

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

ABE BROWN MINISTRIES, INC.

December 31, 2014 and 2013

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Abe Brown Ministries, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Abe Brown Ministries, Inc. (a nonprofit organization) (the "Ministries"), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 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.

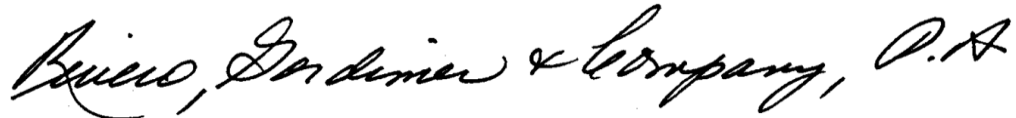
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ministries as of December 31, 2014 and 2013, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2015, on our consideration of the Ministries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ministries' internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Bucci, Gordinier & Company, P.A." The signature is written in black ink and is positioned to the right of the typed text.

Tampa, Florida
May 21, 2015

Abe Brown Ministries, Inc.

STATEMENTS OF FINANCIAL POSITION

December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (note H)	\$ 522,078	\$ 187,910
Accounts receivable		
Grants	170,406	-
Estates in process (note A4)	5,723	-
Pledges receivable (note C)	<u>29,770</u>	<u>15,120</u>
Total current assets	727,977	203,030
Property and equipment, net of accumulated depreciation (notes A6 and B)	680,947	656,036
Pledges receivable, net (note C)	7,467	5,688
Other	<u>23,500</u>	<u>23,500</u>
TOTAL ASSETS	<u>\$ 1,439,891</u>	<u>\$ 888,254</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current maturities of long-term debt (note E)	\$ 15,107	\$ 13,863
Accrued expenses and other liabilities	<u>1,184</u>	<u>11,555</u>
Total current liabilities	16,291	25,418
LONG-TERM DEBT, less current maturities (note E)	<u>76,744</u>	<u>91,951</u>
Total liabilities	<u>93,035</u>	<u>117,369</u>
NET ASSETS		
Unrestricted (note I)	1,277,628	686,308
Temporarily restricted (note H)	<u>69,228</u>	<u>84,577</u>
	<u>1,346,856</u>	<u>770,885</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,439,891</u>	<u>\$ 888,254</u>

The accompanying notes are an integral part of these statements.

Abe Brown Ministries, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Public support			
Contributions	\$ 553,883	\$ 67,978	\$ 621,861
Grants from governmental agencies	685,602	-	685,602
Special events, net of direct expenses of \$43,363	61,155	-	61,155
Total public support	<u>1,300,640</u>	<u>67,978</u>	<u>1,368,618</u>
OTHER REVENUE			
Program service revenue	30,146	-	30,146
Rental income	3,906	-	3,906
Interest income and other	3,289	-	3,289
Total other revenue	<u>37,341</u>	<u>-</u>	<u>37,341</u>
Net assets released from restrictions	<u>83,327</u>	<u>(83,327)</u>	<u>-</u>
Total public support and revenue and net assets released from restrictions	<u>1,421,308</u>	<u>(15,349)</u>	<u>1,405,959</u>
EXPENSES			
Program expenses			
Ready4Work	398,766	-	398,766
Transition services	236,859	-	236,859
Total program services	<u>635,625</u>	<u>-</u>	<u>635,625</u>
Supporting services			
Management and general	148,940	-	148,940
Fundraising and development	45,423	-	45,423
Total supporting services	<u>194,363</u>	<u>-</u>	<u>194,363</u>
Total expenses	<u>829,988</u>	<u>-</u>	<u>829,988</u>
CHANGE IN NET ASSETS	591,320	(15,349)	575,971
Net assets at beginning of year	<u>686,308</u>	<u>84,577</u>	<u>770,885</u>
Net assets at end of year	<u>\$ 1,277,628</u>	<u>\$ 69,228</u>	<u>\$ 1,346,856</u>

The accompanying notes are an integral part of this statement.

