

**NEW HORIZONS MINISTRIES  
AND STREET BEAN ESPRESSO**

**CONSOLIDATED FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS' REPORT**

**JUNE 30, 2014 (AUDITED)  
AND 2013 (REVIEWED)**

**NEW HORIZONS MINSITRIES AND STREET BEAN ESPRESSO**  
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**JUNE 30, 2014**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
New Horizons Ministries and Street Bean Espresso  
Seattle, Washington

We have audited the accompanying consolidated financial statements of New Horizons Ministries and Street Bean Espresso, which comprise the consolidated statement of financial position as of June 30, 2014, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of New Horizons Ministries and Street Bean Espresso as of June 30, 2014, 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.

***Prior Period Financial Statements***

The 2013 consolidated financial statements were review by us, and our report thereon, dated December 10, 2013, stated we were not aware of any material modifications that should be made to those consolidated financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the consolidated financial statements.

***Report on Consolidating Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 16-19 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, operations and cash flows of the individual organizations, and is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Jones & Associates LLC, CPAs*

Jones & Associates LLC, CPAs  
December 15, 2014

**NEW HORIZONS MINSITRIES AND STREET BEAN ESPRESSO**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2014 (AUDITED) AND 2013 (REVIEWED)**

	2014	2013
<b>ASSETS</b>		
Cash and cash equivalents	\$ 198,295	\$ 193,082
Receivables	42,310	49,528
Prepaid expenses and other	10,584	12,323
Inventory	6,550	6,983
Total current assets	257,739	261,916
Cash restricted for capital campaign	500,732	-
Interest in real estate	552,000	552,000
Property and equipment, net	1,098,888	1,124,484
	\$ 2,409,359	\$ 1,938,400
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 19,872	\$ 5,690
Wages and payroll taxes payable	38,818	31,120
Vacation payable	18,902	18,573
Other accrued expenses	4,056	5,431
Note payable, current	525,000	-
Total current liabilities	606,648	60,814
Note payable, net of current	-	525,000
	606,648	585,814
 <b>NET ASSETS</b>		
Unrestricted	1,250,962	1,280,015
Temporarily restricted	551,749	72,571
	1,802,711	1,352,586
	\$ 2,409,359	\$ 1,938,400

**NEW HORIZONS MINSITRIES AND STREET BEAN ESPRESSO**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2014 (AUDITED)**

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>			
Individual contributions	\$ 464,264	\$ 27,310	\$ 491,574
Capital campaign contributions and grants	-	559,634	559,634
Church and organizational contributions	52,433	-	52,433
Corporate contributions	43,299	-	43,299
Special events	91,054	-	91,054
In-kind contributions	157,250	-	157,250
Grants	147,554	15,000	162,554
Sales and other earned income	224,231	-	224,231
Other	23,210	-	23,210
	<u>1,203,295</u>	<u>601,944</u>	<u>1,805,239</u>
Net assets released from restriction			
Satisfaction of program restriction	91,434	(91,434)	-
Satisfaction of time restriction	31,332	(31,332)	-
Total support and revenue	<u>1,326,061</u>	<u>479,178</u>	<u>1,805,239</u>
<b>EXPENSES</b>			
Program services	1,064,187	-	1,064,187
Management and general	172,361	-	172,361
Fundraising	118,566	-	118,566
Total expenses	<u>1,355,114</u>	<u>-</u>	<u>1,355,114</u>
<b>CHANGE IN NET ASSETS</b>	(29,053)	479,178	450,125
<b>NET ASSETS</b>			
Beginning of the year	<u>1,280,015</u>	<u>72,571</u>	<u>1,352,586</u>
End of the year	<u>\$ 1,250,962</u>	<u>\$ 551,749</u>	<u>\$ 1,802,711</u>

**NEW HORIZONS MINSITRIES AND STREET BEAN ESPRESSO**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2013 (REVIEWED)**

