



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

BRIDGEPORT RESCUE MISSION, INC.  
AND SUBSIDIARY

Consolidated Financial Statements  
With Independent Auditors' Report

June 30, 2023 and 2022

# 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, 2023 and 2022, 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, 2023 and 2022, and the changes in its 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 23, 2023

# BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

## Consolidated Statements of Financial Position

	June 30,	
	2023	2022
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 12,743	\$ 249,549
Grants receivable	202,038	447,037
Prepaid expenses and other assets	41,850	6,099
Gifts-in-kind inventory	483,592	325,323
Contributions receivable - net	101,700	460,556
Financing lease-right-of-use assets	48,810	-
Restricted cash	757,596	752,596
Note receivable	10,155,934	10,155,934
Property and equipment - net	15,509,626	16,029,886
Beneficial interest in perpetual trust	205,791	195,040
	<u>\$ 27,519,680</u>	<u>\$ 28,622,020</u>
<b>Total Assets</b>	<b>\$ 27,519,680</b>	<b>\$ 28,622,020</b>
<b>LIABILITIES AND NET ASSETS:</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 297,556	\$ 203,885
Financing lease liabilities	50,205	-
Debt - net	13,894,107	13,982,659
Notes payable - recoverable subsidy	2,729,360	2,729,360
<b>Total liabilities</b>	<b>16,971,228</b>	<b>16,915,904</b>
<b>Net assets:</b>		
<b>Without donor restrictions:</b>		
Undesignated	10,003,038	10,900,520
Board designated reserve	150,000	150,000
	<u>10,153,038</u>	<u>11,050,520</u>
<b>With donor restrictions</b>	<b>395,414</b>	<b>655,596</b>
<b>Total net assets</b>	<b>10,548,452</b>	<b>11,706,116</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 27,519,680</b>	<b>\$ 28,622,020</b>

See notes to consolidated financial statements

# BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

## Consolidated Statements of Activities

	Year Ended June 30,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT, REVENUE AND RECLASSIFICATIONS:</b>						
Contributions	\$ 4,186,200	\$ 121,813	\$ 4,308,013	\$ 4,794,914	\$ 199,150	\$ 4,994,064
Government grants	674,997	-	674,997	447,037	-	447,037
Gifts-in-kind	1,693,057	-	1,693,057	1,672,463	-	1,672,463
Special events (net of cost of direct benefit to donors of \$65,725 and \$6,018)	313,279	-	313,279	90,333	-	90,333
Interest income	101,563	-	101,563	101,560	-	101,560
Change in value of beneficial interest in perpetual trust	-	10,750	10,750	-	(51,557)	(51,557)
Other income	85,055	-	85,055	277,854	-	277,854
<b>Total Support and Revenue</b>	<b>7,054,151</b>	<b>132,563</b>	<b>7,186,714</b>	<b>7,384,161</b>	<b>147,593</b>	<b>7,531,754</b>
Net Assets Released From Restriction	392,745	(392,745)	-	1,214,289	(1,214,289)	-
<b>Total Support, Revenue and Reclassifications</b>	<b>7,446,896</b>	<b>(260,182)</b>	<b>7,186,714</b>	<b>8,598,450</b>	<b>(1,066,696)</b>	<b>7,531,754</b>
<b>EXPENSES:</b>						
Program services	6,017,995	-	6,017,995	5,104,715	-	5,104,715
Management and general	1,062,049	-	1,062,049	1,042,247	-	1,042,247
Fundraising	1,264,334	-	1,264,334	1,323,592	-	1,323,592
<b>Total Expenses</b>	<b>8,344,378</b>	<b>-</b>	<b>8,344,378</b>	<b>7,470,554</b>	<b>-</b>	<b>7,470,554</b>
Change in Net Assets	(897,482)	(260,182)	(1,157,664)	1,127,896	(1,066,696)	61,200
Net Assets, Beginning of Year	11,050,520	655,596	11,706,116	9,922,624	1,722,292	11,644,916
<b>Net Assets, End of Year</b>	<b>\$ 10,153,038</b>	<b>\$ 395,414</b>	<b>\$ 10,548,452</b>	<b>\$ 11,050,520</b>	<b>\$ 655,596</b>	<b>\$ 11,706,116</b>

