

BRIDGEPORT  
RESCUE MISSION,  
INC.

Financial Statements  
With Independent Auditors' Report

May 31, 2015 and 2014

# BRIDGEPORT RESCUE MISSION, INC.

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Bridgeport Rescue Mission, Inc.  
Bridgeport, Connecticut

We have audited the accompanying financial statements of Bridgeport Rescue Mission, Inc., which comprise the statements of financial position as of May 31, 2015 and 2014, and the related statements of activities, 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.

### *Auditors' 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 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 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 Bridgeport Rescue Mission, Inc. as of May 31, 2015 and 2014, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Capin Crouse LLP".

New York, New York  
February 17, 2016

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# BRIDGEPORT RESCUE MISSION, INC.

## Statements of Financial Position

	May 31,	
	2015	2014
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 363,647	\$ 92,201
Prepaid expenses and deposits	55,556	34,338
Assets held for sale	15,159	194,953
Beneficial interest in perpetual trust	198,329	200,686
Property and equipment, at cost-net	1,412,023	1,477,424
<b>Total Assets</b>	<b>\$ 2,044,714</b>	<b>\$ 1,999,602</b>
<b>LIABILITIES AND NET ASSETS:</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 55,841	\$ 102,699
Note and line of credit payable	40,000	60,000
Severance liability	64,000	88,000
<b>Total liabilities</b>	<b>159,841</b>	<b>250,699</b>
Net assets:		
Unrestricted:		
Undesignated	171,669	(2,600)
Net investment in property and equipment	1,412,023	1,477,424
	1,583,692	1,474,824
Temporarily restricted	102,852	73,393
Permanently restricted	198,329	200,686
<b>Total net assets</b>	<b>1,884,873</b>	<b>1,748,903</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,044,714</b>	<b>\$ 1,999,602</b>

See notes to financial statements

# BRIDGEPORT RESCUE MISSION, INC.

## Statements of Activities

	Year Ended May 31,							
	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:								
Contributions	\$ 2,498,885	\$ 52,932	\$ -	\$ 2,551,817	\$ 2,405,001	\$ 40,617	\$ -	\$ 2,445,618
Gifts-in-kind	1,433,948	-	-	1,433,948	1,335,925	-	-	1,335,925
Contributed services	22,323	-	-	22,323	33,776	-	-	33,776
Special events–net	444,757	-	-	444,757	436,933	20,000	-	456,933
Perpetual trust distributions	7,091	-	-	7,091	7,819	-	-	7,819
Other income	18,080	-	-	18,080	60,740	-	-	60,740
	4,425,084	52,932	-	4,478,016	4,280,194	60,617	-	4,340,811
Net assets released from restriction by satisfaction of purpose restrictions	23,473	(23,473)	-	-	54,990	(54,990)	-	-
Total support, revenue and reclassifications	4,448,557	29,459	-	4,478,016	4,335,184	5,627	-	4,340,811
Expenses:								
Program services	3,085,294	-	-	3,085,294	3,205,758	-	-	3,205,758
Supporting activities:								
Management and general	387,204	-	-	387,204	376,637	-	-	376,637
Fund-raising and development	843,167	-	-	843,167	822,082	-	-	822,082
	1,230,371	-	-	1,230,371	1,198,719	-	-	1,198,719
Total expenses	4,315,665	-	-	4,315,665	4,404,477	-	-	4,404,477

(continued)

See notes to financial statements

# BRIDGEPORT RESCUE MISSION, INC.

## Statements of Activities (continued)

	Year Ended May 31,							
	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Change in net assets before other changes	132,892	29,459	-	162,351	(69,293)	5,627	-	(63,666)
Other changes in net assets:								
Loss on sale of property	(24,024)	-	-	(24,024)	-	-	-	-
Change in value of beneficial interest in perpetual trust	-	-	(2,357)	(2,357)	-	-	7,032	7,032
Change in Net Assets	108,868	29,459	(2,357)	135,970	(69,293)	5,627	7,032	(56,634)
Net Assets, Beginning of Year	1,474,824	73,393	200,686	1,748,903	1,544,117	67,766	193,654	1,805,537
Net Assets, End of Year	<u>\$ 1,583,692</u>	<u>\$ 102,852</u>	<u>\$ 198,329</u>	<u>\$ 1,884,873</u>	<u>\$ 1,474,824</u>	<u>\$ 73,393</u>	<u>\$ 200,686</u>	<u>\$ 1,748,903</u>