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>			
Individual contributions	\$ 431,015	\$ 37,781	\$ 468,796
Church and organizational contributions	64,860	-	64,860
Corporate contributions	27,229	-	27,229
Special events	158,277	-	158,277
In-kind contributions	46,796	-	46,796
Grants	115,852	34,500	150,352
Sales and other earned income	237,760	-	237,760
Other	9,416	-	9,416
	<u>1,091,205</u>	<u>72,281</u>	<u>1,163,486</u>
Net assets released from restriction			
Satisfaction of program restriction	36,913	(36,913)	-
Satisfaction of time restriction	35,000	(35,000)	-
Total support and revenue	<u>1,163,118</u>	<u>368</u>	<u>1,163,486</u>
<b>EXPENSES</b>			
Program services	877,509	-	877,509
Management and general	189,502	-	189,502
Fundraising	124,123	-	124,123
Total expenses	<u>1,191,134</u>	<u>-</u>	<u>1,191,134</u>
 CHANGE IN NET ASSETS	 (28,016)	 368	 (27,648)
<b>NET ASSETS</b>			
Beginning of the year	<u>1,308,031</u>	<u>72,203</u>	<u>1,380,234</u>
End of the year	<u>\$ 1,280,015</u>	<u>\$ 72,571</u>	<u>\$ 1,352,586</u>

**NEW HORIZONS MINSITRIES AND STREET BEAN ESPRESSO**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2014 (AUDITED)**

	Program Services			Support Services		Total
	General	Street Bean	Total	Management and General	Fund-raising	
Salaries and wages	\$ 335,011	\$ 105,220	\$ 440,231	\$ 96,373	\$ 56,828	\$ 593,432
Employee benefits	35,888	8,704	44,592	10,324	6,088	61,004
Payroll taxes	32,695	12,055	44,750	9,406	5,546	59,702
Personnel costs	403,594	125,979	529,573	116,103	68,462	714,138
Youth assistance	118,191	-	118,191	-	-	118,191
Cost of sales	-	86,731	86,731	-	-	86,731
Depreciation	30,907	35,924	66,831	8,891	5,243	80,965
Professional services	27,775	6,780	34,555	15,921	3,630	54,106
Occupancy and utilities	26,085	10,557	36,642	7,504	4,425	48,571
Lease	-	47,689	47,689	-	-	47,689
Supplies	21,320	12,284	33,604	7,711	4,550	45,865
Interest and fees	23,011	8,429	31,440	6,620	3,903	41,963
Repairs and maintenance	36,000	2,297	38,297	-	-	38,297
Computer, internet and phones	16,956	1,268	18,224	4,878	2,876	25,978
Marketing	-	1,481	1,481	-	22,686	24,167
Business insurance	10,087	2,617	12,704	2,902	1,711	17,317
Staff and volunteer management	6,365	1,860	8,225	1,831	1,080	11,136
	<u>\$ 720,291</u>	<u>\$ 343,896</u>	<u>\$ 1,064,187</u>	<u>\$ 172,361</u>	<u>\$ 118,566</u>	<u>\$ 1,355,114</u>

*See accompanying notes to the consolidated financial statements.*



**NEW HORIZONS MINSITRIES AND STREET BEAN ESPRESSO**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2013 (REVIEWED)**

