



Batts Morrison
Wales & Lee

CERTIFIED PUBLIC ACCOUNTANTS

Brevard Rescue Mission, Inc. d/b/a New Life Mission

Financial Statements

For The Year Ended June 30, 2023



Batts Morrison
Wales & Lee

CERTIFIED PUBLIC ACCOUNTANTS®

REVIEW REPORT OF INDEPENDENT ACCOUNTANT

The Board of Directors
Brevard Rescue Mission, Inc. d/b/a New Life Mission
Melbourne, Florida

We have reviewed the accompanying financial statements of Brevard Rescue Mission, Inc. d/b/a New Life Mission (“the Organization”), which consist of the statement of financial position as of June 30, 2023, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management’s financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Batts Morrison Wales & Lee, P.A.

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida
May 2, 2024

Batts Morrison Wales & Lee, P.A. • Certified Public Accountants

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BREVARD RESCUE MISSION, INC. D/B/A NEW LIFE MISSION

STATEMENT OF FINANCIAL POSITION

June 30, 2023

ASSETS

ASSETS

Cash and cash equivalents	\$	2,704,689
Other assets		341,345
Property and equipment, net		<u>3,843,532</u>
Total assets	\$	<u>6,889,566</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$	91,580
Long-term debt		<u>1,603,329</u>
Total liabilities		<u>1,694,909</u>

NET ASSETS

Without donor restrictions		4,464,594
With donor restrictions		<u>730,063</u>
Total net assets		<u>5,194,657</u>

Total liabilities and net assets	\$	<u>6,889,566</u>
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BREVARD RESCUE MISSION, INC. D/B/A NEW LIFE MISSION

STATEMENT OF ACTIVITIES

For The Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS			
Contributions	\$ 1,060,152	\$ 100,438	\$ 1,160,590
Special event revenue	592,664	—	592,664
Other revenue	297,398	—	297,398
Net assets released from restrictions	<u>674,915</u>	<u>(674,915)</u>	<u>—</u>
Total public support and revenue and net assets released from restrictions	<u>2,625,129</u>	<u>(574,477)</u>	<u>2,050,652</u>
EXPENSES			
Program activities	<u>1,385,586</u>	<u>—</u>	<u>1,385,586</u>
Supporting activities			
Management and general	381,578	—	381,578
Fundraising	<u>120,878</u>	<u>—</u>	<u>120,878</u>
Total supporting activities	<u>502,456</u>	<u>—</u>	<u>502,456</u>
Total expenses	<u>1,888,042</u>	<u>—</u>	<u>1,888,042</u>
CHANGE IN NET ASSETS	737,087	(574,477)	162,610
NET ASSETS - Beginning of year	<u>3,727,507</u>	<u>1,304,540</u>	<u>5,032,047</u>
NET ASSETS - End of year	<u>\$ 4,464,594</u>	<u>\$ 730,063</u>	<u>\$ 5,194,657</u>

See Accompanying Notes and
Review Report of Independent Accountant

BREVARD RESCUE MISSION, INC. D/B/A NEW LIFE MISSIONSTATEMENT OF CASH FLOWS
For The Year Ended June 30, 2023**OPERATING CASH FLOWS**

Change in net assets	\$	162,610
Adjustments to reconcile change in net assets to operating cash flows		
Depreciation		75,123
Change in other assets		315,504
Change in accounts payable and accrued expenses		<u>29,716</u>

Net operating cash flows 582,953

INVESTING CASH FLOWS

Purchases of and improvements to property and equipment		<u>(289,210)</u>
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Net investing cash flows (289,210)

FINANCING CASH FLOWS

Principal repayments		<u>(96,690)</u>
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Net financing cash flows (96,690)

