



**BRIDGEPORT
RESCUE MISSION**
Expanding Hope. Rebuilding Lives.

BRIDGEPORT RESCUE MISSION, INC.
AND SUBSIDIARY

Consolidated Financial Statements
With Independent Auditors' Report

June 30, 2022 and 2021

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Bridgeport Rescue Mission, Inc. and Subsidiary, which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Bridgeport Rescue Mission, Inc. and Subsidiary as of June 30, 2022 and 2021, and the changes in its consolidated net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Bridgeport Rescue Mission, Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bridgeport Rescue Mission Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bridgeport Rescue Mission, Inc. and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bridgeport Rescue Mission, Inc. and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Capin Crouse LLP

New York, New York
October 20, 2022

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Consolidated Statements of Financial Position

	June 30,	
	2022	2021
ASSETS:		
Cash and cash equivalents	\$ 249,549	\$ 805,891
Grants receivable	447,037	-
Prepaid expenses and other assets	6,099	6,099
Gifts-in-kind inventory	325,323	383,549
Contributions receivable - net	460,556	1,435,694
Restricted cash	752,596	952,766
Note receivable	10,155,934	10,155,934
Property and equipment - net	16,029,886	15,359,869
Beneficial interest in perpetual trust	195,040	246,598
	<u>\$ 28,622,020</u>	<u>\$ 29,346,400</u>
Total Assets	\$ 28,622,020	\$ 29,346,400
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 203,885	\$ 1,061,373
Debt - net	13,982,659	16,410,751
Notes payable - recoverable subsidy	2,729,360	229,360
Total liabilities	16,915,904	17,701,484
Net assets:		
Without donor restrictions:		
Undesignated	10,900,520	9,772,624
Board designated reserve	150,000	150,000
	11,050,520	9,922,624
With donor restrictions	655,596	1,722,292
Total net assets	11,706,116	11,644,916
Total Liabilities and Net Assets	\$ 28,622,020	\$ 29,346,400

See notes to consolidated financial statements

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Consolidated Statements of Activities

	Year Ended June 30,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE AND RECLASSIFICATIONS:						
Contributions	\$ 4,794,914	\$ 199,150	\$ 4,994,064	\$ 5,000,799	\$ 1,672,925	\$ 6,673,724
Government grants	447,037	-	447,037	332,800	-	332,800
Gifts-in-kind	1,672,463	-	1,672,463	2,317,120	-	2,317,120
Special events (net of cost of direct benefit to donors of \$6,018 and \$1,250)	90,333	-	90,333	82,876	-	82,876
Interest income	101,560	-	101,560	53,780	-	53,780
Change in value of beneficial interest in perpetual trust	-	(51,557)	(51,557)	-	50,872	50,872
Gain on sale of assets	-	-	-	330,138	-	330,138
Other income	277,854	-	277,854	59,169	-	59,169
Total Support and Revenue	7,384,161	147,593	7,531,754	8,176,682	1,723,797	9,900,479
Net Assets Released From Restriction	1,214,289	(1,214,289)	-	6,064,435	(6,064,435)	-
Total Support, Revenue and Reclassifications	8,598,450	(1,066,696)	7,531,754	14,241,117	(4,340,638)	9,900,479
EXPENSES:						
Program services	5,104,715	-	5,104,715	5,063,280	-	5,063,280
Management and general	1,042,247	-	1,042,247	729,727	-	729,727
Fundraising	1,323,592	-	1,323,592	1,295,528	-	1,295,528
Total Expenses	7,470,554	-	7,470,554	7,088,535	-	7,088,535
Change in Net Assets	1,127,896	(1,066,696)	61,200	7,152,582	(4,340,638)	2,811,944
Net Assets, Beginning of Year	9,922,624	1,722,292	11,644,916	2,770,042	6,062,930	8,832,972
Net Assets, End of Year	\$ 11,050,520	\$ 655,596	\$ 11,706,116	\$ 9,922,624	\$ 1,722,292	\$ 11,644,916

See notes to consolidated financial statements

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Consolidated Statement of Functional Expenses

Year Ended June 30, 2022

	Program Services	Management and General	Fundraising	Cost of Direct Benefit to Donors	Total
Salaries and benefits	\$ 2,278,964	\$ 603,749	\$ 556,752	\$ -	\$ 3,439,465
In-kind food, clothing, and other items utilized	1,730,691	-	-	-	1,730,691
Occupancy costs	332,861	84,811	80,846	-	498,518
Printing, postage and monthly mailings	2,442	1,117	557,556	-	561,115
Food and supplies	338,708	13,681	16,735	-	369,124
Professional fees	7,599	267,053	42,008	-	316,660
Depreciation	255,002	17,988	16,298	-	289,288
Other expenses	32,089	31,173	47,425	-	110,687
Fundraising events	-	-	-	6,018	6,018
Vehicle expense	42,380	259	12	-	42,651
Grant expense	76,150	-	-	-	76,150
Hospitality and travel	7,829	22,416	5,960	-	36,205
Total expenses	5,104,715	1,042,247	1,323,592	6,018	7,476,572
Less: cost of direct benefit to donors	-	-	-	(6,018)	(6,018)
Total Expenses on Consolidated Statements of Activities	\$ 5,104,715	\$ 1,042,247	\$ 1,323,592	\$ -	\$ 7,470,554

See notes to consolidated financial statements

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Consolidated Statement of Functional Expenses

