

**LIGHTHOUSE MISSION OUTREACH INC**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

*Mark A. Caulo*  
Certified Public Accountant, PC

**LIGHTHOUSE MISSION OUTREACH INC**  
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**FOR THE YEAR ENDED DECEMBER 31, 2017**

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Board of Directors  
Lighthouse Mission Outreach Inc.  
1543 Montauk Highway  
Bellport, New York 11713

We have audited the accompanying statements of financial position of Lighthouse Mission Outreach Inc, a not for profit corporation, as of December 31, 2017 and related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Lighthouse Mission Outreach Inc's management. 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis of our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of Lighthouse Mission Outreach Inc, as of December 31, 2017 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.



Mark A. Caulo CPA PC

East Islip, NY  
May 15, 2018

# LIGHTHOUSE OUTREACH MISSION INC

## Statement of Financial Position

As of December 31, 2017

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### ASSETS

#### Current Assets

Cash in Bank	\$ 585,056
Grants Receivable	-

**Total Current Assets** \$ 585,056

#### Fixed Assets - (Note 1)

Automobile & Trucks	\$ 73,495
Office Equipment	\$ 7,332
Leasehold Improvements	104,147

**Total Fixed Assets** \$ 184,974  
Less: Accumulated Depreciation (150,271)

**Net Fixed Assets** \$ 34,703

**Total Assets** \$ 619,759

### LIABILITIES AND NET ASSETS

#### Current Liabilities

Accrued Expenses	\$ 21,431
Payroll & Sales Taxes Payable	3,638

**Total Current Liabilities** \$ 25,069

**Total Liabilities** \$ 25,069

#### Net Assets

Unrestricted	594,690
Restricted	-

**Total Net Assets** \$ 594,690

**Total Liabilities and Net Assets** \$ 619,759

The accompanying notes are an integral part of the financial statements

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# LIGHTHOUSE OUTREACH MISSION INC.

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2017

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	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Donated Food , Services & Assets	\$ 1,512,800	\$ -	\$ 1,512,800
Individual Donations	376,256	-	376,256
Corporate Donations	87,250	-	87,250
Grants	-	47,525	47,525
Churches & Ministries Donations	140,683	-	140,683
Sale of Donated Clothing	49,514	-	49,514
Miscellaneous Donations	1,995	-	1,995
<b>Total Support and Revenue</b>	<b>\$ 2,168,498</b>	<b>\$ 47,525</b>	<b>\$ 2,216,023</b>
Program Services	1,975,803	47,525	2,023,328
Management and General	49,612	-	49,612
Fundraising	18,660	-	18,660
<b>Total Expenses</b>	<b>\$ 2,044,075</b>	<b>\$ 47,525</b>	<b>\$ 2,091,600</b>
<b>Change in Net Assets</b>	<b>\$ 124,423</b>	<b>\$ -</b>	<b>\$ 124,423</b>
<b>Net Assets Beginning of Year</b>	<b>\$ 470,267</b>	<b>\$ -</b>	<b>\$ 470,267</b>
<b>Net Assets - End of Year</b>	<b>\$ 594,690</b>	<b>\$ -</b>	<b>\$ 594,690</b>

The accompanying footnotes are an integral part of the financial statements

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# LIGHTHOUSE MISSION OUTREACH INC.

## Statement of Functional Expenses

FOR THE YEAR ENDED DECEMBER 31, 2017

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<u>Functional Expenses</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Food Distribution & Ministry Programs	\$ 1,566,712	\$ -	\$ -	\$ 1,566,712
Payroll	201,676	27,870	10,022	239,568
Food Transportation, Storage & Distribution	97,466	-	-	97,466
Miscellaneous	27,876	3,270	1,635	32,781
Building Repairs, Supplies & Rubbish Removal	24,982	2,939	1,469	29,390
Telephone & Utilities	23,057	2,713	1,356	27,126
Office, Postage & Printing	23,047	7,162	1,349	31,558
Insurances	21,119	2,485	1,242	24,846
Payroll Taxes	18,952	2,230	1,115	22,297
Depreciation	10,415	-	-	10,415
Professional Fees	8,026	944	472	9,442
<b>Total Functional Expenses</b>	<b>\$ 2,023,328</b>	<b>\$ 49,613</b>	<b>\$ 18,660</b>	<b>\$ 2,091,601</b>

**The accompanying notes are an integral part of the financial statements**

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# LIGHTHOUSE MISSION OUTREACH INC

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

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### Cash Flows from Operating Activities

Change on Net assets	\$ 124,423
Adjustments to reconcile change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation Expenses	10,415
 Increase (Decrease) in cash resulting from changes in Operating Assets and Liabilities	
Increase (Decrease) in Accruals	(1,668)
Increase (Decrease) in Taxes Payable	<u>(441)</u>
 <b>Net Cash provided by Operating Activities</b>	 <b><u>132,729</u></b>
 <b>Cash Flow from Investing Activities</b>	
Purchase of Trucks	-
Investment in Leasehold Improvements	<u>-</u>
 <b>Net Cash used from Investing Activities</b>	 <b><u>-</u></b>
 <b>Cash Flow from Financing Activities</b>	
Loan Proceeds	<u>-</u>
 <b>Net Cash From Financing Activities</b>	 <b><u>-</u></b>
 <b>Net Increase in Cash</b>	 <b><u>132,729</u></b>
 <b>Cash Begining of Year</b>	 <b><u>452,327</u></b>
 <b>Cash End of Year</b>	 <b><u><u>\$ 585,056</u></u></b>

The accompanying footnotes are an integral part of the financial statements

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**Lighthouse Mission Outreach Inc.**  
**Notes to Financial Statements**  
**December 31, 2017**

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**Note-1 Nature of Operations**

Lighthouse Mission Outreach Inc is a food bank using a food and clothing rescue model that serves as conduit between contributors who have surplus food and individuals, corporations and faith based ministries and churches that donate funds, food and clothing to those who are economically disadvantaged, unemployed or are in physically abused relationships. Founded in 2006 as a ministry of the Lighthouse Mission Church, the organizations mission is to end hunger and minister spiritually to those in need.

