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JANUARY 28, 2013

ISLES, INC  
10 WOOD STREET  
TRENTON, NJ 08618

ISLES, INC:

ENCLOSED ARE THE 2011 EXEMPT ORGANIZATION RETURNS, AS  
FOLLOWS...

2011 FORM 990

2011 NEW JERSEY FORM CRI-300R

EACH ORIGINAL SHOULD BE DATED, SIGNED AND FILED IN ACCORDANCE  
WITH THE FILING INSTRUCTIONS. THE COPY SHOULD BE RETAINED  
FOR YOUR FILES.

VERY TRULY YOURS,

RON MATAN

Member of

**PKF North American Network**

An association of legally independent firms

# TAX RETURN FILING INSTRUCTIONS

FORM 990

FOR THE YEAR ENDING  
DECEMBER 31, 2011

Prepared for	ISLES, INC 10 WOOD STREET TRENTON, NJ 08618
Prepared by	SOBEL AND CO., LLC CPA'S 293 EISENHOWER PARKWAY LIVINGSTON, NJ 07039-1711
Amount due or refund	NOT APPLICABLE
Make check payable to	NOT APPLICABLE
Mail tax return and check (if applicable) to	NOT APPLICABLE
Return must be mailed on or before	NOT APPLICABLE
Special Instructions	THIS RETURN HAS QUALIFIED FOR ELECTRONIC FILING. AFTER YOU HAVE REVIEWED THE RETURN FOR COMPLETENESS AND ACCURACY, PLEASE SIGN, DATE AND RETURN FORM 8879-EO TO OUR OFFICE. WE WILL TRANSMIT THE RETURN ELECTRONICALLY TO THE IRS AND NO FURTHER ACTION IS REQUIRED. RETURN FORM 8879-EO TO US AS SOON AS POSSIBLE.

Form **990**Department of the Treasury  
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

**2011****Open to Public Inspection****A For the 2011 calendar year, or tax year beginning****and ending**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C Name of organization</b> <b>ISLES, INC</b> Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>10 WOOD STREET</b> City or town, state or country, and ZIP + 4 <b>TRENTON, NJ 08618</b> <b>F Name and address of principal officer: MARTIN JOHNSON</b> <b>SAME AS C ABOVE</b>	<b>D Employer identification number</b> <b>22-2350832</b> <b>E Telephone number</b> <b>609-341-4700</b> <b>G Gross receipts \$</b> <b>6,899,330.</b> <b>H(a) Is this a group return for affiliates?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b) Are all affiliates included?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c) Group exemption number</b> ▶
<b>I Tax-exempt status:</b> <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J Website:</b> ▶ <b>WWW.ISLES.ORG</b>		
<b>K Form of organization:</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		
<b>L Year of formation:</b> <b>1981</b> <b>M State of legal domicile:</b> <b>NJ</b>		

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>TO OFFER SERVICES IN LOW-INCOME COMMUNITIES (IN THE TRENTON AND THE SURROUNDING AREA) TO ADDRESS</b> <b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. <b>3</b> Number of voting members of the governing body (Part VI, line 1a) ..... <b>3</b> ..... <b>15</b> <b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) ..... <b>4</b> ..... <b>15</b> <b>5</b> Total number of individuals employed in calendar year 2011 (Part V, line 2a) ..... <b>5</b> ..... <b>158</b> <b>6</b> Total number of volunteers (estimate if necessary) ..... <b>6</b> ..... <b>470</b> <b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 ..... <b>7a</b> ..... <b>0.</b> <b>b</b> Net unrelated business taxable income from Form 990-T, line 34 ..... <b>7b</b> ..... <b>0.</b>		
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h) ..... <b>6,851,752.</b> <b>9</b> Program service revenue (Part VIII, line 2g) ..... <b>613,400.</b> <b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) ..... <b>30.</b> <b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) ..... <b>-6,074.</b> <b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) ..... <b>7,459,108.</b>	<b>Prior Year</b>	<b>Current Year</b>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3) ..... <b>122,233.</b> <b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) ..... <b>0.</b> <b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) ..... <b>4,100,981.</b> <b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) ..... <b>0.</b> <b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>474,111.</b> <b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) ..... <b>2,663,695.</b> <b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) ..... <b>6,886,909.</b> <b>19</b> Revenue less expenses. Subtract line 18 from line 12 ..... <b>572,199.</b>	<b>0.</b>	<b>0.</b>
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16) ..... <b>12,619,592.</b> <b>21</b> Total liabilities (Part X, line 26) ..... <b>2,533,348.</b> <b>22</b> Net assets or fund balances. Subtract line 21 from line 20 ..... <b>10,086,244.</b>	<b>Beginning of Current Year</b>	<b>End of Year</b>
		<b>12,870,235.</b>	<b>11,214,262.</b>

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer <b>MARTIN JOHNSON, CEO</b> Type or print name and title	Date
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>RON MATAN</b> Firm's name ▶ <b>SOBEL AND CO., LLC CPA'S</b> Firm's address ▶ <b>293 EISENHOWER PARKWAY</b> <b>LIVINGSTON, NJ 07039-1711</b>	Preparer's signature Date <b>01/28/13</b> Check <input type="checkbox"/> if self-employed PTIN <b>P01277732</b> Firm's EIN ▶ <b>22-1430039</b> Phone no. <b>973-994-9494</b>

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

**Part III Statement of Program Service Accomplishments**Check if Schedule O contains a response to any question in this Part III ☐**1** Briefly describe the organization's mission:

ISLES' MISSION IS TO FOSTER SELF-RELIANT FAMILIES AND HEALTHY, SUSTAINABLE COMMUNITIES.

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

**4a** (Code: ) (Expenses \$ 4,472,740. including grants of \$ 80,829. ) (Revenue \$ 456,703. )  
 FOUNDED IN 1981, ISLES, INC. IS A SELF-HELP, URBAN GREEN DEVELOPMENT ORGANIZATION IN TRENTON, NJ. ISLES DEVELOPS COST EFFECTIVE, POWERFUL WAYS TO STRENGTHEN PEOPLE AND PLACES IN CHALLENGING URBAN SETTINGS. ISLES REVITALIZES COMMUNITIES BY DEVELOPING GREEN AFFORDABLE HOMES, PARKS, AND COMMUNITY AGRICULTURE; TRAINS AND EDUCATES YOUTH AND ADULTS THROUGH A VOCATIONAL SCHOOL AND GREEN JOB TRAINING CENTER; BUILDS WEALTH BY SUPPORTING SOCIAL ENTERPRISES AND OTHER FINANCIAL AND CREDIT BUILDING SERVICES; AND STIMULATES GREEN, HEALTHY LIVING BY FOSTERING ENERGY EFFICIENCY AND PROMOTING HEALTHY LIFESTYLES.

**4b** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

**4c** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

**4d** Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$ ) (Revenue \$ )

**4e** Total program service expenses **4,472,740.**

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	<b>1</b> X	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	<b>2</b> X	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	<b>3</b>	X
<b>4</b> <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	<b>4</b>	X
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>	<b>5</b>	X
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	<b>6</b>	X
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	<b>7</b>	X
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	<b>8</b>	X
<b>9</b> Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	<b>9</b>	X
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	<b>10</b> X	
<b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	<b>11a</b> X	
<b>b</b> Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	<b>11b</b>	X
<b>c</b> Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>	<b>11c</b>	X
<b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	<b>11d</b>	X
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	<b>11e</b> X	
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	<b>11f</b> X	
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	<b>12a</b>	X
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i>	<b>12b</b> X	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	<b>13</b>	X
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?	<b>14a</b>	X
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>	<b>14b</b>	X
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>	<b>15</b>	X
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>	<b>16</b>	X
<b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>	<b>17</b>	X
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	<b>18</b> X	
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	<b>19</b>	X
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	<b>20a</b>	X
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	<b>20b</b>	

Form 990 (2011)

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>21</b> Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....		X
<b>22</b> Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....	X	
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....	X	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i> .....		X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		
<b>25a</b> <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>26</b> Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> .....		X
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> .....		X
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....	X	
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> .....	X	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....	X	
<b>b</b> Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....	X	
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O .....	X	

Form 990 (2011)

**Part V** Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V ☐

		Yes	No
<b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	<b>1a</b> 36		
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	<b>1b</b> 0		
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1c</b>	X	
<b>2a</b> Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	<b>2a</b> 158		
<b>b</b> If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	<b>2b</b>	X	
<b>3a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b>		X
<b>b</b> If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	<b>3b</b>		
<b>4a</b> At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	<b>4a</b>		X
<b>b</b> If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
<b>5a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>		X
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>		X
<b>c</b> If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>		
<b>6a</b> Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	<b>6a</b>		X
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>		
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>			
<b>a</b> Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	<b>7a</b>	X	
<b>b</b> If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7b</b>	X	
<b>c</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>		X
<b>d</b> If "Yes," indicate the number of Forms 8282 filed during the year	<b>7d</b>		
<b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>		X
<b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>		X
<b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>		
<b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>7h</b>		
<b>8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	<b>8</b>		
<b>9 Sponsoring organizations maintaining donor advised funds.</b>			
<b>a</b> Did the organization make any taxable distributions under section 4966?	<b>9a</b>		
<b>b</b> Did the organization make a distribution to a donor, donor advisor, or related person?	<b>9b</b>		
<b>10 Section 501(c)(7) organizations.</b> Enter:			
<b>a</b> Initiation fees and capital contributions included on Part VIII, line 12	<b>10a</b>		
<b>b</b> Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	<b>10b</b>		
<b>11 Section 501(c)(12) organizations.</b> Enter:			
<b>a</b> Gross income from members or shareholders	<b>11a</b>		
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	<b>11b</b>		
<b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>		
<b>b</b> If "Yes," enter the amount of tax-exempt interest received or accrued during the year	<b>12b</b>		
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>			
<b>a</b> Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.	<b>13a</b>		
<b>b</b> Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	<b>13b</b>		
<b>c</b> Enter the amount of reserves on hand	<b>13c</b>		
<b>14a</b> Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>		X
<b>b</b> If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	<b>14b</b>		

Form 990 (2011)

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.Check if Schedule O contains a response to any question in this Part VI ☒**Section A. Governing Body and Management**

	1a	1b	Yes	No
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year ..... If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	15			
<b>b</b> Enter the number of voting members included in line 1a, above, who are independent .....		15		
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? .....			X	
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? .....				X
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? .....				X
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets? .....				X
<b>6</b> Did the organization have members or stockholders? .....				X
<b>7a</b> Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? .....				X
<b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? .....				X
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
<b>a</b> The governing body? .....			X	
<b>b</b> Each committee with authority to act on behalf of the governing body? .....			X	
<b>9</b> Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O .....				X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
<b>10a</b> Did the organization have local chapters, branches, or affiliates? .....		X
<b>b</b> If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? .....		
<b>11a</b> Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? .....	X	
<b>b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990. ....		
<b>12a</b> Did the organization have a written conflict of interest policy? If "No," go to line 13 .....	X	
<b>b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? .....	X	
<b>c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done .....	X	
<b>13</b> Did the organization have a written whistleblower policy? .....	X	
<b>14</b> Did the organization have a written document retention and destruction policy? .....	X	
<b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b> The organization's CEO, Executive Director, or top management official .....	X	
<b>b</b> Other officers or key employees of the organization .....	X	
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions). ....		
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? .....		X
<b>b</b> If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? .....		

**Section C. Disclosure**

**17** List the states with which a copy of this Form 990 is required to be filed **NJ**

**18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
☐ Own website    ☐ Another's website    ☒ Upon request

**19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

**20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **THE ORGANIZATION - 609-341-4700**  
**10 WOOD STREET, TRENTON, NJ 08618**



**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Check if Schedule O contains a response to any question in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ALLEN I. ROWE TREASURER	0.50	X		X				0.	0.	0.
(2) ANN MARIE SENIOR SECRETARY	0.50	X		X				0.	0.	0.
(3) APRIL AARONSON VICE CHAIRPERSON	0.50	X		X				0.	0.	0.
(4) BARBARA COE TRUSTEE	0.50	X						0.	0.	0.
(5) EDWARD J. BUTLER TRUSTEE	0.50	X						0.	0.	0.
(6) JACQUE P HOWARD TRUSTEE	0.50	X						0.	0.	0.
(7) LIZ ERICKSON TRUSTEE	0.50	X						0.	0.	0.
(8) MANISH H. SHAH TRUSTEE	0.50	X						0.	0.	0.
(9) MARTIN JOHNSON EX-OFFICIO/CEO	40.00	X		X				153,785.	0.	27,474.
(10) MICHAEL DUNDAS TRUSTEE	0.50	X						0.	0.	0.
(11) REV. KAREN HERNANDEZ-GRANZEN TRUSTEE	0.50	X						0.	0.	0.
(12) ROBERT H. HARRIS TRUSTEE	0.50	X						0.	0.	0.
(13) SA MUT A. SCOTT TRUSTEE	0.50	X						0.	0.	0.
(14) STEVEN GOODELL, ESQ. CHAIRPERSON	0.50	X		X				0.	0.	0.
(15) TOM BYRNE TRUSTEE	0.50	X						0.	0.	0.
(16) ZANE DION CLARK TRUSTEE	0.50	X						0.	0.	0.
(17) ELIZABETH JOHNSON COO	40.00			X				119,228.	0.	16,208.

