

**The StreetLight Mission, Inc.,  
a New Jersey Non-Profit Corporation  
Financial Statements  
December 31, 2013 and 2012**



**The StreetLight Mission, Inc.,  
a New Jersey Non-Profit Corporation**  
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**December 31, 2013 and 2012**

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## **Independent Auditors' Report**

**To the Board of Trustees of**

**The StreetLight Mission, Inc., a New Jersey Non-Profit Corporation**

We have audited the accompanying financial statements of The StreetLight Mission, Inc. (the "Mission"), which comprise the statements of financial position as of December 31, 2013, and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements. The financial statements of the Mission as of December 31, 2012 were audited by other auditors, whose report dated July 17, 2013 expressed an unqualified opinion on those statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the 2013 financial statements referred to above present fairly, in all material respects, the financial position of the Mission as of December 31, 2013, and the results of its activities and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "Wilkin & Guttenplan". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

East Brunswick, New Jersey

September 9, 2014

**The StreetLight Mission, Inc.**  
**a New Jersey Non-Profit Corporation**  
**Statements of Financial Position**  
**December 31, 2013 and 2012**

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	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 334,521	\$ 80,145
Inventory	1,125	-
Prepaid expenses	<u>15,396</u>	<u>2,079</u>
<b>Total Current Assets</b>	351,042	82,224
Construction in progress	726,369	109,991
Property and equipment, net	<u>55,200</u>	<u>43,833</u>
<b>Total Assets</b>	<u>\$ 1,132,611</u>	<u>\$ 236,048</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	<u>\$ 12,822</u>	<u>\$ 14,080</u>
<b>Commitments and Contingencies</b>		
<b>Net Assets</b>		
Unrestricted net assets	817,882	111,968
Temporarily restricted net assets	<u>301,907</u>	<u>110,000</u>
<b>Total Net Assets</b>	<u>1,119,789</u>	<u>221,968</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 1,132,611</u>	<u>\$ 236,048</u>

The accompanying notes are an integral part of these financial statements.

**The StreetLight Mission, Inc.**  
**a New Jersey Non-Profit Corporation**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenues</b>			
Contributions and offerings	\$ 306,220	\$ 845,500	\$ 1,151,720
Gifts-in-kind	421,608	-	421,608
Salvage materials contributed - sale of clothing	1,488	-	1,488
Special events, net of direct expenses of \$16,547	38,395	-	38,395
Investment income	309	-	309
Net asset released from restriction, satisfied by payment	653,593	(653,593)	-
<b>Total Revenues</b>	<u>1,421,613</u>	<u>191,907</u>	<u>1,613,520</u>
<b>Expenses</b>			
Program services	583,741	-	583,741
Supporting services - management and general	81,490	-	81,490
Supporting services - promotion	50,468	-	50,468
<b>Total Expenses</b>	<u>715,699</u>	<u>-</u>	<u>715,699</u>
<b>Change in Net Assets</b>	705,914	191,907	897,821
<b>Net Assets - Beginning of Year</b>	<u>111,968</u>	<u>110,000</u>	<u>221,968</u>
<b>Net Assets - End of Year</b>	<u><u>\$ 817,882</u></u>	<u><u>\$ 301,907</u></u>	<u><u>\$ 1,119,789</u></u>

The accompanying notes are an integral part of these financial statements.

**The StreetLight Mission, Inc.**  
**a New Jersey Non-Profit Corporation**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2012**

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenues</b>			
Contributions and offerings	\$ 306,564	\$ 130,000	\$ 436,564
Gifts-in-kind	327,355	-	327,355
Salvage materials contributed - sale of clothing	1,608	-	1,608
Special events, net of direct expenses of \$8,059	12,899	-	12,899
Investment income	165	-	165
Net asset released from restriction, satisfied by payment	20,000	(20,000)	-
<b>Total Revenues</b>	<u>668,591</u>	<u>110,000</u>	<u>778,591</u>
<b>Expenses</b>			
Program services	603,200	-	603,200
Supporting services - management and general	91,371	-	91,371
Supporting services - promotion	50,082	-	50,082
<b>Total Expenses</b>	<u>744,653</u>	<u>-</u>	<u>744,653</u>
<b>Change in Net Assets</b>	(76,062)	110,000	33,938
<b>Net Assets - Beginning of Year</b>	<u>188,030</u>	<u>-</u>	<u>188,030</u>
<b>Net Assets - End of Year</b>	<u>\$ 111,968</u>	<u>\$ 110,000</u>	<u>\$ 221,968</u>

The accompanying notes are an integral part of these financial statements.

