



**Bridgeway Church**

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**Financial Statement – Cash Basis**  
**December 31, 2020**

## Bridgeway Church

### Contents

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Independent Auditors' Report	1
Financial Statement:	
Statement of Cash Receipts and Disbursements – Cash Basis	3
Notes to Statement of Cash Receipts and Disbursements	4
Supplementary Information:	
Schedule of Fixed Assets	7



## **Independent Auditors' Report**

To the Board of Directors of  
Bridgeway Church

We have audited the accompanying statement of cash receipts and disbursements of Bridgeway Church, a nonprofit organization, for the year ended December 31, 2020 and the related notes to the financial statement.

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

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting as described in Note 2; this includes determining that the cash 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 statements that are free from material misstatement, whether due to error or fraud.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatements.

An audit includes performing procedures to obtain audit evidence about amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statement, 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 statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Opinion***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of Bridgeway Church for the year ended December 31, 2020 in accordance with the cash basis of accounting as described in Note 2.

### ***Basis of Accounting***

We draw attention to Note 2 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to the matter.

### ***Supplementary Information***

The supplementary information included in the *Schedule of Fixed Assets - Unaudited* is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and based on our review, we are not aware of any material modification that should be made to the information in order for it to be in accordance with the cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles. We have not audited the information and, accordingly, do not express an opinion on such information.



A Limited Liability Partnership

Arlington, Texas  
June 8, 2021

**Bridgeway Church**  
**Statement of Cash Receipts and Disbursements**  
**Year Ended December 31, 2020**

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<b>Cash and cash equivalents at December 31, 2019</b>	\$ 762,323
<b>Cash receipts:</b>	
Offerings	1,579,761
Missions	181,335
Interest income	<u>159</u>
<b>Total cash receipts</b>	1,761,255
<b>Cash disbursements:</b>	
Salaries and benefits	628,665
Loan payments	432,863
Mission and travel	362,564
Capital expenditures	234,239
Building and grounds	74,539
Administrative	62,476
Worship	40,469
Education	37,650
Recruiting and development	28,807
Supplies	24,579
Building initiative	12,736
Fellowship	9,910
Gifts	<u>8,764</u>
<b>Total cash disbursements</b>	1,958,261
<b>Decrease in cash</b>	<u>(197,006)</u>
<b>Cash and cash equivalents at December 31, 2020</b>	<u>\$ 565,317</u>

See notes to statement of cash receipts and disbursements.

**Bridgeway Church**  
**Notes to Statement of Cash Receipts and Disbursements**

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## **1. Organization**

Bridgeway Church (Church) is a Texas nonprofit religious corporation with principal offices in Flower Mound, Texas. The purpose for which the Church was formed is to glorify God by forming a local congregation for the Church of Christ which will carry out the great commission of the Lord Jesus Christ. This congregation will provide opportunity for Christian people to continue steadfastly in the apostles' teaching, fellowship, breaking of bread and prayers and prepare them for works of service.

## **2. Summary of Significant Accounting Policies**

In fulfilling its responsibility for the Church's financial statements and disclosures, management selected a comprehensive basis of accounting other than U.S. generally accepted accounting principles (GAAP) and adopted a method for its application. The following is a summary of significant accounting policies selected by management.

### ***Basis of Accounting***

The Church's accounts are maintained on the cash basis of accounting, and the accompanying statement of cash receipts and disbursements recognizes only cash received and disbursed. Consequently, revenues are recognized when received rather than when earned, expenses are recognized when paid rather than when incurred, and noncurrent assets are expensed rather than capitalized. Accordingly, the accompanying financial statement is not intended to present, and does not present, the financial position and results of operations of the Church in conformity with GAAP.

### ***Financial Instruments and Credit Risk Concentrations***

Financial instruments which are potentially subject to concentrations of credit risk consist of cash. Cash is placed with a high credit quality financial institution to minimize risk. The Church maintains cash balances at a financial institution located in the United States. Accounts at this institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2020, the Church's uninsured balances totaled \$346,269.

### ***Revenue Recognition***

Offerings and contributions are recorded as revenue in the accounting period they are received.

### ***Income Taxes***

The Church is recognized by the Internal Revenue Service as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code (IRC) and is not a private foundation as defined in the IRC.

# **Bridgeway Church**

## **Notes to Statement of Cash Receipts and Disbursements**

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Income generated from activities unrelated to the Church's exempt purpose is subject to tax under IRC Section 511. The Church did not conduct any unrelated business activities during the year ended December 31, 2020. Therefore, no tax provision or liability has been reported in the accompanying financial statements. The Church had no significant uncertain tax positions for the year ended December 31, 2020.

### **3. Long Term Debt**

The Church entered into a construction loan totaling \$3,289,600 on May 29, 2020. Interest only payments are due on the 13<sup>th</sup> day of the month through June 13, 2022. Interest and principal payments of \$17,936 are due on the 13<sup>th</sup> day of the month beginning July 13, 2022 and each month thereafter until the entire loan balance is fully paid or the maturity date of June 13, 2047. Interest on the note is 4.25% per annum. The outstanding balance of the loan totaled \$1,938,612 as of December 31, 2020.

### **4. Employee Benefits**

The Church adopted a defined contribution plan that qualifies under IRC 403(b). The plan is available to eligible employees who choose to participate. Each year, participants may contribute a percentage of their pre-tax compensation in accordance with the IRC. The Church will match up to 50% of participant contributions up to 5%. The Church's contributions totaled \$43,816 for the year ended December 31, 2020.

### **5. Related Party Transactions**

The Church received contributions from employees, board of directors and elders totaling \$326,546 during the year ended December 31, 2020.

### **6. Uncertainty**

In March 2020, the World Health Organization recognized the novel strain of coronavirus, COVID-19, as a pandemic. The coronavirus outbreak has severely restricted the level of economic activity in the area served by the Church. Given the uncertainty of the spread of the coronavirus, the related financial impact to the Church, if any, cannot be determined at this time.

### **7. Subsequent Events**

Management has evaluated subsequent events through the date the financial statements were available to be issued and concluded that no additional disclosures are required.

## **Supplementary Information**

(Unaudited)

**Bridgeway Church**  
**Schedule of Fixed Assets - Unaudited**  
**Year ended December 31, 2020**

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Land	\$ 440,193
Buildings	<u>4,197,126</u>
	<u><u>\$4,637,319</u></u>