The organization distributes thousands of food packages and other household essentials daily through its mobile outreach programs in various towns in Suffolk County. Recipients are families who are either homeless or economically unable to support the needs of their families and children.

The organization also has annual Thanksgiving, Christmas and back to school outreach programs where food , toys for needy and homeless children, school back packs and essential supplies are provided to those in need through their mobile outreach and the new state of the art corporate head quarters and warehousing facility.

Lighthouse Mission Outreach Inc is intimately involved with the community, local churches, food banks, government and community leaders to educate and inform the public about the problem of hunger and need for spiritual and faith based guidance and assistance here on Long Island.

**Note -2 Summary of Significant Accounting Principals**

The summary of significant accounting principals of Lighthouse Mission Outreach Inc is presented to assist in the understanding of the organizations financial statements. These accounting principles conform to accounting principals generally accepted in the United States of America and have been consistently applied in the preparation of these financial statements.

**Lighthouse Mission Outreach Inc.**  
**Notes to Financial Statements**  
**December 31, 2017**

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**Cash and Cash Equivalents**

Lighthouse Mission Outreach Inc. considers all unrestricted, highly liquid short term investments with maturities of ninety days or less to be cash and cash equivalents.

**Income Tax Status**

The Internal Revenue Service has determined that organization Lighthouse Mission is a not for profit entity pursuant to section 501(c)(3) of the Internal Revenue Code. Therefore they are exempt from federal income taxes pursuant to Section 509(a) of the code. All donations made to Light House Mission Outreach Inc. qualify for the charitable contribution deductions under Section 170(b)(1)(A) of the Internal Revenue code.

**Net Assets**

The net assets of Lighthouse Mission Outreach Inc and changes therein are classified and reported as three classes of Net Assets.

**Permanently Restricted** - Net assets from contributions are limited by donor imposed stipulations that do not expire by the passage of time.

**Temporarily Restricted** – Net asset from contributions are limited by donor imposed stipulations that either expire by passage of time or can be satisfied and removed by actions of the Organization pursuant to those stipulations.

**Unrestricted** - Net assets from contributions with no limitations or stipulations imposed by the donor.

**Revenue Recognition**

Lighthouse Mission Outreach Inc. uses accounting principles generally accepted in the United States of America for accounting for contributions received and contributions made. The Organization recognizes contributions and grant revenues when they are received or unconditionally pledged.

Lighthouse Mission recognizes revenue on grants when the expenditures under the qualified programs are incurred. Revenue received under any government or private funding sources are restricted to the use specified in the grant or funding agreement.

Lighthouse Mission Outreach's charitable purpose is to collect denominations of cash contributions, collect and redistribute food, clothing and financial, spiritual and nutritional assistance those in need who are either homeless, living in temporary shelters or are unemployed and unable to purchase enough food to feed their families.

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**Lighthouse Mission Outreach Inc.**  
**Notes to Financial Statements**  
**December 31, 2017**

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**Contributed Products & Services**

Lighthouse Mission Outreach has, based upon its internal records, recorded donated food, clothing & furniture as contributed products, services and assets. The donated food is valued at approximately \$2 per pound based upon a study of national values as adjusted for local market conditions and products received. In 2017 Lighthouse Mission Outreach collected and distributed 756,400 pounds of food in addition to clothing, whose quantity and value is not included in these financials, to those in need.

Lighthouse Mission only records the value of the donated goods and services when there is an objective basis available for measuring their values. With regards to volunteer services they are only reported when those services create or enhance non financial assets or require specialized skills which would be purchased if not provided by donation. A substantial number of volunteers have donated their time to perform a variety of the program and administrative services for 2017, even though these services are extremely valuable to the Mission and help them grow and administer the organizations programs and services. No dollar amount has been reflected in these financial statements for contributed services.

**Volunteers**

A substantial number of volunteers, including members of the board, have made significant contributions of time to the organizations programs, fundraising and support functions. These volunteers, total over 263 have contributed approximately 11,573 hours to administer and support the food and clothing distribution outreaches & program services along with assisting in administrative and fund raising functions of the organization. The value of this time does not meet the criteria for the recognition of contributed services as detailed above and, therefore, is not reflected in the accompanying statement of activities.

**Lighthouse Mission Outreach Inc.**  
**Notes to Financial Statements**  
**December 31, 2017**

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**Property & Equipment**

Property and equipment are stated at original cost or estimated fair market value if donated. Maintenance and repairs are charged to expenses and betterments are capitalized. Depreciation is computed using the straight line method over the assets estimated use full lives.

Transportation Equipment	5-10 Years
Computers, Furniture and Fixtures	3-7 Years
Leasehold Improvements	10 years

**Note – 3 Related Party Transactions & Occupancy Costs**

The Lighthouse Mission Outreach's administrative, warehouse and storage facility and children activity center are owned by the Light House Mission Church. The Lighthouse Mission Outreach is not charged any rent for the occupancy of the campus. The Lighthouse Mission Outreach is responsible pursuant to a long term perpetual lease to repair, maintain and fully insure the facility, Therefore there is no provision for rental costs in these financial reports.