

LIGHTHOUSE MISSION OUTREACH INC

REPORT ON AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Mark A. Caulo
Certified Public Accountant, PC

LIGHTHOUSE MISSION OUTREACH INC
TABLE OF CONTENTS
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Contents

Accountants Audit Report 1-2

Financial Statements

Balance Sheet 3

Statement of Activities 4

Statement of Functional Expenses 5

Statement of Cash Flows 6

Notes to Financial Statements 7-10

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Lighthouse Mission Outreach Inc.:

We have audited the accompanying financial statements of Lighthouse Mission Outreach Inc. (the "Organization"), which comprises the statements of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 auditor's 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 auditor considers 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 financial statements referred to above present fairly, in all material respects, the financial position of Lighthouse Mission Outreach Inc. as of December 31, 2023 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedules of revenues and functional expenses on page 5 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 6, 2023, on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control over financial reporting and compliance.

Mark A. Caulo, CPA PC

East Islip, New York
November 11, 2024

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LIGHTHOUSE OUTREACH MISSION INC

Statement of Financial Position

As of December 31, 2023

ASSETS

Current Assets	
Cash in Bank	\$ 3,818,158
Total Current Assets	<u>\$ 3,818,158</u>
Fixed Assets - (Note 1)	
Automobile & Trucks	\$ 393,732
Office Equipment	7,332
Leasehold Improvements	<u>104,147</u>
Total Fixed Assets	<u>\$ 505,211</u>
Less: Accumulated Depreciation	<u>(381,845)</u>
Net Fixed Assets	<u>\$ 123,366</u>
Total Assets	<u><u>\$ 3,941,524</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable & Accrued Expenses	23,362
Payroll & Sales Taxes Payable	<u>11,954</u>
Total Current Liabilities	<u>\$ 35,316</u>
Total Liabilities	<u>\$ 35,316</u>
Net Assets	
Unrestricted	\$ 3,906,208
Restricted	<u>-</u>
Total Net Assets	<u>\$ 3,906,208</u>
Total Liabilities and Net Assets	<u><u>\$ 3,941,524</u></u>

The accompanying notes are an integral part of the financial statements
Page 3

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LIGHTHOUSE OUTREACH MISSION INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Donated Food , Services & Assets	\$ 2,600,000	\$ -	\$ 2,600,000
Individual Donations	835,977	-	835,977
Corporate Donations	182,832	-	182,832
Grants	-	82,891	82,891
Churches & Ministries Donations	18,114	-	18,114
Sale of Donated Clothing & Miscellaneous Income	345,800	-	345,800
Miscellaneous Donations	6,160	-	6,160
Interest Income	123,890	-	123,890
	<hr/>	<hr/>	<hr/>
Total Support and Revenue	\$ 4,112,773	\$ 82,891	\$ 4,195,664
	<hr/>	<hr/>	<hr/>
Program Services	3,519,257	82,891	3,602,148
Management and General	101,202	-	101,202
Fundraising	34,593	-	34,593
	<hr/>	<hr/>	<hr/>
Total Expenses	\$ 3,655,052	\$ 82,891	\$ 3,737,943
	<hr/>	<hr/>	<hr/>
Change in Net Assets	\$ 457,721	\$ -	\$ 457,721
	<hr/>	<hr/>	<hr/>
Net Assets Beginning of Year	\$ 3,448,487	\$ -	\$ 3,448,487
Prior Period Adjustment	-	-	-
	<hr/>	<hr/>	<hr/>
Net Assets - End of Year	\$ 3,906,208	\$ -	\$ 3,906,208

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, 2023

<u>Functional Expenses</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Food Distribution & Ministry Programs	\$ 2,686,738	\$ -	\$ -	\$ 2,686,738
Payroll	482,051	72,933	21,146	576,130
Food Transportation, Storage & Distribution	134,378	-	-	134,378
Miscellaneous	43,939	5,169	2,585	51,693
Building Repairs, Supplies & Rubbish Removal	33,062	3,890	1,944	38,896
Telephone & Utilities	21,571	2,538	1,269	25,378
Office, Postage & Printing	47,048	5,994	2,309	55,351
Insurances	34,788	3,969	1,985	40,742
Payroll Taxes	30,507	3,589	1,795	35,891
Depreciation	61,543	-	-	61,543
Professional Fees	26,523	3,120	1,560	31,203
Total Functional Expenses	\$ 3,602,148	\$ 101,202	\$ 34,593	\$ 3,737,943

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, 2023

Cash Flows from Operating Activities

Change in Net assets	\$ 457,721
Adjustments to reconcile change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation Expenses	61,543
Increase (Decrease) in cash resulting from changes in Operating Assets and Liabilities	
Increase (Decrease) in Accounts Payable	(2,504)
Increase (Decrease) in Taxes Payable	2,849
Increase in Tax Refund Receivable	947
 Net Cash provided by Operating Activities	 <u>520,556</u>
 Cash Flow from Investing Activities	
Purchase of Fixed Assets	(37,548)
Sales Proceeds Marketable Securities	-
Increase in Marketable Securities	-
Unrealized Gain on Marketable Securities	-
 Net Cash used from Investing Activities	 <u>(37,548)</u>
 Cash Flow from Financing Activities	
Loan Forgiveness	<u>-</u>
 Net Cash From Financing Activities	 <u>-</u>
 Net Increase in Cash	 <u>483,008</u>
 Cash Beginning of Year	 <u>3,335,150</u>
 Cash End of Year	 <u>\$ 3,818,158</u>

The accompanying footnotes are an integral part of the financial statements

Page 6

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Lighthouse Mission Outreach Inc.
Notes to Financial Statements
December 31, 2023

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 organization's 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, Easter 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 organization's 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.

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Lighthouse Mission Outreach Inc.
Notes to Financial Statements
December 31, 2023

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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. At times Lighthouse Mission has cash on deposit with financial banking institutions in excess of federally insured limits.

Investments

Investments in equity securities are reported at fair market value. Unrealized gains and losses on the marketable securities are included in financial statements.

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.

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Lighthouse Mission Outreach Inc.
Notes to Financial Statements
December 31, 2023

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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.

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 \$2 per pound based upon a study of national values as adjusted for local market conditions and products received. In 2023 Lighthouse Mission Outreach collected and distributed 1,300,000 pounds of food in addition to clothing that was distributed 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 nonfinancial 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 2021, 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.

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Lighthouse Mission Outreach Inc.
Notes to Financial Statements
December 31, 2023

Volunteers

A substantial number of volunteers, including members of the board, have made significant contributions of time to the organization's programs, fundraising and support functions. These volunteers, total over 217, have contributed approximately 9,770 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.

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 ensure the facility, therefore there is no provision for rental costs in these financial reports.

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