

Bridgeport Rescue Mission, Inc.

**Financial Statements
and
Auditor's Report**

Year Ended May 31, 2008

The Board of Directors
Bridgeport Rescue Mission, Inc.

Independent Auditor's Report

We have audited the accompanying statement of financial position of Bridgeport Rescue Mission, Inc. as of May 31, 2008 and the related statements of activities, of cash flows and of functional expenses for the year then ended. These financial statements are the responsibility of Bridgeport Rescue Mission's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the organization's May 31, 2007 financial statements and, in our report dated January 9, 2008, we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bridgeport Rescue Mission, Inc. as of May 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Lambrides, Lamos, Taylor LLP

February 13, 2009

Bridgeport Rescue Mission, Inc.
Statement of Financial Position
May 31, 2008
With Comparative Figures at May 31, 2007

ASSETS	2008	2007
Cash and cash equivalents	\$ 201,197	\$ 16,621
Cash restricted for Women's Program	568,840	758,035
Beneficial interest in perpetual trust	193,805	213,344
Land, buildings and equipment (net of accumulated depreciation)	<u>1,094,328</u>	<u>1,111,821</u>
Total assets	<u>\$ 2,058,170</u>	<u>\$ 2,099,821</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 52,263	\$ 40,885
Deferred revenue	<u>20,090</u>	<u> </u>
Total liabilities	<u>72,353</u>	<u>40,885</u>
 Net assets:		
Unrestricted	1,030,586	1,021,424
Temporarily restricted	761,426	824,168
Permanently restricted	<u>193,805</u>	<u>213,344</u>
Total net assets	<u>1,985,817</u>	<u>2,058,936</u>
Total liabilities and net assets	<u>\$ 2,058,170</u>	<u>\$ 2,099,821</u>

See notes to financial statements.

Bridgeport Rescue Mission, Inc.
Statement of Activities
For the Year Ended May 31, 2008
With Summarized Comparative Figures for the Year Ended May 31, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	2008 Totals	2007 Totals
Support, revenue and releases:					
Contributions	\$ 1,078,727	\$ 196,652		\$ 1,275,379	\$ 2,077,644
Gifts in kind	250,000			250,000	318,007
Special events:					
Contributions	\$ 99,062				
Revenue	35,000				
Less: direct expenses	<u>(35,808)</u>				
Net revenue from special events	98,254			98,254	139,636
Interest income	3,794	16,448		20,242	18,322
Investment income	6,078			6,078	4,675
Miscellaneous income	8,113			8,113	2,350
Net assets released from restrictions	<u>275,842</u>	<u>(275,842)</u>		<u> </u>	<u> </u>
Total support, revenue and releases	<u>1,720,808</u>	<u>(62,742)</u>		<u>1,658,066</u>	<u>2,560,634</u>
Expenses:					
Program	912,903			912,903	825,281
Management and general	271,649			271,649	218,381
Development and public relations	<u>481,262</u>			<u>481,262</u>	<u>450,045</u>
Total expenses before depreciation	<u>1,665,814</u>			<u>1,665,814</u>	<u>1,493,707</u>
Change in net assets before other changes in net assets					
	54,994	(62,742)		(7,748)	1,066,927
Other changes in net assets:					
Change in value of beneficial interest in perpetual trust			\$ (19,539)	(19,539)	22,022
Depreciation	<u>(45,832)</u>			<u>(45,832)</u>	<u>(42,882)</u>
Change in net assets	9,162	(62,742)	(19,539)	(73,119)	1,046,067
Net assets at beginning of year	<u>1,021,424</u>	<u>824,168</u>	<u>213,344</u>	<u>2,058,936</u>	<u>1,012,869</u>
Net assets at end of year	<u>\$ 1,030,586</u>	<u>\$ 761,426</u>	<u>\$ 193,805</u>	<u>\$ 1,985,817</u>	<u>\$ 2,058,936</u>

See notes to financial statements.