	Program Services			Support Services		Total
	General	Street Bean	Total	Management and General	Fund-raising	
Salaries and wages	\$ 305,667	\$ 83,428	\$ 389,095	\$ 87,931	\$ 51,850	\$ 528,876
Employee benefits	35,633	5,977	41,610	10,251	6,045	57,906
Payroll taxes	28,496	7,248	35,744	8,197	4,834	48,775
Personnel costs	369,796	96,653	466,449	106,379	62,729	635,557
Youth assistance	84,682	-	84,682	-	-	84,682
Cost of sales	-	94,811	94,811	-	-	94,811
Depreciation	40,361	30,538	70,899	11,611	6,846	89,356
Professional services	3,245	6,486	9,731	23,533	12,630	45,894
Occupancy and utilities	23,014	9,308	32,322	6,620	3,904	42,846
Lease	-	47,533	47,533	-	-	47,533
Supplies	14,813	8,432	23,245	4,325	14,430	42,000
Interest and fees	-	10,227	10,227	28,524	3,987	42,738
Repairs and maintenance	646	1,076	1,722	419	110	2,251
Computer, internet and phones	15,543	1,187	16,730	4,471	2,636	23,837
Marketing	-	903	903	-	13,566	14,469
Business insurance	8,271	5,362	13,633	2,379	1,403	17,415
Staff and volunteer management	4,616	6	4,622	1,241	1,882	7,745
	<u>\$ 564,987</u>	<u>\$ 312,522</u>	<u>\$ 877,509</u>	<u>\$ 189,502</u>	<u>\$ 124,123</u>	<u>\$ 1,191,134</u>

*See accompanying notes to the consolidated financial statements.*

**NEW HORIZONS MINSITRIES AND STREET BEAN ESPRESSO**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2014 (AUDITED) AND JUNE 30, 2013 (REVIEWED)**

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from contributions and grants	\$ 848,132	\$ 855,582
Cash received from sales and other income	247,441	247,176
Cash paid to employees and suppliers	(1,093,893)	(1,059,351)
	<u>1,680</u>	<u>43,407</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(55,369)	-
Deposits of cash restricted for capital campaign	(500,732)	-
	<u>(556,101)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital campaign contributions and grants collected	559,634	-
	<u>559,634</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,213	43,407
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of the year	193,082	149,675
End of the year	<u>\$ 198,295</u>	<u>\$ 193,082</u>
<b>SUPPLEMENTAL DISCLOSURE</b>		
Interest paid	<u>\$ 27,633</u>	<u>\$ 27,234</u>

**NEW HORIZONS MINISTRIES AND STREET BEAN ESPRESSO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2014 (AUDITED) AND JUNE 30, 2013 (REVIEWED)**

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**Note 1 – Nature of Activities and Summary of Significant Accounting Policies**

**Nature of Activities** – The consolidated financial statements include the activities of New Horizons Ministries (New Horizons) and Street Bean Espresso (Street Bean) (collectively, the Organization).

New Horizons is a non-profit, multi-cultural Christian ministry to homeless and street-involved young people in Seattle, Washington. New Horizons Ministries carries out its mission of helping homeless and street-involved young people by (1) connecting them to basic needs of food, clothing, hygiene, safety and rest, (2) engaging them in healthy relationships, a committed community of support, and personal and spiritual development, and (3) equipping them with life skills and job and educational opportunities for success away from the streets. Programs included for each of these services include (1) drop-in and outreach programs for connection to basic needs, (2) life discovery and case management (youth advocacy) programs for engaging for personal development and relationship building and (3) pre-apprentice, job training, job networking, and mentoring (coaching) programs for equipping in job and life skills. New Horizons is supported primarily through contributions, grants and special events.

Street Bean is a non-profit organization that provides training and employment for young people working to exit street life. Street Bean is supported primarily through café sales and contributions from individuals.

During the year ended June 30, 2014, the Organization began a capital campaign to raise funds for the purpose of remodeling its existing space which will include new space for the operations of Street Bean. The total cost of the project is expected to be \$575,000. Contributions and grants of \$559,634 were raised, and design costs of \$58,902 were incurred during the year ended June 30, 2014. During the year ended June 30, 2014, the Organization entered into a construction contract for the remodel and has a remaining commitment of \$109,000 at June 30, 2014.

**Basis of Accounting and Presentation** – The consolidated financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred. The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Organization had no permanently restricted net assets at June 30, 2014 and 2013.

**Principles of Consolidation** – The consolidated financial statements include the accounts of New Horizons and Street Bean. All significant intercompany transactions and balances have been eliminated. The two entities have been consolidated given New Horizons has both an economic interest in and control of Street Bean through a majority voting interest in its Board of Directors.

