

Bridgeport Rescue Mission, Inc.

**Financial Statements
and
Auditor's Report**

Year Ended May 31, 2009

Bridgeport Rescue Mission, Inc.

Table of Contents

Independent Auditor's Report

Financial Statements:

Statement of Financial Position Page 4

Statement of Activities Page 5

Statement of Cash Flows Page 6

Statement of Functional Expenses Page 7

Notes to the Financial Statements Page 8

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, 2009 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, 2008 financial statements and, in our report dated December 17, 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, 2009, 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.

As discussed in Note 2 to the financial statements, Bridgeport Rescue Mission, Inc. adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 157 *Fair Value Measurement* effective June 1, 2008.

Lambrides, Lamos, Taylor LLP

December 15, 2009

Bridgeport Rescue Mission, Inc.
Statement of Financial Position
May 31, 2009
With Comparative Figures at May 31, 2008

ASSETS	2009	2008
Cash and cash equivalents	\$ 109,843	\$ 201,197
Cash restricted for women's program	265,107	568,840
Grant receivable	179,742	
Prepaid expense	19,421	
Beneficial interest in perpetual trust	155,966	193,805
Land, buildings and equipment (net of accumulated depreciation)	<u>1,273,835</u>	<u>1,094,328</u>
Total assets	<u><u>\$ 2,003,914</u></u>	<u><u>\$ 2,058,170</u></u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 60,363	\$ 52,263
Deferred revenue	<u> </u>	<u>20,090</u>
Total liabilities	<u>60,363</u>	<u>72,353</u>
 Net assets:		
Unrestricted	1,226,206	1,030,586
Temporarily restricted	561,379	761,426
Permanently restricted	<u>155,966</u>	<u>193,805</u>
Total net assets	<u>1,943,551</u>	<u>1,985,817</u>
Total liabilities and net assets	<u><u>\$ 2,003,914</u></u>	<u><u>\$ 2,058,170</u></u>

See notes to financial statements.

Bridgeport Rescue Mission, Inc.
Statement of Activities
For the Year Ended May 31, 2009
With Summarized Comparative Figures for the Year Ended May 31, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	2009 Totals	2008 Totals
Support, revenue and releases:					
Contributions	\$ 1,374,166	\$ 160,899		\$ 1,535,065	\$1,275,379
Donated food, supplies and services	727,204			727,204	250,000
Special events:					
Contributions	\$ 171,091				
Revenue	49,635				
Less: direct expenses	<u>(72,103)</u>				
Net revenue from special events	148,623			148,623	98,254
Interest income	2,309	4,394		6,703	20,242
Investment income	7,541			7,541	6,078
Miscellaneous income	1,814			1,814	8,113
Net assets released from restrictions - operating	<u>181,408</u>	<u>(181,408)</u>		<u> </u>	<u> </u>
Total support, revenue and releases	<u>2,443,065</u>	<u>(16,115)</u>		<u>2,426,950</u>	<u>1,658,066</u>
Expenses:					
Program	1,597,792			1,597,792	912,903
Management and general	244,565			244,565	271,649
Development and public relations	<u>538,732</u>			<u>538,732</u>	<u>481,262</u>
Total expenses before depreciation	<u>2,381,089</u>			<u>2,381,089</u>	<u>1,665,814</u>
Change in net assets before other changes in net assets					
	61,976	(16,115)		45,861	(7,748)
Other changes in net assets:					
Net assets released from restrictions - capital expenditures	183,932	(183,932)			
Change in value of beneficial interest in perpetual trust			\$ (37,839)	(37,839)	(19,539)
Depreciation	<u>(50,288)</u>			<u>(50,288)</u>	<u>(45,832)</u>
Change in net assets	195,620	(200,047)	(37,839)	(42,266)	(73,119)
Net assets at beginning 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>
Net assets at end of year	<u>\$ 1,226,206</u>	<u>\$ 561,379</u>	<u>\$ 155,966</u>	<u>\$ 1,943,551</u>	<u>\$1,985,817</u>

See notes to financial statements.

Bridgeport Rescue Mission, Inc.
Statement of Cash Flows
For the Year Ended May 31, 2009
With Comparative Figures for the Year Ended May 31, 2008

	2009	2008
Cash flows from operating activities:		
Change in net assets	\$ (42,266)	\$ (73,119)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	50,288	45,832
Change in beneficial interest in perpetual trust	37,839	19,539
Release of restricted cash for women's program	303,733	189,195
Contributions restricted/designated for women's program	(202,409)	(13,321)
Interest restricted for women's program	(4,394)	(16,448)
(Increase) decrease in:		
Prepaid expense	(19,421)	
Increase (decrease) in:		
Accounts payable and accrued expenses	8,100	11,378
Deferred revenue	<u>(20,090)</u>	<u>20,090</u>
Net cash provided by operating activities	<u>111,380</u>	<u>183,146</u>
Cash flows from investing activities:		
Cash received from disposal of assets	2,614	
Acquisition of fixed assets - women's program	(178,932)	(24,475)
Acquisition of fixed assets	<u>(53,477)</u>	<u>(3,864)</u>
Net cash used by investing activities	<u>(229,795)</u>	<u>(28,339)</u>
Cash flows from financing activities:		
Collection of restricted cash for women's program	<u>27,061</u>	<u>29,769</u>
Net cash provided by financing activities	<u>27,061</u>	<u>29,769</u>
Net increase (decrease) in cash	(91,354)	184,576
Cash and cash equivalents at beginning of year	<u>201,197</u>	<u>16,621</u>
Cash and cash equivalents at end of year	<u>\$ 109,843</u>	<u>\$ 201,197</u>

See notes to financial statements.