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) KARL M. CINA CFO	40.00			X				60,945.	0.	1,975.
(19) CECILLE ZACARIAS CFO	40.00			X				19,386.	0.	274.
<b>1b Sub-total</b>								353,344.	0.	45,931.
<b>c Total from continuation sheets to Part VII, Section A</b>								0.	0.	0.
<b>d Total (add lines 1b and 1c)</b>								353,344.	0.	45,931.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **2**

	Yes	No
3 Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		X

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ST JOSEPH CONTRACTOR 225 PARK LANE , HAMILTON, NJ 08690	CONSTRUCTION	296,514.
RUSLING PAVING AND CONCRETE LLC 8 IRVEN STREET, TRENTON, NJ 08638	CONSTRUCTION	159,460.
BONE ENERGY SERVICES PO BOX 2445, PHILADELPHIA , PA 19147	ENERGY ASSESSMENT SERVICES	102,670.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **3**

**Part VIII Statement of Revenue**

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b>	Federated campaigns .....	<b>1a</b>				
	<b>b</b>	Membership dues .....	<b>1b</b>				
	<b>c</b>	Fundraising events .....	<b>1c</b>	137,380.			
	<b>d</b>	Related organizations .....	<b>1d</b>	148,000.			
	<b>e</b>	Government grants (contributions) .....	<b>1e</b>	3,207,215.			
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above .....	<b>1f</b>	2,886,902.			
	<b>g</b>	Noncash contributions included in lines 1a-1f: \$ .....		18,800.			
	<b>h</b>	<b>Total.</b> Add lines 1a-1f .....		6,379,497.			
	<b>Program Service Revenue</b>	<b>2 a</b>	<b>PROGRAM FEES</b>	Business Code 900099	404,364.	404,364.	
<b>b</b>		<b>CONSULTING FEES</b>	900099	26,573.	26,573.		
<b>c</b>		<b>GOVERNMENT FEES FOR SE</b>	900099	1,402.	1,402.		
<b>d</b>							
<b>e</b>							
<b>f</b>		All other program service revenue .....					
<b>g</b>		<b>Total.</b> Add lines 2a-2f .....		432,339.			
<b>Other Revenue</b>	<b>3</b>	Investment income (including dividends, interest, and other similar amounts) .....		1,088.			1,088.
	<b>4</b>	Income from investment of tax-exempt bond proceeds .....					
	<b>5</b>	Royalties .....					
	<b>6 a</b>	Gross rents .....	(i) Real 28,600.				
	<b>b</b>	Less: rental expenses .....	2,882.				
	<b>c</b>	Rental income or (loss) .....	25,718.				
	<b>d</b>	Net rental income or (loss) .....		25,718.			25,718.
	<b>7 a</b>	Gross amount from sales of assets other than inventory .....	(i) Securities 96.				
	<b>b</b>	Less: cost or other basis and sales expenses .....	1,040.				
	<b>c</b>	Gain or (loss) .....	-944.				
	<b>d</b>	Net gain or (loss) .....		-944.			-944.
	<b>8 a</b>	Gross income from fundraising events (not including \$ 137,380. of contributions reported on line 1c). See Part IV, line 18 .....	a 33,346.				
	<b>b</b>	Less: direct expenses .....	b 114,578.				
	<b>c</b>	Net income or (loss) from fundraising events .....		-81,232.			-81,232.
	<b>9 a</b>	Gross income from gaming activities. See Part IV, line 19 .....	a				
	<b>b</b>	Less: direct expenses .....	b				
	<b>c</b>	Net income or (loss) from gaming activities .....					
<b>10 a</b>	Gross sales of inventory, less returns and allowances .....	a					
<b>b</b>	Less: cost of goods sold .....	b					
<b>c</b>	Net income or (loss) from sales of inventory .....						
<b>Miscellaneous Revenue</b>			Business Code				
<b>11 a</b>	<b>INSURANCE REIMBURSEMEN</b>	900099	10,485.	10,485.			
<b>b</b>	<b>SOLAR SREC</b>	900099	9,075.	9,075.			
<b>c</b>	<b>CREDIT CARD REBATES</b>	900099	1,152.	1,152.			
<b>d</b>	All other revenue .....	900099	3,652.	3,652.			
<b>e</b>	<b>Total.</b> Add lines 11a-11d .....		24,364.				
<b>12</b>	<b>Total revenue.</b> See instructions. ....		6,780,830.	456,703.	0.	-55,370.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>1</b> Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
<b>2</b> Grants and other assistance to individuals in the United States. See Part IV, line 22	80,829.	80,829.		
<b>3</b> Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
<b>4</b> Benefits paid to or for members				
<b>5</b> Compensation of current officers, directors, trustees, and key employees	399,275.	280,059.	82,572.	36,644.
<b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
<b>7</b> Other salaries and wages	2,287,529.	1,690,298.	372,355.	224,876.
<b>8</b> Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)	44,536.	1,277.	43,259.	
<b>9</b> Other employee benefits	263,099.	296,878.	-65,066.	31,287.
<b>10</b> Payroll taxes	255,543.	175,926.	55,354.	24,263.
<b>11</b> Fees for services (non-employees):				
<b>a</b> Management				
<b>b</b> Legal	6,083.	5,339.	744.	
<b>c</b> Accounting	50,875.	500.	50,375.	
<b>d</b> Lobbying				
<b>e</b> Professional fundraising services. See Part IV, line 17				
<b>f</b> Investment management fees				
<b>g</b> Other	1,401,641.	1,340,341.	39,950.	21,350.
<b>12</b> Advertising and promotion	1,929.	1,141.	634.	154.
<b>13</b> Office expenses	236,628.	121,060.	60,754.	54,814.
<b>14</b> Information technology	100,528.	38,668.	52,193.	9,667.
<b>15</b> Royalties				
<b>16</b> Occupancy	217,158.	98,056.	117,706.	1,396.
<b>17</b> Travel	28,021.	24,269.	3,752.	
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials				
<b>19</b> Conferences, conventions, and meetings	88,040.	52,054.	2,247.	33,739.
<b>20</b> Interest	12,054.		12,054.	
<b>21</b> Payments to affiliates				
<b>22</b> Depreciation, depletion, and amortization	55,541.	17,032.	38,509.	
<b>23</b> Insurance	66,587.	12,970.	53,617.	
<b>24</b> Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
<b>a</b> BAD DEBTS	41,938.	41,938.		
<b>b</b> MISCELLANEOUS	38,199.	16,976.	19,939.	1,284.
<b>c</b> TRAINING	11,902.	3,013.	6,939.	1,950.
<b>d</b> DUES AND MEMBERSHIPS	6,112.	4,718.	1,394.	
<b>e</b> All other expenses	-39,491.	169,398.	-241,576.	32,687.
<b>25</b> Total functional expenses. Add lines 1 through 24e	5,654,556.	4,472,740.	707,705.	474,111.
<b>26</b> Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ☐ if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year	
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	199,560.	1	969,957.	
	<b>2</b> Savings and temporary cash investments .....		2	303.	
	<b>3</b> Pledges and grants receivable, net .....	4,006,062.	3	2,232,920.	
	<b>4</b> Accounts receivable, net .....	2,115,011.	4	3,285,183.	
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		5		
	<b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) .....		6		
	<b>7</b> Notes and loans receivable, net .....	175,129.	7	25,129.	
	<b>8</b> Inventories for sale or use .....		8		
	<b>9</b> Prepaid expenses and deferred charges .....	7,193.	9	8,232.	
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	10a 6,169,908.			
	<b>b</b> Less: accumulated depreciation .....	10b 499,094.			
		5,601,377.	10c	5,670,814.	
	<b>11</b> Investments - publicly traded securities .....	334,412.	11	379,023.	
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	180,048.	12	297,874.	
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		13		
	<b>14</b> Intangible assets .....		14		
<b>15</b> Other assets. See Part IV, line 11 .....	800.	15	800.		
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	12,619,592.	16	12,870,235.		
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	351,524.	17	421,610.	
	<b>18</b> Grants payable .....		18		
	<b>19</b> Deferred revenue .....	120,008.	19	611,226.	
	<b>20</b> Tax-exempt bond liabilities .....		20		
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		21		
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		22		
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....	1,628,975.	23	175,129.	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		24		
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....	432,841.	25	448,008.	
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 .....	2,533,348.	26	1,655,973.	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>				
	<b>27</b> Unrestricted net assets .....	4,438,789.	27	5,186,695.	
	<b>28</b> Temporarily restricted net assets .....	5,647,455.	28	5,452,524.	
	<b>29</b> Permanently restricted net assets .....		29	575,043.	
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>				
	<b>30</b> Capital stock or trust principal, or current funds .....		30		
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		31		
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		32		
	<b>33</b> Total net assets or fund balances .....	10,086,244.	33	11,214,262.	
	<b>34</b> Total liabilities and net assets/fund balances .....	12,619,592.	34	12,870,235.	

Form 990 (2011)

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response to any question in this Part XI ☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	6,780,830.
2	Total expenses (must equal Part IX, column (A), line 25)	2	5,654,556.
3	Revenue less expenses. Subtract line 2 from line 1	3	1,126,274.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	10,086,244.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	1,744.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	11,214,262.

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response to any question in this Part XII ☒

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b Were the organization's financial statements audited by an independent accountant?	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	X	
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	X	

Form 990 (2011)

Department of the Treasury  
Internal Revenue Service

**Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.**

**▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No. 1545-0047

# 2011

**Open to Public Inspection**

Name of the organization

ISLES, INC

Employer identification number

22-2350832

<b>Part I</b>	<b>Reason for Public Charity Status</b> (All organizations must complete this part.) See instructions.
---------------	--

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- ☐ A church, convention, or association of churches described in **section 170(b)(1)(A)(i).**

☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: \_\_\_\_\_

☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

**a** ☐ Type I      **b** ☐ Type II      **c** ☐ Type III - Functionally integrated      **d** ☐ Type III - Other

**e** ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

**f** If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

**g** Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

**(i)** A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? ☐ **Yes** ☐ **No**

**(ii)** A family member of a person described in (i) above? ☐ **Yes** ☐ **No**

**(iii)** A 35% controlled entity of a person described in (i) or (ii) above? ☐ **Yes** ☐ **No**

**h** Provide the following information about the supported organization(s).

[illegible]

**LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.**

Schedule A (Form 990 or 990-EZ) 2011

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....	4367104.	8586804.	1864394.	6851752.	6379497.	28049551.
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....	4367104.	8586804.	1864394.	6851752.	6379497.	28049551.
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						28049551.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>7</b> Amounts from line 4 .....	4367104.	8586804.	1864394.	6851752.	6379497.	28049551.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....	1,236.	11,990.	120,131.	101,181.	29,688.	264,226.
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....	15,613.	7,906.	8,277.	6,691.		38,487.
<b>11 Total support.</b> Add lines 7 through 10						28352264.
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	6,848,286.
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)) .....	<b>14</b>	98.93	%
<b>15</b> Public support percentage from 2010 Schedule A, Part II, line 14 .....	<b>15</b>	90.42	%
<b>16a 33 1/3% support test - 2011.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....	<input checked="" type="checkbox"/>		
<b>b 33 1/3% support test - 2010.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....	<input type="checkbox"/>		
<b>17a 10% -facts-and-circumstances test - 2011.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....	<input type="checkbox"/>		
<b>b 10% -facts-and-circumstances test - 2010.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....	<input type="checkbox"/>		
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....	<input type="checkbox"/>		

Schedule A (Form 990 or 990-EZ) 2011



**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support</b> (Subtract line 7c from line 6.) .....						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
<b>13 Total support</b> (Add lines 9, 10c, 11, and 12.) .....						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ..... ☐

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f)) .....	<b>15</b>		%
<b>16</b> Public support percentage from 2010 Schedule A, Part III, line 15 .....	<b>16</b>		%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for <b>2011</b> (line 10c, column (f) divided by line 13, column (f)) .....	<b>17</b>		%
<b>18</b> Investment income percentage from <b>2010</b> Schedule A, Part III, line 17 .....	<b>18</b>		%

**19a 33 1/3% support tests - 2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ..... ☐

**b 33 1/3% support tests - 2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ..... ☐

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ..... ☐

**Schedule B**  
(Form 990, 990-EZ,  
or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No. 1545-0047

**2011**

Name of the organization

ISLES, INC

Employer identification number

22-2350832

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☒ 501(c)( 3 ) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

☐ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

☒ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2011)

Name of organization	Employer identification number
ISLES, INC	22-2350832

**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	U.S. DEPT. OF LABOR 200 CONSTITUTION AVENUE, NW WASHINGTON, DC 20210	\$ 838,055.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	STATE OF NJ-DEPT. OF COMMUNITY AFFAIRS 101 SOUTH BROAD STREET TRENTON, NJ 08625-0806	\$ 908,380.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	STATE OF NJ-DEPT. OF LAW AND PUBLIC SAFETY 25 MARKET STREET TRENTON, NJ 08625	\$ 626,625.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
ISLES, INC	22-2350832

**Part II Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

Name of organization	Employer identification number
ISLES, INC	22-2350832

**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once.) ▶ \$

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

**SCHEDULE D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ **Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**  
▶ **Attach to Form 990. ▶ See separate instructions.**

OMB No. 1545-0047

**2011**

**Open to Public  
Inspection**

Name of the organization

ISLES, INC

Employer identification number

22-2350832

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate contributions to (during year) .....		
3 Aggregate grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <input type="checkbox"/> Yes <input type="checkbox"/> No		
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <input type="checkbox"/> Yes <input type="checkbox"/> No		

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register .....	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ .....

4 Number of states where property subject to conservation easement is located ▶ .....

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ .....

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ .....

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ..... ▶ \$ .....

(ii) Assets included in Form 990, Part X ..... ▶ \$ .....

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ..... ▶ \$ .....

b Assets included in Form 990, Part X ..... ▶ \$ .....

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a ☐ Public exhibition  
 b ☐ Scholarly research  
 c ☐ Preservation for future generations  
 d ☐ Loan or exchange programs  
 e ☐ Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	525,000.				
b Contributions	50,043.				
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	575,043.				

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment ☐ \_\_\_\_\_ %  
 b Permanent endowment ☒ 100.00 %  
 c Temporarily restricted endowment ☐ \_\_\_\_\_ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations  
 (ii) related organizations

	Yes	No
3a(i)		X
3a(ii)	X	
3b	X	

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		67,000.		67,000.
b Buildings		252,076.	140,208.	111,868.
c Leasehold improvements				
d Equipment		333,679.	251,663.	82,016.
e Other		5,517,153.	107,223.	5,409,930.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				5,670,814.

Schedule D (Form 990) 2011

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives .....		
(2) Closely-held equity interests .....		
(3) Other .....		
(A) .....		
(B) .....		
(C) .....		
(D) .....		
(E) .....		
(F) .....		
(G) .....		
(H) .....		
(I) .....		
<b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶		

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) .....		
(2) .....		
(3) .....		
(4) .....		
(5) .....		
(6) .....		
(7) .....		
(8) .....		
(9) .....		
(10) .....		
<b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶		

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) .....	
(2) .....	
(3) .....	
(4) .....	
(5) .....	
(6) .....	
(7) .....	
(8) .....	
(9) .....	
(10) .....	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 15.) ▶	

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) DEFERRED COMPENSATION LIABILITY	448,008.	
(3) .....		
(4) .....		
(5) .....		
(6) .....		
(7) .....		
(8) .....		
(9) .....		
(10) .....		
(11) .....		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶		448,008.

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).



**Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART V, LINE 4: THE ORGANIZATION'S ENDOWMENT FUNDS ARE TO BE USED FOR**

**THE ISLES YOUTH CENTERED SERVICES AND TO CREATE CAPITAL.**

**PART X, LINE 2: THE INTERNAL REVENUE SERVICE HAS RECOGNIZED ISLES,**

**INC. AS A TAX EXEMPT ORGANIZATION UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE.**

**THE ORGANIZATION FOLLOWS STANDARDS THAT PROVIDE CLARIFICATION ON**

**Part XIV** Supplemental Information (continued)

ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES RECOGNIZED IN THE ORGANIZATION'S CONSOLIDATED FINANCIAL STATEMENTS. THE GUIDANCE PRESCRIBES A RECOGNITION THRESHOLD AND MEASUREMENT ATTRIBUTE FOR THE RECOGNITION AND MEASUREMENT OF A TAX POSITION TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN, AND ALSO PROVIDES GUIDANCE ON DE-RECOGNITION, CLASSIFICATION, INTEREST, AND PENALTIES, DISCLOSURE AND TRANSITION. THE ORGANIZATION'S POLICY IS TO RECOGNIZE INTEREST AND PENALTIES ON UNRECOGNIZED TAX BENEFITS IN INCOME TAX EXPENSE. NO INTEREST AND PENALTIES WERE RECORDED DURING THE YEARS ENDED 2011 AND 2010. THE TAX YEARS SUBJECT TO AUDIT BY FEDERAL AND STATE JURISDICTIONS ARE THE YEARS ENDED DECEMBER 31, 2008 AND FORWARD. AT DECEMBER 31, 2011 AND 2010, THERE ARE NO SIGNIFICANT INCOME TAX UNCERTAINTIES.

Department of the Treasury  
Internal Revenue Service

**Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.**  
**▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No. 1545-0047

## Open To Public Inspection

Employer identification number  
22-2350832

**Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

- a** ☐ Mail solicitations
- b** ☐ Internet and email solicitations
- c** ☐ Phone solicitations
- d** ☐ In-person solicitations
- e** ☐ Solicitation of non-government grants
- f** ☐ Solicitation of government grants
- g** ☐ Special fundraising events

- 2 a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**
- b** If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

[illegible]

- 3** List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1 <b>ANNUAL DINNER</b> (event type)	(b) Event #2 <b>GOLF EVENT</b> (event type)	(c) Other events <b>5</b> (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	<b>1</b> Gross receipts .....	113,351.	28,525.	28,850.	170,726.
	<b>2</b> Less: Charitable contributions .....	92,232.	21,673.	23,475.	137,380.
	<b>3</b> Gross income (line 1 minus line 2) .....	21,119.	6,852.	5,375.	33,346.
Direct Expenses	<b>4</b> Cash prizes .....				
	<b>5</b> Noncash prizes .....		5,492.		5,492.
	<b>6</b> Rent/facility costs .....	182.	13,005.	885.	14,072.
	<b>7</b> Food and beverages .....	27,858.	1,152.	2,197.	31,207.
	<b>8</b> Entertainment .....	2,500.			2,500.
	<b>9</b> Other direct expenses .....	44,407.	10,282.	6,618.	61,307.
	<b>10</b> Direct expense summary. Add lines 4 through 9 in column (d) .....				( 114,578 )
	<b>11</b> Net income summary. Combine line 3, column (d), and line 10 .....				-81,232.

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	<b>1</b> Gross revenue .....				
Direct Expenses	<b>2</b> Cash prizes .....				
	<b>3</b> Noncash prizes .....				
	<b>4</b> Rent/facility costs .....				
	<b>5</b> Other direct expenses .....				
	<b>6</b> Volunteer labor .....	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	<b>7</b> Direct expense summary. Add lines 2 through 5 in column (d) .....				( )
	<b>8</b> Net gaming income summary. Combine line 1, column d, and line 7 .....				

**9** Enter the state(s) in which the organization operates gaming activities: \_\_\_\_\_**a** Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No**b** If "No," explain: \_\_\_\_\_**10a** Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No**b** If "Yes," explain: \_\_\_\_\_

- 11** Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No
- 12** Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13** Indicate the percentage of gaming activity operated in:
- |                                      |            |   |
|--------------------------------------|------------|---|
| <b>a</b> The organization's facility | <b>13a</b> | % |
| <b>b</b> An outside facility         | <b>13b</b> | % |
- 14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

- 15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No
- b** If "Yes," enter the amount of gaming revenue received by the organization ► \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ► \$ \_\_\_\_\_.
- c** If "Yes," enter name and address of the third party:

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

**16** Gaming manager information:

Name ► \_\_\_\_\_

Gaming manager compensation ► \$ \_\_\_\_\_

Description of services provided ► \_\_\_\_\_

☐ Director/officer☐ Employee☐ Independent contractor**17** Mandatory distributions:

- a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No
- b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ \_\_\_\_\_

**Part IV** **Supplemental Information.** Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

**SCHEDULE I  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Grants and Other Assistance to Organizations,  
Governments, and Individuals in the United States**

**Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.**

**▶ Attach to Form 990.**

OMB No. 1545-0047

**2011**

**Open to Public  
Inspection**

Name of the organization

**ISLES, INC**

**Employer identification number**  
**22-2350832**

**Part I General Information on Grants and Assistance**

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ **Yes** ☐ **No**
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

**Part II Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed ☐ **▶**

<b>1 (a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance

- 2** Enter total number of section 501(c)(3) and government organizations listed in the line 1 table **▶** \_\_\_\_\_
- 3** Enter total number of other organizations listed in the line 1 table **▶** \_\_\_\_\_

**LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.**

**Schedule I (Form 990) (2011)**

**Part III** **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.

Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
STUDENT STIPENDS	68	80,829.	0.		

**Part IV** **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

SCHEDULE I, PART I, LINE 2: THE ORGANIZATION MAINTAINS ITS ACCOUNTING SYSTEM IN A WAY THAT ENABLES IT TO TRACK STIPENDS AWARDED TO STUDENTS. THE STUDENT'S ELIGIBILITY TO RECEIVE THE STIPEND, THE AMOUNT AWARDED, AND THE NUMBER OF STUDENTS ASSISTED IS ALSO TRACKED AND MAINTAINED BY THE ORGANIZATION. SINCE THERE ARE NOT LIMITS ON HOW THE STIPENDS CAN BE SPENT, THERE IS NO FORMAL MONITORING PROCESS OF THE USE OF THE STIPENDS BY STUDENTS.

**SCHEDULE J**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest  
Compensated Employees

► **Complete if the organization answered "Yes" to Form 990,  
Part IV, line 23.**

► **Attach to Form 990.** ► **See separate instructions.**

OMB No. 1545-0047

**2011**

**Open to Public  
Inspection**

Name of the organization

ISLES, INC

Employer identification number

22-2350832

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain .....

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? .....

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III.

- |  |   |
|--|---|
| <input type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                                |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

**a** Receive a severance payment or change-of-control payment? .....

**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? .....

**c** Participate in, or receive payment from, an equity-based compensation arrangement? .....

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

**a** The organization? .....

**b** Any related organization? .....

If "Yes" to line 5a or 5b, describe in Part III.

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

**a** The organization? .....

**b** Any related organization? .....

If "Yes" to line 6a or 6b, describe in Part III.

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III .....

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III .....

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....

Yes No

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

9

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Schedule J (Form 990) 2011



**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 MARTIN JOHNSON	(i)	153,785.	0.	0.	15,000.	12,474.	181,259.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2	(i)							
	(ii)							
3	(i)							
	(ii)							
4	(i)							
	(ii)							
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

**Part III** Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 3: THE PROCESS FOR DETERMINING COMPENSATION INVOLVES AN  
ANNUAL REVIEW OF INDIVIDUAL PERFORMANCE AND COMPARISON OF PRESENT  
COMPENSATION TO MARKET DATA. THE CEO'S COMPENSATION GOES THROUGH AN  
APPROVAL PROCESS BY THE BOARD AND BY THE EXECUTIVE COMMITTEE.

PART I, LINE 4B: MARTIN JOHNSON \$15,000

ELIZABETH JOHNSON 5,000

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

**2011**

Open to Public  
Inspection

Name of the organization

ISLES, INC

Employer identification number

22-2350832

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

CRITICAL URBAN NEEDS IN THE AREAS OF COMMUNITY REVITALIZATION, URBAN  
ARGRICULTURE, GREEN JOB TRAINING, YOUTH EDUCATION, AND THROUGH OUR E4  
SUBSIDIARY, ENERGY AND WEATHERIZATION SERVICES.

RECENT HIGHLIGHTS INCLUDE, 1) ADDING TWO NEW SCHOOL GARDENS AND  
REVIVING ONE NEW COMMUNITY GARDEN IN TRENTON; 2) INCREASING THE NUMBER  
OF URBAN HARVEST COMMUNITY SUPPORTED ARGRICULTURE PROJECT SUBSCRIBERS  
FROM 9 TO 13; 3) PROVIDING ISLES FINANCIAL SERVICES TO 116 INDIVIDUALS,  
4) COUSELLING 88 NEW AND 110 EXSISTING HOMEOWNERSHIP AND FORCLOSURE  
CUSTOMERS; 5) WEATHERIZING 178 HOMES; AND 6) PROVIDING GREEN JOB  
TRAINING THAT LED TO 215 NATIONALLY RECOGNIZED BPI CERTIFICATIONS.

FORM 990, PART VI, SECTION A, LINE 2: MARTIN JOHNSON AND ELIZABETH  
JOHNSON ARE HUSBAND AND WIFE.

FORM 990, PART VI, SECTION B, LINE 11: FORM 990 IS PROVIDED TO THE CFO FOR  
REVIEW BEFORE IT IS FILED. AFTER REVIEW, IT IS FORWARDED TO THE BOARD FOR  
APPROVAL.

FORM 990, PART VI, SECTION B, LINE 12C: EACH DIRECTOR, PRINCIPAL OFFICER  
AND MEMBER OF A COMMITTEE WITH BOARD DELEGATED POWERS SHALL ANNUALLY SIGN A  
STATEMENT WHICH AFFIRMS THAT SUCH PERSON:

A.HAS RECEIVED A COPY OF THE CONFLICT OF INTEREST POLICY,

B.HAS READ AND UNDERSTANDS THE POLICY,

C.HAS AGREED TO COMPLY WITH THE POLICY, AND

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2011)

132211  
01-23-12

Name of the organization	ISLES, INC	Employer identification number	22-2350832
--------------------------	------------	--------------------------------	------------

D.UNDERSTANDS THAT ISLES, INC. IS A NON-PROFIT ORGANIZATION AND THAT IN ORDER TO MAINTAIN ITS FEDERAL TAX EXEMPTION IT MUST ENGAGE PRIMARILY IN ACTIVITIES WHICH ACCOMPLISH ONE OR MORE OF ITS TAX-EXEMPT PURPOSES.

FORM 990, PART VI, SECTION B, LINE 15: THE PROCESS FOR DETERMINING COMPENSATION INVOLVES AN ANNUAL REVIEW OF INDIVIDUAL PERFORMANCE AND COMPARISON OF PRESENT COMPENSATION TO MARKET DATA.

FORM 990, PART VI, SECTION C, LINE 19: AVAILABLE UPON REQUEST.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

NET UNREALIZED GAINS ON INVESTMENTS: 1,744.

FORM 990, PART XII LINE 2C

OVERSIGHT OF AUDIT

THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.

**Related Organizations and Unrelated Partnerships**

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**  
▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No. 1545-0047

**2011**  
**Open to Public**  
**Inspection**

Name of the organization

ISLES, INC

**Employer identification number**  
**22-2350832**

**Part I Identification of Disregarded Entities** (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
CHESTNUT MONMOUTH FAMILY HOUSING, LLC - 22-3710194, 10 WOOD STREET, TRENTON, NJ 08618	GENERAL PARTNER OF CHESTNUT MONMOUTH APARTMENTS, LP	NEW JERSEY	0.	0.	ISLES, INC.
ISLES JOHNSTON AVENUE UNIT A AND A1, LLC - 99-9999999, 10 WOOD STREET, TRENTON, NJ 08618	CONDOMINIUM	NEW JERSEY	21,450.	3,970,715.	ISLES, INC.
ISLES JOHNSTON AVENUE UNIT B, LLC - 99-9999999, 10 WOOD STREET, TRENTON, NJ 08618	CONDOMINIUM	NEW JERSEY	7,150.	1,323,571.	ISLES, INC.

**Part II Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
ISLES COMMUNITY FOUNDATION, INC. - 37-1420125, 10 WOOD STREET, TRENTON, NJ 08618	MANAGES INVESTMENT ACTIVITY FOR ISLES INC.	NEW JERSEY	501(C)(3)	LINE 11 TYPE III	ISLES INC	X	
ISLES PROPERTIES, INC. - 55-0799217 10 WOOD STREET TRENTON, NJ 08618	HOLDING COMPANY OF REAL ESTATE PROPERTY FOR ISLES, INC.'S EXEMPT PURPOSE	NEW JERSEY	501(C)(2)		ISLES INC	X	
ISLES E4, INC - 27-0375809 10 WOOD STREET TRENTON, NJ 08618	WEATHERIZATION SERVICES TO LOW INCOME HOUSEHOLDS	NEW JERSEY	501(C)(3)	9	ISLES INC	X	
ISLES COMMUNITY ENTERPRISES - 26-2483265 10 WOOD STREET TRENTON, NJ 08618	PROVIDES EDUCATION, TRAINING, AND FINANCING TO DISTRESSED COMMUNITIES	NEW JERSEY	APPL PENDING		ISLES INC	X	

**For Paperwork Reduction Act Notice, see the Instructions for Form 990.**

**Schedule R (Form 990) 2011**



**Part III Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportion- ate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
EL BARRIO ACADEMY ASSOCIATES, LP - 52-2034928, WYOMING AVE, SUITE 5, KINGSTON, PA 18704	LOW INCOME HOUSING	PA	N/A	RELATED	-803.	-9,773.		X	N/A		X	.26%
EAST HANOVER STREET URBAN RENEWAL ASSOCIATES LP - 52-2092734, WYOMING AVE, SUITE 5, KINGSTON, PA 18704	LOW INCOME HOUSING	PA	N/A	RELATED	-496.	-4,173.		X	N/A		X	.25%
CHESTNUT MONMOUTH APARTMENTS, L.P. - 22-3710195, 10 WOOD STREET, TRENTON, NJ 08618	LOW INCOME HOUSING	NJ	N/A	RELATED	-9.	230,778.		X	N/A		X	.01%
DELMAR ASSOCIATES LP - 13-3130669, 1438 3RD AVE APT 29B, NEW YORK , NY 10028	LOW INCOME HOUSING	NJ	N/A	RELATED	3,952.	31,042.		X	78.		X	1.46%

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

[illegible]