**Cash and Cash Equivalents** – For purposes of the statements of cash flows, the Organization considers all checking, savings and money market accounts to be cash and cash equivalents. The Organization maintains certain cash and cash equivalents in bank accounts that may exceed federally insured limits at times during the year. The Organization has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

**NEW HORIZONS MINSITRIES AND STREET BEAN ESPRESSO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2014 (AUDITED) AND JUNE 30, 2013 (REVIEWED)**

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**Note 1 – Nature of Activities and Summary of Significant Accounting Policies** (continued)

**Receivables** – Receivables consist primarily of pledges from donors. Promises to give are unconditional and are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of benefits received. All account balances are unsecured and are due in less than one year. No allowance for bad debts has been established by management based on the Organization’s historical experience in the collection of balances due.

**Inventory** – Inventory consists of clothing, coffee and service supplies. Purchased inventories are stated at the lower of cost or market. Donated inventories are stated at fair value at the date of donation. Inventories are valued using the first-in, first-out method.

**Interest in Real Estate** – New Horizons has a 20% passive ownership interest in a commercial real estate building in California. The interest in real estate is valued at fair value at the date of donation which is based on an appraisal by a qualified appraiser. Management believes that the asset has not experienced any significant impairment since it was donated.

**Property and Equipment** – Purchased property and equipment is stated at cost, net of depreciation. Donated property is recognized as revenue and capitalized at its estimated fair value at the date of receipt. The Organization capitalizes assets that have a useful life greater than one year and a value greater than \$500. Depreciation is computed using the straight-line method based on estimated useful lives.

**Revenue Recognition** – Contributions and grants are recorded as increases in unrestricted or temporarily restricted net assets, depending on the existence and/or nature of any donor restrictions. When a restriction expires, that is when a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Street Bean’s café sales are recognized at the time of sale as unrestricted revenue.

**In-kind Contributions** – Noncash donations consist of goods, facilities and services. Donated goods are recorded as contribution revenue at fair value at the date of donation. Donated facilities and services are recorded as donations at their estimated fair values at the date of donation.

The Organization recognizes donated services if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing these skills, and would typically need to be purchased if not donated.

**Expense Allocation** – The costs of providing various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NEW HORIZONS MINSITRIES AND STREET BEAN ESPRESSO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2014 (AUDITED) AND JUNE 30, 2013 (REVIEWED)**

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**Note 1 – Nature of Activities and Summary of Significant Accounting Policies** (continued)

**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.

**Income Tax Status** – The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1).

The Organization files information and tax returns in the U.S. federal jurisdiction, and state and local jurisdictions. The Organization is subject to U.S. federal, state and local examinations by tax authorities for the current year and certain prior years based on applicable laws and regulations.

**Subsequent Events** – Subsequent events were evaluated through the date of the independent auditors' report, which is the date the financial statements were available to be issued.

**Note 2 – Cash Flow Information**

The following reconciles the change in net assets to net cash provided (used) by operating activities for the years ended June 30:

	2014	2013
Change in net assets	\$ 450,125	\$ (27,648)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Capital campaign contributions and grants	(559,634)	-
Depreciation	80,965	89,356
Change in:		
Receivables	7,218	(13,932)
Prepaid expenses and other	1,739	(2,044)
Inventory	433	539
Accounts payable	14,182	(4,716)
Wages and payroll taxes payable	7,698	(737)
Vacation payable	329	1,109
Other accrued expenses	(1,375)	1,480
	<u>\$ 1,680</u>	<u>\$ 43,407</u>

**NEW HORIZONS MINSITRIES AND STREET BEAN ESPRESSO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2014 (AUDITED) AND JUNE 30, 2013 (REVIEWED)**

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**Note 3 – Property and Equipment**

Property and equipment consist of the following at June 30:

	2014	2013
Vehicles	\$ 26,961	\$ 26,961
Furniture, equipment and software	281,491	278,091
Furniture and equipment - Street Bean	88,405	56,647
Leasehold improvements	155,262	155,262
Building	918,928	918,928
	<u>1,471,047</u>	<u>1,435,889</u>
Less: accumulated depreciation	(813,569)	(732,605)
	657,478	703,284
Land	421,200	421,200
Construction in progress - capital campaign	20,210	-
	<u>\$ 1,098,888</u>	<u>\$ 1,124,484</u>

The estimated useful lives of the assets are as follow:

Vehicles	5 years
Furniture, equipment and software	3 - 39 years
Furniture and equipment - Street Bean	3 - 12 years
Leasehold improvements	8 years
Building	12 - 40 years

**Note 4 – Note Payable**

The Organization maintains a note payable of \$525,000 to a nonprofit organization that is due in full in December 2014. Interest only monthly payments at 5% are required until the due date. The note payable is secured by a deed of trust on New Horizon's land and building. Subsequent to year end, the Organization entered into negotiations to refinance the note payable, and expects to complete the refinance within the next fiscal year.

**NEW HORIZONS MINSITRIES AND STREET BEAN ESPRESSO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2014 (AUDITED) AND JUNE 30, 2013 (REVIEWED)**

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**Note 5 – Temporarily Restricted Net Assets**

Temporarily restricted net assets consist of the following at June 30:

	2014	2013
Capital campaign for building remodel	\$ 500,732	\$ -
Pledges to be collected in future years	27,310	31,332
Street ministry interns	21,926	24,426
Equipment	1,781	4,292
Apprentice	-	8,580
Other	-	3,941
	<u>\$ 551,749</u>	<u>\$ 72,571</u>

**Note 6 – Operating Leases**

Street Bean maintains a noncancelable operating lease for its facility, expiring February 2015. In addition to the lease payments, Street Bean must also pay a portion of real estate taxes, insurance and other expenses to maintain the building. The lease agreement contains an option to renew for an additional three years from February 2015 to February 2018. New Horizons guarantees the lease. Rent expense under this lease was \$42,840 and \$42,590 for the years ended June 30, 2014 and 2013, respectively.

Future minimum lease payments under this lease are \$28,560 for the year ending June 30, 2015.

**Note 7 – In-kind Contributions**

In-kind contributions consist of the following for the years ended June 30:

	2014	2013
Goods	\$ 75,154	\$ 43,196
Facilities	32,735	-
Services	49,361	3,600
	<u>\$ 157,250</u>	<u>\$ 46,796</u>

In-kind contributions were utilized for the following purposes for the years ended June 30:

	2014	2013
Program services	\$ 99,918	\$ 41,463
Management and general	44,671	283
Fundraising	12,661	5,050
	<u>\$ 157,250</u>	<u>\$ 46,796</u>



**NEW HORIZONS MINSITRIES AND STREET BEAN ESPRESSO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2014 (AUDITED) AND JUNE 30, 2013 (REVIEWED)**

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**Note 8 – Funds Held By The Seattle Foundation**

At June 30, 2014 and 2013, The Seattle Foundation maintained \$153,673 and \$138,545 in funds designated for New Horizons, respectively. New Horizons can request the funds by a majority vote of its Board of Directors. However, The Seattle Foundation has ultimate authority and control over the funds. Accordingly, these funds are not included in the Organization's consolidated financial statements.

**Note 9 – Support and Revenue Concentration**

One donor contributed 17% of total support and revenue during the year ended June 30, 2014. There were no such concentrations during the year ended June 30, 2013.

