

Bridgeport Rescue Mission, Inc.

**Financial Statements
and
Auditor's Report**

Year Ended May 31, 2010

Bridgeport Rescue Mission, Inc.

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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, 2010 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, 2009 financial statements and, in our report dated December 15, 2009, 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, 2010, 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

September 1, 2010

Bridgeport Rescue Mission, Inc.
Statement of Financial Position
May 31, 2010
With Comparative Figures at May 31, 2009

ASSETS	2010	2009
Cash and cash equivalents	\$ 414,564	\$ 109,843
Cash restricted for women's program	163,354	265,107
Grant receivable		179,742
Prepaid expense	15,120	19,421
Beneficial interest in perpetual trust	166,760	155,966
Land, buildings and equipment (net of accumulated depreciation)	<u>1,249,531</u>	<u>1,273,835</u>
Total assets	<u>\$ 2,009,329</u>	<u>\$ 2,003,914</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	<u>\$ 62,382</u>	<u>\$ 60,363</u>
Total liabilities	<u>62,382</u>	<u>60,363</u>
 Net assets:		
Unrestricted	1,262,471	1,226,206
Temporarily restricted	517,716	561,379
Permanently restricted	<u>166,760</u>	<u>155,966</u>
Total net assets	<u>1,946,947</u>	<u>1,943,551</u>
Total liabilities and net assets	<u>\$ 2,009,329</u>	<u>\$ 2,003,914</u>

See notes to financial statements.

Bridgeport Rescue Mission, Inc.
Statement of Activities
For the Year Ended May 31, 2010
With Summarized Comparative Figures for the Year Ended May 31, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	2010 Totals	2009 Totals
Support, revenue and releases:					
Contributions	\$ 1,371,916	\$ 20,400		\$ 1,392,316	\$1,535,065
Donated food, supplies and services	675,987			675,987	727,204
Special events:					
Contributions	\$ 322,870				
Revenue	27,687				
Less: direct expenses	<u>(44,181)</u>				
Net revenue from special events	306,376			306,376	148,623
Interest income	193	698		891	6,703
Investment income	5,412			5,412	7,541
Miscellaneous income	2,000			2,000	1,814
Net assets released from restrictions - operating	<u>43,226</u>	<u>(43,226)</u>		<u> </u>	<u> </u>
Total support, revenue and releases	<u>2,405,110</u>	<u>(22,128)</u>		<u>2,382,982</u>	<u>2,426,950</u>
Expenses:					
Program	1,517,046			1,517,046	1,597,792
Management and general	271,780			271,780	244,565
Development and public relations	<u>555,564</u>			<u>555,564</u>	<u>538,732</u>
Total expenses before depreciation	<u>2,344,390</u>			<u>2,344,390</u>	<u>2,381,089</u>
Change in net assets before other changes in net assets	60,720	(22,128)		38,592	45,861
Other changes in net assets:					
Net assets released from restrictions - capital expenditures	21,535	(21,535)			
Change in value of beneficial interest in perpetual trust			\$ 10,794	10,794	(37,839)
Depreciation	<u>(45,990)</u>			<u>(45,990)</u>	<u>(50,288)</u>
Change in net assets	36,265	(43,663)	10,794	3,396	(42,266)
Net assets at beginning 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>
Net assets at end of year	<u>\$ 1,262,471</u>	<u>\$ 517,716</u>	<u>\$ 166,760</u>	<u>\$ 1,946,947</u>	<u>\$1,943,551</u>

See notes to financial statements.

Bridgeport Rescue Mission, Inc.
Statement of Cash Flows
For the Year Ended May 31, 2010
With Comparative Figures for the Year Ended May 31, 2009

	2010	2009
Cash flows from operating activities:		
Change in net assets	\$ 3,396	\$ (42,266)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	45,990	50,288
Change in beneficial interest in perpetual trust	(10,794)	37,839
Release of restricted cash for women's program	101,753	303,733
Contributions restricted/designated for women's program	(2,000)	(202,409)
Interest restricted for women's program	(698)	(4,394)
(Increase) decrease in:		
Prepaid expense	4,301	(19,421)
Increase (decrease) in:		
Accounts payable and accrued expenses	2,019	8,100
Deferred revenue	<u> </u>	<u>(20,090)</u>
Net cash provided by operating activities	<u>143,967</u>	<u>111,380</u>
 Cash flows from investing activities:		
Cash received from disposal of assets	2,000	2,614
Acquisition of fixed assets - women's program		(178,932)
Acquisition of fixed assets	<u>(21,686)</u>	<u>(53,477)</u>
Net cash used by investing activities	<u>(19,686)</u>	<u>(229,795)</u>
 Cash flows from financing activities:		
Collection of restricted cash for women's program	<u>180,440</u>	<u>27,061</u>
Net cash provided by financing activities	<u>180,440</u>	<u>27,061</u>
 Net increase (decrease) in cash	 304,721	 (91,354)
 Cash and cash equivalents at beginning of year	 <u>109,843</u>	 <u>201,197</u>
 Cash and cash equivalents at end of year	 <u>\$ 414,564</u>	 <u>\$ 109,843</u>

See notes to financial statements.