See notes to consolidated financial statements

## BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

### Consolidated Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services	Management and General	Fundraising	Cost of Direct Benefit to Donors	Total
Salaries and benefits	\$ 2,685,772	\$ 625,832	\$ 345,247	\$ -	\$ 3,656,851
In-kind food, clothing, and other items utilized	1,475,742	-	59,045	-	1,534,787
Occupancy costs	614,177	124,152	43,506	-	781,835
Printing, postage and monthly mailings	3,339	987	630,946	-	635,272
Depreciation	593,793	18,218	10,050	-	622,061
Food and supplies	374,047	11,651	10,763	-	396,461
Other expenses	26,683	61,426	46,104	-	134,213
Professional fees	6,263	144,207	100,360	-	250,830
Interest expense	111,013	66,522	494	-	178,029
Grant expense	76,150	-	-	-	76,150
Fundraising events	-	-	-	65,725	65,725
Vehicle expense	46,617	296	-	-	46,913
Hospitality and travel	4,399	8,758	17,819	-	30,976
<b>Total expenses</b>	<b>6,017,995</b>	<b>1,062,049</b>	<b>1,264,334</b>	<b>65,725</b>	<b>8,410,103</b>
Less: cost of direct benefit to donors	-	-	-	(65,725)	(65,725)
<b>Total Expenses on Consolidated Statements of Activities</b>	<b>\$ 6,017,995</b>	<b>\$ 1,062,049</b>	<b>\$ 1,264,334</b>	<b>\$ -</b>	<b>\$ 8,344,378</b>

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
Depreciation	255,002	17,988	16,298	-	289,288
Food and supplies	338,708	13,681	16,735	-	369,124
Other expenses	32,089	31,173	47,425	-	110,687
Professional fees	7,599	267,053	42,008	-	316,660
Grant expense	76,150	-	-	-	76,150
Fundraising events	-	-	-	6,018	6,018
Vehicle expense	42,380	259	12	-	42,651
Hospitality and travel	7,829	22,416	5,960	-	36,205
	5,104,715	1,042,247	1,323,592	6,018	7,476,572
Total expenses					
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 Statements of Cash Flows

	Year Ended June 30,	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (1,157,664)	\$ 61,200
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Non-cash effect of change in accounting principle	942	-
Depreciation and amortization	656,302	306,937
Contributions restricted for property and equipment	(64,265)	(224,408)
Change in beneficial interest in perpetual trust	(10,750)	51,557
Gifts-in-kind capitalized as property and equipment	(17,625)	-
Changes in:		
Grants receivable	244,999	(447,037)
Prepaid expenses and other assets	(35,751)	-
Gifts-in-kind inventory	(158,269)	58,226
Accounts payable and accrued expenses	139,040	(4,946)
Net Cash Used by Operating Activities	(403,041)	(198,471)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Cash paid for acquisition of property and equipment	(129,547)	(1,811,847)
Net Cash Used by Investing Activities	(129,547)	(1,811,847)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from contributions and collections on contributions receivable restricted for property and equipment	423,121	1,199,546
Proceeds from new debt	550,000	650,000
Proceeds from notes payable - recoverable subsidy	-	2,500,000
Principal payments on debt	(656,200)	(3,095,740)
Principal payments on financing lease liabilities	(16,139)	-
Net Cash Provided by Financing Activities	300,782	1,253,806
Change in Cash, Cash Equivalents and Restricted Cash	(231,806)	(756,512)
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	1,002,145	1,758,657
Cash, Cash Equivalents and Restricted Cash, End of Year	\$ 770,339	\$ 1,002,145

(continued)