Year Ended June 30, 2021

	Program Services	Management and General	Fundraising	Cost of Direct Benefit to Donors	Total
Salaries and benefits	\$ 1,997,931	\$ 425,338	\$ 455,054	\$ -	\$ 2,878,323
In-kind food, clothing, and other items utilized	2,185,244	-	-	-	2,185,244
Occupancy costs	316,374	57,702	60,575	-	434,651
Printing, postage and monthly mailings	151	390	536,219	-	536,760
Food and supplies	231,847	8,391	19,185	-	259,423
Professional fees	20,646	154,405	153,632	-	328,683
Depreciation	250,908	13,423	14,359	-	278,690
Other expenses	24,383	68,776	54,581	-	147,740
Fundraising events	-	-	-	1,250	1,250
Vehicle expense	35,083	-	-	-	35,083
Hospitality and travel	713	1,302	1,923	-	3,938
Total expenses	5,063,280	729,727	1,295,528	1,250	7,089,785
Less: cost of direct benefit to donors	-	-	-	(1,250)	(1,250)
Total Expenses on Consolidated Statements of Activities	\$ 5,063,280	\$ 729,727	\$ 1,295,528	\$ -	\$ 7,088,535

See notes to consolidated financial statements

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 61,200	\$ 2,811,944
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	306,937	278,690
Contributions restricted for property and equipment	(224,408)	(1,632,925)
Change in beneficial interest in perpetual trust	51,557	(50,872)
Gain on sale of assets	-	(330,138)
Forgiveness of paycheck protection program loan (Note 2)	-	(332,800)
Changes in:		
Grants receivable	(447,037)	-
Prepaid expenses and other assets	-	8,001
Gifts-in-kind inventory	58,226	24,415
Accounts payable and accrued expenses	(4,946)	(25,140)
Net Cash (Used) Provided by Operating Activities	(198,471)	751,175
CASH FLOWS FROM INVESTING ACTIVITIES:		
Note receivable issued	-	(10,155,934)
Proceeds from sale of assets	-	565,583
Cash paid for acquisition of property and equipment	(1,811,847)	(6,482,530)
Net Cash Used by Investing Activities	(1,811,847)	(16,072,881)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions and collections on contributions receivable restricted for property and equipment	1,199,546	1,810,330
Proceeds from new debt	650,000	17,564,451
Proceeds from notes payable - recoverable subsidy	2,500,000	-
Principal payments on debt	(3,095,740)	(2,923,700)
Net Cash Provided by Financing Activities	1,253,806	16,451,081
Change in Cash, Cash Equivalents and Restricted Cash	(756,512)	1,129,375
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	1,758,657	629,282
Cash, Cash Equivalents and Restricted Cash, End of Year	\$ 1,002,145	\$ 1,758,657

(continued)

See notes to consolidated financial statements

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows (continued)

	Year Ended June 30,	
	<u>2022</u>	<u>2021</u>
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	<u>\$ 130,778</u>	<u>\$ 114,232</u>
Non-cash investing and financing activities:		
Property and equipment acquisitions in accounts payable	<u>\$ 45,370</u>	<u>\$ 897,911</u>
Paycheck protection program loan forgiveness recognized as government grants (Note 2)	<u>\$ -</u>	<u>\$ 332,800</u>

See notes to consolidated financial statements

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

1. NATURE OF ORGANIZATION:

Bridgeport Rescue Mission, Inc. is a Christian, nonprofit corporation founded in 1993 under the nonprofit corporation laws of the State of Connecticut. Bridgeport Rescue Mission, Inc. promotes the life changing gospel of Jesus Christ by providing services to the poor and disadvantaged. Such services include overnight shelter services, residential addiction recovery programming, supportive and transitional housing, on-site and mobile food services in various neighborhoods, clothing support and related outreach programs for men, women and children in Bridgeport and other parts of Fairfield County, Connecticut. Revenues are derived primarily from support from the general public.

Bridgeport Rescue Mission, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state law. However, Bridgeport Rescue Mission, Inc. is subject to federal income tax on any unrelated business taxable income, if any. In addition, Bridgeport Rescue Mission, Inc. is not classified as a private foundation within the meaning of Section 509(a) of the IRC.

BRM Support Corporation is a nonprofit organization founded in 2020 with Bridgeport Rescue Mission, Inc. as the sole member. BRM Support Corporation was created for the exclusive purpose of carrying out certain functions of Bridgeport Rescue Mission, Inc. BRM Support Corporation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state law. However, BRM Support Corporation is subject to federal income tax on any unrelated business taxable income, if any. In addition, BRM Support Corporation is not classified as a private foundation within the meaning of Section 509(a) of the IRC.

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The consolidated financial statements have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader. The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Bridgeport Rescue Mission, Inc. and BRM Support Corporation (collectively referred to as "the Mission"). Significant intercompany accounts and transactions have been eliminated in consolidation.

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH, CASH EQUIVALENTS, RESTRICTED CASH, AND CREDIT RISK

The Mission considers cash, cash equivalents and restricted cash to be amounts in checking accounts, savings accounts and cash on hand. From time to time, these accounts exceed federal deposit insurance (FDIC) limits. However, the Mission has not experienced any losses on these accounts and does not believe it is exposed to any significant risk. The Mission's cash balances exceeded FDIC limits for the years ending June 30, 2022 and 2021, by approximately \$202,000 and \$933,000, respectively. BRM Support Corporation is required to maintain reserve funds related to certain debt. In addition, BRM Support Corporation is required to deposit loan proceeds to be used for construction costs into a construction disbursement account. The terms of the debt agreements contain significant limitations and restrictions on the flow of funds through these accounts. The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts shown in the consolidated statements of cash flows:

	June 30,	
	2022	2021
Cash and cash equivalents	\$ 249,549	\$ 805,891
Restricted cash	752,596	952,766
	<u>\$ 1,002,145</u>	<u>\$ 1,758,657</u>

GIFTS-IN-KIND INVENTORY

Gifts-in-kind inventory consists of items donated to the Mission by donors such as food, clothing, equipment and household items. These items are initially recorded at their estimated fair market value at the date of donation and reported at lower of cost or net realizable value.