**SUPPLEMENTAL INFORMATION**

**NEW HORIZONS MINSITRIES AND STREET BEAN ESPRESSO**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2014 (AUDITED)**

	New Horizons	Street Bean	Eliminations	Consolidated
<b>ASSETS</b>				
Cash and cash equivalents	\$ 194,786	\$ 3,509	\$ -	\$ 198,295
Receivables	81,907	-	(39,597)	42,310
Prepaid expenses and other	8,584	2,000	-	10,584
Inventory	3,000	3,550	-	6,550
Total current assets	<u>288,277</u>	<u>9,059</u>	<u>(39,597)</u>	<u>257,739</u>
Cash restricted for capital campaign	500,732	-	-	500,732
Interest in real estate	552,000	-	-	552,000
Property and equipment, net	1,000,513	98,375	-	1,098,888
	<u>\$ 2,341,522</u>	<u>\$ 107,434</u>	<u>\$ (39,597)</u>	<u>\$ 2,409,359</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 17,652	\$ 41,817	\$ (39,597)	\$ 19,872
Wages and payroll taxes payable	35,714	3,104	-	38,818
Vacation payable	15,314	3,588	-	18,902
Other accrued expenses	-	4,056	-	4,056
Note payable, current	525,000	-	-	525,000
Total current liabilities	<u>593,680</u>	<u>52,565</u>	<u>(39,597)</u>	<u>606,648</u>
<b>NET ASSETS</b>				
Unrestricted	1,196,093	54,869	-	1,250,962
Temporarily restricted	551,749	-	-	551,749
	<u>1,747,842</u>	<u>54,869</u>	<u>-</u>	<u>1,802,711</u>
	<u>\$ 2,341,522</u>	<u>\$ 107,434</u>	<u>\$ (39,597)</u>	<u>\$ 2,409,359</u>

**NEW HORIZONS MINSITRIES AND STREET BEAN ESPRESSO**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2013 (REVIEWED)**

	New Horizons	Street Bean	Eliminations	Consolidated
<b>ASSETS</b>				
Cash and cash equivalents	\$ 192,003	\$ 1,079	\$ -	\$ 193,082
Receivables	59,312	696	(10,480)	49,528
Prepaid expenses and other	10,323	2,000	-	12,323
Inventory	3,000	3,983	-	6,983
Total current assets	<u>264,638</u>	<u>7,758</u>	<u>(10,480)</u>	<u>261,916</u>
Interest in real estate	552,000	-	-	552,000
Property and equipment, net	1,021,943	102,541	-	1,124,484
	<u>\$ 1,838,581</u>	<u>\$ 110,299</u>	<u>\$ (10,480)</u>	<u>\$ 1,938,400</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 3,557	\$ 12,613	\$ (10,480)	\$ 5,690
Wages and payroll taxes payable	29,191	1,929	-	31,120
Vacation payable	17,167	1,406	-	18,573
Other accrued expenses	-	5,431	-	5,431
Total current liabilities	<u>49,915</u>	<u>21,379</u>	<u>(10,480)</u>	<u>60,814</u>
Note payable, net of current	525,000	-	-	525,000
	<u>574,915</u>	<u>21,379</u>	<u>(10,480)</u>	<u>585,814</u>
<b>NET ASSETS</b>				
Unrestricted	1,191,095	88,920	-	1,280,015
Temporarily restricted	72,571	-	-	72,571
	<u>1,263,666</u>	<u>88,920</u>	<u>-</u>	<u>1,352,586</u>
	<u>\$ 1,838,581</u>	<u>\$ 110,299</u>	<u>\$ (10,480)</u>	<u>\$ 1,938,400</u>

**NEW HORIZONS MINSITRIES AND STREET BEAN ESPRESSO**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2014 (AUDITED)**