**The StreetLight Mission, Inc.**  
**a New Jersey Non-Profit Corporation**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 897,821	\$ 33,938
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	21,027	16,897
Changes in operating assets and liabilities		
Inventory	(1,125)	10,775
Prepaid expenses	(13,317)	7,229
Accounts payable and accrued expenses	(1,258)	4,116
Payroll taxes payable	-	(2,226)
	<u>903,148</u>	<u>70,729</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of property and equipment	(32,394)	(1,712)
Expenditures for construction in progress	(616,378)	(109,991)
	<u>(648,772)</u>	<u>(111,703)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	254,376	(40,974)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>80,145</u>	<u>121,119</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 334,521</u>	<u>\$ 80,145</u>
<b>Supplemental Disclosure</b>		
Noncash investing transaction:		
Capitalization of donated services	<u>\$ 85,709</u>	<u>\$ 33,547</u>

The accompanying notes are an integral part of these financial statements.



**The StreetLight Mission, Inc.**  
**a New Jersey Non-Profit Corporation**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2013**

	Program Services	Supporting Services			Total
		Management and General	Promotion	Total Supporting Services	
Compensation	\$ 115,985	\$ 24,854	\$ 24,854	\$ 49,708	\$ 165,693
Payroll taxes and related expenses	20,150	4,318	4,318	8,636	28,786
Total salary and related expenses	136,135	29,172	29,172	58,344	194,479
Professional fees	-	11,288	-	11,288	11,288
Direct services to individuals and families	378,850	-	-	-	378,850
Small business	343	-	-	-	343
Publicity and promotion	-	-	14,839	14,839	14,839
General administration	2,720	2,720	2,720	5,440	8,160
Information technology	3,737	3,737	3,737	7,474	11,211
Occupancy	43,745	-	-	-	43,745
Travel	5,224	-	-	-	5,224
Conferences and meetings	-	12,220	-	12,220	12,220
Dues and fees	-	1,326	-	1,326	1,326
Insurance	12,987	-	-	-	12,987
Total expenses before depreciation	583,741	60,463	50,468	110,931	694,672
Depreciation	-	21,027	-	21,027	21,027
<b>Total Expenses</b>	<b>\$ 583,741</b>	<b>\$ 81,490</b>	<b>\$ 50,468</b>	<b>\$ 131,958</b>	<b>\$ 715,699</b>

The accompanying notes are an integral part of these financial statements.

**The StreetLight Mission, Inc.**  
**a New Jersey Non-Profit Corporation**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2012**

	Program Services	Supporting Services			Total
		Management and General	Promotion	Total Supporting Services	
Compensation	\$ 111,910	\$ 23,981	\$ 23,981	\$ 47,962	\$ 159,872
Payroll taxes and related expenses	21,337	4,572	4,572	9,144	30,481
Total salary and related expenses	133,247	28,553	28,553	57,106	190,353
Professional fees	-	11,241	-	11,241	11,241
Direct services to individuals and families	420,929	-	-	-	420,929
Small business	3,280	-	-	-	3,280
Publicity and promotion	-	-	12,360	12,360	12,360
General administration	5,268	5,268	5,268	10,536	15,804
Information technology	3,901	3,901	3,901	7,802	11,703
Occupancy	34,479	-	-	-	34,479
Travel	2,096	-	-	-	2,096
Conferences and meetings	-	8,384	-	8,384	8,384
Dues and fees	-	2,400	-	2,400	2,400
Insurance	-	14,727	-	14,727	14,727
Total expenses before depreciation	603,200	74,474	50,082	124,556	727,756
Depreciation	-	16,897	-	16,897	16,897
<b>Total Expenses</b>	<b>\$ 603,200</b>	<b>\$ 91,371</b>	<b>\$ 50,082</b>	<b>\$ 141,453</b>	<b>\$ 744,653</b>

The accompanying notes are an integral part of these financial statements.

**The StreetLight Mission, Inc.,  
a New Jersey Non-Profit Corporation  
Notes to the Financial Statements  
December 31, 2013 and 2012**

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**Note 1 Nature of the Organization**

The StreetLight Mission, Inc., (the "Mission"), a New Jersey non-profit corporation, was organized in 2008 under the laws of the State of New Jersey. The Mission is a faith based community outreach center location 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.

**Note 2 Summary of Significant Accounting Policies**

**Estimates**

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, the Mission is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Basis of Presentation**

The Mission prepares its financial statements according to three classes of net assets as follows:

**Unrestricted Net Assets**

Unrestricted net assets are not subject to any donor imposed stipulations. Revenues are reported as increases in unrestricted net assets. Expenses are reported as decreases in unrestricted net assets.