See notes to financial statements

# BRIDGEPORT RESCUE MISSION, INC.

## Statements of Cash Flows

	Year Ended May 31,	
	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 135,970	\$ (56,634)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	72,400	78,403
Change in beneficial interest in perpetual trust	2,357	(7,032)
Loss of sale of property	24,024	-
Gifts-in-kind held for sale	(15,159)	-
Changes in:		
Prepaid expenses and deposits	(21,218)	(1,190)
Accounts payable and accrued expenses	(46,858)	8,833
Severance liability	(24,000)	(24,000)
Net Cash Provided (Used) by Operating Activities	127,516	(1,620)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of property and equipment	170,930	-
Acquisition of property and equipment	(7,000)	(67,996)
Net Cash Provided (Used) by Investing Activities	163,930	(67,996)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from line of credit payable	165,150	65,000
Payments on note and line of credit payable	(185,150)	(134,876)
Net Cash Used by Financing Activities	(20,000)	(69,876)
Change in Cash and Cash Equivalents	271,446	(139,492)
Cash and Cash Equivalents, Beginning of Year	92,201	231,693
Cash and Cash Equivalents, End of Year	\$ 363,647	\$ 92,201
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Cash paid for interest - none capitalized	\$ 2,820	\$ 1,164
Noncash investing and financing transactions:		
Transfer of land and building to assets held for sale	\$ -	\$ 194,953

See notes to financial statements

## BRIDGEPORT RESCUE MISSION, INC.

### Statements of Functional Expenses

Year Ended May 31,

	2015				2014			
	Program Services	Management and General	Fund-raising and Development	Total	Program Services	Management and General	Fund-raising and Development	Total
Salaries and benefits	\$ 1,000,488	\$ 259,493	\$ 357,202	\$ 1,617,183	\$ 1,035,472	\$ 228,027	\$ 351,057	\$ 1,614,556
Gift-in-kind expenses	1,413,847	-	-	1,413,847	1,369,701	-	-	1,369,701
Monthly mailings and advertising	-	-	235,702	235,702	-	-	228,494	228,494
Food	182,909	-	-	182,909	198,252	-	-	198,252
Utilities	143,043	7,691	3,076	153,810	172,094	9,252	3,701	185,047
Professional fees	5,451	30,877	90,875	127,203	15,886	29,596	65,915	111,397
Insurance	87,022	9,778	978	97,778	101,716	11,429	1,143	114,288
Supplies	64,820	461	6,254	71,535	74,152	691	2,642	77,485
Printing, postage and shipping	-	752	66,522	67,274	-	689	61,139	61,828
Maintenance and repairs	55,182	-	-	55,182	79,381	-	-	79,381
Vehicle	36,930	2,754	4,760	44,444	55,704	4,416	5,496	65,616
Occupancy	36,503	1,963	785	39,251	35,479	1,907	763	38,149
Indirect special events expenses	-	-	28,850	28,850	-	-	46,671	46,671
Bank and credit card fees	-	7,750	15,878	23,628	-	4,933	13,729	18,662
Hospitality and travel	1,302	7,422	12,198	20,922	647	5,689	4,347	10,683
Training and resource materials	2,271	14,136	1,930	18,337	3,795	16,580	45	20,420
Information technology	-	5,351	5,343	10,694	-	1,611	17,335	18,946
Telephone	1,161	3,963	5,162	10,286	1,405	3,721	6,506	11,632
Property taxes	-	7,661	-	7,661	-	17,059	-	17,059
Equipment	4,176	419	-	4,595	4,192	1,237	3,200	8,629
Dues and memberships	-	4,427	-	4,427	568	8,937	-	9,505
Miscellaneous	3,119	586	412	4,117	5,660	7,342	2,059	15,061
Learning center	3,630	-	-	3,630	4,612	-	-	4,612
<b>Total expenses before depreciation</b>	<b>3,041,854</b>	<b>365,484</b>	<b>835,927</b>	<b>4,243,265</b>	<b>3,158,716</b>	<b>353,116</b>	<b>814,242</b>	<b>4,326,074</b>
Depreciation	43,440	21,720	7,240	72,400	47,042	23,521	7,840	78,403
<b>Total Expenses</b>	<b>\$ 3,085,294</b>	<b>\$ 387,204</b>	<b>\$ 843,167</b>	<b>\$ 4,315,665</b>	<b>\$ 3,205,758</b>	<b>\$ 376,637</b>	<b>\$ 822,082</b>	<b>\$ 4,404,477</b>