Abe Brown Ministries, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Public support			
Contributions	\$ 270,532	\$ 62,450	\$ 332,982
Grants from governmental agencies	16,261	-	16,261
Special events, net of direct expenses of \$54,069	46,610	-	46,610
Total public support	<u>333,403</u>	<u>62,450</u>	<u>395,853</u>
OTHER REVENUE			
Program service revenue	22,205	-	22,205
Rental income	2,125	-	2,125
Interest income and other	4,825	-	4,825
Total other revenue	<u>29,155</u>	<u>-</u>	<u>29,155</u>
Net assets released from restrictions	<u>38,668</u>	<u>(38,668)</u>	<u>-</u>
Total public support and revenue and net assets released from restrictions	<u>401,226</u>	<u>23,782</u>	<u>425,008</u>
EXPENSES			
Transition services	393,175	-	393,175
Supporting services			
Management and general	84,195	-	84,195
Fundraising and development	37,341	-	37,341
Total supporting services	<u>121,536</u>	<u>-</u>	<u>121,536</u>
Total expenses	<u>514,711</u>	<u>-</u>	<u>514,711</u>
CHANGE IN NET ASSETS	(113,485)	23,782	(89,703)
Net assets at beginning of year	<u>799,793</u>	<u>60,795</u>	<u>860,588</u>
Net assets at end of year	<u>\$ 686,308</u>	<u>\$ 84,577</u>	<u>\$ 770,885</u>

The accompanying notes are an integral part of this statement.

Abe Brown Ministries, Inc.

STATEMENTS OF CASH FLOWS

For the year ended December 31,

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Change in net assets	\$ 575,971	\$ (89,703)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	61,741	57,155
(Increase) decrease in pledges receivable	(16,429)	14,182
Increase in accounts receivable	(176,129)	-
Decrease in accrued expenses	(10,371)	(1,344)
Total adjustments	<u>(141,188)</u>	<u>69,993</u>
Net cash provided (used) by operating activities	<u>434,783</u>	<u>(19,710)</u>
Cash flows from financing activities		
Proceeds from long term-debt	-	117,571
Payments on long-term debt	<u>(13,963)</u>	<u>(11,757)</u>
Net cash (used) provided by financing activities	<u>(13,963)</u>	<u>105,814</u>
Cash flows used by investing activities		
Purchases of fixed assets	<u>(86,652)</u>	<u>(172,398)</u>
Net cash used by investing activities	<u>(86,652)</u>	<u>(172,398)</u>
Net increase (decrease) in cash and cash equivalents	334,168	(86,294)
Cash and cash equivalents at beginning of year	<u>187,910</u>	<u>274,204</u>
Cash and cash equivalents at end of year	<u>\$ 522,078</u>	<u>\$ 187,910</u>
Supplemental disclosures of cash flow information		
Cash paid during the year		
Interest	<u>\$ 9,349</u>	<u>\$ 9,712</u>
Taxes	<u>\$ -</u>	<u>\$ -</u>
Supplemental disclosure of non-cash investing activities		
The Ministries received a donated building valued at \$24,421 during the year ended December 31, 2013		

The accompanying notes are an integral part of these statements.

Abe Brown Ministries, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2014

	Program Services			Supporting Services		Total
	Ready4Work	Transition Services	Total Program Services	Management and General	Fundraising and Development	
Salaries	\$ 138,348	\$ 67,765	\$ 206,113	\$ 46,032	\$ 28,016	280,161
Payroll taxes	10,609	5,783	16,392	3,661	2,228	22,281
Employee benefits	15,091	570	15,661	1,639	911	18,211
Total salaries and related expenses	164,048	74,118	238,166	51,332	31,155	320,653
Advertising	58	640	698	-	-	698
Consultants	25,000	-	25,000	-	-	25,000
Communications	7,417	4,468	11,885	8,133	792	20,810
Contract labor	14,755	14,682	29,437	-	-	29,437
Data system	8,580	-	8,580	-	-	8,580
Direct client services	24,341	2,214	26,555	-	-	26,555
Dues and subscriptions	-	-	-	-	2,582	2,582
Facility food cost	588	7,151	7,739	-	-	7,739
Insurance	6,221	48,561	54,782	6,087	-	60,869
Interest	34	9,315	9,349	-	-	9,349
Licenses	25,000	-	25,000	-	-	25,000
Miscellaneous	807	2,136	2,943	7,311	1,085	11,339
Office supplies	9,859	5,971	15,830	1,149	2,215	19,194
Pest control	211	967	1,178	295	-	1,473
Postage	814	1,983	2,797	932	553	4,282
Printing and copying	1,226	1,647	2,873	508	2,438	5,819
Professional fees	2,934	1,165	4,099	39,321	-	43,420
Repairs and maintenance	4,283	11,156	15,439	6,622	-	22,061
Service charges	-	-	-	3,235	-	3,235
Training	60,232	-	60,232	-	-	60,232
Travel	5,348	14,241	19,589	14,296	382	34,267
Utilities	3,458	16,281	19,739	1,815	1,134	22,688
Total expenses before bad debt and depreciation	365,214	216,696	581,910	141,036	42,336	765,282
Bad debt expense	-	-	-	2,965	-	2,965
Depreciation	33,552	20,163	53,715	4,939	3,087	61,741
Total expenses	<u>\$ 398,766</u>	<u>\$ 236,859</u>	<u>\$ 635,625</u>	<u>\$ 148,940</u>	<u>\$ 45,423</u>	<u>\$ 829,988</u>

The accompanying notes are an integral part of this statement.