**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
<b>a</b> Receipt of <b>(i)</b> interest <b>(ii)</b> annuities <b>(iii)</b> royalties or <b>(iv)</b> rent from a controlled entity .....		<b>X</b>
<b>b</b> Gift, grant, or capital contribution to related organization(s) .....		<b>X</b>
<b>c</b> Gift, grant, or capital contribution from related organization(s) .....	<b>X</b>	
<b>d</b> Loans or loan guarantees to or for related organization(s) .....	<b>X</b>	
<b>e</b> Loans or loan guarantees by related organization(s) .....	<b>X</b>	
<b>f</b> Sale of assets to related organization(s) .....		<b>X</b>
<b>g</b> Purchase of assets from related organization(s) .....		<b>X</b>
<b>h</b> Exchange of assets with related organization(s) .....		<b>X</b>
<b>i</b> Lease of facilities, equipment, or other assets to related organization(s) .....	<b>X</b>	
<b>j</b> Lease of facilities, equipment, or other assets from related organization(s) .....		<b>X</b>
<b>k</b> Performance of services or membership or fundraising solicitations for related organization(s) .....		<b>X</b>
<b>l</b> Performance of services or membership or fundraising solicitations by related organization(s) .....		<b>X</b>
<b>m</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....	<b>X</b>	
<b>n</b> Sharing of paid employees with related organization(s) .....	<b>X</b>	
<b>o</b> Reimbursement paid to related organization(s) for expenses .....	<b>X</b>	
<b>p</b> Reimbursement paid by related organization(s) for expenses .....	<b>X</b>	
<b>q</b> Other transfer of cash or property to related organization(s) .....	<b>X</b>	
<b>r</b> Other transfer of cash or property from related organization(s) .....		<b>X</b>

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) ISLES E4 INC.	D	150,000.	LOAN
(2) ISLES COMMUNITY FOUNDATION INC	C	148,000.	CASH SUPPORT
(3) ISLES PROPERTIES	D	2,771,581.	LOAN
(4) ISLES COMMUNITY FOUNDATION INC	E	1,440,816.	LOAN
(5) ISLES E4 INC.	D	362,476.	LOAN
(6) ISLES COMMUNITY ENTERPRISES	D	76,508.	LOAN



**Part V** Continuation of Transactions With Related Organizations (Schedule R (Form 990), Part V, line 2)

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(7) ISLES 57 MILL	D	414,447.	LOAN
(8) CHESTNUT MONMOUTH FAMILY HOUSING LLC	Q	141,330.	CASH
(9)			
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			
(16)			
(17)			
(18)			
(19)			
(20)			
(21)			
(22)			
(23)			
(24)			

**Part VI** **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

## Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
	BUILDINGS											
64	BUILDING AND IMPROVEMENTS	03/01/85	SL	20.00	16	49,560.			49,560.	49,560.		0.
65	IMPROVEMENTS	04/14/95	SL	39.00	16	67,165.			67,165.	28,134.		1,722.
66	IMPROVEMENTS	07/07/95	SL	39.00	16	42,825.			42,825.	17,664.		1,098.
67	WOOD IMPROVEMENTS- 10	07/21/95	SL	39.00	16	1,025.			1,025.	421.		26.
68	WOOD IMPROVEMENTS- 10	09/08/95	SL	39.00	16	60,211.			60,211.	24,579.		1,544.
69	WOOD IMPROVEMENTS- 10	09/15/95	SL	39.00	16	3,814.			3,814.	1,557.		97.
70	WOOD IMPROVEMENTS- 10	09/20/95	SL	39.00	16	193.			193.	79.		5.
71	WOOD IMPROVEMENTS- 10	09/21/95	SL	39.00	16	2.			2.	1.		0.
72	WOOD IMPROVEMENTS- 10	09/21/95	SL	39.00	16	204.			204.	83.		5.
73	WOOD IMPROVEMENTS- 10	09/22/95	SL	39.00	16	4.			4.	2.		0.
74	WOOD IMPROVEMENTS- 10	09/25/95	SL	39.00	16	15.			15.	6.		0.
75	PLATINUM PLUS	03/07/05	SL	35.00	16	-198.			-198.	-33.		-6.
76	DEPOSIT	12/19/05	SL	35.00	16	-250.			-250.	-36.		-7.
77	114 N MONTGOMERY IMPROVEMENTS	10/21/02	SL	40.00	16	3,865.			3,865.	3,342.		97.
78	114 N MONTGOMERY IMPROVEMENTS	11/18/02	SL	40.00	16	3,560.			3,560.	1,020.		89.
79	WOOD ST CARPET	01/23/02	SL	5.00	16	7,006.			7,006.	7,006.		0.
80	ELECTRIC WORK	02/19/03	SL	40.00	16	2,240.			2,240.	440.		56.

## 2011 DEPRECIATION AND AMORTIZATION REPORT

FORM 990 PAGE 10

990

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
81	SECURITY SYSTEM	03/24/03	SL	40.00	16	2,595.			2,595.	504.		65.
82	SECURITY SYSTEM	06/25/03	SL	40.00	16	120.			120.	23.		3.
83	SECURITY SYSTEM	07/07/03	SL	40.00	16	4,485.			4,485.	839.		112.
114	BUILDING	VARIOUS	SSL	39.00	16	3,635.			3,635.	798.		-687.
	* 990 PAGE 10 TOTAL BUILDINGS					252,076.		0.	252,076.	135,989.	0.	4,219.
	MACHINERY & EQUIPMENT											
	COMPUTER WITH SOFTWARE	02/15/00	SL	5.00	16	1,550.			1,550.	1,550.		0.
33	COMPUTERS	02/15/00	SL	5.00	16	2,370.			2,370.	2,370.		0.
43	MONITORS	04/18/00	SL	5.00	16	450.			450.	450.		0.
	COMPUTER WITH SOFTWARE	05/26/00	SL	5.00	16	2,509.			2,509.	2,509.		0.
	COMPUTER WITH SOFTWARE	06/15/00	SL	5.00	16	2,874.			2,874.	2,874.		0.
7	LAPTOP COMPUTER	06/30/00	SL	5.00	16	2,750.			2,750.	2,750.		0.
85	COMPUTERS	09/12/00	SL	5.00	16	4,865.			4,865.	4,865.		0.
94	COMPUTERS	01/24/01	SL	5.00	16	2,876.			2,876.	2,876.		0.
10	PERSONAL COMPUTER	04/17/01	SL	5.00	16	1,380.			1,380.	1,380.		0.
	PERSONAL COMPUTER \$	06/01/01	SL	5.00	16	2,190.			2,190.	2,190.		0.
11	NIC	09/23/02	SL	5.00	16	1,497.			1,497.	1,497.		0.
12	CPU	07/10/02	SL	5.00	16	1,300.			1,300.	1,300.		0.
13	DESKTOP COMPUTER											

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
14	WINTER	031803	SL	5.00	16	1,548.			1,548.	1,548.		0.
15	COMPUTER EQUIPMENT AND SOFTWARE	090103	SL	5.00	16	2,297.			2,297.	2,297.		0.
16	COMPUTER EQUIPMENT	100404	SL	5.00	16	2,061.			2,061.	2,061.		0.
17	INTERACTIVE MAPS SITE	112204	SL	5.00	16	3,500.			3,500.	3,500.		0.
18	COMPUTERS	061404	SL	5.00	16	2,485.			2,485.	2,485.		0.
19	DELL COMPUTER	032205	SL	5.00	16	2,630.			2,630.	2,630.		0.
20	DELL COMPUTER	120505	SL	5.00	16	1,880.			1,880.	1,880.		0.
21	DELL COMPUTER	010106	SL	5.00	16	1,882.			1,882.	1,693.		188.
22	PC CONNECTION	112106	SL	5.00	16	9,059.			9,059.	8,153.		906.
23	JMT CONSULTING	113006	SL	5.00	16	29,570.			29,570.	26,613.		2,957.
24	A PHASE ELECTRIC	112206	SL	5.00	16	2,595.			2,595.	2,335.		259.
25	ETO SOFTWARE	030606	SL	5.00	16	6,000.			6,000.	5,400.		600.
26	OFFICE FURNITURE	012494	SL	5.00	16	383.			383.	383.		0.
27	EQUIPMENT	122094	SL	5.00	16	4,500.			4,500.	4,500.		0.
28	EQUIPMENT	011995	SL	5.00	16	1,000.			1,000.	1,000.		0.
29	EQUIPMENT	021395	SL	5.00	16	828.			828.	828.		0.
30	APPLIANCES	070695	SL	5.00	16	725.			725.	725.		0.
31	APPLIANCES	090195	SL	5.00	16	489.			489.	489.		0.

## 2011 DEPRECIATION AND AMORTIZATION REPORT

FORM 990 PAGE 10

990

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
32	SECURITY SYSTEM	091595	SL	5.00	16	2,326.			2,326.	2,326.		0.
33	APPLIANCES	091995	SL	5.00	16	759.			759.	759.		0.
34	APPLIANCES	091995	SL	5.00	16	249.			249.	249.		0.
35	APPLIANCES	092595	SL	5.00	16	229.			229.	229.		0.
36	FURNITURE	061901	SL	5.00	16	5,050.			5,050.	5,050.		0.
37	PROJECTOR	111102	SL	5.00	16	2,670.			2,670.	2,670.		0.
38	CABINETS	110702	SL	5.00	16	1,570.			1,570.	1,570.		0.
39	FURNITURE	121802	SL	5.00	16	2,000.			2,000.	2,000.		0.
40	PHONE SYSTEM	052903	SL	5.00	16	21,465.			21,465.	21,465.		0.
41	PHONE SYSTEM	052903	SL	5.00	16	299.			299.	299.		0.
42	PHONE SYSTEM	053003	SL	5.00	16	2,400.			2,400.	2,400.		0.
43	PHONE SYSTEM	060403	SL	5.00	16	5,145.			5,145.	5,145.		0.
44	PHONE SYSTEM	060603	SL	5.00	16	250.			250.	250.		0.
45	PHONE SYSTEM	060903	SL	5.00	16	932.			932.	932.		0.
46	PHONE SYSTEM	061303	SL	5.00	16	623.			623.	623.		0.
47	PHONE SYSTEM	062003	SL	5.00	16	353.			353.	353.		0.
48	PHONE SYSTEM	062303	SL	5.00	16	375.			375.	375.		0.
49	PHONE SYSTEM	063003	SL	5.00	16	255.			255.	255.		0.

## 2011 DEPRECIATION AND AMORTIZATION REPORT

FORM 990 PAGE 10

990

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
50	PHONE SYSTEM	063003	SL	5.00	16	781.			781.	781.		0.
51	PHONE SYSTEM	070203	SL	5.00	16	1,000.			1,000.	1,000.		0.
52	97 NIFTY LIFT	012103	SL	5.00	16	6,800.			6,800.	6,800.		0.
53	OUTDOOR EQUIPMENT	052103	SL	5.00	16	2,700.			2,700.	2,700.		0.
54	FURNITURE	111104	SL	5.00	16	3,853.			3,853.	3,853.		0.
55	CABINETS	121104	SL	5.00	16	1,561.			1,561.	1,561.		0.
56	FURNITURE	030304	SL	5.00	16	19,795.			19,795.	19,795.		0.
57	2 WORKSTATIONS	030205	SL	5.00	16	2,284.			2,284.	2,284.		0.
58	ID WHOLESALER	020706	SL	5.00	16	1,707.			1,707.	1,537.		171.
59	JMT- MIP SOFTWARE	033007	SL	5.00	16	4,620.			4,620.	3,696.		924.
60	JMT- MIP SOFTWARE	050907	SL	5.00	16	1,540.			1,540.	1,232.		308.
61	PLAT PLUS HEIM	062707	SL	5.00	16	2,132.			2,132.	1,493.		426.
62	DELL	092807	SL	5.00	16	2,535.			2,535.	1,775.		507.
63	PC CONNECTION	032907	SL	5.00	16	5,837.			5,837.	4,086.		1,167.
102	CDW DIRECT (NETWORKING)	070109	SL	5.00	16	12,681.			12,681.	3,804.		2,536.
104	COMM-TECHAV (AV SETUP TUCKER)	070109	SL	5.00	16	13,600.			13,600.	4,080.		2,720.
105	COMPUTER NETWORK (PRO-VANTAGE HEIM C	070109	SL	5.00	16	3,594.			3,594.	1,079.		719.
106	COMPUTER NETWORK (TECH-SOUP JERRY CC	070109	SL	5.00	16	792.			792.	237.		158.

128102  
05-01-11

(D) - Asset disposed

\* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction



Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
107	FLOOR BOX SYSTEM	07/01/09	SL	5.00	16	10,214.			10,214.	3,065.		2,043.
108	RACKS AND ACCESSORIES (SETT L	07/01/09	SL	5.00	16	5,819.			5,819.	1,746.		1,164.
109	RESOURCE INTERIOURS (FURNITURE TUCKER)	07/01/09	SL	5.00	16	25,057.			25,057.	7,517.		5,011.
111	SERVER TERMINAL	VARIES	SSL	5.00	16	9,198.			9,198.	1,533.		3,066.
112	COMPUTER EQUIPMENT	VARIES	SSL	5.00	16	10,690.			10,690.			1,782.
113	WEBSITE DEVELOPMENT	03/01/11	SL	3.00	16	37,896.			37,896.			6,316.
	* 990 PAGE 10 TOTAL MACHINERY & EQUIPM					333,679.		0.	333,679.	217,735.	0.	33,928.
	LAND											
110	LAND	VARIES		.000	16	67,000.			67,000.			0.
	* 990 PAGE 10 TOTAL LAND					67,000.		0.	67,000.	0.	0.	0.
	OTHER CONSTRUCTION IN PROGRESS	VARIES	SSL	.000	16	5381239.			5381239.			0.
842	2001 DODGE RAM	09/19/01	SL	5.00	16	17,600.			17,600.	17,600.		0.
851	1997 DODGE RAM	06/19/01	SL	5.00	16	8,000.			8,000.	8,000.		0.
862	2003 HONDA ODYSSEY	06/07/03	SL	5.00	16	23,340.			23,340.	23,340.		0.
872	2007 HONDA PRIUS	01/01/07	SL	5.00	16	23,393.			23,393.	18,715.		4,678.
882	2008 TOYOTA TRUCK	07/01/08	SL	5.00	16	15,500.			15,500.	7,750.		3,100.
892	2008 CHEVY 15 PASSENGER	02/01/09	SL	5.00	16	20,295.			20,295.	6,088.		4,059.