See notes to financial statements



# BRIDGEPORT RESCUE MISSION, INC.

## Notes to Financial Statements

May 31, 2015 and 2014

### 1. NATURE OF ORGANIZATION:

The Bridgeport Rescue Mission, Inc. (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 adult shelters, a mobile food kitchen, and various outreach programs in Southwestern Connecticut. Revenues are derived primarily from support from the general public.

The Mission is exempt from federal and state income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (code) and comparable state law. The Mission is also classified as a publicly supported organization, which is not a private foundation under Section 509(a)(1) of the code. Contributions to the Mission are deductible for income tax purposes.

### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### BASIS OF ACCOUNTING

The financial statements of the Mission have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### CASH, CASH EQUIVALENTS, AND CREDIT RISK

For purposes of the statements of cash flows, the Mission considers cash and cash equivalents to be amounts in checking accounts, savings accounts and cash on hand. From time to time, these accounts exceed federally insured limits. However, the Mission has not experienced any losses on these accounts and does not believe it is exposed to any significant risk.

# BRIDGEPORT RESCUE MISSION, INC.

## Notes to Financial Statements

May 31, 2015 and 2014

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### ASSETS HELD FOR SALE

Assets are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than continuing use. This condition is regarded as being met only when the sale is highly probable and the assets are available for immediate sale in their present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Assets designated as held for sale are recorded at the lower of carrying amount at the time the classification as held for sale was made or fair value less costs to sell. Depreciation is not charged against property and equipment classified as held for sale. Assets held for sale amounting to approximately \$195,000 at May 31, 2014 related to surplus property that is no longer used in operations. Sale of this property was completed during the year ended May 31, 2015, and resulted in a loss on sale of approximately \$24,000. Assets held for sale at May 31, 2015, amount to approximately \$15,000 and consist of donated vehicles that the Mission intends to sell during the next fiscal year.

#### BENEFICIAL INTEREST IN PERPETUAL TRUST

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. For the years ended May 31, 2015 and 2014, distributions totaled approximately \$7,100 and \$7,800, respectively, and were reported as perpetual trust distributions in the statements of activities.

#### DISCLOSURES ABOUT FAIR VALUE OF ASSETS

The Mission uses appropriate valuation techniques based on the available inputs to measure the fair value of its assets. When available, the Mission measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 or Level 2 inputs are not available. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority.

The fair value of beneficial interest in perpetual trust is calculated based on the Mission's percentage interest in the underlying assets in the trust.

Fair values of assets measured on a recurring basis are as follows:

As of May 31, 2015:

	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Beneficial interest in perpetual trust	<u>\$ 198,329</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198,329</u>

# BRIDGEPORT RESCUE MISSION, INC.

## Notes to Financial Statements

May 31, 2015 and 2014

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

DISCLOSURES ABOUT FAIR VALUE OF ASSETS, continued

The following provides further details of the Level 3 fair value measurements at May 31, 2015:

				Beneficial Interest in Perpetual Trust
Balance, May 31, 2014				\$ 200,686
Change in value				(2,357)
Balance, May 31, 2015				\$ 198,329
As of May 31, 2014:				
	Fair Value	(Level 1)	(Level 2)	(Level 3)
Beneficial interest in perpetual trust	\$ 200,686	\$ -	\$ -	\$ 200,686

The following provides further details of the Level 3 fair value measurements at May 31, 2014:

				Beneficial Interest in Perpetual Trust
Balance, May 31, 2013				\$ 193,654
Change in value				7,032
Balance, May 31, 2014				\$ 200,686

# BRIDGEPORT RESCUE MISSION, INC.

## Notes to Financial Statements

May 31, 2015 and 2014

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### PROPERTY, EQUIPMENT, AND DEPRECIATION

Items capitalized as property and equipment are reported at cost or, if donated, at fair market value on the date of donation. The Mission reports donations of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. The Mission capitalizes purchases greater than \$1,000. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Mission reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Property and equipment are depreciated using the straight-line method over their estimated useful lives:

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

#### NET ASSETS

The statements report amounts separately by class of net assets:

*Unrestricted net assets* are currently available for Mission purposes under the direction of the board and resources invested in property and equipment, net of related debt and liabilities.