Abe Brown Ministries, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2013

	Transition Services	Management and General	Fundraising and Development	Total
Salaries	\$ 137,826	\$ 39,094	\$ 19,547	\$ 196,467
Payroll taxes	12,051	3,443	1,721	17,215
Employee benefits	16,319	4,663	2,331	23,313
Total salaries and related expenses	166,196	47,200	23,599	236,995
Advertising	1,439	-	-	1,439
Communications	7,212	4,860	481	12,553
Contract labor	1,650	-	-	1,650
Dues and subscriptions	-	-	1,511	1,511
Facility food cost	13,438	-	-	13,438
Financial assistance	3,603	-	-	3,603
Insurance	50,651	5,628	-	56,279
Interest	9,712	-	-	9,712
Miscellaneous	4,158	2,491	128	6,777
Office supplies	6,573	424	1,184	8,181
Outreach	6,196	-	-	6,196
Pest control	2,734	683	-	3,417
Postage	1,924	641	259	2,824
Printing and copying	1,130	199	1,353	2,682
Professional fees	8,033	6,500	5,000	19,533
Repairs and maintenance	16,528	1,836	-	18,364
Service charges	-	2,320	-	2,320
Travel	24,277	5,291	-	29,568
Utilities	16,841	1,550	968	19,359
Total expenses before bad debt and depreciation	342,295	79,623	34,483	456,401
Bad debt expense	1,155	-	-	1,155
Depreciation	49,725	4,572	2,858	57,155
Total expenses	<u>\$ 393,175</u>	<u>\$ 84,195</u>	<u>\$ 37,341</u>	<u>\$ 514,711</u>

The accompanying notes are an integral part of this statement.

Abe Brown Ministries, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014 and 2013

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A description of the organization and a summary of its significant accounting policies consistently applied in the preparation of the accompanying financial statements follow:

1. Description of the Organization

Abe Brown Ministries, Inc., (the "Ministries") is a not-for-profit Florida corporation founded in 1976, whose primary purpose is to provide comprehensive ministries in prisons throughout Florida, offering notable community oriented services and serving as a model participant in a nationwide network of organizations providing similar services. During 2014, the Ministries replicated the nationally recognized Ready4Work program designed to provide holistic workforce training and job placement services through case management, life and job skills training, life-coaching (mentoring), job placement assistance, and data tracking.

2. Basis of Accounting

The Ministries follows the standards of accounting and financial reporting for not-for-profit organizations as described in the American Institute of Certified Public Accountants' "*Industry Guide for Audits of Not-for-Profit Organizations*." Accordingly, the financial statements are prepared on an accrual basis of accounting.

The financial statements of the Ministries are prepared in accordance with accounting principles generally accepted in the United States of America that require the use of management estimates of amounts and judgments it believes are reasonable under the circumstances.

3. Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid short-term money market instruments with a maturity of three months or less.

4. Estates in Process

The Ministries recognizes a receivable and revenue for its interest in estates in process based on the estimated realized value expected to be received. The Ministries records estates in process when the court declares the related will valid. During the year ended December 31, 2014 the Ministries recognized a contribution of \$94,000 from estates in process and a receivable of \$5,723 for amounts owed at December 31, 2014.

5. Beneficial Interest in Assets Held by Others

The Ministries is the beneficiary of a designated fund which is held and administered by The Community Foundation of Tampa Bay, Inc. The transfers of these funds are not irrevocable and variance powers have been granted to the recipient organization; as such, these funds are not recorded by the Ministries. Semi-annual distributions made from this fund are recorded as received. The total value of this fund is approximately \$27,600 and \$29,000 at December 31, 2014 and 2013, respectively.

Abe Brown Ministries, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2014 and 2013

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Ministries is also the beneficiary of a designated fund which is held by the National Christian Foundation and is not recorded by the Ministries. The transfers of these funds are not irrevocable and variance powers have been granted to the recipient organization; as such, these funds are not recorded by the Ministries. The purpose of this endowment is to provide income for perpetuity to the Ministries for its programs and services as directed by the Ministries' Board of Directors. The total value of this fund is approximately \$37,000 and \$39,000 at December 31, 2014 and 2013, respectively.