Bridgeport Rescue Mission, Inc.
Statement of Functional Expenses
For the Year Ended May 31, 2009
With Summarized Comparative Figures for the Year Ended May 31, 2008

	Program Services	Management and General	Fund- Raising	2009 Totals	2008 Totals
Salaries	\$ 318,801	\$ 140,622	\$ 151,588	\$ 611,011	\$ 464,989
Payroll taxes	20,850	9,196	9,914	39,960	28,777
Other benefits	76,980	33,955	36,604	147,539	81,119
Grants of food, clothing and household supplies	683,189			683,189	250,000
Food expense	75,336			75,336	51,362
Monthly mailings and advertising			194,042	194,042	193,909
Professional fees	9,000	19,932	48,084	77,016	65,226
Occupancy expense	31,200	692		31,892	35,649
Telephone	4,152	2,379	2,378	8,909	7,509
Utilities	147,833	4,720	1,888	154,441	121,275
Office equipment	6,333	698	7,562	14,593	8,890
Hospitality and travel		8,202	3,900	12,102	15,910
Vehicle expense	35,260	755	302	36,317	24,473
Training and resource materials	9,027	2,460		11,487	5,421
Insurance	44,294	4,977	498	49,769	38,744
Dues and memberships	133	2,580		2,713	5,403
Maintenance and repairs	89,024			89,024	100,459
Printing, postage and shipping		487	59,817	60,304	67,197
Supplies	42,054	1,392	1,076	44,522	30,929
Indirect special events expenses			17,946	17,946	10,224
Miscellaneous	4,326	11,518	3,133	18,977	58,349
	<u>1,597,792</u>	<u>244,565</u>	<u>538,732</u>	<u>2,381,089</u>	<u>1,665,814</u>
Total expenses before depreciation					
Depreciation	<u>30,173</u>	<u>15,086</u>	<u>5,029</u>	<u>50,288</u>	<u>45,832</u>
Total expenses	<u>\$ 1,627,965</u>	<u>\$ 259,651</u>	<u>\$ 543,761</u>	<u>\$ 2,431,377</u>	<u>\$ 1,711,646</u>

See notes to financial statements.

Bridgeport Rescue Mission, Inc.
Notes to Financial Statements
May 31, 2009

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, 2009

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. Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by the organization. These services are valued based on the estimated cost of services that would have otherwise had to have been purchased.

g. Adoption of New Accounting Standards

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (FAS 157). FAS 157 provides a new definition of fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Bridgeport Rescue Mission, Inc. adopted the provisions of FAS 157 as of June 1, 2008. In accordance with Financial Accounting Standards Board Staff Position (FSP) No. 157-2, "Effective Date of FASB Statement No. 157", the Organization will delay application of SFAS 157 for nonfinancial assets and nonfinancial liabilities until June 1, 2009. The adoption of FAS 157 did not have a material effect on Bridgeport Rescue Mission, Inc.'s financial position as of May 31, 2009 or on the statements of operations and changes in net assets or cash flows for the year ended May 31, 2009. See Note 7 for related fair value disclosures.

Bridgeport Rescue Mission, Inc.
Notes to Financial Statements
May 31, 2009

2. Summary of Significant Accounting Policies: (Continued)

h. 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.

i. 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.

j. Reclassifications

Certain amounts previously reported in the financial statements for May 31, 2008 have been reclassified to facilitate comparability with the May 31, 2009 amounts with no effect on the change in net assets as previously reported.

k. 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, 2008, 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 2009, distributions totaled \$7,541 and were reflected in investment income.

4. Land, Buildings, and Equipment:

A summary of land, buildings, and equipment follows:

Land	\$ 235,405
Buildings and improvements	1,191,914
Furniture, fixtures and equipment	154,371
Vehicles	<u>37,088</u>
	1,618,778
Less accumulated depreciation	<u>(344,943)</u>
	<u>\$1,273,835</u>

Bridgeport Rescue Mission, Inc.
Notes to Financial Statements
May 31, 2009

5. 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 2009 fiscal year was \$727,204.

6. Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes:

Video camera	\$ 1,200
Career learning center	1,658
Commercial washer	2,500
Mobile soup kitchen	25,064
Reserve fund	40,393
Women's program	<u>490,564</u>
	<u>\$561,379</u>

7. Fair Value Measurements:

In determining fair value, the Mission uses various valuation approaches within the FAS 157 fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

FAS 157 established a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 inputs: In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Mission has the ability to access.

Level 2 inputs: Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs: Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related assets or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in the entirety are categorized based on the lowest level input that is significant to the valuation. The Mission's assessment of the significance of the particular inputs to these fair value measurements requires judgment and considers factors of each asset or liability.

Bridgeport Rescue Mission, Inc.
Notes to Financial Statements
May 31, 2009

7. Fair Value Measurements: (Continued)

Disclosures concerning assets and liabilities measured at fair value on a recurring basis are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Beneficial interest in perpetual trust	<u>\$ 155,966</u>	<u>\$ 155,966</u>	_____	_____
Total Assets at Fair Value	<u><u>\$ 155,966</u></u>	<u><u>\$ 155,966</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>