*Temporarily restricted net assets* are stipulated by donors for specific operating purposes, subject to a time restriction or not currently available for use until commitments regarding their use have been fulfilled.

*Permanently restricted net assets* are contributed with donor restrictions requiring they be held in perpetuity, with use of income for unrestricted, temporarily restricted or permanently restricted purposes.

#### SUPPORT, REVENUE, RECLASSIFICATIONS AND EXPENSES

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Mission. The Mission reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

The Mission receives contributions of food, clothing, equipment and other household items which it uses and distributes in the operation of its program. These donated goods, which are used in the operations of the Mission, are recorded at their estimated fair market value on the date of the gift.

# BRIDGEPORT RESCUE MISSION, INC.

## Notes to Financial Statements

May 31, 2015 and 2014

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### SUPPORT, REVENUE, RECLASSIFICATIONS AND EXPENSES, continued

The Mission's services could not be fully achieved without the efforts of many volunteers. Other than the legal, financial and video production services reported below, these contributed services are not reported as they do not meet the "specialized skills" requirements under current accounting standards. The Mission reported contributed event management, advertising and construction services of approximately \$22,000 and \$34,000 for the years ended May 31, 2015 and 2014, respectively, that met current accounting standards.

Directly identifiable expenses are charged to program services and supporting activities which include management and general and fund-raising and development. Expenses related to more than one function are charged to program services and supporting services on the basis of periodic time and expense studies. Supporting services expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Mission. All advertising costs are expensed when incurred and are reported in the statements of activities. The Mission incurred no joint costs for the years ended May 31, 2015 and 2014.

#### UNCERTAIN TAX POSITIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the statements of activities. As of May 31, 2015 and 2014, the Mission had no uncertain tax positions that qualify for recognition or disclosure in the financial statements. The Mission files information tax returns in the U.S. and Connecticut. The Mission is generally no longer subject to U.S. federal or state examinations by tax authorities for years before 2010.

### 3. PROPERTY AND EQUIPMENT:

Property and equipment consist of:

	May 31,	
	2015	2014
Land	\$ 287,884	\$ 287,884
Buildings and improvements	1,522,709	1,515,709
Furniture, fixtures, and equipment	184,209	184,209
Vehicles	53,301	53,301
	<u>2,048,103</u>	<u>2,041,103</u>
Less accumulated depreciation	<u>(636,080)</u>	<u>(563,679)</u>
	<u>\$ 1,412,023</u>	<u>\$ 1,477,424</u>

# BRIDGEPORT RESCUE MISSION, INC.

## Notes to Financial Statements

May 31, 2015 and 2014

4. NET ASSETS:

Temporarily restricted net assets consist of:

	May 31, 2014	Support and Revenue	Releases	May 31, 2015
Reserve fund	\$ 40,393	\$ -	\$ -	\$ 40,393
Kitchen remodel	-	32,000	-	32,000
Generator	13,001	-	-	13,001
Adopt-a-room	8,239	3,000	(3,598)	7,641
Women's education fund	3,145	-	(579)	2,566
Preschool Room	-	2,400	-	2,400
Pardon fund	7,000	-	(4,670)	2,330
Computer center	1,521	-	-	1,521
Women's Center	-	1,000	-	1,000
Tuition	94	-	(94)	-
Box Truck	-	7,697	(7,697)	-
Men's Bathroom	-	5,050	(5,050)	-
Duke Summer Program	-	1,185	(1,185)	-
Donation Center	-	600	(600)	-
	<u>\$ 73,393</u>	<u>\$ 52,932</u>	<u>\$ (23,473)</u>	<u>\$ 102,852</u>
	May 31, 2013	Support and Revenue	Releases	May 31, 2014
Reserve fund	\$ 40,393	\$ -	\$ -	\$ 40,393
Generator	13,001	-	-	13,001
Adopt-a-room	7,179	5,000	(3,940)	8,239
Pardon fund	5,000	2,000	-	7,000
Women's education fund	-	5,000	(1,855)	3,145
Computer center	1,521	-	-	1,521
Tuition	-	1,500	(1,406)	94
Capital improvements	672	27,117	(27,789)	-
Son of Man	-	20,000	(20,000)	-
	<u>\$ 67,766</u>	<u>\$ 60,617</u>	<u>\$ (54,990)</u>	<u>\$ 73,393</u>