See notes to consolidated financial statements

# BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

## Consolidated Statements of Cash Flows (continued)

	Year Ended June 30,	
	<u>2023</u>	<u>2022</u>
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	<u>\$ 178,030</u>	<u>\$ 130,778</u>
Non-cash investing and financing activities:		
Property and equipment acquisitions in accounts payable	<u>\$ -</u>	<u>\$ 45,370</u>
Right-of-use assets obtained in exchange for financing lease liabilities	<u>\$ 65,402</u>	<u>\$ -</u>

See notes to consolidated financial statements

# BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

June 30, 2023 and 2022

### 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, 2023 and 2022

### 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. The Mission's cash balances exceeded FDIC limits as of June 30, 2023 and 2022, by approximately \$93,000 and \$202,000, respectively. BRM Support Corporation is required to maintain reserve funds related to certain debt. 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,	
	2023	2022
Cash and cash equivalents	\$ 12,743	\$ 249,549
Restricted cash	757,596	752,596
	<u>\$ 770,339</u>	<u>\$ 1,002,145</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. No discount was recorded as of June 30, 2023, as all remaining contributions receivable as of that date are expected to be collected within one year. The discount rate used for the year ended June 30, 2022, 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, 2023 and 2022.

# BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

June 30, 2023 and 2022

### 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, 2023 and 2022, 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, 2023 and 2022.

#### 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, 2023 and 2022

### 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, 2023:				
Beneficial interest in perpetual trust	<u>\$ 205,791</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,791</u>
June 30, 2022:				
Beneficial interest in perpetual trust	<u>\$ 195,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 195,040</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 in August 2023.

# BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

June 30, 2023 and 2022

### 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, 2023 and 2022

### 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 years ended June 30, 2023 and 2022, the Mission expended and recognized revenue for grants received under the American Rescue Plan Act (ARPA), passed through the City of Bridgeport, totaling \$674,997 and \$447,037, respectively, which are reported as 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, residential weatherization, youth and education, and faith based initiatives. As of June 30, 2023 and 2022, the Mission had receivables with respect to these grants of \$202,038 and \$447,037, respectively, which are reported as a component of grants receivable in the consolidated statements of financial position. 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.

The Mission has adopted a policy with respect to these government grants of reporting the conditional grants in which the restriction is met in the same fiscal year as revenue without donor restrictions in accordance with the simultaneous release option.

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 10).

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.



# BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

June 30, 2023 and 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

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

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 \$195,000 and \$148,000 for the years ended June 30, 2023 and 2022, respectively. The Mission incurred no joint costs for the years ended June 30, 2023 and 2022.

#### ADOPTION OF RECENTLY ISSUED ACCOUNTING STANDARDS

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842 of the FASB Accounting Standards Codification (ASC)). The Mission adopted the provisions of this new standard during the year ended June 30, 2023. The new standard requires organizations that lease assets with terms of more than 12 months to recognize in the consolidated statements of financial position the assets and liabilities for the right of use and obligations created by the leases. Lessor accounting remained largely unchanged under the new standard. The Mission elected the transition package relief provisions from ASU 2018-11, *Leases* (Topic 842): *Targeted Improvements*, and recorded the impact of the adoption as of July 1, 2022, without restating any prior-year amounts. Additional disclosures were added in Note 7. The Mission also elected the practical expedient to not separate lease and non-lease components and the accounting policy election to exclude short-term leases with lease terms of 12 months or less. Adoption of ASUs 2016-02 and 2018-11 resulted in the recognition of financing lease right-of-use assets of approximately \$65,000, and financing lease liabilities of approximately \$66,000, as of July 1, 2022. The Mission did not adjust beginning net assets as of July 1, 2022, for the cumulative effect adjustment of adopting ASUs 2016-02 and 2018-11 due to the impact being immaterial to the consolidated financial statements. The Mission also elected the accounting policy election to exclude short-term leases with lease terms of 12 months or less.

# BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

June 30, 2023 and 2022

### 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.

	June 30,	
	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 12,743	\$ 249,549
Grants receivable	202,038	447,037
Contributions receivable - net	101,700	460,556
Restricted cash	757,596	752,596
Note receivable	10,155,934	10,155,934
Beneficial interest in perpetual trust	205,791	195,040
Financial assets, at year end	11,435,802	12,260,712
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	(557,596)	(602,596)
Note receivable collectible beyond one year	(10,155,934)	(10,155,934)
Donor restricted:		
Time and/or purpose	(189,623)	(460,556)
Beneficial interest in perpetual trust	(205,791)	(195,040)
	(11,258,944)	(11,564,126)
Financial assets available to meet cash needs for general expenditures within one year	\$ 176,858	\$ 696,586

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 \$50,000 and \$250,000, as of June 30, 2023 and 2022, 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, 2023 and 2022, can be made available in the event of a liquidity need.

# BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

June 30, 2023 and 2022

4. CONTRIBUTIONS RECEIVABLE - NET:

Contributions receivable - net consist of the following:

	June 30,	
	2023	2022
Due within one year	\$ 101,700	\$ 411,508
Due in one to two years	-	51,500
	101,700	463,008
Less: unamortized discount	-	(2,452)
	\$ 101,700	\$ 460,556

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 8 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 for both years ended June 30, 2023 and 2022.

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, 2023 and 2022

6. PROPERTY AND EQUIPMENT - NET:

Property and equipment - net consists of:

	June 30,	
	2023	2022
Land	\$ 634,585	\$ 634,585
Buildings and improvements	15,939,952	8,278,353
Furniture, fixtures, and equipment	844,038	597,032
Vehicles	182,596	151,898
	<u>17,601,171</u>	<u>9,661,868</u>
Less accumulated depreciation	<u>(2,091,545)</u>	<u>(1,465,669)</u>
	15,509,626	8,196,199
Construction in progress	-	7,833,687
	<u>\$ 15,509,626</u>	<u>\$ 16,029,886</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 had approximately \$50,000 left to pay on outstanding construction contracts. The building was placed into service in July 2022.

# BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

June 30, 2023 and 2022

7. LEASE RIGHT-OF-USE ASSETS AND LEASE LIABILITIES:

The Mission leases equipment under various financing leases expiring in 2025 through 2026. The leases require various payments ranging between approximately \$2,000 and \$12,000 annually. The discount rate represents the implicit rate as stated within the lease or the risk-free discount rate using a period comparable with that of the individual lease term on the inception date of the leases. Lease right-of-use assets and liabilities, as well as lease cost, consist of the following as of June 30, 2023:

Assets:

Financing right-of-use assets	\$ 48,810
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Liabilities:

Financing lease liabilities	\$ 50,205
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Lease cost:

Finance lease costs:

Amortization of ROU assets	\$ 16,592
Interest on lease liabilities	1,702
Short-term lease costs	<u>52,569</u>
	<u><u>\$ 70,863</u></u>

Weighted-average discount rate:

Financing leases	2.86%
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Weighted-average remaining lease term (in years):

Financing leases	2.99
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Future minimum lease payments required under financing leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

<u>Year Ended June 30,</u>	
2024	\$ 17,841
2025	17,841
2026	14,812
2027	<u>1,985</u>
	52,479
Less imputed interest	<u>(2,274)</u>
	<u><u>\$ 50,205</u></u>

# BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

June 30, 2023 and 2022

7. LEASE RIGHT-OF-USE ASSETS AND LEASE LIABILITIES, continued:

Prior to the adoption of ASUs 2016-02 and 2018-11 under Topic 842 as described in Note 2, the Mission was applying Topic 840 in relation to operating leases. During the year ended June 30, 2022, the Mission had operating lease expenses of approximately \$69,000. Future minimum lease payments required under operating leases as presented in the consolidated financial statements for the year ended June 30, 2022, prior to the adoption of ASUs 2016-02 and 2018-11 were as follows:

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

8. DEBT - NET:

Debt - net consists of:

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
Bridgeport Rescue Mission, Inc.:		
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 (8.45% and 4.56% at June 30, 2023 and 2022, 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. Subsequent to year end, the maturity date was extended from August 1, 2023 to October 28, 2023.	\$ 66,360	\$ 372,560
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% (9.25% and 5.75% at June 30, 2023 and 2022, respectively). Payments of interest are due monthly with outstanding principal due upon demand.	700,000	500,000

(continued)

# BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

June 30, 2023 and 2022

8. DEBT - NET, continued:

	June 30,	
	2023	2022
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
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
	14,450,392	14,556,592
Less unamortized debt issuance costs	(556,285)	(573,933)
	\$ 13,894,107	\$ 13,982,659

# BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

June 30, 2023 and 2022

8. DEBT - NET, continued:

Debt matures as follows:

Year Ending June 30,		
2024	\$	766,360
2025		-
2026		-
2027		-
2028		110,031
Thereafter		13,574,001
		\$ 14,450,392

Interest expense on outstanding debt amounted to \$176,328 and \$6,011, net of interest capitalized of \$-0- and \$124,767, respectively, for the years ended June 30, 2023 and 2022. The Mission was in compliance with debt covenant requirements as of June 30, 2023 and 2022.

9. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

	June 30,	
	2023	2022
Net assets subject to purpose and/or time restrictions:		
Care Center building fund	\$ 101,700	\$ 460,556
Capital improvements	50,000	-
Health center program	37,923	-
	189,623	460,556
Net assets restricted in perpetuity:		
Beneficial interest in perpetual trust	205,791	195,040
Total net assets with donor restrictions	\$ 395,414	\$ 655,596



# BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

June 30, 2023 and 2022

### 10. GIFTS-IN-KIND:

Gifts-in-kind received consists of:

	Year Ended June 30,	
	2023	2022
Food	\$ 644,668	\$ 688,537
Clothing	791,461	708,456
Other items	242,108	275,470
Donated professional and other services	14,820	-
	<u>\$ 1,693,057</u>	<u>\$ 1,672,463</u>

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.

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, 2023 and 2022. These methods include (1) \$1.92 and \$1.52 per pound for food donations for the years ended June 30, 2023 and 2022, respectively, 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, 2023 and 2022, 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. The Mission does not hold gifts-in-kind for sale.

### 11. DONOR CONCENTRATION:

The Mission received approximately 8% and 9% of total contributions and 5% and 7% of total support and revenue from one donor during each of the years ended June 30, 2023 and 2022, respectively.

### 12. RELATED PARTY TRANSACTIONS:

During the years ended June 30, 2023 and 2022, members of the board of directors made contributions to the Mission totaling approximately \$705,000 and \$699,000, respectively. These contributions represent 15% and 13% of total contributions and 10% and 9% of total support and revenue for the years ended June 30, 2023 and 2022, respectively.

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 from Bridgeport Rescue Mission, Inc. to BRM Support Corporation of \$33,750 through September 2027, increasing to \$63,750 quarterly through March 2028, and increasing again to \$165,500 quarterly through December 2057.

# BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

June 30, 2023 and 2022

### 12. RELATED PARTY TRANSACTIONS, continued:

Rental income to BRM Support Corporation is being recognized on the straight-line basis over the life of the lease. Straight-line rental income to BRM Support Corporation recognized under the agreement totaled \$558,828, for both years ended June 30, 2023 and 2022. The rental income to BRM Support Corporation, as well as the related rent receivable resulting from the difference between cash rental payments made to BRM Support Corporation and rental income to BRM Support Corporation recognized, have been eliminated in consolidation.