Bridgeport Rescue Mission, Inc.
Statement of Cash Flows
For the Year Ended May 31, 2008
With Comparative Figures for the Year Ended May 31, 2007

	2008	2007
Cash flows from operating activities:		
Change in net assets	\$ (73,119)	\$ 1,046,067
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	45,832	42,882
Change in beneficial interest in perpetual trust	19,539	(22,022)
(Increase) decrease in:		
Cash restricted for Women's Program	189,195	(758,035)
Accounts receivable		500
Increase in:		
Accounts payable and accrued expenses	11,378	6,405
Deferred revenue	<u>20,090</u>	<u> </u>
Net cash provided by operating activities	<u>212,915</u>	<u>315,797</u>
Cash flows from investing activities:		
Acquisition of fixed assets	<u>(28,339)</u>	<u>(354,925)</u>
Net cash used by investing activities	<u>(28,339)</u>	<u>(354,925)</u>
Net increase (decrease) in cash	184,576	(39,128)
Cash and cash equivalents at beginning of year	<u>16,621</u>	<u>55,749</u>
Cash and cash equivalents at end of year	<u>\$ 201,197</u>	<u>\$ 16,621</u>

See notes to financial statements.

Bridgeport Rescue Mission, Inc.
Statement of Functional Expenses
For the Year Ended May 31, 2008
With Summarized Comparative Figures for the Year Ended May 31, 2007

	Program Services	Management and General	Development and Public Relations	2008 Totals	2007 Totals
Salaries	\$ 225,648	\$ 115,783	\$ 123,558	\$ 464,989	\$ 380,611
Payroll taxes	13,964	7,166	7,647	28,777	26,211
Other benefits	39,365	20,199	21,555	81,119	93,243
Gifts in kind	250,000			250,000	318,007
Food expense	51,362			51,362	26,728
Monthly mailings and advertising			193,909	193,909	222,777
Professional fees		18,687	46,539	65,226	32,112
Occupancy expense	31,200	4,449		35,649	31,200
Telephone	3,293	4,216		7,509	16,503
Utilities	121,275			121,275	86,648
Office equipment	1,291	510	7,089	8,890	3,555
Hospitality and travel		12,248	3,662	15,910	14,572
Vehicle expense	24,473			24,473	15,339
Training and resource materials	3,583	1,838		5,421	3,222
Insurance		38,744		38,744	34,090
Dues and memberships	260	5,143		5,403	6,983
Maintenance and repairs	100,459			100,459	49,921
Printing, postage and shipping		1,380	65,817	67,197	43,091
Supplies	16,724	14,205		30,929	28,915
Indirect special events expenses			10,224	10,224	10,149
Miscellaneous	<u>30,006</u>	<u>27,081</u>	<u>1,262</u>	<u>58,349</u>	<u>49,830</u>
 Total expenses before depreciation	 912,903	 271,649	 481,262	 1,665,814	 1,493,707
 Depreciation	 <u>27,499</u>	 <u>13,750</u>	 <u>4,583</u>	 <u>45,832</u>	 <u>42,882</u>
 Total expenses	 <u>\$ 940,402</u>	 <u>\$ 285,399</u>	 <u>\$ 485,845</u>	 <u>\$ 1,711,646</u>	 <u>\$ 1,536,589</u>

See notes to financial statements.

Bridgeport Rescue Mission, Inc.
Notes to Financial Statements
May 31, 2008

1. Organization and Purpose:

The Bridgeport Rescue Mission, Inc. (the Mission) is a Christian, nonprofit corporation founded in 1993 under the nonprofit corporation laws of the State of Connecticut. The objective of the Mission is to promote and practice the life changing gospel of Jesus Christ through Christian service to the poor and disadvantaged, which it accomplishes through its New Life Program that includes the operation of two adult shelters, a mobile soup kitchen, and various outreach programs in Bridgeport, Connecticut. The Mission obtains contributions from individuals, businesses, area foundations and religious organizations to help achieve its objectives.