Bridgeport Rescue Mission, Inc.
Statement of Functional Expenses
For the Year Ended May 31, 2010
With Summarized Comparative Figures for the Year Ended May 31, 2009

	Program Services	Management and General	Development and Public Relations	2010 Totals	2009 Totals
Salaries	\$ 333,148	\$ 151,160	\$ 201,561	\$ 685,869	\$ 620,011
Payroll taxes	20,469	9,288	12,384	42,141	39,960
Other benefits	68,458	31,061	41,418	140,937	147,539
Grants of food, clothing and household supplies	675,987			675,987	683,189
Food expense	69,870			69,870	75,336
Monthly mailings and advertising			170,498	170,498	194,042
Professional fees		22,312	19,651	41,963	68,016
Occupancy expense	34,800			34,800	31,892
Telephone	3,517	2,328	2,328	8,173	8,909
Utilities	96,741	4,079	1,355	102,175	154,441
Equipment	2,408	3,396		5,804	7,031
Information technology		428	16,503	16,931	7,562
Hospitality and travel	268	9,792	6,518	16,578	8,540
Vehicle expense	30,117	1,012	405	31,534	36,317
Training and resource materials	5,944	7,832	3,062	16,838	15,049
Insurance	49,124	5,520	552	55,196	49,769
Dues and memberships	398	5,037		5,435	2,713
Maintenance and repairs	61,723			61,723	89,024
Printing, postage and shipping		573	50,412	50,985	60,304
Supplies	36,833	319	1,404	38,556	44,522
Indirect special events expenses			22,302	22,302	17,946
Bank and credit card fees		3,200	4,938	8,138	1,953
Miscellaneous	<u>27,241</u>	<u>14,443</u>	<u>273</u>	<u>41,957</u>	<u>17,024</u>
 Total expenses before depreciation	 1,517,046	 271,780	 555,564	 2,344,390	 2,381,089
 Depreciation	 <u>27,594</u>	 <u>13,797</u>	 <u>4,599</u>	 <u>45,990</u>	 <u>50,288</u>
 Total expenses	 <u>\$ 1,544,640</u>	 <u>\$ 285,577</u>	 <u>\$ 560,163</u>	 <u>\$ 2,390,380</u>	 <u>\$ 2,431,377</u>

See notes to financial statements.

Bridgeport Rescue Mission, Inc.
Notes to Financial Statements
May 31, 2010

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, 2010

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. Accounting for Uncertainty in Income Taxes

The Mission's current accounting policy is to disclose liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor is it aware of any exposure to unrelated business income tax.

Bridgeport Rescue Mission, Inc.
Notes to Financial Statements
May 31, 2010

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, 2009 have been reclassified to facilitate comparability with the May 31, 2010 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, 2009, from which the summarized information was derived.

3. Concentrations of Risk:

Significant concentrations of credit risk arise from cash deposits in excess of federally insured amounts. Cash and cash equivalents include checking and money market funds held at a bank, which exceed the federally insured limit by \$209,997 at May 31, 2010.

4. 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 2010, distributions totaled \$5,412 and were reflected in investment income.

Bridgeport Rescue Mission, Inc.
Notes to Financial Statements
May 31, 2010

5. Land, Buildings, and Equipment:

A summary of land, buildings, and equipment follows:

Land	\$ 235,405
Buildings and improvements	1,191,916
Furniture, fixtures and equipment	176,056
Vehicles	<u>37,088</u>
	1,640,465
Less accumulated depreciation	<u>(390,934)</u>
	<u>\$1,249,531</u>

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 2010 fiscal year was \$675,988.

7. Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes:

Video camera	\$ 1,200
Men's Adopt-A-Room	8,761
Mobile soup kitchen	5,882
Reserve fund	40,393
Women's program	<u>461,480</u>
	<u>\$517,716</u>

8. Fair Value Measurements:

In determining fair value, the Mission uses various valuation approaches within the *Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification* fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

The *Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification* 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:

Bridgeport Rescue Mission, Inc.
Notes to Financial Statements
May 31, 2010

8. Fair Value Measurements: (Continued)

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.

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	\$ 166,760	\$ 166,760	_____	_____
Total Assets at Fair Value	<u>\$ 166,760</u>	<u>\$ 166,760</u>	<u>\$ -</u>	<u>\$ -</u>

9. Subsequent Events:

Management of the Mission evaluated subsequent events through September 1, 2010, which is the date the financial statements were available to be issued. They discovered no additional subsequent events that should be disclosed.