Bridgeport Rescue Mission, Inc. accounts for the facility lease with BRM Support Corporation according to ASUs 2016-02 and 2018-11 under Topic 842 as described in Note 2. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term on the adoption date. Lease right-of-use assets and liabilities, as well as lease cost, related to the facility lease between Bridgeport Rescue Mission, Inc. and BRM Support Corporation consist of the following as of June 30, 2023. The lease right-of-use assets and liabilities, as well as lease cost, related to this facility lease have been eliminated in consolidation.

Assets:

Operating right-of-use assets	\$ 10,566,296
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Liabilities:

Operating lease liabilities	\$ 11,709,284
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Lease cost:

Operating lease costs	\$ 558,828
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Weighted-average discount rate:

Operating leases	3.11%
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Weighted-average remaining lease term (in years):

Operating leases	34.50
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Future minimum lease payments required under the facility lease between Bridgeport Rescue Mission, Inc. and BRM Support Corporation are as follows:

<u>Year Ended June 30,</u>		
2024	\$	135,000
2025		135,000
2026		135,000
2027		135,000
2028		326,750
Thereafter		19,529,000
		20,395,750
Less imputed interest		(8,686,466)
		\$ 11,709,284

# BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

June 30, 2023 and 2022

### 12. RELATED PARTY TRANSACTIONS, continued:

Prior to the adoption of ASUs 2016-02 and 2018-11 under Topic 842 as described in Note 2, Bridgeport Rescue Mission, Inc. was applying Topic 840 in relation to the facility lease with BRM Support Corporation. During the year ended June 30, 2022, Bridgeport Rescue Mission, Inc. recognized straight-line lease expenses of approximately \$558,828 related to the facility lease. The lease expense, as well as the related deferred rent liability resulting from the difference between cash rental payments made to BRM Support Corporation and rental expense Bridgeport Rescue Mission, Inc. recognized, have been eliminated in consolidation. Future minimum lease payments required under the lease as presented in the consolidated financial statements for the year ended June 30, 2022, prior to the adoption of ASUs 2016-02 and 2018-11 were as follows:

<u>Year Ended June 30,</u>	
2023	\$ 135,000
2024	135,000
2025	135,000
2026	135,000
2027	326,750
Thereafter	<u>19,529,000</u>
	<u><u>\$ 20,395,750</u></u>

### 13. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 23, 2023, which is the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

Subsequent to year end, the Mission placed its facility at 385 Barnum Avenue, Bridgeport, CT up for sale. The net book value of the facility as of June 30, 2023, was approximately \$350,000, and the Mission expects the eventual sale price to exceed the net book value.

## **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, 2023 and 2022, and have issued our report thereon dated October 23, 2023, 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, 2023 and 2022, 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 23, 2023

# BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

## Consolidating Statement of Financial Position

June 30, 2023

	Bridgeport Rescue Mission, Inc.	BRM Support Corporation	Elimination Entry	Totals
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 1,254	\$ 11,489	\$ -	\$ 12,743
Grants receivable	202,038	-	-	202,038
Prepaid expenses and other assets	41,850	-	-	41,850
Gifts-in-kind inventory	483,592	-	-	483,592
Contributions receivable - net	101,700	-	-	101,700
Operating lease-right-of-use assets	10,566,296	-	(10,566,296)	-
Financing lease-right-of-use assets	48,810	-	-	48,810
Restricted cash	200,000	557,596	-	757,596
Rent receivable	-	1,116,181	(1,116,181)	-
Note receivable	10,155,934	-	-	10,155,934
Property and equipment - net	1,141,444	14,368,182	-	15,509,626
Beneficial interest in perpetual trust	205,791	-	-	205,791
<b>Total Assets</b>	<b>\$ 23,148,709</b>	<b>\$ 16,053,448</b>	<b>\$ (11,682,477)</b>	<b>\$ 27,519,680</b>
<b>LIABILITIES AND NET ASSETS:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued expenses	\$ 297,556	\$ -	\$ -	\$ 297,556
Operating lease liabilities	11,709,284	-	(11,709,284)	-
Financing lease liabilities	50,205	-	-	50,205
Debt - net	766,360	13,127,747	-	13,894,107
Notes payable - recoverable subsidy	2,729,360	-	-	2,729,360
<b>Total liabilities</b>	<b>15,552,765</b>	<b>13,127,747</b>	<b>(11,709,284)</b>	<b>16,971,228</b>
<b>Net Assets:</b>				
<b>Without donor restrictions:</b>				
Undesignated	7,050,530	2,925,701	26,807	10,003,038
Board designated reserve	150,000	-	-	150,000
	7,200,530	2,925,701	26,807	10,153,038
<b>With donor restrictions</b>	<b>395,414</b>	<b>-</b>	<b>-</b>	<b>395,414</b>
<b>Total net assets</b>	<b>7,595,944</b>	<b>2,925,701</b>	<b>26,807</b>	<b>10,548,452</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 23,148,709</b>	<b>\$ 16,053,448</b>	<b>\$ (11,682,477)</b>	<b>\$ 27,519,680</b>