CONTRIBUTIONS RECEIVABLE

Unconditional promises to give that are expected to be collected within one year are reported at net realizable value as contributions receivable in the consolidated statements of financial position. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. When applicable, the discounts on those amounts are computed using risk adjusted interest rates applicable to the years in which the promises are received. The discount rate used for the years ended June 30, 2022 and 2021, was 5%. The Mission has determined that all outstanding promises to give are fully collectible, therefore no allowance for uncollectible promises to give has been recorded as of June 30, 2022 and 2021.

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

NOTE RECEIVABLE

The note receivable is carried at the unpaid principal balance. Interest on the note receivable is recognized over the term of the loan and is calculated based on the principal amount outstanding. The Mission evaluates notes receivable for impairment on an individual basis. If applicable, the notes receivable are then given an allowance based on estimated net realizable value. Status for performing and nonperforming notes receivable is based on payment activity for the year. Payment activity is reviewed by management and notes receivable are considered to be nonperforming when payments are not received in accordance with the agreed upon schedule. The outstanding note receivable as of June 30, 2022 and 2021, is considered performing and no allowance nor impairment was recorded.

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 capitalizes purchases greater than \$5,000. Property and equipment are depreciated using the straight-line method over their estimated useful lives:

Buildings and improvements	15-50 years
Furniture, fixtures and equipment	5-10 years
Vehicles	5 years

The Mission reviews its investment in property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by comparing the carrying amount of the property and equipment to the future net undiscounted cash flows expected to be generated by the assets and any estimated proceeds from the eventual disposition. If the property and equipment is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the property and equipment exceeds the fair value of such property and equipment. There were no impairment losses recognized in the years ended June 30, 2022 and 2021.

BENEFICIAL INTEREST IN PERPETUAL TRUST

The Mission is the beneficiary of a perpetual trust. The principal must be held in perpetuity by the trustee, with a portion of the income distributed quarterly to the Mission.

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 consist of unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions, and have the lowest priority.

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

DISCLOSURES ABOUT FAIR VALUE OF ASSETS, continued

The fair value of beneficial interest in perpetual trust is calculated based on the Mission's percentage interest in the fair market value of the underlying assets in the trust. The trust is valued at Level 3 in the fair value hierarchy because the trust itself is not readily marketable.

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

	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
June 30, 2022:				
Beneficial interest in perpetual trust	<u>\$ 195,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 195,040</u>
June 30, 2021:				
Beneficial interest in perpetual trust	<u>\$ 246,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246,598</u>

RENT RECEIVABLE AND DEFERRED RENT LIABILITY

Rent income and expense are calculated ratably over the life of the leases and recognized on a straight-line basis. Rent receivable and deferred rent liability represents the difference between straight-line rent income and expense and the cash payments made as of the consolidated statements of financial position date.

DEFERRED DEBT ISSUANCE COSTS

Deferred debt issuance costs consist of deferred charges related to the outstanding debt. These costs are being amortized on the straight-line method over the term of the related debt. The costs are included as a reduction in the carrying value of the related debt in the consolidated statements of financial position.

NOTES PAYABLE - RECOVERABLE SUBSIDY

During 2008, the Mission received a \$229,360 subsidy from the Federal Home Loan Bank of New York (FHLB-NY) under the Affordable Housing Program (AHP) relating to a renovation project at its 385 Barnum Avenue, Bridgeport, CT facility. The subsidy is conditional, including a 15 year retention period (retention period) during which FHLB-NY can recover a portion or all of the funds should the Mission not comply with various programmatic and reporting conditions. Additionally, should the Mission sell the facility prior to the expiration of the retention period, it would be required to repay the subsidy in full to FHLB-NY. The retention period expires during the year ending June 30, 2023.

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

NOTES PAYABLE - RECOVERABLE SUBSIDY, continued

During 2021, the Mission received a \$2,500,000 subsidy from the Federal Home Loan Bank of New York (FHLB-NY) under the Affordable Housing Program (AHP) relating to a renovation project at its 725 Park Avenue, Bridgeport, CT facility. The subsidy is conditional, including a 15 year retention period (retention period) during which FHLB-NY can recover a portion or all of the funds should the Mission not comply with various programmatic and reporting conditions. Additionally, should the Mission sell the facility prior to the expiration of the retention period, it would be required to repay the subsidy in full to FHLB-NY. The retention period expires during the year ending June 30, 2038.

FHLB-NY's interest is secured through promissory notes payable and security agreements, with the facilities as collateral. The notes payable do not have principal repayment terms during the retention periods. Additionally, the notes payable do not provide for interest accrual or payments during the retention periods, unless the notes payable are determined to be in default, at which time a default rate of interest would be charged at a rate to be determined at the time of default and within local legal default rate limits. This lack of interest accrual and payment has been determined to be the market rate for the notes payable under the AHP program.

Due to the terms of the subsidies and the related promissory notes payable, the funds received from FHLB-NY are reported as notes payable - recoverable subsidy in the consolidated statements of financial position. At the end of the retention periods, the subsidies will no longer be recoverable by the FHLB-NY, the notes payable will be cancelled, and the Mission will recognize the subsidies as revenue in the consolidated statements of activities.

CLASSES OF NET ASSETS

The consolidated financial statements report amounts separately by classes of net assets:

Net assets without donor restrictions are those currently available for general use, those designated for specific use by the board and those resources invested in property and equipment.

Net assets with donor restrictions are those subject to donor restrictions. Some donor-imposed restrictions will either expire by passage of time or can be fulfilled and removed by actions of the Mission pursuant to those stipulations. Other donor-imposed restrictions are perpetual in nature where the donor stipulates the gift to be held in perpetuity.