## 990

41.7

• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **X**

**Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

**Part II Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Enter filer's identifying number, see instructions	
<b>Type or print</b> Name of exempt organization or other filer, see instructions <b>ISLES, INC</b>	Employer identification number (EIN) or <input checked="" type="checkbox"/> <b>22-2350832</b>
Number, street, and room or suite no. If a P.O. box, see instructions. <b>10 WOOD STREET</b>	Social security number (SSN) <input type="checkbox"/>
City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>TRENTON, NJ 08618</b>	

Enter the Return code for the return that this application is for (file a separate application for each return)

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

**THE ORGANIZATION**

• The books are in the care of ☒ **10 WOOD STREET - TRENTON, NJ 08618**

Telephone No. ☒ **609-341-4700**

FAX No. ☐

• If the organization does not have an office or place of business in the United States, check this box ☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **NOVEMBER 15, 2012**.

5 For calendar year **2011**, or other tax year beginning , and ending .

6 If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return

☐ Change in accounting period

7 State in detail why you need the extension

**ADDITIONAL INFORMATION IS NEEDED FROM THIRD PARTIES IN ORDER TO FILE A COMPLETE AND ACCURATE RETURN.**

<b>8a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>8a</b>	\$	<b>0.</b>
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	<b>8b</b>	\$	<b>0.</b>
<b>c Balance due.</b> Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>8c</b>	\$	<b>0.</b>

**Signature and Verification must be completed for Part II only.**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature

Title

Date

Form **8868** (Rev. 1-2012)

**IRS e-file Signature Authorization  
for an Exempt Organization**

OMB No. 1545-1878

For calendar year 2011, or fiscal year beginning \_\_\_\_\_, 2011, and ending \_\_\_\_\_, 20\_\_\_\_

**2011**Department of the Treasury  
Internal Revenue Service▶ **Do not send to the IRS. Keep for your records.**  
▶ **See instructions.**

Name of exempt organization

Employer identification number

**ISLES, INC****22-2350832**

Name and title of officer

**MARTIN JOHNSON**  
**CEO****Part I Type of Return and Return Information** (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a**, **2a**, **3a**, **4a**, or **5a**, below, and the amount on that line for the return being filed with this form was blank, then leave line **1b**, **2b**, **3b**, **4b**, or **5b**, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

<b>1a</b> Form 990 check here ▶ <input checked="" type="checkbox"/>	<b>b Total revenue</b> , if any (Form 990, Part VIII, column (A), line 12) .....	<b>1b</b> <b>6780830</b>
<b>2a</b> Form 990-EZ check here ▶ <input type="checkbox"/>	<b>b Total revenue</b> , if any (Form 990-EZ, line 9) .....	<b>2b</b> _____
<b>3a</b> Form 1120-POL check here ▶ <input type="checkbox"/>	<b>b Total tax</b> (Form 1120-POL, line 22) .....	<b>3b</b> _____
<b>4a</b> Form 990-PF check here ▶ <input type="checkbox"/>	<b>b Tax based on investment income</b> (Form 990-PF, Part VI, line 5) .....	<b>4b</b> _____
<b>5a</b> Form 8868 check here ▶ <input type="checkbox"/>	<b>b Balance Due</b> (Form 8868, Part I, line 3c or Part II, line 8c) .....	<b>5b</b> _____

**Part II Declaration and Signature Authorization of Officer**

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2011 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

☒ I authorize **SOBEL AND CO., LLC CPAS** to enter my PIN **50832**  
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2011 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

☐ As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2011 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

**Part III Certification and Authentication**

**ERO's EFIN/PIN.** Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

**22722549494**  
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2011 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ \_\_\_\_\_ Date ▶ **01/28/13**

**ERO Must Retain This Form - See Instructions**  
**Do Not Submit This Form To the IRS Unless Requested To Do So**

Form **8879-EO****IRS e-file Signature Authorization  
for an Exempt Organization**

OMB No. 1545-1878

For calendar year 2011, or fiscal year beginning \_\_\_\_\_, 2011, and ending \_\_\_\_\_, 20\_\_\_\_

**2011**Department of the Treasury  
Internal Revenue Service▶ **Do not send to the IRS. Keep for your records.**  
▶ **See instructions.**

Name of exempt organization

Employer identification number

**ISLES, INC****22-2350832**

Name and title of officer

**MARTIN JOHNSON**  
**CEO****Part I Type of Return and Return Information** (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a**, **2a**, **3a**, **4a**, or **5a**, below, and the amount on that line for the return being filed with this form was blank, then leave line **1b**, **2b**, **3b**, **4b**, or **5b**, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

<b>1a</b> Form 990 check here ▶ <input type="checkbox"/>	<b>b Total revenue</b> , if any (Form 990, Part VIII, column (A), line 12) .....	<b>1b</b> .....
<b>2a</b> Form 990-EZ check here ▶ <input type="checkbox"/>	<b>b Total revenue</b> , if any (Form 990-EZ, line 9) .....	<b>2b</b> .....
<b>3a</b> Form 1120-POL check here ▶ <input type="checkbox"/>	<b>b Total tax</b> (Form 1120-POL, line 22) .....	<b>3b</b> .....
<b>4a</b> Form 990-PF check here ▶ <input type="checkbox"/>	<b>b Tax based on investment income</b> (Form 990-PF, Part VI, line 5) .....	<b>4b</b> .....
<b>5a</b> Form 8868 check here ▶ <input checked="" type="checkbox"/>	<b>b Balance Due</b> (Form 8868, Part I, line 3c or Part II, line 8c) .....	<b>5b</b> <b>0</b>

**Part II Declaration and Signature Authorization of Officer**

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2011 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

☒ I authorize **SOBEL AND CO., LLC CPAS** to enter my PIN **50832**  
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2011 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

☐ As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2011 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

**Part III Certification and Authentication**

**ERO's EFIN/PIN.** Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

**22722549494**  
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2011 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ \_\_\_\_\_ Date ▶ **01/28/13**

**ERO Must Retain This Form - See Instructions**  
**Do Not Submit This Form To the IRS Unless Requested To Do So**

LHA For Paperwork Reduction Act Notice, see instructions.  
123051  
12-01-11

Form **8879-EO** (2011)

# TAX RETURN FILING INSTRUCTIONS

NEW JERSEY FORM CRI-300R

FOR THE YEAR ENDING

DECEMBER 31, 2011

Prepared for	ISLES, INC 10 WOOD STREET TRENTON, NJ 08618
Prepared by	SOBEL AND CO., LLC CPA'S 293 EISENHOWER PARKWAY LIVINGSTON, NJ 07039-1711
Amount due or refund	NO PAYMENT REQUIRED
Make check payable to	NOT APPLICABLE
Mail tax return and check (if applicable) to	NEW JERSEY DIVISION OF CONSUMER AFFAIRS CHARITIES REGISTRATION & INVESTIGATION P.O. BOX 45021 NEWARK, NJ 07101
Return must be mailed on or before	PLEASE MAIL AS SOON AS POSSIBLE.
Special Instructions	THE NEW JERSEY RETURN SHOULD BE SIGNED AND DATED BY THE REQUIRED INDIVIDUAL(S).

**New Jersey Office of the Attorney General**

Division of Consumer Affairs  
Office of Consumer Protection  
Charities Registration Section  
124 Halsey Street, 7th Floor, P.O. Box 45021  
Newark, NJ 07101  
(973) 504-6215

**Form CRI-300R**  
**Long-Form Renewal Registration/Verification Statement**  
(Revised April 2008)

**All questions must be answered.**

Pursuant to the New Jersey Charitable Registration and Investigation Act (also known as "the C.R.I. Act" (N.J.S.A. 45:17A-18 et seq.), and prior to operating or commencing solicitation activity in the State, a charitable organization unless exempted from registration requirements (or qualified to file a Short-Form Registration Statement, CRI-200) shall file a Long-Form Initial Registration Statement, CRI-150-I. Charities submitting their annual long-form renewal registration must use Form CRI-300R. Please see the checklist at the end of this form for a discussion of fees, financial statements, documents to be attached, and other requirements for registration.

1. This statement contains the facts and financial information for the fiscal year ending:	<u>12/31/2011</u> <small>month day year</small>
2. Federal ID Number (EIN) <u>22-2350832</u>	2a. N.J. Charities Registration Number: CH- <u>0404600</u>
3. Full legal name of the registering organization: <u>ISLES, INC</u> In care of: (if necessary, otherwise leave this line blank) _____	
4. Mailing Address: <u>10 WOOD STREET, TRENTON, NJ 08618</u>	<input type="checkbox"/> Change of Address
<small>Street Address City State ZIP Code</small>	
<b>NOTE: If "in care of," a postal, private or rural delivery mail box number is used, the street address of the charity must be given below.</b>	
5. The principal street address of the registering organization	_____
<input checked="" type="checkbox"/> Same as Mailing Address	<small>Street Address City State ZIP Code</small>

6. Does the organization have any offices in New Jersey in addition to the one listed above? ☒ Yes ☐ No  
If "Yes," attach a list giving the street address and telephone number of each office in New Jersey.

6a. If the street address listed above is not where the organization's official records are kept, or if the organization does not maintain an office in New Jersey, indicate the name, full address, phone and fax number of the person having custody of the organization's records, and to whom correspondence should be addressed.

_____	_____	_____	_____	_____
<small>Contact person</small>	<small>Street address</small>	<small>City</small>	<small>State</small>	<small>ZIP Code</small>
_____	_____	_____	_____	_____
<small>Telephone number (include area code)</small>	<small>Fax number (include area code)</small>			

7. Organization's contact information:  
609-341-4700  
Telephone number (include area code) Fax number (include area code)  
WWW.ISLES.ORG  
E-mail address Web site

8. Type of organization (check one):

<input checked="" type="checkbox"/> Nonprofit corporation	<input type="checkbox"/> Foundation	<input type="checkbox"/> Individual	<input type="checkbox"/> Association	<input type="checkbox"/> Society
<input type="checkbox"/> Partnership	<input type="checkbox"/> Trust	<input type="checkbox"/> Other (Specify) _____		

9. Where and when was the organization legally established? Date: 04/10/1981 State: NJ  
As required by the C.R.I. Act (N.J.S.A. 45:17A-24c(1)), attach to this registration a copy of the organization's bylaws and instrument of organization (that is, the organization's charter, articles of incorporation or organization, agreement of association, instrument of trust, or constitution) only if the document has been issued or amended during the fiscal year being reported.
10. Does the organization solicit funds under any name or names other than as indicated on line 3 of this form? ☐ Yes ☒ No  
If "Yes," indicate all of the other names used: \_\_\_\_\_
11. Does the organization intend to solicit contributions from the general public? ☒ Yes ☐ No
12. Is the organization authorized by any other state or jurisdiction to solicit contributions? ☐ Yes ☒ No  
If "Yes," please provide a list of those states or jurisdictions, below or on a separate sheet of paper.  
\_\_\_\_\_  
\_\_\_\_\_
13. Does the organization have affiliates which share the contributions or other revenue it raised in New Jersey? ☒ Yes ☐ No  
If "Yes," provide a separate listing of those affiliates indicating the name, street address and telephone number for each one.  
**SEE STATEMENT 1**
14. What is the charitable purpose or purposes for which the organization was formed? If necessary, attach a separate statement to this registration.  
**TO ADDRESS CRITICAL URBAN NEEDS IN THE AREAS OF HOUSING, GARDENING, RECREATION, AND ENVIRONMENTAL EDUCATION**  
\_\_\_\_\_  
\_\_\_\_\_
- 14a. What are the specific programs and charitable purposes for which contributions are used? For each program, state whether it already exists or is planned. Only major program categories need be listed. If necessary, attach a separate statement to this registration.  
\_\_\_\_\_  
**SEE STATEMENT 2**
15. Does the organization use an independent paid fund-raiser or fund-raising counsel? ☐ Yes ☒ No  
If "Yes," please attach to this registration a list of paid fund-raiser(s) or fund-raising counsel(s), including their full address, telephone number, fax number, registration number in New Jersey, and a contact person's name.
- 15a. Does the independent paid fund-raiser or fund-raising counsel have custody, control or access to the organization's funds? ☐ Yes ☒ No  
If "Yes," please describe the situation.  
\_\_\_\_\_  
\_\_\_\_\_
16. Has the organization permitted a charitable sales promotion to be conducted on its behalf by a commercial co-venturer during the fiscal year-end being reported? ☐ Yes ☒ No  
If "Yes," please explain: \_\_\_\_\_
17. Has the Internal Revenue Service (I.R.S.) determined that the organization is tax exempt under code 501(c)(3)? ☒ Yes ☐ No
- a. If "No," has an application been filed which is still pending? If so, please attach a copy of the I.R.S. 1023 form filed. ☐ Yes ☒ No
- b. Has a tax exemption been granted under another I.R.S. code? ☐ Yes ☒ No  
If "Yes," advise which one: \_\_\_\_\_
- c. Has an I.R.S. tax exemption been refused, changed or revoked? ☐ Yes ☒ No  
If an exemption has been refused, changed or revoked, attach to this registration a copy of the I.R.S. determination letter of notification and provide a detailed explanation of the circumstances on a separate sheet of paper.



18. Has the organization ever had its authority to conduct charitable activities denied, suspended, or revoked in any jurisdiction or has the organization ever entered into any voluntary agreement of discontinuance with any governmental entity? ☐ Yes ☒ No  
If "Yes," attach to this registration a copy of the denial, suspension, revocation or voluntary agreement of discontinuance. If the document does not explain the reasons for the denial, suspension or revocation, attach to this registration an explanation on a separate sheet of paper.
19. Has the organization voluntarily entered into an assurance of voluntary compliance or similar order or agreement (including, but not limited to, a settlement of an administrative investigation or proceeding, with or without an admission of liability) with any jurisdiction, state or federal agency or officer? ☐ Yes ☒ No  
If "Yes," please attach to this registration the relevant document.
20. Has the organization or any of its present officers, directors, executive personnel or trustees ever been found to have engaged in unlawful practices in the solicitation of contributions or administration of charitable assets or been enjoined from soliciting contributions, or are such proceedings pending in this or any other jurisdiction? ☐ Yes ☒ No  
If "Yes," attach to this registration photocopies of any and all written documentation (such as a court order, administrative order, judgment, formal notice, written assurance or other document) which show the final disposition of the matter.
21. Has the organization or any of its present officers, directors, trustees or principal salaried executive staff employees ever been convicted of any criminal offense committed in connection with the performance of activities regulated under this act or any criminal or civil offense involving untruthfulness or dishonesty or any criminal offense relating adversely to the registrant's fitness to perform activities regulated by this Act? A plea of guilty, non vult, nolo contendere or any similar disposition of alleged criminal activity shall be deemed a conviction. ☐ Yes ☒ No
22. Has the organization or any of its officers, directors, trustees or principal salaried executive staff employees been adjudged liable in any administrative or civil action involving theft, fraud, or deceptive business practices? For purposes of this question a judgment of liability in an administrative or civil action shall include, but is not limited to, any finding or admission that the individual engaged in an unlawful practice in relation to the solicitation of contributions or the administration of charitable assets. ☐ Yes ☒ No  
If "Yes," identify the individual(s) below and attach to this registration a copy of any order, judgment or other documents indicating the final disposition of the matter.