6. Property and Equipment

Property and equipment are recorded at cost, or if donated, at fair market value at the date of donation. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets, ranging generally from 3 to 30 years.

Maintenance and repairs are expensed in the year in which the expense is incurred. Additions and improvements over \$500 are capitalized.

7. Financial Accounting Standards

The Ministries follows the provisions of the Financial Accounting Standards Board *Accounting Standards Codification* ("FASB ASC").

FASB ASC 958-605 requires the Ministries to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributed services meeting certain criteria at fair values.

FASB ASC 958-205 established the standards for external financial reporting for not-for-profit organizations, which includes a statement of financial position, a statement of activities and changes in net assets, and a statement of cash flows. It requires the classification of resources into three classes of net assets based on the absence or existence of donor-imposed restrictions. These three classifications of net assets are unrestricted, temporarily restricted, and permanently restricted. The Ministries' had no permanently restricted net assets at December 31, 2014.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions.

Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions whose restrictions are met in the same reporting period are treated as unrestricted.

Abe Brown Ministries, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2014 and 2013

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Functional Allocations of Expenses

The costs of providing the various programs 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. The Ministries principal activities comprise:

➤ Ready4Work

The program provides post-release services to formerly incarcerated persons who have been released from a Department of Corrections' facility, no more than one year before entry into the Ready4Work program. The program includes case management, career development, life skills training, life-coaching, family reunification, and job placement services to assist program participants. Ready4Work also includes community supervision and post-release services to formerly incarcerated program participants to help transition back into the community.

➤ Transition Services

The program assists offenders, ex-offenders and their families to achieve productive and fulfilling lives. The Ministries is keenly aware of the struggles that ex-offenders face, therefore providing former incarcerated persons with basic needs (food, shelter, clothing), housing, education, employment, healthcare (especially treatment for substance abuse, mental-health and HIV/AIDS problems) and discipleship.

9. Contributions

The Ministries receives donated services from a variety of volunteers assisting in various positions. No amounts for volunteer services have been recognized in the accompanying Statement of Activities and Changes in Net Assets since there is no objective basis to measure the value of such services. During the year ended December 31, 2013 the Ministries received a donated parcel of real estate which approximated \$24,400.

NOTE B - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31,:

	2014	2013
Land	\$ 37,987	\$ 37,987
Building and improvements	807,205	775,770
Vehicles	260,213	316,701
Furniture and equipment	145,554	90,337
	<u>1,250,959</u>	<u>1,220,795</u>
Less accumulated depreciation	<u>(570,012)</u>	<u>(564,759)</u>
	<u>\$ 680,947</u>	<u>\$ 656,036</u>

Abe Brown Ministries, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2014 and 2013

NOTE C - PLEDGES RECEIVABLE

Pledges receivable are summarized as follows at December 31,:

	<u>2014</u>	<u>2013</u>
Total unconditional pledges	\$ 39,770	\$ 30,120
Less allowance for uncollectible pledges	(2,100)	(8,455)
Less unamortized discount for present value	<u>(433)</u>	<u>(857)</u>
Net pledges receivable	<u>\$ 37,237</u>	<u>\$ 20,808</u>

Pledges receivable expected to be collected after December 31, 2014 are as follows:

Year ending December 31,

2015	\$ 29,770
2016	5,000
2017	<u>5,000</u>
	39,770
Less allowance for uncollectible pledges and unamortized discount	<u>(2,533)</u>
	<u>\$ 37,237</u>

Pledges receivable are reported at the fair value of promises to give that are due in more than one year by discounting expected future cash flows using a discount rate of 3.0%.

NOTE D - LINE OF CREDIT

The Ministries established a \$100,000 line of credit during 2014, due upon demand, with interest at the floating Wall Street Journal Prime Rate (currently 3.25%) plus 1% with a floor of 5%, collateralized by all business assets. The line of credit had a balance of \$-0- at December 31, 2014.

Abe Brown Ministries, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2014 and 2013

NOTE E - LONG-TERM DEBT

Long-term debt consisted of the following at December 31,:

	<u>2014</u>	<u>2013</u>
Installment note bearing interest at 8.59%, payable in monthly installments of \$1,882 including interest through February 2018, and a balloon payment of \$42,341 due in March 2018, collateralized by vehicle	\$ 91,851	\$ 105,814
Less current maturities	<u>(15,107)</u>	<u>(13,863)</u>
	<u>\$ 76,744</u>	<u>\$ 91,951</u>

Maturities of long-term debt are as follows:

Year ending December 31,

2015	\$ 15,107
2016	16,463
2017	17,940
2018	<u>42,341</u>
	<u>\$ 91,851</u>

The Ministries paid off the above note payable in April 2015. See Note J – Subsequent Events for further discussion.