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, RECLASSIFICATIONS AND EXPENSES

Revenue is recognized in the period 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, including gifts of property and equipment, 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. For donations of property and equipment, absent explicit donor stipulations about how those long-lived assets must be maintained, the Mission reports expirations of restrictions when the assets are placed in service. Interest and other income are reported in the period earned.

During the year ended June 30, 2022, the Mission expended grants received under the American Rescue Plan Act (ARPA), passed through the City of Bridgeport, totaling \$447,037, which are reported as a component of grants receivable in the consolidated statements of financial position and government grants in the consolidated statements of activities. The grants were expended on various purposes, including addiction services, community health services, affordable housing initiatives, nutrition insecurity initiatives, workforce development and faith based initiatives. Laws and regulations concerning government programs, including grants established by ARPA, are complex and subject to varying interpretation. Claims made under ARPA may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Mission's claim to the grants received under ARPA, and it is not possible to determine the impact (if any) this would have upon the Mission.

In addition, the Mission obtained a Paycheck Protection Program loan of \$332,800 on April 16, 2020, through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the Small Business Administration (SBA). The loan accrued interest at 1.00% per annum and matured two years from the date it was funded. This loan may be forgiven up to the full amount if requirements set by the SBA are met. Should the Mission not qualify for full loan forgiveness, payments will be required on any unforgiven portion of the loan. During the year ended June 30, 2021, the Mission received notification of full forgiveness from the SBA and recognized the forgiveness as a component of government grants in the consolidated statements of activities.

The Mission has adopted a policy with respect to government grants of reporting the revenue as a component of net assets without donor restrictions as the revenue recognized was received and expended within the same year.

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 programmatic operations of the Mission, are without donor restrictions and are recorded at their estimated fair market value on the date of the gift (Note 9).

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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. These contributed services are not reported as they do not meet the "specialized skills" requirements under current accounting standards.

Directly identifiable expenses are charged to program services and supporting activities which include management and general and fundraising. 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. The categories of expenses that are allocated include salaries and benefits, occupancy, utilities, hospitality and travel, vehicle expense, insurance, supplies, depreciation, and information technology. All advertising costs are expensed when incurred. Advertising costs amounted to approximately \$148,000 and \$142,000 for the years ended June 30, 2022 and 2021, respectively. The Mission incurred no joint costs for the years ended June 30, 2022 and 2021.

ADOPTION OF RECENTLY ISSUED ACCOUNTING STANDARDS

During the year ended June 30, 2022, the Mission adopted Accounting Standards Update 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the consolidated statements of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the consolidated financial statements, with the exception of increased disclosure.

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Mission's financial assets, reduced by amounts not available for general use because of contractual or donor imposed restrictions within one year from the consolidated statements of financial position date. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The following table represents liquidity as of:

	June 30,	
	2022	2021
Financial assets:		
Cash and cash equivalents	\$ 249,549	\$ 805,891
Grants receivable	447,037	-
Contributions receivable - net	460,556	1,435,694
Restricted cash	752,596	952,766
Note receivable	10,155,934	10,155,934
Beneficial interest in perpetual trust	195,040	246,598
Financial assets, at year end	12,260,712	13,596,883
Less those unavailable for general expenditures within one year, due to:		
Cash designated by the Board as a reserve	(150,000)	(150,000)
Cash restricted by third parties for debt related reserves and construction	(602,596)	(802,766)
Note receivable collectible beyond one year	(10,155,934)	(10,155,934)
Donor restricted:		
Time and/or purpose	(460,556)	(1,475,694)
Restricted by donor in perpetuity	(195,040)	(246,598)
	(11,564,126)	(12,830,992)
Financial assets available to meet cash needs for general expenditures within one year	\$ 696,586	\$ 765,891

The Mission is substantially supported by contributions, which at times are received with restrictions. Those contributions with donor restrictions require resources to be used in a particular manner or in a future period. The Mission must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Mission's liquidity management, they have established guidelines for making decisions related to managing short term cash reserves in a prudent manner. A revolving line of credit of \$750,000, with funds available of \$250,000 and \$750,000 as of June 30, 2022 and 2021, respectively, can be drawn upon in the event of a liquidity need. In addition, the board designated reserve of \$150,000 as of both June 30, 2022 and 2021, can be made available in the event of a liquidity need.

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

4. CONTRIBUTIONS RECEIVABLE - NET:

Contributions receivable - net consist of the following:

	June 30,	
	2022	2021
Due within one year	\$ 411,508	\$ 1,028,500
Due beyond in one to two years	51,500	430,000
	<u>463,008</u>	<u>1,458,500</u>
Less: unamortized discount	(2,452)	(22,806)
	<u>\$ 460,556</u>	<u>\$ 1,435,694</u>

5. NEW MARKET TAX CREDIT TRANSACTIONS:

In December 2020, the Mission entered into a financial arrangement to help fund the cost of building renovations (Note 6) through the use of the New Markets Tax Credit (NMTC) program. The Mission receives this funding through qualified low income community investment (QLICI) loans. Under this arrangement, BRM Support Corporation received two loans totaling \$6,790,000 from PCG Sub CDE 11, LLC and two loans totaling \$6,894,032 from MHIC NE CDE II Subsidiary 63, LLC. See Note 7 for terms of loan agreements.

