

STREETLIGHT MISSION, INC.

FINANCIAL STATEMENTS

**For the Year Ended
December 31, 2011**

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STREETLIGHT MISSION, INC.

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1.
FINANCIAL STATEMENTS:	
Statement of Financial Position	2.
Statement of Activities	3.
Statement of Cash Flows	4.
Statement of Functional Expenses	5.
Notes to the Financial Statements	6.



Board of Trustees
Streetlight Mission, Inc.
Elizabeth, New Jersey

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of financial position of Streetlight Mission, Inc. (the Mission) as of December 31, 2011, and the related statements of activity, cash flows, and of functional expenses for the year then ended. These financial statements are the responsibility of the management of the Mission. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Mission's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Streetlight Mission, Inc. as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Lambides, Arnold, Moulthrop LLP

September 18, 2012

STREETLIGHT MISSION, INC.

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011**

ASSETS:

Cash and cash equivalents	\$ 121,119
Inventories	10,775
Prepaid expenses	9,308
Furniture and equipment	44,242
Vehicles	<u>14,776</u>
Total assets	<u>\$ 200,220</u>

LIABILITIES AND NET ASSETS:

Liabilities:

Accounts payable and accrued expenses	\$ 9,964
Payroll tax liability	<u>2,226</u>
Total liabilities	<u>12,190</u>
Net assets - Unrestricted	<u>188,030</u>
Total liabilities and net assets	<u>\$ 200,220</u>

STREETLIGHT MISSION, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>UNRESTRICTED</u>	TEMPORARILY <u>RESTRICTED</u>	<u>TOTAL</u>
Revenues, Gains, and Other Support:			
Contributions and offerings	\$ 321,097	\$ 56,600	\$ 377,697
Gifts-in-kind	217,148		217,148
Salvage materials contributed:			
Sale of clothing	1,660		1,660
Special events net of direct expense of \$7,101	30,864		30,864
Investment income	415		415
Net assets released from restrictions	<u>56,600</u>	<u>(56,600)</u>	<u>-</u>
Total revenue, gains, and other support	<u>627,784</u>	<u>-</u>	<u>627,784</u>
Expenses:			
Program services:	<u>512,825</u>		<u>512,825</u>
Supporting services:			
Management and general	60,011		60,011
Promotion	<u>35,441</u>		<u>35,441</u>
Total supporting services	<u>95,452</u>		<u>95,452</u>
Total expenses	<u>608,277</u>		<u>608,277</u>
Change in Net Assets	19,507		19,507
Net Assets at Beginning of Year	<u>168,523</u>	<u>-</u>	<u>168,523</u>
Net Assets at End of Year	<u>\$ 188,030</u>	<u>\$ -</u>	<u>\$ 188,030</u>

STREETLIGHT MISSION, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Cash Flows from Operating Activities:	
Change in net assets	\$ 19,507
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	13,964
(Increase) decrease in:	
Inventories	(7,275)
Prepaid expenses	(9,308)
Increase in accounts payable and accrued expenses	209
Decrease in payroll tax liability	(27)
Net cash provided by operating activities	<u>17,070</u>
Cash Flows from Investing Activities:	
Purchase of equipment	<u>(34,361)</u>
Net cash used by investing activities	<u>(34,361)</u>
Net Decrease in Cash and Cash Equivalents	(17,291)
Cash and Cash Equivalents at Beginning of Year	<u>138,410</u>
Cash and Cash Equivalents at End of Year	<u>\$ 121,119</u>

See notes to the financial statements.