The Mission is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies:

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

a. Accrual Basis Financial Statements

The accompanying financial statements have been prepared on the accrual basis and conform to accounting principles generally accepted in the United States of America and in accordance with the principles of not-for-profit accounting.

b. Net Assets

The net assets of the Mission and changes therein are classified and reported as follows:

- Unrestricted net assets include all resources which are not subject to donor-imposed restrictions of a more specific nature than those which only obligate the Mission to utilize funds in furtherance of its mission.
- Temporarily restricted net assets carry specific, donor-imposed restrictions on the expenditure or other use of contributed funds. Temporary restrictions may expire either because certain actions are taken by the Mission which fulfill the restrictions or because of the passage of time. 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.
- Permanently restricted net assets are those that are subject to donor-imposed restrictions which will never lapse, thus requiring that the funds be permanently retained. Generally, the donors of these funds permit the Mission to use all or part of the income earned on related investments, and the net capital appreciation thereon, for general or specific purposes.

Bridgeport Rescue Mission, Inc.
Notes to Financial Statements
May 31, 2008

2. Summary of Significant Accounting Policies: (Continued)

c. Contributions

Contributions are recorded as revenue upon receipt of cash or unconditional promises to give (pledges). Contributions are considered available for unrestricted use unless specifically restricted by the donor.

Contributions of land, buildings and equipment without donor stipulation concerning the use of such long-lived assets are reported as revenues of the unrestricted net assets.

Contributions of cash or other assets to be used to acquire property, plant and equipment are reported as revenue of the temporarily restricted net assets; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

d. Cash and Cash Equivalents

Cash and cash equivalents include all unrestricted cash on hand and in banks. The Mission also considers all highly liquid unrestricted investments with a maturity of three months or less when purchased to be cash equivalents.

e. Land, Buildings and Equipment

Land, buildings and equipment are stated at cost, or, if donated, at the estimated fair market value at the date of donation. Depreciation is recorded using the straight-line method at various rates calculated to allocate the cost of the respective items over their estimated useful lives.

Estimated useful lives are:

Buildings and improvements	15 - 40 years
Furniture, fixtures and equipment	5 - 10 years
Vehicles	5 years

f. Expense Allocations

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Fundraising and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the organization.

g. 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from their estimates.

Bridgeport Rescue Mission, Inc.
Notes to Financial Statements
May 31, 2008

2. Summary of Significant Accounting Policies: (Continued)

h. Reclassifications

Certain amounts previously reported in the financial statements for May 31, 2007 have been reclassified to facilitate comparability with the May 31, 2008 amounts with no effect on the change in net assets as previously reported.

i. Prior Year Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Mission's financial statements for the year ended May 31, 2007, from which the summarized information was derived.

3. Beneficial Interest in Perpetual Trust – Permanently Restricted:

The Mission is the beneficiary of a permanently restricted trust. The principal must be held in perpetuity by the trustee, with a portion of the income distributed quarterly to the Mission. During 2008, distributions totaled \$6,078 and were reflected in investment income.

4. Land, Buildings, and Equipment:

A summary of land, buildings, and equipment follows:

Land	\$ 165,238
Buildings and improvements	1,064,724
Furniture, fixtures and equipment	154,371
Vehicles	<u>15,517</u>
	1,399,850
Less accumulated depreciation	<u>(305,522)</u>
	<u>\$1,094,328</u>

5. Line of Credit:

Line of credit payable on demand with an interest rate at prime plus one and one-half (1.5%) percent to be adjusted daily. The total line of credit available is \$100,000, expiring February 12, 2009. The line of credit is secured by property. As of May 31, 2008, the Mission does not have a balance due on the line of credit.

Bridgeport Rescue Mission, Inc.
Notes to Financial Statements
May 31, 2008

6. Gifts in Kind:

The Mission receives contributions of food, toiletries, clothing and household items which it uses and distributes in the operation of its program. The total amount of in-kind contributions received during the 2008 fiscal year was approximately \$250,000.

7. Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes:

Fire alarm	\$ 5,000
Mobile soup kitchen	38,427
Reserve fund	60,393
Roof	1,668
Windows	1,182
Women's program	<u>654,756</u>
	<u>\$761,426</u>

8. Concentration of Risk:

Significant concentrations of credit risk arise from cash deposits in excess of federally insured amounts of \$100,000. The amount on deposit in one financial institution on May 31, 2008 exceeded the \$100,000 federally insured limit by an aggregate amount of \$564,557. On October 30, 2008, the Federal Deposit Insurance Corporation (FDIC) subsequently raised the insured limit to \$250,000 per depositor through December 31, 2009.