NET CHANGE IN CASH AND CASH EQUIVALENTS 197,053

CASH AND CASH EQUIVALENTS - Beginning of year 2,507,636

CASH AND CASH EQUIVALENTS - End of year \$ 2,704,689

BREVARD RESCUE MISSION, INC. D/B/A NEW LIFE MISSION**STATEMENT OF FUNCTIONAL EXPENSES**

For The Year Ended June 30, 2023

	Supporting Activities				Total Expenses
	Program Activities	General and Administrative	Fundraising	Total	
Salaries and benefits	\$ 641,288	\$ 231,242	\$ 3,914	\$ 235,156	\$ 876,444
Other	104,028	55,339	37,029	92,368	196,396
Repairs	118,940	15,368	—	15,368	134,308
Cost of household goods and supplies distributed	112,718	—	—	—	112,718
Information technology	70,471	19,426	2,721	22,147	92,618
Occupancy	75,263	17,159	—	17,159	92,422
Insurance	78,963	10,749	—	10,749	89,712
Advertising	253	333	76,883	77,216	77,469
Depreciation	63,922	11,201	—	11,201	75,123
Interest	61,434	—	—	—	61,434
Professional services	32,888	20,761	331	21,092	53,980
Grants	25,418	—	—	—	25,418
Total	\$ 1,385,586	\$ 381,578	\$ 120,878	\$ 502,456	\$ 1,888,042

See Accompanying Notes and
Review Report of Independent Accountant

BREVARD RESCUE MISSION, INC. D/B/A NEW LIFE MISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE A – NATURE OF ACTIVITIES

Brevard Rescue Mission, Inc. d/b/a New Life Mission (“the Organization”) is a Florida not-for-profit corporation. The Organization’s mission is to equip homeless mothers to transform their families for generations in a Christ-centered environment. Through education, accountability, and goal advancement, the Organization empowers families to become self-sufficient and break the cycle of homelessness. The Organization operates four campuses located in Brevard County, Florida.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Contributions

The Organization recognizes cash contributions when the contributions are received by the Organization. Contributions received are recorded as without or with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as “net assets released from restrictions.”

Special event revenue

Special event revenue is reported at the amount that reflects the consideration the Organization expects to be entitled for hosting the related event. Such amounts are generally due from event attendees and sponsors. Revenue is recognized upon completion of the event.

Performance obligations for event revenue are determined based on the nature of the goods and services provided by the Organization. The Organization measures the performance obligation for event revenue from the point of registration through the completion of the event. The Organization determines the transaction price for event revenue based on a fee schedule or retail price.

Cash and cash equivalents

The Organization considers investment instruments purchased or donated with original maturities of three months or less to be cash equivalents.

Property and equipment

Property and equipment are stated at cost, if purchased, or estimated fair value on the date of donation, if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets.

Net assets

Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes. Net assets with donor restrictions consist of amounts with uses limited by donor-imposed time and/or purpose restrictions.

Functional allocation of expenses

The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Indirect costs that benefit multiple functional areas are allocated among the functional areas based primarily on employee time and space utilization.

Income taxes

The Organization is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and from state income tax pursuant to Florida law. The Organization is further classified as a public charity and not as a private foundation for federal tax purposes. The Organization has not incurred unrelated business income taxes. As a result, no income tax liability has been provided for in the accompanying financial statements.

BREVARD RESCUE MISSION, INC. D/B/A NEW LIFE MISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those related to estimating the useful lives of property and equipment. Actual results could differ from the estimates.

Subsequent events

The Organization has evaluated for possible financial reporting and disclosure subsequent events through the date of the review report of independent accountant, the date as of which the financial statements were available to be issued.

NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure within one year of the date of the statement of financial position are as follows:

Financial assets available:	
Cash and cash equivalents	\$ 2,704,689
Receivables, net (included in "other assets")	<u>293,813</u>
Total financial assets available within one year	2,998,502
Less:	
Amounts unavailable for general expenditure within one year, due to donor-imposed restrictions	<u>(628,379)</u>
Net financial assets available within one year	<u>\$ 2,370,123</u>

The Organization is primarily supported by contributions and special event revenue. As part of the Organization's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has certain assets limited to use for donor-restricted purposes. Because a donor's restriction requires resources to be used in a specific manner or in a future period, the Organization must maintain sufficient resources to meet its responsibilities to its donors. Thus, those financial assets may not be available for general expenditure within the next year, and are excluded from net financial assets available to meet general expenditure within one year. Other donor-restricted net assets are available for general expenditure within one year, because the restrictions are expected to be met by conducting the normal activities of the Organization's programs in the coming year.