See independent auditors' report on supplementary information

# BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

## Consolidating Statement of Financial Position

June 30, 2022

	Bridgeport Rescue Mission, Inc.	BRM Support Corporation	Elimination Entry	Totals
<b>ASSETS:</b>				
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
<b>Total Assets</b>	<b>\$ 13,115,904</b>	<b>\$ 16,198,469</b>	<b>\$ (692,353)</b>	<b>\$ 28,622,020</b>
<b>LIABILITIES AND NET ASSETS:</b>				
<b>Liabilities:</b>				
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
<b>Total liabilities</b>	<b>4,452,788</b>	<b>13,155,469</b>	<b>(692,353)</b>	<b>16,915,904</b>
<b>Net Assets:</b>				
<b>Without donor restrictions:</b>				
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
<b>With donor restrictions</b>	<b>655,596</b>	<b>-</b>	<b>-</b>	<b>655,596</b>
<b>Total net assets</b>	<b>8,663,116</b>	<b>3,043,000</b>	<b>-</b>	<b>11,706,116</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 13,115,904</b>	<b>\$ 16,198,469</b>	<b>\$ (692,353)</b>	<b>\$ 28,622,020</b>

See independent auditors' report on supplementary information

# BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

## Consolidating Statement of Activities

Year Ended June 30, 2023

	Bridgeport Rescue Mission, Inc.	BRM Support Corporation	Elimination Entry	Totals
<b>SUPPORT AND REVENUE:</b>				
Contributions	\$ 4,308,013	\$ -	\$ -	\$ 4,308,013
Government grants	674,997	-	-	674,997
Gifts-in-kind	1,693,057	-	-	1,693,057
Special events-net	313,279	-	-	313,279
Interest income	101,563	-	-	101,563
Change in value of beneficial interest in perpetual trust	10,750	-	-	10,750
Other income	85,055	576,120	(576,120)	85,055
<b>Total Support and Revenue</b>	<b>7,186,714</b>	<b>576,120</b>	<b>(576,120)</b>	<b>7,186,714</b>
<b>EXPENSES:</b>				
Program services	5,928,582	623,621	(534,208)	6,017,995
Management and general	989,056	115,168	(42,175)	1,062,049
Fundraising	1,290,878	-	(26,544)	1,264,334
<b>Total Expenses</b>	<b>8,208,516</b>	<b>738,789</b>	<b>(602,927)</b>	<b>8,344,378</b>
Change in Net Assets Before Equity Transfer	(1,021,802)	(162,669)	26,807	(1,157,664)
Equity Transfer	(45,370)	45,370	-	-
<b>Change in Net Assets</b>	<b>(1,067,172)</b>	<b>(117,299)</b>	<b>26,807</b>	<b>(1,157,664)</b>
Net Assets, Beginning of Year	8,663,116	3,043,000	-	11,706,116
<b>Net Assets, End of Year</b>	<b>\$ 7,595,944</b>	<b>\$ 2,925,701</b>	<b>\$ 26,807</b>	<b>\$ 10,548,452</b>