# BRIDGEPORT RESCUE MISSION, INC.

## Notes to Financial Statements

May 31, 2015 and 2014

4. NET ASSETS, continued:

Permanently restricted net assets consist of:

	May 31,	
	2015	2014
Beneficial interest in perpetual trust	\$ 198,329	\$ 200,686

5. GIFTS-IN-KIND:

Gifts-in-kind received consists of:

	Year Ended May 31,	
	2015	2014
Clothing, equipment and household items	\$ 688,324	\$ 604,671
Food	635,202	703,828
Vehicles and other items	110,422	27,426
	<u>\$ 1,433,948</u>	<u>\$ 1,335,925</u>

6. SPECIAL EVENTS-NET:

Special events-net are comprised primarily of the Restoring Hope Banquet and the Hearts of Hope event and consist of:

	Year Ended May 31,	
	2015	2014
Contributions	456,621	\$ 484,866
Revenues	44,895	76,375
Related direct expenses	(56,759)	(104,308)
	<u>\$ 444,757</u>	<u>\$ 456,933</u>

# BRIDGEPORT RESCUE MISSION, INC.

## Notes to Financial Statements

May 31, 2015 and 2014

7. OPERATING LEASES:

The Mission leases a warehouse and two vehicles under operating leases maturing in 2017 through 2018. Total lease expense was approximately \$49,000 and \$46,000 for the years ended May 31, 2015 and 2014, respectively.

The annual future minimum lease payments under these operating leases are as follows:

<u>Year Ending May 31,</u>	
2016	\$ 48,608
2017	48,978
2018	<u>36,748</u>
	<u>\$ 134,334</u>

8. NOTE AND LINE OF CREDIT PAYABLE:

Note and line of credit payable consists of:

	<u>May 31,</u>	
	<u>2015</u>	<u>2014</u>
Note payable to an individual, without interest, maturing on February 1, 2017. Payments of principal are made annually on February 1 of each year.		
	<u>40,000</u>	<u>60,000</u>
	<u>\$ 40,000</u>	<u>\$ 60,000</u>

The annual future payments on loan are as follows:

<u>Year Ending May 31,</u>	
2016	\$ 20,000
2017	<u>20,000</u>
	<u>\$ 40,000</u>

The Mission also has a line of credit available from People's United Bank, up to \$250,000, secured by property, with interest at the People's United Bank (PUB) Prime Rate plus 1%. Outstanding borrowings are due upon demand and the line of credit is annually renewable on September 15th. There were no borrowings outstanding as of May 31, 2015 and 2014.



# BRIDGEPORT RESCUE MISSION, INC.

## Notes to Financial Statements

May 31, 2015 and 2014

9. SEVERANCE LIABILITY:

As part an acquisition during the year ended May 31, 2013, the former executive director of the organization acquired by the Mission agreed to retire. As part of that retirement agreement, the Mission agreed to make severance payments under a retirement and separation agreement totaling \$120,000, payable over 60 monthly installments of \$2,000 beginning on the date of the acquisition. The balance of the severance liability was \$64,000 and \$88,000, on May 31, 2015 and 2014, respectively.

The annual future minimum payments under this agreement are as follows:

<u>Year Ending May 31,</u>	
2016	\$ 24,000
2017	24,000
2018	<u>16,000</u>
	<u>\$ 64,000</u>

10. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

Subsequent to year end, the Mission changed to a June 30 fiscal year end.