In conjunction with this financing arrangement, Bridgeport Rescue Mission, Inc. provided a loan of \$10,155,934 to NMTC Fund 725 Park Avenue, LLC. (an unaffiliated investment structure). This note receivable matures on September 30, 2049, and bears interest at 1% per year. Payments of interest only are due quarterly through March 2028, after which principal and interest payments totaling \$131,389 are due quarterly through the maturity date. The loan is secured by membership interests of NMTC Fund 725 Park Avenue, LLC, in the two lenders of BRM Support Corporation mentioned in the first paragraph of this note. Interest earned on the note totaled \$101,559 and \$53,015 for the years ended June 30, 2022 and 2021, respectively.

In December 2027, the bank that owns NMTC Fund 725 Park Avenue, LLC, may sell its membership interest in the investment structure to Bridgeport Rescue Mission, Inc. for a put price of \$1,000. If the bank does not exercise its put right, Bridgeport Rescue Mission, Inc. may call the bank's membership interest in the investment structure for a call price equal to the fair value of the membership interest. Exercise of the put or the call will provide Bridgeport Rescue Mission, Inc. with ownership of the investment structure.

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

6. PROPERTY AND EQUIPMENT - NET:

Property and equipment - net consists of:

	June 30,	
	2022	2021
Land	\$ 634,585	\$ 634,585
Buildings and improvements	8,278,353	8,282,706
Furniture, fixtures, and equipment	597,032	487,948
Vehicles	151,898	115,811
	<u>9,661,868</u>	<u>9,521,050</u>
Less accumulated depreciation	(1,465,669)	(1,176,381)
	<u>8,196,199</u>	<u>8,344,669</u>
Construction in progress	7,833,687	7,015,200
	<u>\$ 16,029,886</u>	<u>\$ 15,359,869</u>

On August 14, 2018, the Mission entered into a contract to purchase a former nursing home, located at 725 Park Avenue, Bridgeport (the Building), for \$2,300,000, to significantly increase the Mission's residential and day programming activities. The Mission renovated the Building from 2019 - 2022. In August 2019, the City of Bridgeport issued a building permit to the Mission, and the Mission entered into a contract for Building renovations. The Mission has spent approximately \$13 million on renovations through June 30, 2022. As of June 30, 2022, the Mission has approximately \$50,000 left to pay on outstanding construction contracts. During the year ended June 30, 2021, the Mission placed the first phase of the Building renovation in to service totaling approximately \$7.4 million. The Mission expects to place the remaining phases in to service in July 2022.

As of June 30, 2022, the Mission has received approximately \$7.8 million in contributions for Building renovations, of which approximately \$460,000 is in the form of outstanding contributions receivable. The Mission received notification on October 3, 2019, that it had been awarded an AHP grant from the FHLB-NY in the amount of \$2.5 million for Building renovations, which was disbursed during the year ended June 30, 2022 (Note 2). In addition, during the year ended June 30, 2021, the Mission entered in to a series of NMTC transactions to provide additional funding for the project (Note 5).

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

7. DEBT - NET:

Debt - net consists of:

	June 30,	
	2022	2021
Bridgeport Rescue Mission, Inc.:		
Note payable to a bank utilized as bridge financing for a construction project (Note 6), secured by all non-real estate assets, with interest at 2.75% above the one-month LIBOR rate, adjusted monthly. Payments of interest only were due monthly with the principal balance due on the maturity date of August 1, 2021. This note was repaid in full during the year ended June 30, 2022, from the proceeds of the AHP direct subsidy award (Note 2).	\$	- \$ 2,500,000
Revolving line of credit (up to \$2,500,000) utilized as bridge financing for a construction project (Note 6), secured by all non-real estate assets, with interest at 3.5% above the one-month LIBOR rate, adjusted monthly (4.563% and 3.625% at June 30, 2022 and 2021, respectively). Payments of interest are due monthly with payments of principal due periodically such that the outstanding balance does not exceed allowable thresholds based on outstanding capital contributions receivable. Any remaining principal balance is due on the maturity date of August 1, 2023.	372,560	818,300
Revolving line of credit from M&T Bank (formerly People's United Bank), up to \$750,000, secured by property at 1088 Fairfield Avenue, Bridgeport, CT, with interest at the People's United Bank Prime Rate plus 1% (4.75% and 3.25% at June 30, 2022 and 2021, respectively). Payments of interest are due monthly with outstanding principal due upon demand.	500,000	-
BRM Support Corporation:		
QLICI loan payable to MHIC NE CDE II Subsidiary 63, LLC (Loan A), secured by real estate, with interest at a fixed rate of 1.09%. Payments of interest are quarterly until March 1, 2028, followed by quarterly principal and interest payments of \$55,381. Unpaid principal and interest is due December 2054. This is part of the NMTC program described in Note 5.	5,121,534	5,121,534

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

7. DEBT - NET, continued:

	June 30,	
	2022	2021
BRM Support Corporation, continued:		
QLICI loan payable to MHIC NE CDE II Subsidiary 63, LLC (Loan B), secured by real estate, with interest at a fixed rate of 1.09%. Payments of interest are quarterly until March 1, 2028, followed by quarterly principal and interest payments of \$19,167. Unpaid principal and interest is due December 2054. This is part of the NMTC program described in Note 5.	1,772,498	1,772,498
QLICI loan payable to PCG Sub CDE 11, LLC (Loan A), secured by real estate, with interest at a fixed rate of 1.09%. Payments of interest are quarterly until March 1, 2028, followed by quarterly principal and interest payments of \$54,439. Unpaid principal and interest is due December 2054. This is part of the NMTC program described in Note 5.	5,034,400	5,034,400
QLICI loan payable to PCG Sub CDE 11, LLC (Loan B), secured by real estate, with interest at a fixed rate of 1.09%. Payments of interest are quarterly until March 1, 2028, followed by quarterly principal and interest payments of \$18,984. Unpaid principal and interest is due December 2054. This is part of the NMTC program described in Note 5.	1,755,600	1,755,600
	14,556,592	17,002,332
Less unamortized debt issuance costs	(573,933)	(591,581)
	\$ 13,982,659	\$ 16,410,751

Debt matures as follows:

Year Ending June 30,	
2023	\$ 500,000
2024	372,560
2025	-
2026	-
2027	-
Thereafter	13,684,032
	\$ 14,556,592

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

7. DEBT - NET, continued:

Interest expense amounted to \$6,011 and \$5,074, net of interest capitalized of \$124,767 and \$109,158, respectively, for the years ended June 30, 2022 and 2021, and is included as a component of other expenses in the consolidated statements of functional expenses. The Mission was in compliance with debt covenant requirements as of June 30, 2022 and 2021.

8. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

	June 30,	
	2022	2021
Net assets subject to purpose and/or time restrictions:		
Care Center building fund	\$ 460,556	\$ 1,435,694
Other restricted purposes	-	40,000
	460,556	1,475,694
Net assets restricted in perpetuity:		
Beneficial interest in perpetual trust	195,040	246,598
Total net assets with donor restrictions	\$ 655,596	\$ 1,722,292

9. GIFTS-IN-KIND:

Gifts-in-kind received consists of:

	Year Ended June 30,	
	2022	2021
Food	\$ 688,537	\$ 1,049,805
Clothing	708,456	834,549
Other items	275,470	276,476
Donated professional and other services	-	156,290
	\$ 1,672,463	\$ 2,317,120

Food donations are utilized in all programs and facilities. Clothing and other items are also used in the programs, as well as, distributed to those in need through the various facilities.

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

9. GIFTS-IN-KIND, continued:

Contributed items received by the Mission are recorded as gift-in-kind contributions with a corresponding increase to inventory. Expenses are recognized when the items are utilized or distributed. Donated items that are unusable by the Mission are not recorded. The Mission utilized three gift-in-kind valuation methods during the years ended June 30, 2022 and 2021. These methods include (1) \$1.52 per pound for food donations for the years ended June 30, 2022 and 2021, as determined using pricing studies involving estimating the average price per pound using wholesale pricing; (2) \$6.72 per pound for clothing donations for the years ended June 30, 2022 and 2021, as determined using pricing studies involving estimating the average price per pound based on Salvation Army data and other sources; (3) for other items, the average price located on publicly available websites or similar sources, less a discount if the item donated has been used but the item located online is new.

10. OPERATING LEASES:

The Mission leases warehouse space and equipment under operating leases maturing in 2026. Total lease expenses were approximately \$69,000 and \$82,000, for the years ended June 30, 2022 and 2021, respectively. The annual future minimum lease payments under these operating leases are as follows:

<u>Year Ending June 30,</u>	
2023	\$ 13,803
2024	13,803
2025	13,803
2026	13,803
2027	3,292
	<hr/>
	\$ 58,504
	<hr/> <hr/>

11. DONOR CONCENTRATION:

The Mission received approximately 9% and 22% of total contributions and 7% and 15% of total support and revenue from one and three donors during each of the years ended June 30, 2022 and 2021, respectively.

12. RELATED PARTY TRANSACTIONS:

During the years ended June 30, 2022 and 2021, members of the board of directors made contributions to the Mission totaling approximately \$699,000 and \$468,000, respectively. These contributions represent 13% and 7% of total contributions and 9% and 5% of total support and revenue for the years ended June 30, 2022 and 2021, respectively.

During the year ended June 30, 2021, the Mission made payments to a law firm of which a member of the board of directors is a partner of approximately \$135,000, related to various loan transactions and a property sale. Of the approximately \$135,000 in payments, approximately \$53,000 was for legal fees and the remainder were closing costs passed through the law firm.

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

12. RELATED PARTY TRANSACTIONS, continued:

Bridgeport Rescue Mission, Inc. leases facilities from BRM Support Corporation under an operating lease expiring in December 2057. The lease provides for minimum quarterly lease payments. Rental income and expense are being recognized on the straight-line basis over the life of the lease. Rental income and expense recognized under the agreement totaled \$558,828 and \$279,414, for the years ended June 30, 2022 and 2021, respectively. The rental income and expense, as well as the related rent receivable and deferred rent liability resulting from the difference between cash rental payments made and received and rental income and expense recognized, have been eliminated in consolidation.

13. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 20, 2022, which is the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

SUPPLEMENTARY INFORMATION



**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

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

We have audited the consolidated financial statements of Bridgeport Rescue Mission Inc. and Subsidiary as of and for the years ended June 30, 2022 and 2021, and have issued our report thereon dated October 20, 2022, which contained an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position, activities and cash flows as of and for the years ended June 30, 2022 and 2021, are presented for the purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations and cash flows of the individual organizations, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Capin Crouse LLP

New York, New York
October 20, 2022

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Consolidating Statement of Financial Position

June 30, 2022

	Bridgeport Rescue Mission, Inc.	BRM Support Corporation	Elimination Entry	Totals
ASSETS:				
Cash and cash equivalents	\$ 229,819	\$ 19,730	\$ -	\$ 249,549
Grants receivable	447,037	-	-	447,037
Prepaid expenses and other assets	6,099	-	-	6,099
Gifts-in-kind inventory	325,323	-	-	325,323
Contributions receivable - net	460,556	-	-	460,556
Restricted cash	150,000	602,596	-	752,596
Rent receivable	-	692,353	(692,353)	-
Note receivable	10,155,934	-	-	10,155,934
Property and equipment - net	1,146,096	14,883,790	-	16,029,886
Beneficial interest in perpetual trust	195,040	-	-	195,040
Total Assets	\$ 13,115,904	\$ 16,198,469	\$ (692,353)	\$ 28,622,020
LIABILITIES AND NET ASSETS:				
Liabilities:				
Accounts payable and accrued expenses	\$ 158,515	\$ 45,370	\$ -	\$ 203,885
Deferred rent liability	692,353	-	(692,353)	-
Debt - net	872,560	13,110,099	-	13,982,659
Notes payable - recoverable subsidy	2,729,360	-	-	2,729,360
Total liabilities	4,452,788	13,155,469	(692,353)	16,915,904
Net Assets:				
Without donor restrictions:				
Undesignated	7,857,520	3,043,000	-	10,900,520
Board designated reserve	150,000	-	-	150,000
	8,007,520	3,043,000	-	11,050,520
With donor restrictions	655,596	-	-	655,596
Total net assets	8,663,116	3,043,000	-	11,706,116
Total Liabilities and Net Assets	\$ 13,115,904	\$ 16,198,469	\$ (692,353)	\$ 28,622,020