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# 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
<b>SUPPORT AND REVENUE:</b>				
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
	7,531,754	558,828	(558,828)	7,531,754
<b>EXPENSES:</b>				
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
	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 Cash Flows

Year Ended June 30, 2023

	Bridgeport Rescue Mission, Inc.	BRM Support Corporation	Elimination Entry	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Change in net assets	\$ (1,067,172)	\$ (117,299)	\$ 26,807	\$ (1,157,664)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:				
Non-cash effect of change in accounting principle	451,577	-	(450,635)	942
Depreciation and amortization	123,046	533,256	-	656,302
Contributions restricted for property and equipment	(64,265)	-	-	(64,265)
Change in beneficial interest in perpetual trust	(10,750)	-	-	(10,750)
Gifts-in-kind capitalized as property and equipment	(17,625)	-	-	(17,625)
Equity transfer	45,370	(45,370)	-	-
Changes in:				
Grants receivable	244,999	-	-	244,999
Prepaid expenses and other assets	(35,751)	-	-	(35,751)
Gifts-in-kind inventory	(158,269)	-	-	(158,269)
Rent receivable	-	(423,828)	423,828	-
Accounts payable and accrued expenses	139,040	-	-	139,040
Net Cash Used by Operating Activities	(349,800)	(53,241)	-	(403,041)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Cash paid for acquisition of property and equipment	(129,547)	-	-	(129,547)
Net Cash Used by Investing Activities	(129,547)	-	-	(129,547)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Proceeds from contributions and collections on contributions receivable restricted for property and equipment	423,121	-	-	423,121
Proceeds from new debt	550,000	-	-	550,000
Principal payments on debt	(656,200)	-	-	(656,200)
Principal payments on financing lease liabilities	(16,139)	-	-	(16,139)
Net Cash Provided by Financing Activities	300,782	-	-	300,782

(continued)

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# BRIDGEPORT RESCUE MISSION, INC. AND SUBSIDIARY

## Consolidating Statement of Cash Flows

Year Ended June 30, 2023

(continued)

	Bridgeport Rescue Mission, Inc.	BRM Support Corporation	Elimination Entry	Totals
Change in Cash, Cash Equivalents and Restricted Cash	(178,565)	(53,241)	-	(231,806)
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	379,819	622,326	-	1,002,145
Cash, Cash Equivalents and Restricted Cash, End of Year	\$ 201,254	\$ 569,085	\$ -	\$ 770,339
<b>SUPPLEMENTAL DISCLOSURES:</b>				
Cash paid for interest	\$ 52,523	\$ 125,507	\$ -	\$ 178,030
Right-of-use assets obtained in exchange for operating lease liabilities	\$ 10,764,574	\$ -	\$ (10,764,574)	\$ -
Right-of-use assets obtained in exchange for financing lease liabilities	\$ 65,402	\$ -	\$ -	\$ 65,402

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
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
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	<u>(274,069)</u>	<u>75,598</u>	<u>-</u>	<u>(198,471)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Cash paid for acquisition of property and equipment	(1,496,152)	(315,695)	-	(1,811,847)
Net Cash Used by Investing Activities	<u>(1,496,152)</u>	<u>(315,695)</u>	<u>-</u>	<u>(1,811,847)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
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	<u>1,253,806</u>	<u>-</u>	<u>-</u>	<u>1,253,806</u>
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	<u>\$ 379,819</u>	<u>\$ 622,326</u>	<u>\$ -</u>	<u>\$ 1,002,145</u>
<b>SUPPLEMENTAL DISCLOSURES:</b>				
Cash paid for interest	<u>\$ 54,687</u>	<u>\$ 76,091</u>	<u>\$ -</u>	<u>\$ 130,778</u>
Non-cash investing and financing activities:				
Property and equipment acquisitions in accounts payable	<u>\$ -</u>	<u>\$ 45,370</u>	<u>\$ -</u>	<u>\$ 45,370</u>

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