	New Horizons	Street Bean	Eliminations	Consolidated
<b>UNRESTRICTED NET ASSETS</b>				
<b>SUPPORT AND REVENUE</b>				
Individual contributions	\$ 437,147	\$ 32,617	\$ (5,500)	\$ 464,264
Church and organizational contributions	45,957	6,476	-	52,433
Corporate contributions	43,299	-	-	43,299
Special events	91,054	-	-	91,054
In-kind contributions	123,833	33,417	-	157,250
Grants	132,729	14,825	-	147,554
Sales and other earned income	2,000	222,231	-	224,231
Other	22,931	279	-	23,210
	<u>898,950</u>	<u>309,845</u>	<u>(5,500)</u>	<u>1,203,295</u>
Net assets released from restriction				
Satisfaction of program restriction	91,434	-	-	91,434
Satisfaction of time restriction	31,332	-	-	31,332
	<u>1,021,716</u>	<u>309,845</u>	<u>(5,500)</u>	<u>1,326,061</u>
<b>EXPENSES</b>				
Program services	725,791	343,896	(5,500)	1,064,187
Management and general	172,361	-	-	172,361
Fundraising	118,566	-	-	118,566
	<u>1,016,718</u>	<u>343,896</u>	<u>(5,500)</u>	<u>1,355,114</u>
<b>CHANGE IN UNREST. NET ASSETS</b>	<u>4,998</u>	<u>(34,051)</u>	<u>-</u>	<u>(29,053)</u>
<b>TEMPORARILY REST. NET ASSETS</b>				
Capital campaign contributions and grants	559,634	-	-	559,634
Contributions and grants	42,310	-	-	42,310
Net assets released from restriction	(122,766)	-	-	(122,766)
<b>CHANGE IN TEMPORARILY RESTRICTED NET ASSETS</b>	<u>479,178</u>	<u>-</u>	<u>-</u>	<u>479,178</u>
<b>CHANGE IN NET ASSETS</b>	484,176	(34,051)	-	450,125
<b>NET ASSETS</b>				
Beginning of the year	<u>1,263,666</u>	<u>88,920</u>	<u>-</u>	<u>1,352,586</u>
End of the year	<u>\$ 1,747,842</u>	<u>\$ 54,869</u>	<u>\$ -</u>	<u>\$ 1,802,711</u>

**NEW HORIZONS MINSITRIES AND STREET BEAN ESPRESSO**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2013 (REVIEWED)**

	New Horizons	Street Bean	Eliminations	Consolidated
<b>UNRESTRICTED NET ASSETS</b>				
<b>SUPPORT AND REVENUE</b>				
Individual contributions	\$ 402,996	\$ 37,019	\$ (9,000)	\$ 431,015
Church and organizational contributions	60,311	4,549	-	64,860
Corporate contributions	27,229	-	-	27,229
Special events	158,277	-	-	158,277
In-kind contributions	46,796	-	-	46,796
Grants	115,852	-	-	115,852
Sales and other earned income	3,931	233,829	-	237,760
Other	7,828	1,588	-	9,416
	<u>823,220</u>	<u>276,985</u>	<u>(9,000)</u>	<u>1,091,205</u>
Net assets released from restriction				
Satisfaction of program restriction	36,913	-	-	36,913
Satisfaction of time restriction	35,000	-	-	35,000
	<u>895,133</u>	<u>276,985</u>	<u>(9,000)</u>	<u>1,163,118</u>
<b>EXPENSES</b>				
Program services	573,987	312,522	(9,000)	877,509
Management and general	189,502	-	-	189,502
Fundraising	124,123	-	-	124,123
	<u>887,612</u>	<u>312,522</u>	<u>(9,000)</u>	<u>1,191,134</u>
<b>CHANGE IN UNREST. NET ASSETS</b>	<u>7,521</u>	<u>(35,537)</u>	<u>-</u>	<u>(28,016)</u>
<b>TEMPORARILY REST. NET ASSETS</b>				
Contributions and grants	72,281	-	-	72,281
Net assets released from restriction	(71,913)	-	-	(71,913)
<b>CHANGE IN TEMPORARILY RESTRICTED NET ASSETS</b>	<u>368</u>	<u>-</u>	<u>-</u>	<u>368</u>
<b>CHANGE IN NET ASSETS</b>	<u>7,889</u>	<u>(35,537)</u>	<u>-</u>	<u>(27,648)</u>
<b>NET ASSETS</b>				
Beginning of the year	<u>1,255,777</u>	<u>124,457</u>	<u>-</u>	<u>1,380,234</u>
End of the year	<u>\$ 1,263,666</u>	<u>\$ 88,920</u>	<u>\$ -</u>	<u>\$ 1,352,586</u>