Exhibit C

STREETLIGHT MISSION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

	SUPPORTING SERVICES				TOTAL
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	PROMOTION	TOTAL	EXPENSES
Compensation	\$ 96,220	\$ 20,618	\$ 20,619	\$ 41,237	\$ 137,457
Payroll taxes and benefits	21,036	4,508	4,508	9,016	30,052
Total salary and related expenses	117,256	25,126	25,127	50,253	167,509
Professional fees		5,640		5,640	5,640
Direct services to individuals and families	343,228			-	343,228
Publicity and promotion			2,531	2,531	2,531
General administration	3,360	3,360	3,360	6,720	10,080
Information technology	4,423	4,423	4,423	8,846	13,269
Occupancy	38,952			-	38,952
Travel	5,606			-	5,606
Conferences and meetings		6,704		6,704	6,704
Dues and fees		794		794	794
Total expenses before depreciation	512,825	46,047	35,441	81,488	594,313
Depreciation		13,964		13,964	13,964
Total expenses	\$ 512,825	\$ 60,011	\$ 35,441	\$ 95,452	\$ 608,277

STREETLIGHT MISSION, INC.

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

1. Organization:

Streetlight Mission, Inc. (the Mission) is a non-profit religious corporation exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Mission is a faith-based community outreach center located in Elizabeth, New Jersey, serving men, women, and children of Union County who struggle with poverty, mental illness, substance abuse, and, most of all, hopelessness.

2. Summary of Significant Accounting Policies:

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

(a) Accrual Basis Financial Statements

The accompanying combined financial statements have been prepared on the accrual basis and conform to accounting principles generally accepted in the United States of America and in accordance with the principles of not-for-profit accounting.

(b) Net Assets

The net assets of the Mission and changes therein are classified and reported as follows:

- Unrestricted net assets include all resources which are not subject to donor imposed restrictions of a more specific nature than those which only obligate the Mission to utilize funds in furtherance of its mission.
- Temporarily restricted net assets carry specific, donor-imposed restrictions on the expenditure or other use of contributed funds. Temporary restrictions may expire either because certain actions are taken by the organization which fulfill the restrictions or because of the passage of time. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.
- Permanently restricted net assets are those that are subject to donor-imposed restrictions which will never lapse, thus requiring that the funds be permanently retained. Generally, the donors of these funds permit the organization to use all or part of the income earned on related investments, and the net capital appreciation thereon, for general or specific purposes.

Continued

STREETLIGHT MISSION, INC.

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

2. Summary of Significant Accounting Policies: (continued)

(c) *Contributions*

Contributions are recorded as revenue upon receipt of cash or unconditional promises to give (pledges). Contributions are considered available for unrestricted use unless specifically restricted by the donor.

(d) *Furniture and Equipment*

Furniture and equipment are stated at cost or, if donated, at the fair value at the date of the gift. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Computer, video, and sound equipment	3-7 years
Furniture and equipment	3-10 years
Appliances	4-10 years
Vehicles	5 years

(e) *Cash and Cash Equivalents*

Cash and cash equivalents include cash on hand and in bank.

(f) *Inventories*

Inventories, consisting primarily of donated food, clothing and other items are stated at cost.

(g) *Gifts-In-Kind*

Donations of food, clothing, and other items are recorded at the fair value at the date of the gifts. Program expense is recorded to the extent that donated items are distributed to individuals and families during the year.

(h) *Estimates*

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Continued

STREETLIGHT MISSION, INC.

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

3. Inventories:

Inventories consist of the following:

Clothing, coats, and shoes	\$ 4,000
Small office items	375
Food	4,000
Toiletries	100
School supplies	100
Healthcare supplies	700
Other	<u>1,500</u>
Total	<u>\$ 10,775</u>

4. Furniture and Equipment:

Equipment used in operations consisted of the following at December 31, 2011:

Furniture	\$ 26,695
Computer, video and sound equipment	24,397
Appliances	11,705
Automotive equipment	<u>23,511</u>
Total	86,308
Less-accumulated depreciation	<u>(27,290)</u>
Net equipment	<u>\$ 59,018</u>

5. Net assets Released from Restrictions:

Net assets released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors are as follows:

Food pantry	\$ 50,000
Freezer and trailer	<u>6,600</u>
	<u>\$ 56,600</u>

6. Subsequent Events:

In preparing these financial statements, the Mission has evaluated events and transactions for potential recognition or disclosure through September 18, 2012, the date the financial statements were available to be issued.

Concluded