Credit cards payable	9,732	5,345
Net Cash Provided by Operating Activities	<u>176,426</u>	<u>45,567</u>
Net Increase in Cash	176,426	45,567
Cash and Cash Equivalents Balance, Beginning of Year	125,302	79,735
Cash and Cash Equivalents Balance, End of Year	<u>\$ 301,728</u>	<u>\$ 125,302</u>

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

Bridge Builders International
Notes to Financial Statements
May 31, 2022 and 2021

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.

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.

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.

Bridge Builders International
Notes to Financial Statements
May 31, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies (continued)

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.

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.

Functional Allocation of Expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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, 2022 and 2021, 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.

Bridge Builders International
Notes to Financial Statements
May 31, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Liquidity:

The Organization has \$301,728 of financial assets available within one year of the Statement of Financial Position date to meet cash needs for general expenditures consisting solely of cash and cash equivalents. Other than the donor restricted \$213,652, 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 Statement of Financial Position date. The Organization has a goal to maintain cash on hand to meet 30 days of normal operating expenses, which are, on average, approximately \$65,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Pending Accounting Changes:

In February 2016, the FASB issued ASU No. 2016-02, Leases, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-to-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the Statement of Activities and Changes in Net Assets. Currently, leases are classified as either capital or operating, with only capital leases recognized on the Statement of Financial Position. The reporting of lease-reported expenses in the Statement of Activities and Changes in Net Assets and Cash Flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Organization’s fiscal year beginning after December 15, 2021 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented.

Upon adoption, among other effects, the Organization will be required to record assets and liabilities for all operating lease obligations with terms of 12 months or greater. These changes will entail certain retrospective adjustments. The qualitative effects on the Organization’s future financial statements of these changes and related retrospective adjustments have not yet been determined.

Note 2 – Property and Equipment

Property and equipment consist of the following:

	<u>2022</u>	<u>2021</u>
Equipment	\$ 4,676	\$ 4,676
Less: accumulated depreciation	4,676	4,676
Property and equipment, net	<u>\$ -</u>	<u>\$ -</u>

There was no depreciation expense for the years ended May 31, 2022 and 2021, respectively.

Bridge Builders International
Notes to Financial Statements
May 31, 2022 and 2021

Note 3 – Leases

The Organization has a month-to-month contract for a storage unit. Rent paid for the years ending May 31, 2022 and 2021 was \$1,800 and \$1,800, respectively.

Note 4 – Related-Party Transactions

The Organization partners with a related party in Latvia to carry out ministry and programs. This party has an independent board and is not under control of the Organization. During the year ended May 31, 2022, the Organization contributed \$375,738 to the related party, and provided expense reimbursement of \$59,414. During the year ended May 31, 2021, the Organization contributed \$314,154 to the related party, and provided expense reimbursement of \$47,725.

Note 5 – Paycheck Protection Program Grant

On March 1, 2021, the Organization was awarded a grant in the aggregate amount of \$24,712, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. Under the terms of the PPP, as modified by the Paycheck Protection Program Flexibility Act (PPPFA), certain amounts of the grant maybe forgiven if they are used for qualifying expenses through April 26, 2021, which include payroll costs, group health care benefit costs, rent, and utilities, as described in the CARES Act. The Organization has used the entire grant amount for qualifying expenses and has met other conditions of the grant. The amount of the grant is thus shown on the Statements of Activities and Changes in Net Assets as income from grant revenue for the year ended May 31, 2021.

Note 6 – Date of Management’s Review

Subsequent events have been evaluated through the date of this report, which is the date the report was available to be issued. It was concluded that there are no subsequent events required to be disclosed.

Supplementary Information

Bridge Builders International
Schedule of Net Asset Balances
For the Year Ended May 31, 2022

Fund	Beginning Balance	Donations	Expenses	Ending Balance
RF Technology Fund	\$ 10,632	\$ -	\$ 3,265	\$ 7,367
Ministry Kalvans	8,627	18,800	18,685	8,742
Baltic Pastoral Institute	2,245	960	144	3,061
EW - Operations & Scholarships	13,590	181,648	92,432	102,806
Camp Ganibas	-	50,000	50,000	-
Sheep Farm EW - Hope for Farm Families	2,071	1,255	926	2,400
Imago Dei - Art Ministry Latvia	3,000	-	3,000	-
Imago Dei Romania	-	8,900	254	8,646
Milestiba Maja - LCC - Lidums	4,187	6,000	10,088	99
Ministry Lidums	4,133	10,790	13,415	1,508
Ministry Roth	3,732	6,840	6,677	3,895
Mission Pakapieni	90	3,660	3,660	90
Slavic Maiboroda	810	15,260	15,260	810
Philippines Pastor Support	178	50	3	225
Ukrainian Assistance Fund	-	175,162	102,063	73,099
City Church of Christ Riga	450	12,546	12,092	904
Pastor Janis - Prison Ministry	-	4,165	4,165	-
Soli Deo De Gloria	237	-	237	-
Total Net Assets With Donor Restrictions	<u>53,982</u>	<u>496,036</u>	<u>336,366</u>	<u>213,652</u>
Without donor restrictions	57,606	397,916	409,129	46,393
Board designated	-	71,563	37,412	34,151
Total Net Assets Without Donor Restrictions	<u>57,606</u>	<u>469,479</u>	<u>446,541</u>	<u>80,544</u>
Total Net Assets	<u>\$ 111,588</u>	<u>\$ 965,515</u>	<u>\$ 782,907</u>	<u>\$ 294,196</u>

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