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23. Provide the following information for each officer, director, trustee and the five most-highly compensated executive staff employees:

Name	Business address	Telephone number (include area code)	Title	Salary
SEE STATEMENT 3				

# CRI-300R Long-Form Registration Renewal Financial Statement

**Note:** If the financial value of a line item = 0, place a zero in the space provided.

Please report all figures as GROSS, not NET.

Full legal name and street address of the organization

Full legal name: **ISLES, INC**

Fiscal year-end being reported: **12/31/2011**  
month day year

Federal ID Number (EIN) **22-2350832**

Mailing address:

**10 WOOD STREET, TRENTON, NJ 08618**

Mailing Address

P.O. Box Number or Suite

City

State

ZIP Code

Street address of the registering organization: **10 WOOD STREET, TRENTON, NJ 08618**

Street Address

City

State

ZIP Code

New Jersey Charities Registration number: CH **0404600**

-00 Telephone number: **609-341-4700**

(include area code)

Attach to this registration the most recent Internal Revenue Service Form 990 and Schedule A (990), if the organization has filed those forms. Attach a copy if the organization's annual financial report included an audited financial statement, or if the organization received gross revenue in excess of \$250,000. **Note:** If the organization received gross revenue of less than \$250,000, the financial reports must be certified by the organization's president or other authorized officer of the organization's board.

☒ In lieu of completing the CRI-300R Financial Statement pages, attached please find a copy of the I.R.S. 990 filing for the fiscal year-end indicated above.

## A. Receipts

Line A1a. Direct Public Support received from the following sources:

- |      |   |       |
|------|---|-------|
| (1)  | Direct mail .....   | _____ |
| (2)  | Telephone solicitation .....  | _____ |
| (3)  | Commercial co-venture .....   | _____ |
| (4)  | Gross receipts from fund-raising events .....                       | _____ |
| (5)  | Canisters, counter cards, door to door etc .....                    | _____ |
| (6)  | Corporations and other businesses .....                             | _____ |
| (7)  | Foundations and trusts .....  | _____ |
| (8)  | Donated land, buildings, property, equipment<br>and materials ..... | _____ |
| (9)  | Legacies and bequests .....   | _____ |
| (10) | Membership dues solely resulting from<br>solicitations .....        | _____ |
| (11) | Other support (specify) .....                                       | _____ |

Line A1b. Total Direct Public Support (add lines A1a(1) through A1a(11)) .....

Line A1c. Indirect Public Support received from the following sources:

- |     |  |       |
|-----|--|-------|
| (1) | Federated fund-raising organization .....    | _____ |
| (2) | From an affiliated organization .....        | _____ |
| (3) | From another fund-raising organization ..... | _____ |

Line A1d. Total Indirect Public Support (add lines A1c(1) thru A1c(3)) .....

**Line A1e. Total Gross Contributions** (add lines A1b and A1d) .....

Line A2. Government grants including purchase of service contracts (specify agency)

a. \_\_\_\_\_  
b. \_\_\_\_\_  
c. \_\_\_\_\_  
d. \_\_\_\_\_

Line A2e. Total Government Grants (add lines 2a thru 2d) \_\_\_\_\_

Line A3. Other Support

a. Bona fide membership \_\_\_\_\_  
b. Program service revenue \_\_\_\_\_  
c. Professional services rendered by volunteers \_\_\_\_\_  
d. Miscellaneous income (specify) \_\_\_\_\_

Line A3e. Total Other Support (add the total of lines A3a thru A3d) \_\_\_\_\_

Line A4. Total Gross Revenue (add lines A1e, A2e, and A3e) \_\_\_\_\_

## B. Expenses

Line B1. Program expenses \_\_\_\_\_  
Line B2. Management and general expenses \_\_\_\_\_  
Line B3. Fund-raising expenses \_\_\_\_\_  
Line B4. Payments to state/national affiliates (if applicable) \_\_\_\_\_  
Line B5. Total Expenses (add the totals of line B1 thru B4) \_\_\_\_\_

## C. Excess or Deficit

For the fiscal year-end (subtract line B5 from line A4) \_\_\_\_\_

## D. Fund Balance

Line D1. Net assets or fund balances at beginning of year \_\_\_\_\_  
Line D2. Other changes in net assets or fund balances (attach explanation) \_\_\_\_\_  
Line D3. Net assets or fund balances at end of year (Combine line C, D1 and D2) \_\_\_\_\_

**Please Note:** The amount of Gross Contributions (line A1e on this form) determines the registration fee which must be paid and the form which should be used. July 2006 revisions to the Charities Registration Act now require all charities to pay a registration fee, including charities whose Gross Contributions are less than \$10,000. Further information for charity registrants may be found on our Web site: <http://www.njconsumeraffairs.gov/ocp/charities.htm>.

**Long-Form Renewal Registration Statement**  
**Form CRI-300RC**  
**Confidential Information**

Organization's Name: ISLES, INC

N.J. Charities Registration Number: CH- 0404600 -00

Federal ID Number (EIN) 22-2350832

Fiscal Year-End being reported: 12/31/2011  
month day year

24. Are any of the organization's officers, directors, trustees or the five most-highly compensated employees related by blood, marriage or adoption to:

- a. each other? ☒ Yes ☐ No
- b. any officers, agents or employees of any fund-raising counsel or independent paid fund-raiser under contract to the organization? ☐ Yes ☒ No
- c. any chief executive, employee, any other employee of the organization with a direct financial interest in the transaction, or any partner, proprietor, director, officer, trustee, or to any shareholder of the organization with more than two (2) percent interest in any supplier or vendor providing goods or services to the organization? ☐ Yes ☒ No
- d. If you answered "Yes," to questions 24a, b, or c, please provide a statement explaining these relationships.

**SEE STATEMENT 4**

25. Do any of the organization's officers, directors, trustees or the five most-highly compensated employees have a financial interest in any activities engaged in by a fund-raising counsel or independent paid fund-raiser under contract to the organization, or any supplier or vendor providing goods or services to the organization? ☐ Yes ☒ No

If "Yes," please detail these relationships below or on a separate sheet of paper, and provide the name, business address and telephone number of all interested parties.

We understand that this registration is being issued at the discretion of the Division of Consumer Affairs and agree that employees of the Division may inspect the records in the possession of this organization in order to ascertain compliance with the statute and all pertinent regulations. We also understand that we may be required to provide additional information if requested.

We hereby certify that the above information and the attached financial schedule(s) and statement(s) are true. We are aware that if any of the above statements are willfully false, we are subject to punishment.

Signature \_\_\_\_\_ Name MARTIN JOHNSON Title CEO Date \_\_\_\_\_

Signature \_\_\_\_\_ Name RONALD ZILINSKI Title CFO Date \_\_\_\_\_

*This form must be signed by two (2) authorized officers of the organization, including the chief financial officer.*

**Note: Form CRI-300RC must be filed with Form CRI-300R.**

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FORM CRI-300R      AFFILIATES WHICH SHARE CONTRIBUTIONS/REVENUE      STATEMENT      1  
PAGE 2, LINE 13

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---

NAME

---

PHONE

---

ISLES PROPERTIES, INC.

---

609-341-4700

---

ADDRESS

---

10 WOOD STREET TRENTON, NJ 08618

---

NAME

---

PHONE

---

ISLES COMMUNITY FOUNDATION, INC.

---

609-341-4700

---

ADDRESS

---

10 WOOD STREET TRENTON, NJ 08618

---

NAME

---

PHONE

---

ISLES E4, INC.

---

609-341-4700

---

ADDRESS

---

10 WOOD STREET TRENTON, NJ 08618

---

NAME

---

PHONE

---

ISLES MILL 57, INC

---

609-341-4700

---

ADDRESS

---

10 WOOD STREET TRENTON, NJ 08618

---

NAME

---

PHONE

---

ISLES COMMUNITY ENTERPRISES CORP

---

609-341-4700

---

ADDRESS

---

10 WOOD STREET TRENTON, NJ 08618

FORM CRI-300R

SPECIFIC PROGRAMS AND CHARITABLE PURPOSES

STATEMENT

2

PAGE 2, LINE 14A

PROGRAMS/CHARITABLE PURPOSE

ALREADY EXISTS-YOUTH BUILD INSTITUTE AND FINANCIAL SELF RELIANCE  
ALREADY EXISTS-COMMUNITY PLANNING AND RESEARCH AND REAL ESTATE DEVELO  
ALREADY EXISTS-ENVIRONMENT AND COMMUNITY HEALTH

FORM CRI-300R

LIST OF OFFICERS, DIRECTORS, TRUSTEES  
AND FIVE MOST HIGHLY PAID EMPLOYEES

STATEMENT 3

NAME OF INDIVIDUALTITLETELEPHONE NO.

SEE ATTACHED FEDERAL FORM 990.

ADDRESSSALARY

FORM CRI-300RC

EXPLANATION OF RELATIONSHIP  
PAGE 6, LINE 24

STATEMENT 4

MARTIN JOHNSON AND ELIZABETH JOHNSON ARE HUSBAND AND WIFE.



**New Jersey Office of the Attorney General**

Division of Consumer Affairs  
Office of Consumer Protection  
Charities Registration Section  
124 Halsey Street, 7th Floor, P.O. Box 45021  
Newark, NJ 07101  
(973) 504-6215

**Form CRI-400**

(Revised April 2008)

**Application for an Extension of Time to File the Annual Renewal Registration Statement and Financial Report for a Charitable Organization**

**All questions must be answered.**

**Important: Effective July 9, 2006, changes were made to the Charitable Registration and Investigation Act.**

*Carefully review the attached instructions before completing and submitting this form.*

Short-form filers, which take in \$10,000 or less per year in gross contributions, will no longer be granted an extension of time to file their renewal registration, pursuant to changes in the Charitable Registration and Investigation Act effective July 9, 2006, for fiscal years ending January 31, 2006, and after. Please Note: Extensions of time to file cannot be granted for Initial Registrations.

Date fiscal year ends: 12/31/11 Date of this application: 06/13/12 N.J. Charities Registration Number: CH- 0404600

Charity's Full Legal Name: ISLES, INC

Other Names Used (d.b.a.) \_\_\_\_\_

**Mailing Address:**

10 WOOD STREET, TRENTON, NJ 08618

In care of: \_\_\_\_\_ Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

**Street Address:**

Street Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

☐ Check this box to flag a change of address or other vital information.

Contact Person: \_\_\_\_\_ Phone Number: \_\_\_\_\_ (include area code)

E-mail: \_\_\_\_\_ Federal Tax ID (EIN): 22-2350832

Web site: WWW.ISLES.ORG Fax Number: \_\_\_\_\_ (include area code)

1. A six-month extension of time to file the Renewal Statement and Financial Report(s), for the fiscal year-end shown above, is hereby requested for the following reason(s):

INFORMATION FROM THIRD PARTIES HAS YET TO BE RECEIVED. THIS  
INFORMATION IS REQUIRED IN ORDER TO FILE A COMPLETE AND ACCURATE  
RETURN.

2. Has the organization filed all renewal registration statements for years prior to the fiscal year ending on the date shown on the first page of this application? ☒ Yes ☐ No

*If "No," please stop: if any prior years' filings are delinquent, the extension request will be denied. Please bring the renewal registration filings for all previous years up to date before submitting a request for an extension on a more current year.*

3. Has the organization submitted all previous years' registration fees and/or penalties owed to the Charities Registration Section of the Division of Consumer Affairs? ☒ Yes ☐ No

4. Has the organization previously filed an initial registration with the Charities Registration Section? ☒ Yes ☐ No

*If "No," please stop: You must immediately file an initial registration for which an extension of time to file cannot be granted.*

5. Final Check List - please review and check off each of the five items below as they are confirmed and accomplished.

- ☒ I have read the instructions for the extension of time to file the Registration Statement and Financial Report(s).
- ☒ All of the questions on this application have been answered.
- ☒ The charity has filed all previous renewal registrations and required documents.
- ☒ The charity has paid all previous years' fees and penalties owed to the Division.
- ☒ Payment of the registration fee due for the fiscal year being requested on this application is enclosed and has been made payable to the "New Jersey Division of Consumer Affairs."

We hereby certify that all of the above statements are true. I further certify that the organization has filed all previous years' reports, has paid all fines and penalties owed to the Division, and that this extension request contains true and accurate information. We are aware that if any of the above statements are willfully false, we are subject to punishment.