**Temporarily Restricted Net Assets**

Temporarily restricted net assets result from grants and other contributions that are received with donor stipulations that limit the use of the donated assets. 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 are reported as reclassifications between the applicable classes of net assets.

**Permanently Restricted Net Assets**

Permanently restricted net assets result from grants and other contributions that are received with permanent donor restrictions that limit the use of the donated assets. The Mission has no permanently restricted net assets.

**Cash and Cash Equivalents**

Cash is held in bank deposit accounts which, at times, may exceed federally insured limits. All highly liquid financial instruments with a maturity date of 90 days or less when purchased are considered to be cash equivalents.

**The StreetLight Mission, Inc.,  
a New Jersey Non-Profit Corporation**  
**Notes to the Financial Statements**  
**December 31, 2013 and 2012**

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**Note 2      Summary of Significant Accounting Policies (Continued)**

**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.

**Property and Equipment**

Property and equipment is stated at cost. Depreciation and amortization is computed using the straight-line method over the estimated lives of the assets: 3-7 years for equipment, 4-10 years for appliances, 5 years for vehicles and 3-10 years for furniture and fixtures. Repairs and maintenance, which do not extend the useful lives of the related assets, are expensed as incurred.

The Mission reviews the carrying value of property and equipment whenever events and circumstances indicate that the carrying value of an asset may not be coverable from the estimated future cash flows expected to result from its eventual use and disposition. Based on this assessment, the Mission has determined that there was no impairment.

**Inventory**

Inventory, consisting primarily of donated food, clothing and other items, is stated at fair value.

**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.

**Income Taxes**

The Mission is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from filing federal and state income tax returns on its exempt activities. The Mission did not conduct any unrelated business activities and, therefore, has made no provision for income taxes. The Mission's prior three years tax returns as filed remain open for examination by the respective tax authority.

**Functional Expenses**

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**The StreetLight Mission, Inc.,  
a New Jersey Non-Profit Corporation**  
Notes to the Financial Statements  
December 31, 2013 and 2012

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**Note 2 Summary of Significant Accounting Policies (Continued)**

**Subsequent Events**

The Mission has evaluated subsequent events and transactions for potential recognition or disclosure through the date of the auditors' report, which is the date the financial statements were available to be issued.

**Note 3 Property and Equipment**

Property and equipment consists of the following:

	<u>Year Ended December 31,</u>	
	<u>2013</u>	<u>2012</u>
Furniture and equipment	\$ 58,198	\$ 52,804
Appliances	11,705	11,705
Vehicles	<u>50,511</u>	<u>23,511</u>
Total property and equipment	120,414	88,020
Less: accumulated depreciation	<u>(65,214)</u>	<u>(44,187)</u>
Total Property and Equipment, Net	<u>\$ 55,200</u>	<u>\$ 43,833</u>

Depreciation expense amounted to \$21,027 and \$16,897 for the years ended December 31, 2013 and 2012, respectively.

**Note 4 Construction in Progress**

Construction in Progress consists of the purchase and development of real estate in Elizabeth, New Jersey. Preliminary costs were incurred in 2012 and the actual purchase and commencement of construction took place in 2013. See also Note 9.

**Note 5 Donated Services**

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, or would otherwise be purchased by the Mission. Volunteers also provide fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Contributed services received were used for the construction in progress located in Elizabeth, New Jersey, and totaled \$85,709 and \$33,547 for the years ended December 31, 2013 and 2012, respectively.

**The StreetLight Mission, Inc.,  
a New Jersey Non-Profit Corporation**  
Notes to the Financial Statements  
December 31, 2013 and 2012

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**Note 6 Temporarily Restricted Net Assets**

Temporarily restricted net assets consisted of \$301,907 and \$110,000 as of December 31, 2013 and 2012, respectively, in funds received for the purchase of equipment, land and building and renovation of the building.

**Note 7 Net Assets Released from Restrictions**

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

	<u>Year Ended December 31,</u>	
	<u>2013</u>	<u>2012</u>
Building purchase and renovation	\$ 607,093	\$ -
Food and clothing service	25,000	5,000
Mentoring programs	16,500	10,000
Inner city poverty	5,000	-
Christmas party	<u>-</u>	<u>5,000</u>
	<u>\$ 653,593</u>	<u>\$ 20,000</u>

**Note 8 Commitments**

The Mission acquired land and a building during 2013 which is now in the process of being renovated in order to use for its operations. The total cost of the project is anticipated to be approximately \$3,400,000.

**Note 9 Related Party Transaction**

The Mission used the services of a former Board member to provide the general contracting services on its construction project. Total payments for these services were \$30,000 during the year ended December 31, 2013. The related party stepped down as general contractor subsequent to the end of the year.