NOTE F - INCOME TAX STATUS

The Ministries has received a determination of tax exempt status from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes, respectively. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements.

The Ministries is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax years after 2011 remain subject to examination by federal and state taxing authorities.

Abe Brown Ministries, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2014 and 2013

NOTE G - COMMITMENTS

1. CDGB Grant

The Ministries received a CDBG grant award from the City of Tampa during the years ended December 31, 2006 and 2007. The purpose of the grant is to cover a portion of the costs in connection with rehabilitation of a food bank and administrative office owned by the Ministries. Under the grant award, the Ministries entered into a deferred payment loan for the funding received.

In the event that the Ministries complies and meets the eligibility criteria for the CDBG grant program for the entire minimum use period (five years), then repayment of the deferred payment loan shall be waived in its entirety, and the mortgage securing the indebtedness shall be released. The management of the Ministries plans to use the property under the CDBG grant guidelines for the minimum use period. The Ministries completed the five year CDBG obligation in July 2013 for the food bank. Effective July 2012, the Ministries completed the five year CDBG obligation for the administrative office and received the proper documentation related to the fulfillment of the CDBG requirements.

2. Operating Leases

The Ministries leases a vehicle under an operating lease. Approximate future minimum rental payments for the operating lease, expiring in January 2018, are as follows:

<u>Year ending December 31,</u>	
2015	\$ 3,500
2016	3,500
2017	3,500
2018	<u>300</u>
	<u>\$ 10,800</u>

Rental expenses approximated \$600 for the year ended December 31, 2014.

3. Contingencies

In the normal course of business the Ministries is sometimes involved in legal matters. No actions exist which, in management's opinion, would have a material effect on the Ministries' financial position.

NOTE H - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets contain donor-imposed restrictions that expire upon the passage of time or once specific actions are undertaken by the Ministries. The net assets are then released and reclassified to unrestricted support when these restrictions are satisfied.

Abe Brown Ministries, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2014 and 2013

NOTE H - TEMPORARILY RESTRICTED NET ASSETS - Continued

Temporarily restricted net assets consisted of the following balances at December 31,:

	<u>2014</u>	<u>2013</u>
Life Transformation Community	\$ 1,250	\$ 1,250
Family reunification	378	-
Vehicle replacement	-	43,127
Ready4Work	<u>67,600</u>	<u>40,200</u>
	<u>\$ 69,228</u>	<u>\$ 84,577</u>

The temporarily restricted net assets of the Ministries are included in cash and cash equivalents at December 31, 2014 and 2013.

NOTE I - BOARD DESIGNATION

The Ministries' Board of Directors designated approximately \$52,250 of unrestricted net assets for the Life Transformation Community for each of the years ended December 31, 2014 and 2013.

NOTE J - SUBSEQUENT EVENTS

In April 2015, the Ministries paid off the debt associated with the 2012 International bus which totaled approximately \$90,000.

Subsequent events were evaluated through May 21, 2015, which is the date financial statements were available to be issued.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

ABE BROWN MINISTRIES, INC.

December 31, 2014 and 2013



RIVERO, GORDIMER & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

Member
American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants
Herman V. Lazzara Stephen G. Douglas
Marc D. Sasser Michael E. Helton
Sam A. Lazzara
Cesar J. Rivero, of Counsel
Richard B. Gordimer, of Counsel

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
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GOVERNMENT AUDITING STANDARDS

Board of Directors
Abe Brown Ministries, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, the financial statements of Abe Brown Ministries, Inc. (the "Ministries"), which comprise the statements of financial position as of December 31, 2014 and 2013 and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated May 21, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Ministries' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ministries' internal control. Accordingly, we do not express an opinion on the effectiveness of the Ministries' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

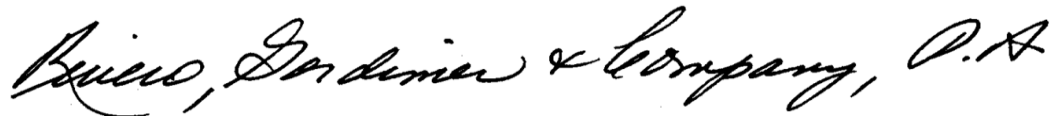
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Ministries' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Ministries' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ministries' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Bueco, Anderson & Company, P.A." The signature is written in black ink and is positioned centrally below the text of the report.

Tampa, Florida
May 21, 2015