Signature \_\_\_\_\_ Title CEO Date \_\_\_\_\_

Signature \_\_\_\_\_ Title CFO Date \_\_\_\_\_

*This form must be signed by at least one (1) officer of the charity.*

*Should you have questions regarding charities registration in New Jersey, please visit our Web site at <http://www.njconsumeraffairs.gov/ocp/charities.htm> where registration information, instructions, forms and a fee schedule may be viewed and/or downloaded. After reading through all of the information on our Web site, if you have further questions, please contact the Charities Registration Section at our hotline number (973)-504-6215 during regular business hours.*

**Isles Inc.**  
**Tax year 2011**  
**NJ CRI 300R Attachment**

**Additional Offices in New Jersey – Question 6**

- |    |  |              |
|----|--|--------------|
| 1. | 714-716 South Clinton Avenue, Trenton NJ 08618 | 609-341-4700 |
| 2. | 33 Tucker Street, Trenton NJ 08618             | 609-341-4700 |

**ISLES, INC. AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2011 AND 2010**

# **ISLES, INC. AND SUBSIDIARIES**

**DECEMBER 31, 2011 AND 2010**

## **CONTENTS**

	<b><u>Page</u></b>
Independent Auditors' Report.....	1
Consolidated Financial Statements:	
Consolidated Statements of Financial Position.....	2
Consolidated Statements of Activities and Changes in Net Assets .....	3
Consolidated Statements of Functional Expenses .....	4-5
Consolidated Statements of Cash Flows.....	6
Notes to Consolidated Financial Statements.....	7-26



## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Isles, Inc. and Subsidiaries  
Trenton, New Jersey

We have audited the accompanying consolidated statements of financial position of Isles, Inc. and Subsidiaries (the "Organization") as of December 31, 2011 and 2010, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Isles, Inc. and Subsidiaries as of December 31, 2011 and 2010 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

  
Certified Public Accountants

July 11, 2012

Member of



North  
America

An association of legally independent firms

**ISLES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	December 31,	
	2011	2010
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,256,461	\$ 974,325
Investments, current portion	2,564,305	1,997,179
Grant receivable	969,012	621,580
Contributions receivable	1,231,910	1,805,109
Other receivables, net	347,078	136,767
Prepaid expenses	8,232	7,193
Total Current Assets	6,376,998	5,542,153
<b>PROPERTY AND EQUIPMENT, Net (Note 5)</b>	5,913,641	5,750,785

<b>OTHER ASSETS:</b>		
Property under development	5,290,347	5,187,225
Contributions receivable - non-current	733,378	1,579,156
Notes receivable	25,129	25,129
Security deposits	1,800	1,800
Deferred financing costs, net	1,314	2,559
Long-term investments	297,874	180,048
Total Other Assets	6,349,842	6,975,917
	\$ 18,640,481	\$ 18,268,855

	December 31,	
	2011	2010
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 493,000	\$ 431,696
Line of credit	1,335,171	1,663,693
Current portion of long-term debt	260,749	266,410
Deferred revenue	636,226	187,715
Total Current Liabilities	2,725,146	2,549,514
<b>LONG-TERM LIABILITIES:</b>		
Long-term debt, net of current portion	2,399,513	2,699,997
Other liabilities	448,008	432,841
Total Long-Term Liabilities	2,847,521	3,132,838
Total Liabilities	5,572,667	5,682,352

<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET ASSETS:</b>		
Unrestricted:		
Operating	4,570,229	4,293,271
Board designated	2,470,018	2,645,777
Total Unrestricted	7,040,247	6,939,048
Permanently restricted	575,043	525,000
Temporarily restricted	5,452,524	5,122,455
Total Net Assets	13,067,814	12,586,503
	\$ 18,640,481	\$ 18,268,855

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

**ISLES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**

	2011			2010		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted
REVENUES, GAINS, AND SUPPORT						
Contributions:						
Individuals	\$ 747,441	\$ 66,350	\$ 50,043	\$ 863,834	\$ 307,071	\$ 583,553
Corporations	273,242	61,700	-	334,942	327,536	60,275
Religious	3,658	-	-	3,658	3,890	1,625
Foundations	274,020	1,471,198	-	1,745,218	711,379	1,914,006
Government grants and contracts	3,228,671	-	-	3,228,671	2,918,602	-
Fee income	1,061,391	-	-	1,061,391	964,496	-
Fundraising revenues/events	106,176	-	-	106,176	39,764	72,385
Interest and dividends	89,879	-	-	89,879	77,419	-
Rental income	370,428	-	-	370,428	389,125	-
In-kind revenue	269,153	-	-	269,153	307,064	-
Net realized and unrealized (loss) gain on investments	(70,994)	-	-	(70,994)	54,726	-
Gain (loss) on property sales	10,485	-	-	10,485	(88,316)	-
Other revenue	14,658	-	-	14,658	11,748	-
	6,378,208	1,599,248	50,043	8,027,499	6,024,504	2,631,844
Net assets released from restrictions	1,269,179	(1,269,179)	-	-	2,295,741	(2,295,741)
Total Revenues, Gains and Support	7,647,387	330,069	50,043	8,027,499	8,320,245	336,103
EXPENSES:						
Program services	6,175,519	-	-	6,175,519	6,245,471	-
Supporting services:						
General and administrative	858,731	-	-	858,731	963,901	-
Fundraising	511,938	-	-	511,938	505,695	-
Total Expenses	7,546,188	-	-	7,546,188	7,715,067	-
CHANGES IN NET ASSETS	101,199	330,069	50,043	481,311	605,178	336,103
NET ASSETS - Beginning of year	6,939,048	5,122,455	525,000	12,586,503	6,333,870	4,786,352
NET ASSETS - End of year	\$ 7,040,247	\$ 5,452,524	\$ 575,043	\$ 13,067,814	\$ 6,939,048	\$ 5,122,455
					\$ 525,000	\$ 12,586,503

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



**ISLES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2011**

	Program Services				General and		Total
	Training	Education	Planning and Development	Environmental	Program Services	Administrative Fundraising	
Salaries and wages	\$ 205,597	\$ 1,594,449	\$ 142,790	\$ 570,210	\$ 2,513,046	\$ 461,098	\$ 3,251,700
Payroll taxes and employee benefits	42,801	415,043	33,466	99,280	590,590	58,811	706,860
Professional services	253,158	340,253	71,075	821,631	1,486,117	148,797	1,666,956
Occupancy	13,648	66,657	203,258	10,476	294,039	102,124	396,638
Supplies	37,595	71,124	2,081	11,828	122,628	52,343	223,288
Insurance	67	20,250	3,174	6,287	29,778	83,987	113,765
Stipends	740	76,489	50	11,546	88,825	-	92,325
Depreciation and amortization	-	13,932	160,502	9,516	183,950	38,509	222,459
Utilities	1,146	25,084	15,834	3,285	45,349	57,056	103,819
Meals and travel	4,833	54,364	330	15,039	74,566	3,107	124,330
Miscellaneous	2,165	9,786	40,772	5,397	58,120	19,982	79,387
Interest expense	-	431	93,422	-	93,853	36,451	132,250
Bank fees	-	15	1,054	1,306	2,375	24,211	27,345
Bad debts	-	-	-	41,938	41,938	-	41,938
Transportation	-	21,694	1,475	60,528	83,697	3,752	87,449
Postage	374	879	157	1,858	3,268	1,111	10,116
Advertising and promotion	95	951	35	3,796	4,877	634	5,665
Dues and membership	-	4,768	677	73	5,518	1,395	6,913
Training	-	1,878	225	910	3,013	6,939	11,902
Weatherization supplies	-	-	-	241,083	241,083	-	241,083
Total Expenses	562,219	2,718,047	770,377	1,915,987	5,966,630	1,100,307	7,546,188
Management and General Allocation	44,129	95,974	28,510	40,276	208,889	(241,576)	-
	\$ 606,348	\$ 2,814,021	\$ 798,887	\$ 1,956,263	\$ 6,175,519	\$ 858,731	\$ 7,546,188

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

**ISLES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2010**

	Program Services				General and		Total
	Training	Education	Planning and Development	Environmental	Program Services	Administrative Fundraising	
Salaries and wages	\$ 216,083	\$ 1,425,775	\$ 390,319	\$ 470,073	\$ 2,286,167	\$ 643,506	\$ 3,175,175
Payroll taxes and employee benefits	83,007	475,004	152,341	139,734	767,079	189,656	1,059,195
Professional services	376,368	194,177	421,153	21,952	637,282	188,748	877,876
Occupancy	8,609	33,184	324,031	7,692	364,907	163,196	528,103
Supplies	56,938	66,520	8,017	20,962	95,499	44,524	152,193
Insurance	200	-	19,291	5,751	25,042	93,670	118,712
Stipends	1,917	113,796	3,880	7,835	125,511	-	126,151
Depreciation and amortization	-	-	154,609	-	154,609	44,585	199,194
Utilities	1,903	11,829	44,119	6,762	62,710	2,322	134,097
Meals and travel	7,289	60,167	3,650	7,568	71,385	15,650	99,956
Miscellaneous	563	8,879	31,611	2,834	43,324	21,657	70,342
Interest expense	-	-	115,375	-	115,375	41,647	157,022
Bank fees	-	8	3,078	1,042	4,128	22,729	27,260
Bad debts	-	5,638	33,583	-	39,221	-	39,221
Transportation	-	20,372	1,981	38,230	60,583	2,622	63,205
Postage	765	1,210	818	764	2,792	1,312	6,383
Advertising and promotion	25	2,121	70	1,676	3,867	70	4,207
Dues and membership	-	1,000	928	-	1,928	3,137	5,105
Training	1,205	5,641	2,920	2,811	11,372	4,118	17,185
Weatherization supplies	-	-	-	95,509	95,509	-	95,509
Total Expenses	754,872	2,425,321	1,711,774	831,195	4,968,290	1,549,892	6,960,195
Management and General Allocation	87,981	244,114	112,134	78,080	434,328	(585,991)	(87,981.00)
	\$ 842,853	\$ 2,669,435	\$ 1,823,908	\$ 909,275	\$ 5,402,618	\$ 963,901	\$ 6,872,214

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

**ISLES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Year Ended December 31,</b>	
<b>CASH FLOWS PROVIDED BY (USED FOR):</b>	<b>2011</b>	<b>2010</b>
<b><u>OPERATING ACTIVITIES:</u></b>		
Changes in net assets	\$ 481,311	\$ 941,281
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	222,459	199,194
Reserves for bad debts	41,938	39,221
Gain on disposal of vehicle	(10,485)	-
Net realized and unrealized loss (gain) on investments	70,994	(54,726)
Forgiveness of mortgage	-	(200,771)
Changes in certain assets and liabilities:		
Grant receivable	(347,432)	(126,498)
Contributions receivable	1,377,039	226,059
Other receivables	(210,311)	190,398
Prepaid expenses	(1,039)	155,478
Security deposits	-	1,000
Accounts payable and accrued expenses	61,304	(466,996)
Deferred revenue	448,511	54,845
Other liabilities	15,167	51,321
Net Cash Provided by Operating Activities	<u>2,149,456</u>	<u>1,009,806</u>
<b><u>INVESTING ACTIVITIES:</u></b>		
Purchases of property and equipment	(497,339)	(1,227,156)
Disposal of property and equipment	20,633	-
Purchase of investments	(5,234,096)	(1,135,124)
Proceeds from sale of investments	4,478,150	1,238,738
Net Cash Used for Investing Activities	<u>(1,232,652)</u>	<u>(1,123,542)</u>
<b><u>FINANCING ACTIVITIES:</u></b>		
Proceeds under line of credit	400,000	769,000
Repayment of line of credit	(728,523)	(822,961)
Proceeds of long-term debt	-	1,266,854
Repayment of long-term debt	(306,145)	(557,549)
Net Cash (Used for) Provided by Financing Activities	<u>(634,668)</u>	<u>655,344</u>
<b>NET INCREASE IN</b>		
<b>CASH AND CASH EQUIVALENTS</b>	<b>282,136</b>	<b>541,608</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of year	<u>974,325</u>	<u>432,717</u>
End of year	<u>\$ 1,256,461</u>	<u>\$ 974,325</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:</b>		
Cash paid during the year for interest	<u>\$ 132,250</u>	<u>\$ 143,506</u>

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

**ISLES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

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**NOTE 1 - NATURE OF ORGANIZATION:**

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Isles, Inc. and Subsidiaries ("Isles" or the "Organization"), is a New Jersey not-for-profit organization providing program services primarily in the Trenton, New Jersey community and the surrounding region. The Organization offers self-help support in four core areas: community revitalization, training and education, wealth creation and environmental health. Specifically, Isles supports urban agriculture, microbusiness and financial education and services, youth training and education, community planning, green job training, energy and weatherization services, environmental restoration, research and green real estate development. The Organization is funded primarily through grants received from federal, state and local governments, private foundations, individuals and major corporations.

The consolidated financial statements include those of Isles, Inc., and also of Isles Properties, Inc., Isles' Community Foundation, Inc., Isles E4, Inc., Isles Community Enterprises Corp. ("ICE"), and Isles Mill 57, Inc., all of which are New Jersey not-for-profit organizations in which Isles, Inc. exercises control and holds economic interests with the exception of ICE which is a New Jersey not-for-profit organization, which is in the process of applying for but does not yet have tax exempt status with the Internal Revenue Service. Isles Properties, Inc. and Isles Mill 57, Inc. were organized to own and develop various real estate properties. Isles' Community Foundation, Inc. was organized as a supporting organization for Isles, Inc. and manages the majority of the Organization's investments. Isles E4, Inc. was organized to hire and train low and moderate income individuals to perform weatherization services for low-income households pursuant to existing state and local assistance programs. In addition, the weatherization services provided by Isles E4, Inc. help families reduce utility costs, aligning with Isles, Inc.'s mission of supporting self-reliance and healthy communities. ICE was organized to provide a unique range of financial and educational services to meet the needs and interests of low-wealth individuals and communities.

The following real estate development or operating entities, which are wholly controlled by Isles, Inc. or Isles Properties Inc., are also consolidated: Academy Court, LLC, Chestnut Monmouth Family Housing LLC, Isles Johnston Avenue Unit A, LLC, Isles Johnston Avenue Unit B, LLC, Trenton Community Holding Company and Stockton Arms, LLC. All significant intercompany accounts and transactions have been eliminated in consolidation.

The Organization has seven core departments, which are reported as three program service areas in the consolidated statements of functional expenses: The Isles YouthBuild Institute ("IYI") and the Center for Energy and Environmental Training ("CEET"), which are reported in the Training and Education program service area; the Planning and Development Department and Isles Community Enterprises, which are reported within the Planning and Development program service area; and the Environmental Health, the Food and Environment, and the E-4 departments, which are reported within the Environmental program service area.

**ISLES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

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**NOTE 1 - NATURE OF ORGANIZATION: (Continued)**

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The Isles YouthBuild Institute is an alternative school and training center for young adults seeking education, training, career counseling, and job and higher education placement. CEET provides certification and job training in clean energy and environmental hazard cleanup, including training modules in energy audits and retrofits, green construction, renewable energy, environmental assessment and hazardous materials cleanup. Through the Planning and Development Department, the Organization works with communities to research, advocate and organize strategies that foster sustainable, equitable development in both local and regional communities. The services of Isles Community Enterprises and Isles E4, Inc. are described in the second paragraph above.

The Organization works to create a deeper understanding of the health and environmental conditions in Trenton and the surrounding region through the Environmental Health Department, which promotes improved public health and enhanced natural resources using research, education, and action, reaching more than 4,000 people each year. The Food and Environment Department provides support for local residents and other community organizations to transform neglected parcels of urban land into gardens that address hunger relief, food production, and nutrition, as well as urban beautification and open space preservation and a school gardening and environmental education initiative.

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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***Basis of Accounting:***

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America under the *FASB Accounting Standards Codification*.

***Financial Statement Presentation:***

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

**ISLES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

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***Financial Statement Presentation: (Continued)***

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

***Cash and Cash Equivalents:***

Cash consists of funds maintained in bank accounts. Cash equivalents include short-term highly liquid money market investments with maturity dates of three months or less on the date of acquisition.

***Fair Value:***

Fair value measurements are defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There are three defined hierarchical levels based on the quality of inputs used that directly relate to the amount of subjectivity associated with the determination of fair value.

The fair value hierarchy defines the three levels as follows:

**Level 1:** Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

**Level 2:** Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

**Level 3:** Valuations based on unobservable inputs are used when little or no market is available. The fair value hierarchy gives lowest priority to Level 3 inputs.