See independent auditors' report on supplementary information

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Consolidating Statement of Financial Position

June 30, 2021

	Bridgeport Rescue Mission, Inc.	BRM Support Corporation	Elimination Entry	Totals
ASSETS:				
Cash and cash equivalents	\$ 746,234	\$ 59,657	\$ -	\$ 805,891
Prepaid expenses and other assets	6,099	10,889	(10,889)	6,099
Gifts-in-kind inventory	383,549	-	-	383,549
Contributions receivable - net	1,435,694	-	-	1,435,694
Restricted cash	150,000	802,766	-	952,766
Rent receivable	-	268,525	(268,525)	-
Note receivable	10,155,934	-	-	10,155,934
Property and equipment - net	1,106,703	14,253,166	-	15,359,869
Beneficial interest in perpetual trust	246,598	-	-	246,598
	<u>\$ 14,230,811</u>	<u>\$ 15,395,003</u>	<u>\$ (279,414)</u>	<u>\$ 29,346,400</u>
Total Assets	<u>\$ 14,230,811</u>	<u>\$ 15,395,003</u>	<u>\$ (279,414)</u>	<u>\$ 29,346,400</u>
LIABILITIES AND NET ASSETS:				
Liabilities:				
Accounts payable and accrued expenses	\$ 239,127	\$ 833,135	\$ (10,889)	\$ 1,061,373
Deferred rent liability	268,525	-	(268,525)	-
Debt - net	3,318,300	13,092,451	-	16,410,751
Notes payable - recoverable subsidy	229,360	-	-	229,360
	<u>4,055,312</u>	<u>13,925,586</u>	<u>(279,414)</u>	<u>17,701,484</u>
Total liabilities	<u>4,055,312</u>	<u>13,925,586</u>	<u>(279,414)</u>	<u>17,701,484</u>
Net Assets:				
Without donor restrictions:				
Undesignated	8,303,207	1,469,417	-	9,772,624
Board designated reserve	150,000	-	-	150,000
	<u>8,453,207</u>	<u>1,469,417</u>	<u>-</u>	<u>9,922,624</u>
With donor restrictions	<u>1,722,292</u>	<u>-</u>	<u>-</u>	<u>1,722,292</u>
	<u>10,175,499</u>	<u>1,469,417</u>	<u>-</u>	<u>11,644,916</u>
Total net assets	<u>10,175,499</u>	<u>1,469,417</u>	<u>-</u>	<u>11,644,916</u>
Total Liabilities and Net Assets	<u>\$ 14,230,811</u>	<u>\$ 15,395,003</u>	<u>\$ (279,414)</u>	<u>\$ 29,346,400</u>

See independent auditors' report on supplementary information

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Consolidating Statement of Activities

Year Ended June 30, 2022

	Bridgeport Rescue Mission, Inc.	BRM Support Corporation	Elimination Entry	Totals
SUPPORT AND REVENUE:				
Contributions	\$ 4,994,064	\$ -	\$ -	\$ 4,994,064
Government grants	447,037	-	-	447,037
Gifts-in-kind	1,672,463	-	-	1,672,463
Special events-net	90,333	-	-	90,333
Interest income	101,560	-	-	101,560
Change in value of beneficial interest in perpetual trust	(51,557)	-	-	(51,557)
Other income	277,854	558,828	(558,828)	277,854
Total Support and Revenue	7,531,754	558,828	(558,828)	7,531,754
EXPENSES:				
Program services	5,416,120	205,511	(516,916)	5,104,715
Management and general	987,324	70,291	(15,368)	1,042,247
Fundraising	1,350,136	-	(26,544)	1,323,592
Total Expenses	7,753,580	275,802	(558,828)	7,470,554
Change in Net Assets Before Equity Transfer	(221,826)	283,026	-	61,200
Equity Transfer	(1,290,557)	1,290,557	-	-
Change in Net Assets	(1,512,383)	1,573,583	-	61,200
Net Assets, Beginning of Year	10,175,499	1,469,417	-	11,644,916
Net Assets, End of Year	\$ 8,663,116	\$ 3,043,000	\$ -	\$ 11,706,116

See independent auditors' report on supplementary information

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Consolidating Statement of Activities

