BRIDGES TO PROSPERITY, INC.

Financial Statements

August 31, 2014

(Together with Independent Auditors' Report)

Bauerle
AND COMPANY

BRIDGES TO PROSPERITY, INC.
Table of Contents

Page

INDEPENDENT AUDITORS' REPORT 1

FINANCIAL STATEMENTS

Statement of Financial Position 3

Statement of Activities 4

Statement of Functional Expenses 5

Statement of Cash Flows 6

Notes to Financial Statements 7

Bauerle
AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Bridges to Prosperity, Inc.
Denver, Colorado

We have audited the accompanying financial statements of Bridges to Prosperity, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2014, and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditors' 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 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 those 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.

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PKF North America, an association of legally independent firms

Board of Directors
Bridges to Prosperity, Inc.
Denver, Colorado

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bridges to Prosperity, Inc. as of August 31, 2014, 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.

Bauerle and Company, P.C.
Denver, Colorado

April 27, 2015

BRIDGES TO PROSPERITY, INC.

STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2014

ASSETS

CURRENT ASSETS		
Cash and Cash Equivalents	$	174,965
Contributions and Grants Receivable		414,969
Other Receivables		36,921
Inventory		135,151
Prepaid Expense		30,539
Total Current Assets		792,545
PROPERTY AND EQUIPMENT - AT COST		
Vehicles		63,100
Furniture, Fixtures and Equipment		7,081
Machinery and Equipment		1,995
		72,176
Less: Accumulated Depreciation		15,902
Property and Equipment - Net		56,274
TOTAL ASSETS	$	848,819

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	$	31,003
Accrued Liabilities		106,703
Deferred Revenues		22,965
Total Current Liabilities		160,671
NET ASSETS		
Unrestricted		91,883
Temporarily Restricted		596,265
Total Net Assets		688,148
TOTAL LIABILITIES AND NET ASSETS	$	848,819

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

BRIDGES TO PROSPERITY, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2014

	Unrestricted	Temporarily Restricted	Total
REVENUES AND SUPPORT			
Contributions and Grants	$ 262,184	$ 1,111,095	$ 1,373,279
In-Kind Revenues	1,342,037	100,258	1,442,295
Program-Related Sales and Fees	63,337	-	63,337
Interest	2,530	-	2,530
Net Assets Released from Restrictions	718,339	(718,339)	-
Total Revenues and Support	2,388,427	493,014	2,881,441
EXPENSES			
Program Services	2,419,109	-	2,419,109
Management and General	166,909	-	166,909
Fundraising	57,709	-	57,709
Total Expenses	2,643,727	-	2,643,727
CHANGE IN NET ASSETS	(255,300)	493,014	237,714
NET ASSETS - BEGINNING OF YEAR	347,183	103,251	450,434
NET ASSETS - END OF YEAR	$ 91,883	$ 596,265	$ 688,148

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

BRIDGES TO PROSPERITY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2014

	PROGRAM SERVICES	GENERAL AND ADMINISTRATIVE	FUNDRAISING	TOTAL
Field Labor	$ 289,339	$ 3,078	$ -	$ 292,417
Salaries and Related Expenses	212,033	48,944	19,571	280,548
Bridge Building Supplies	204,660	-	-	204,660
Contract Services	95,507	33,841	8,796	138,144
Travel and Meetings	116,665	591	1,052	118,308
Grants, Contracts, and Direct Assistance	84,859	-	-	84,859
Facility and Equipment	33,552	8,751	-	42,303
Other Employee Costs	34,826	1,886	33	36,745
Other Expenses	23,355	10,078	4	33,437
Office Costs	9,831	17,841	300	27,972
Promotion	7,488	6,689	7,829	22,006
Business Expenses	6,656	13,635	-	20,291
	1,118,771	145,334	37,585	1,301,690
In-Kind Expenses				
Contract Services	969,905	21,245	20,124	1,011,274
Bridge Building Supplies	272,433	330	-	272,763
Field Labor	58,000	-	-	58,000
	1,300,338	21,575	20,124	1,342,037
TOTAL EXPENSES	$ 2,419,109	$ 166,909	$ 57,709	$ 2,643,727

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

BRIDGES TO PROSPERITY, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ 237,714
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities:	
Depreciation	11,776
Donated Inventory	(100,258)
Changes in Operating Assets and Liabilities:	
Contributions and Grants Receivable	(227,723)
Other Receivables	(36,921)
Inventory	(34,893)
Prepaid Expense	(30,539)
Accounts Payable	8,227
Accrued Liabilities	106,703
Deferred Revenues	22,965
Net Cash (Used In) Operating Activities	(42,949)
CASH FLOW FROM INVESTING ACTIVITIES	
(Purchase of) Property and Equipment	(65,728)
Net Cash (Used In) Investing Activities	(65,728)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(108,677)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	283,642
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 174,965

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

1. Organization and Summary of Significant Accounting Policies

Organization

Bridges to Prosperity, Inc. (the Organization) is a nonprofit organization incorporated in the State of Virginia in 2001. The Organization, headquartered in Denver, Colorado is a volunteer based charity that works with isolated communities to create access to essential healthcare, education, and economic activities by building footbridges over impassable rivers.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The accompanying financial statements include a statement of financial position that presents the amounts for each of the three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. These net assets are classified based on the existence or absence of donor-imposed restrictions and a statement of activities that reflects the changes in those categories of net assets.