Management believes the Organization has sufficient assets available for general operations that may be drawn upon in the event of unanticipated financial distress or an immediate liquidity need.

NOTE D – CONCENTRATIONS

The Organization generally maintains its cash and cash equivalents in federally insured deposit accounts, though amounts held in such accounts may exceed federally insured limits. The Organization has not experienced any losses in such accounts, and the Organization believes it is not exposed to any significant credit risk related to cash and cash equivalents.

BREVARD RESCUE MISSION, INC. D/B/A NEW LIFE MISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE D – CONCENTRATIONS (Continued)

Approximately 30% (or approximately \$354,000) of the Organization’s contributions were received from members of the Organization’s Board of Directors or entities in which they or their family members have an ownership interest.

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

<u>Category</u>	
Land	\$ 1,633,585
Buildings and building improvements	2,368,868
Furniture and equipment	39,418
Vehicles	<u>96,201</u>
Total property and equipment	4,138,072
Less: Accumulated depreciation	<u>(294,540)</u>
Net property and equipment	<u>\$ 3,843,532</u>

Depreciation expense amounted to \$75,123 during the year ended June 30, 2023.

NOTE F – NOTE PAYABLE

The Organization's note payable consists of a promissory note payable to a bank in an amount up to \$1,800,000 and contains a financial covenant which requires the Organization to maintain a minimum debt service coverage ratio, as described in the loan documents. The promissory note is payable in monthly installments of principal and interest at a fixed rate of 3.49% per annum. The note is secured by certain real and personal property and matures in May 2036.

Approximate future maturities of the note payable are as follows:

<u>Year Ending</u> <u>June 30,</u>	
2024	\$ 101,000
2025	104,000
2026	108,000
2027	112,000
2028	116,000
Thereafter	<u>1,062,000</u>
Total	<u>\$ 1,603,000</u>

Interest paid and interest expense amounted to \$61,434 during the year ended June 30, 2023.

BREVARD RESCUE MISSION, INC. D/B/A NEW LIFE MISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE G – NET ASSETS WITH DONOR RESTRICTIONS

Activity for net assets with donor restrictions consisted of the following:

	<u>Balance July 1</u>	<u>Contributions and Transfers</u>	<u>Releases</u>	<u>Balance June 30</u>
Building fund	\$ 598,400	\$ 420,149	\$ (664,839)	\$ 353,710
Building fund – unconditional promises to give, time restricted	594,380	(319,711)	—	274,669
Educational programs	<u>111,760</u>	<u>—</u>	<u>(10,076)</u>	<u>101,684</u>
Total	<u>\$ 1,304,540</u>	<u>\$ 100,438</u>	<u>\$ (674,915)</u>	<u>\$ 730,063</u>

The “building fund” was established in a prior year to purchase, renovate, and operate new property. Donor restrictions for the “building fund” can be satisfied by the purchase of long-term capital assets, principal repayments of debt, and the operating expenditures for the Organization’s Village and Kid’s Academy programs and facilities.

\$319,711 of “building fund” contributions and transfers consist of amounts transferred from “building fund – unconditional promises to give, time restricted.” Such transfers are recognized when amounts from unconditional promises to give are received.

NOTE H – RETIREMENT PLAN

The Organization sponsors a SIMPLE IRA plan (“the Plan”) for the benefit of eligible employees. Eligible employees may make elective deferrals to the Plan up to the maximum amount allowed by the Internal Revenue Code. The Organization provides up to a 3% non-elective employer contribution of an eligible employee’s compensation. The Organization contributed approximately \$8,000 to the Plan during the year ended June 30, 2023.