Year Ended June 30, 2021

	Bridgeport Rescue Mission, Inc.	BRM Support Corporation	Elimination Entry	Totals
SUPPORT AND REVENUE:				
Contributions	\$ 6,673,724	\$ -	\$ -	\$ 6,673,724
Government grants	332,800	-	-	332,800
Gifts-in-kind	2,317,120	-	-	2,317,120
Special events-net	82,876	-	-	82,876
Interest income	53,295	485	-	53,780
Change in value of beneficial interest in perpetual trust	50,872	-	-	50,872
Gain on sale of assets	330,138	-	-	330,138
Other income	59,169	279,414	(279,414)	59,169
Total Support and Revenue	9,899,994	279,899	(279,414)	9,900,479
EXPENSES:				
Program services	5,141,862	200,832	(279,414)	5,063,280
Management and general	691,563	38,164	-	729,727
Fundraising	1,295,528	-	-	1,295,528
Total Expenses	7,128,953	238,996	(279,414)	7,088,535
Change in Net Assets Before Equity Transfer	2,771,041	40,903	-	2,811,944
Equity Transfer	(1,428,514)	1,428,514	-	-
Change in Net Assets	1,342,527	1,469,417	-	2,811,944
Net Assets, Beginning of Year	8,832,972	-	-	8,832,972
Net Assets, End of Year	\$ 10,175,499	\$ 1,469,417	\$ -	\$ 11,644,916

See independent auditors' report on supplementary information

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Consolidating Statement of Cash Flows

Year Ended June 30, 2022

	Bridgeport Rescue Mission, Inc.	BRM Support Corporation	Elimination Entry	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$ (1,512,383)	\$ 1,573,583	\$ -	\$ 61,200
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:				
Depreciation and amortization	101,426	205,511	-	306,937
Contributions restricted for property and equipment	(224,408)	-	-	(224,408)
Change in beneficial interest in perpetual trust	51,557	-	-	51,557
Equity transfer	1,290,557	(1,290,557)	-	-
Changes in:				
Grants receivable	(447,037)	-	-	(447,037)
Prepaid expenses and other assets	-	10,889	(10,889)	-
Gifts-in-kind inventory	58,226	-	-	58,226
Rent receivable	-	(423,828)	423,828	-
Accounts payable and accrued expenses	(15,835)	-	10,889	(4,946)
Deferred rent liability	423,828	-	(423,828)	-
Net Cash Provided (Used) by Operating Activities	(274,069)	75,598	-	(198,471)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash paid for acquisition of property and equipment	(1,496,152)	(315,695)	-	(1,811,847)
Net Cash Used by Investing Activities	(1,496,152)	(315,695)	-	(1,811,847)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from contributions and collections on contributions receivable restricted for property and equipment	1,199,546	-	-	1,199,546
Proceeds from new debt	650,000	-	-	650,000
Proceeds from notes payable - recoverable subsidy	2,500,000	-	-	2,500,000
Principal payments on debt	(3,095,740)	-	-	(3,095,740)
Net Cash Provided by Financing Activities	1,253,806	-	-	1,253,806
Change in Cash, Cash Equivalents and Restricted Cash	(516,415)	(240,097)	-	(756,512)
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	896,234	862,423	-	1,758,657
Cash, Cash Equivalents and Restricted Cash, End of Year	\$ 379,819	\$ 622,326	\$ -	\$ 1,002,145
SUPPLEMENTAL DISCLOSURES:				
Cash paid for interest	\$ 54,687	\$ 76,091	\$ -	\$ 130,778
Non-cash investing and financing activities:				
Property and equipment acquisitions in accounts payable	\$ -	\$ 45,370	\$ -	\$ 45,370

See independent auditors' report on supplementary information

BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

Consolidating Statement of Cash Flows

Year Ended June 30, 2021

	Bridgeport Rescue Mission, Inc.	BRM Support Corporation	Elimination Entry	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$ 1,342,527	\$ 1,469,417	\$ -	\$ 2,811,944
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:				
Depreciation and amortization	90,827	187,863	-	278,690
Contributions restricted for property and equipment	(1,632,925)	-	-	(1,632,925)
Change in beneficial interest in perpetual trust	(50,872)	-	-	(50,872)
Gain on sale of assets	(330,138)	-	-	(330,138)
Forgiveness of paycheck protection program loan (Note 2)	(332,800)	-	-	(332,800)
Equity transfer	1,428,514	(1,428,514)	-	-
Changes in:				
Prepaid expenses and other assets	8,001	(10,889)	10,889	8,001
Gifts-in-kind inventory	24,415	-	-	24,415
Rent receivable	-	(268,525)	268,525	-
Accounts payable and accrued expenses	(14,251)	-	(10,889)	(25,140)
Deferred rent liability	268,525	-	(268,525)	-
Net Cash Provided (Used) by Operating Activities	801,823	(50,648)	-	751,175
CASH FLOWS FROM INVESTING ACTIVITIES:				
Note receivable issued	(10,155,934)	-	-	(10,155,934)
Proceeds from sale of assets	10,087,083	-	(9,521,500)	565,583
Cash paid for acquisition of property and equipment	(3,824,650)	(12,179,380)	9,521,500	(6,482,530)
Net Cash Used by Investing Activities	(3,893,501)	(12,179,380)	-	(16,072,881)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from contributions and collections on contributions receivable restricted for property and equipment	1,810,330	-	-	1,810,330
Proceeds from new debt	4,472,000	13,092,451	-	17,564,451
Principal payments on debt	(2,923,700)	-	-	(2,923,700)
Net Cash Provided by Financing Activities	3,358,630	13,092,451	-	16,451,081
Change in Cash, Cash Equivalents and Restricted Cash	266,952	862,423	-	1,129,375
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	629,282	-	-	629,282
Cash, Cash Equivalents and Restricted Cash, End of Year	\$ 896,234	\$ 862,423	\$ -	\$ 1,758,657
SUPPLEMENTAL DISCLOSURES:				
Cash paid for interest	\$ 52,806	\$ 61,426	\$ -	\$ 114,232
Non-cash investing and financing activities:				
Property and equipment acquisitions in accounts payable	\$ 64,776	\$ 833,135	\$ -	\$ 897,911
Paycheck protection program loan forgiveness recognized as government grants (Note 2)	\$ 332,800	\$ -	\$ -	\$ 332,800

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