Unrestricted Net Assets - Accounts for all unrestricted resources over which the Board of Directors has discretionary control to use in carrying on the operations of the Organization in accordance with the limitations of its charter and bylaws. The principal sources of unrestricted resources are contributions and grants, program-related revenues, and investment income. Decreases in unrestricted resources generally result from expenses incurred for program and supporting services conducted by the Organization.

Temporarily Restricted Net Assets - Accounts for those resources currently available for use, but expendable only for operating purposes specified by the donor or grantor. Items which increase this net asset category are contributions and grants or other similar sources for which donor-imposed restrictions have not been met.

Permanently Restricted Net Assets - Accounts for those resources subject to donor-imposed restrictions stipulating that the corpus be held in perpetuity. Generally, the donors of these assets permit the Organization to use all or part of the investment return on these assets. The Organization has no permanently restricted net assets at August 31, 2014.

Use of Estimates

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

Functional Allocation of Expenses

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

1. Organization and Summary of Significant Accounting Policies (continued)

Income Taxes

The Organization is a nonprofit corporation and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying financial statements contain no provision for income taxes. In addition, contributions to the Organization qualify for the charitable contribution deduction under Section 170(b)(1)(A) and Bridges to Prosperity, Inc. has been classified as an organization that is not a private foundation under Section 509(a)(2).

Bridges to Prosperity, Inc. follows *Accounting for Uncertainty in Income Taxes*, which requires the Organization determine whether a tax position (and related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement, presuming that the tax position is examined by the appropriate taxing authority that has full knowledge of all relevant information. During the year ended August 31, 2014, the Organization's management evaluated its tax positions to determine the existence of uncertainties, and did not note any matters that would require recognition or which may have an effect on its tax-exempt status.

The Organization is no longer subject to U.S. federal tax audits on its Form 990 by taxing authorities for fiscal years ending prior to August 31, 2011. The years subsequent to this year contain matters that could be subject to differing interpretations of applicable tax law and regulations. Although the outcome of tax audits is uncertain, management believes no issues would arise.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization places its cash and cash equivalents with high credit quality financial institutions. At various times during the fiscal year, the Organization's cash balances exceeded the federally insured limits. The Organization has never experienced any losses related to these balances.

Credit risk with respect to contributions and grants receivable is limited due to the number and creditworthiness of the entities from which the amounts are due.

The Organization receives substantially all of its revenues from public support. A significant reduction in the level of such support, if it were to occur, may have an adverse effect on the Organization's programs and activities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

1. Organization and Summary of Significant Accounting Policies (continued)

Contributions and Grants Receivable
The Organization records as contributions and grants receivable unconditional promises to give. These unconditional promises represent written or oral agreements to contribute cash or other assets to the Organization. At August 31, 2014, management deemed all contributions and grants receivable to be fully collectible; accordingly, no allowance for uncollectible contributions and grants receivable was required. All contributions and grants receivable are due within one year.

Inventory
Inventory consists primarily of cables and clamps that have been donated to the Organization. Purchased inventory is recorded at the lower of cost or fair market value. Donated inventory is recorded at the fair market value on the date of donation.

Property and Equipment
Property and equipment are stated at cost or at the estimated fair value at the date of donation. Assets are depreciated using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 7 years. All assets with a useful life of more than 1 year and a cost of more than $1,000 are capitalized.

Recognition of Revenues and Support
Unconditional promises to give cash and other assets to the Organization are reported at fair value at the date the promise is received. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Unrestricted gift and grant support is reflected as revenue in the year of receipt.

Revenues and support that are restricted by the donor, grantor, or other outside party for particular operating purposes are reported as temporarily restricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions for support of future operations and fundraising activities are recorded as temporarily restricted support in the year the contribution is made.

Donated Materials and Services
The Organization records the value of donated materials or services when there is an objective basis available to measure their value. The Organization recognized the estimated fair value of contributed services that meet the following criteria:

- The services rendered either create or enhance nonfinancial assets.
- The services received require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contribution.

A substantial number of volunteers have donated significant amounts of time to the Organization, some of which do not meet the criteria above.

1. Organization and Summary of Significant Accounting Policies (continued)

Deferred Revenues
Deferred revenues represents registration fees collected before the end of the year for the following year's event.

Advertising and Promotion
Advertising and promotion costs totaled $22,006 for the year ended August 31, 2014. Advertising and promotion costs are expensed as incurred.

Subsequent Events
In accordance with the *Subsequent Events* Topic of FASB ASC, management is required to evaluate, through the date the financial statements are issued or available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and to disclose the date through which subsequent events were evaluated. The Organization's financial statements were available to be issued on April 27, 2015, and this is the date through which subsequent events were evaluated.

2. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following at August 31, 2014:

	Amount
Bridge building support	$ 515,870
Development expenses	62,500
Board meeting expenses	11,985
Other	5,910
Total Temporarily Restricted Net Assets	$ 596,265

3. In-Kind Contributions

The Organization receives a substantial amount of bridge building materials and donated services from unpaid volunteers who assist in fundraising and special projects.

Donated bridge building materials and services consist of the following for the year ended August 31, 2014:

	Amount
Contributed services	$ 1,069,274
Contributed materials	272,763
	1,342,037
Contributed inventory	100,258
Total In-Kind Contributions	$ 1,442,295

4. Employee Benefit Plan

The Organization has adopted a Savings Incentive Match Plan for all eligible employees. The Organization contributed $6,120 to the plan for the year ended August 31, 2014.

5. Operating Lease

The Organization is leasing its Denver, Colorado office facility under a six month operating lease expiring on June 30, 2015. Rent expense for Colorado and other facilities totaled $23,622 for the year ended August 31, 2014.