

**THE BRIDGE MINISTRY, INC.**  
**STATEMENT OF CASH RECEIPTS**  
**AND DISBURSEMENTS**

**December 31, 2014**

**THE BRIDGE MINISTRY, INC.**

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of cash receipts and disbursements of The Bridge Ministry, Inc. (a not-for-profit organization), for the year ended December 31, 2014, and the related notes to the financial statement.

### **Management's Responsibility for the Financial Statement**

Management is responsible for the preparation and fair presentation of the financial statement 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 statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement 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 statement 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 statement is 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 statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of The Bridge Ministry, Inc. for the year ended December 31, 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 statement, which describes the basis of accounting. The financial statement is 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 3, 2015

**THE BRIDGE MINISTRY, INC.**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**For the Year Ended December 31, 2014**

Cash receipts:	
Donations	\$ 517,755
Grants	58,000
Rent receipts	48,000
Total cash receipts	<u>623,755</u>
Cash disbursements:	
Employee compensation and related taxes	232,343
Rent	71,874
Ministry tithes and gifts	61,165
Rent pass-through	48,000
Fundraising	44,121
Supplies	28,180
Food	19,369
Automobile	13,303
Equipment, furniture and fixtures	12,204
Utilities	11,637
Travel	9,295
Printing	8,102
Client appreciation	8,084
Volunteer appreciation	7,525
Communications	6,941
Honorarium	6,160
Website	6,035
Building and grounds maintenance	5,632
Insurance	4,776
Bank charges	3,990
Postage and delivery	3,956
Contract labor	2,294
Miscellaneous	2,202
Conference	2,000
Security	1,400
Public relations	800
Credit card fees	216
Total cash disbursements	<u>621,604</u>
Increase in cash	2,151
Cash, beginning of year	<u>85,050</u>
Cash, end of year	<u><u>\$ 87,201</u></u>

See accompanying notes.

**THE BRIDGE MINISTRY, INC.**  
**NOTES TO FINANCIAL STATEMENT**  
**December 31, 2014**

**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. 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 statement 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 statement of cash receipts and disbursements. The Organization 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 3, 2015 when this financial statement was available to be issued. Other than the item described in Note 5 to this financial statement, 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 MINISTRY, INC.**  
**NOTES TO FINANCIAL STATEMENT (Continued)**  
**December 31, 2014**

**NOTE 2 – CASH**

The Organization's cash balances consist of the following at December 31, 2014:

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

**NOTE 3 – RELATED PARTIES**

In accordance with its policies, the Organization gifted approximately 10% of 2014 donations or \$61,165 to various not-for-profit organizations. Approximately \$56,000 of these gifts were paid to The Resting Place Foundation ("Foundation"). 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. Subsequent to December 31, 2014, the Organization adopted a tithing policy to cap any one tithing recipient to 35% of its annual tithings. Also during 2014, the Organization sublet a portion of its rented warehouse space to The Resting Place Foundation. During 2014, the Foundation paid the Organization \$48,000 in rent which was remitted to the landlord of the warehouse. Effective February 1, 2015, the warehouse lease was amended and the Foundation began leasing its space directly from the owner of the property.

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>	
2015	\$ 67,200
2016	67,200
2017	69,048
2018	<u>5,768</u>
	<u>\$ 209,216</u>

Rent paid totaled \$71,874 for the year ended December 31, 2014.

**THE BRIDGE MINISTRY, INC.**  
**NOTES TO FINANCIAL STATEMENT (Continued)**  
**December 31, 2014**

**NOTE 5 – SUBSEQUENT EVENT**

Subsequent to December 31, 2014, the Organization received a \$100,000 unrestricted donation from one individual.