***Property and Equipment:***

Property and equipment purchases greater than \$1,500 that extend the useful lives of the assets are capitalized and recognized in the consolidated statements of financial position at cost. Donated property and equipment is recorded at fair value on the date of donation.

**ISLES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

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***Property and Equipment: (Continued)***

Depreciation is recorded over the estimated useful lives of such assets as follows:

	<b>Method</b>	<b>Estimated Useful Life</b>
Building and improvements	Straight-line	39-40 years
Furniture and equipment	Straight-line	5-7 years
Automobiles	Straight-line	5 years
Computers	Straight-line	3 years
Web Site Costs	Straight-line	3 years

When assets are retired, or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. Maintenance, repairs and minor replacements which do not improve or extend the life of an asset are expensed as incurred.

***Donated Property, Goods and Services:***

Amounts are reported in the consolidated financial statements for voluntary donations of services when those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and which would be typically purchased if not provided by donation. Donated property, goods and services are recorded as contributions at their estimated fair value at the date of donation.

The amount of donated property, goods and services for the years ended December 31, 2011 and 2010 was \$269,153 and \$307,064, respectively, which included, \$16,700 and \$0- of in-kind contributions of software licenses, \$177,569 and \$228,303 of in-kind services of teaching professionals for the Youth Build Institute, \$67,809 and \$67,809 of in-kind rental space for various program and administrative functions, and \$7,075 and \$10,952 in contributions of other-in-kind goods and services. The Organization also regularly receives services from volunteers who are not acting in a professional capacity; such volunteer services do not meet the criteria for financial statement recognition and are not included in the consolidated financial statements.

***Deferred Financing Costs:***

Deferred financing costs represent costs incurred to obtain financing. Amortization of those costs is provided on the straight-line method over the remaining term of the applicable indebtedness. Accumulated amortization amounted to \$17,361 and \$16,116 at December 31, 2011 and 2010, respectively.

**ISLES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

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***Notes Payable:***

The Organization routinely enters into notes payable transactions with various governmental agencies. The Organization does not discount non-interest bearing or below market rate loans from governmental agencies.

***Deferred Revenue:***

Deferred revenue represents revenues received in advance not yet earned.

***Contributions:***

Contributions are recognized as revenue when the contributions are received or unconditionally pledged to the Organization. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets or the time of availability. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from restriction. It is the policy of the Organization to present restricted contributions whose restrictions are satisfied in the same reporting period as unrestricted in the consolidated statements of activities and changes in net assets.

***Grant and Contract Revenues:***

The Organization accounts for contract and grant revenues that are deemed to be exchange transactions in the consolidated statements of activities and changes in net assets to the extent that expenses have been incurred for the purpose specified by the grantor during the period. In applying this concept, the legal and contractual requirements of each individual program are used as guidance. All monies not expended in accordance with a grant or contract are recorded as a liability to the grantor. Funds received under exchange contracts in advance of their usage are classified as deferred revenue in the consolidated statements of financial position.

***Program Service Fees:***

Program service fees are reported as earned in the consolidated statements of activities and changes in net assets and include fees for various training courses, weatherization services, and consulting services provided to local community groups and corporations.

***Other Revenues:***

Other revenues are obtained from special events and program activities. These revenues are not restricted in their use and are used to offset program and management and general expenses. These revenues are recognized as earned.



**ISLES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

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***Advertising and Promotion:***

Advertising and promotion are expensed as incurred.

***Income Taxes:***

The Internal Revenue Service has recognized Isles, Inc., Isles' Community Foundation, Inc., Isles Mill 57, Inc. and Isles E4, Inc. as tax exempt under Section 501(c)(3) of the Internal Revenue Code, and it has recognized Isles Properties, Inc. as tax exempt under Section 501(c)(2) of the Internal Revenue Code. Isles Community Enterprises Corp's 501(c)(3) status is currently pending with the Internal Revenue Service.

Academy Court, LLC, Chestnut Monmouth Family Housing, LLC, Isles Johnston Ave Unit A, LLC, Isles Johnston Ave Unit B, LLC, Trenton Community Holding Company and Stockton Arms, LLC are taxed as partnerships. Accordingly, any income or loss is reflected on the tax returns of the respective members. Since these partnerships are wholly owned by either Isles, Inc. or Isles Properties Inc., they are considered disregarded entities for tax purposes.

The Organization follows standards that provide clarification on accounting for uncertainty in income taxes recognized in the Organization's consolidated financial statements. The guidance prescribes a recognition threshold and measurement attribute for the recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on de-recognition, classification, interest, and penalties, disclosure and transition. The Organization's policy is to recognize interest and penalties on unrecognized tax benefits in income tax expense. No interest and penalties were recorded during the years ended 2011 and 2010. The tax years subject to audit by federal and state jurisdictions are the years ended December 31, 2008 and forward. At December 31, 2011 and 2010, there are no significant income tax uncertainties.

***Use of Estimates:***

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

***Functional Allocation of Expenses:***

Program services, management and general and fundraising expenses have been recorded in the consolidated statements of activities and changes in net assets and on the consolidated statements of functional expenses based on both a direct costing method for those expenses directly attributable to a particular function or special event or on an allocation basis based on the salary percentage of each function to total salaries for joint costs attributable to all functions.

**ISLES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

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***Functional Allocation of Expenses: (Continued)***

The Organization's management estimates that general and administrative expenses of approximately ten percent of the traceable costs of each program and of fundraising efforts are incurred in connection with program and fundraising administration, which allocation has been indicated in the consolidated statements of functional expenses.

***Reclassifications:***

Certain reclassifications have been made to the 2010 consolidated financial statements in order for them to conform to the 2011 consolidated financial statement presentation.

***Subsequent Events:***

The Organization has evaluated events subsequent to the consolidated statement of financial position date as of December 31, 2011 through July 11, 2012, the date that the consolidated financial statements were available to be issued. The Organization completed the sale of a multi-unit condominium complex owned by Stockton Arms, LLC as of May 30, 2012 in the amount of approximately, \$775,000. After closing costs and fees, the transaction will result in a gain of approximately \$450,000 which will be effected in the 2012 financial statements.

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**NOTE 3 - ACCOUNTS RECEIVABLE:**

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***Grants and Contributions Receivable:***

Substantially all the Organization's grants and contributions receivables are with government agencies, charitable foundations, individuals or major corporations. Such receivables are periodically reviewed by management for collectability. At December 31, 2011 and 2010, management has determined the allowance for doubtful accounts to be adequate based on historical trends.

Contributions receivable at December 31, 2011 includes \$1,231,910 due in less than one year and \$733,378 due in one to five years; net of a discount to present value of \$288. For contribution pledges received during 2011, a discount rate of .135% is being utilized. The policy of the Organization is to amortize all pledge discounts using the effective interest method.

Contributions receivable at December 31, 2010 includes \$1,805,109 due in less than one year and \$1,579,156 due in one to five years; net of a discount to present value of \$14,844. For contribution pledges received during 2010, a discount rate of .94% is being utilized. The policy of the Organization is to amortize all pledge discounts using the effective interest method.

Included in contributions receivable are \$65,858 and \$60,858 of permanently restricted revenue as of December 31, 2011 and 2010, respectively.

**ISLES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

**NOTE 3 - ACCOUNTS RECEIVABLE: (Continued)**

***Other Receivables:***

The Organization's other receivables include certain consulting fee contracts and program service fee contracts with public entities and rents receivable from tenants located at the Stockton Arms, LLC property which management periodically reviews for collectability. In addition, donations received at year end and deposited immediately after are included in this amount. Bad debts are provided on the allowance method based on historical experience and management's evaluation of outstanding accounts receivable. Accounts are written-off when they are deemed uncollectible. As of December 31, 2011 and 2010, the allowance for doubtful accounts was approximately \$18,321 and \$33,400, respectively.

**NOTE 4 - INVESTMENTS:**

Investments at fair value are as follows:

**FAIR VALUE MEASUREMENTS**  
**AS OF DECEMBER 31, 2011**

	<b>LEVEL 1</b>	<b>LEVEL 2</b>	<b>LEVEL 3</b>	<b>TOTAL</b>
Fixed income	\$1,399,703	\$ -	\$ -	\$1,399,703
Equities	974,932	-	-	974,932
Mutual funds	189,670	-	-	189,670
Investments at Fair Value	<u>\$2,564,305</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,564,305</u>

The following summarizes the investment portfolio as of December 31, 2011:

**Fixed Income, Equities and**  
**Mutual Funds Breakdown:**

Equity-Domestic	34%
Equity-International	7%
Equity-Emerging Markets	2%
Commodities	2%
Market Neutral	2%
Fixed Income-Foreign	6%
Fixed Income-TIPS	6%
Fixed Income-Government	24%
Fixed Income-Asset Backed	6%
Fixed Income-Money Market	4%
Fixed Income-Preferred	7%
	<u>100%</u>

**Equities Analysis By Sector:**

Healthcare	8%
Technology	12%
Consumer Discretionary	9%
Energy	17%
Industrials	11%
Materials	6%
Financial	21%
Telecommunications	2%
Utilities	5%
Staples	9%
	<u>100%</u>

**ISLES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

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**NOTE 4 - INVESTMENTS: (Continued)**

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The following summarizes the investment portfolio as of December 31, 2010:

**FAIR VALUE MEASUREMENTS**  
**AS OF DECEMBER 31, 2010**

	<b>LEVEL 1</b>	<b>LEVEL 2</b>	<b>LEVEL 3</b>	<b>TOTAL</b>
Fixed income	\$ 879,765	\$ -	\$ -	\$ 879,765
Equities	691,287	-	-	691,287
Mutual funds	426,127	-	-	426,127
Investments at Fair Value	<u>\$1,997,179</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,997,179</u>

In addition to investments held at fair value, the Organization has long term investments of \$297,874 and \$180,048 for the years ended December 31, 2011 and 2010, respectively. As of December 31, 2011 and 2010, the Organization had investments of limited partnerships of \$247,874 and \$130,048 and a privately held company of \$50,000 and \$50,000, respectively. The limited partnerships are invested in real estate for which there is no readily determinable market value. Values for these investments are obtained from income tax reporting data. The privately held company is valued at cost. Because of this inherent uncertainty of valuation for the Organization's investments in limited partnerships and a privately held company, and for certain underlying investments held by them, which are not readily marketable, values for those investments may differ significantly from values that would have been used had a readily marketable value for them existed.

The annual return on investments includes unrealized net losses of \$236,538 and \$2,134 for the years ended December 31, 2011 and 2010, respectively, and a realized net gain of \$165,545 and \$56,860 for the years ended December 31, 2011 and 2010, respectively.

**ISLES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

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**NOTE 5 - PROPERTY AND EQUIPMENT:**

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Property and equipment consists of the following:

	<b>December 31,</b>	
	<b>2011</b>	<b>2010</b>
Land	\$ 67,000	\$ 67,000
Building and improvements	5,163,042	5,069,246
Construction in progress	1,251,308	999,322
Furniture and equipment	329,400	318,864
Automobiles	135,913	156,208
Website Costs	37,899	-
	<hr/> 6,984,562	<hr/> 6,610,640
Less: Accumulated depreciation	1,070,921	859,855
Property and Equipment, Net	<hr/> \$5,913,641	<hr/> \$5,750,785

Construction in progress at December 31, 2011 and 2010 includes single family homes under construction on Academy Street in Trenton ("Academy Court II"), as well as, other construction in progress in the geographic area known as the Old Trenton Neighborhood.

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**NOTE 6 - PROPERTY UNDER DEVELOPMENT:**

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On December 31, 2005, the Organization obtained two condominium Units (A and A-1) and a 50% interest in a third condominium Unit (B), with an aggregate floor space of approximately 106,000 square feet in an industrial warehouse site at 1 North Johnston Avenue, Hamilton, New Jersey, adjacent to the city of Trenton. The Organization has obtained these condominium units with the intention of developing them as a mixed-use facility to provide space for various community educational purposes as well as for housing and artists' studios, and to relocate its main offices there. The condominiums were obtained under a bargain purchase agreement from Hana Associates, LLC ("Hana"); the agreed purchase price of \$3,000,000 included an in-kind contribution of \$1,726,163 from Hana.

Hana has retained two other condominium units at this site which it has agreed to develop for general commercial use. Hana also retains the remaining 50% interest in condominium Unit B, which it has agreed to jointly develop with the Organization. Details of the future site development by the Organization and Hana will be governed by a Redevelopment Plan.

**ISLES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

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**NOTE 6 - PROPERTY UNDER DEVELOPMENT: (Continued)**

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As part of the purchase agreement, the Organization has committed to obtain a building permit for condominium Unit A within three years of the property closing, a certificate of occupancy within four years, and to move its main offices to this Unit within 90 days of obtaining the certificate of occupancy. Defaults on these commitments would trigger various financial penalties to the Organization, with a maximum aggregate penalty of \$300,000. Approximately two years ago, Isles formally informed Hana that while a portion of Isles' Unit A will be outfitted and occupied for training and workforce use, overall financing and construction delays made it impossible to meet the original deadlines. Isles received verbal acknowledgement from Hana. Current plans are to begin scaled back construction in late 2012 with occupancy to occur in 2013. No amounts have been recorded in these consolidated financial statements related to these possible financial penalties.

From 2008 to 2011, additional architecture and design costs, project carrying costs and other pre-development costs were capitalized to the Johnston Avenue project and are included in property under development on the consolidated statements of financial position. Capitalized interest costs related to the property under development were \$2,755 and \$797 for the years ended December 31, 2011 and 2010, respectively. The total capitalized costs are consistently monitored by management and reviewed for impairment. At December 31, 2011 and 2010, management believes such amounts will be recovered.

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**NOTE 7 - TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES:**

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The Organization has a note receivable, with no interest, in the amount of \$25,129 from Chestnut Monmouth Apartments, L.P., a related party, which matures in May 2030. Chestnut Monmouth Family Housing, LLC, of which the Organization is the sole member, is the General Partner in Chestnut Monmouth Urban Renewal Apartments, L.P.

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**NOTE 8 - INDIVIDUAL DEVELOPMENT ACCOUNTS:**

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The Organization received a \$45,000 grant under a government program for Individual Development Accounts ("IDA") that matches the savings of qualified participants who wish to accumulate funds to start or expand a business or to purchase a home. The participant funds are held in escrow accounts at a financial institution and can only be withdrawn with approval of the Organization. The Organization has received \$9,000 to date. Such amount is included in cash and accounts payable and accrued expenses on the consolidated statements of financial position.

**ISLES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

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**NOTE 8 - INDIVIDUAL DEVELOPMENT ACCOUNTS: (Continued)**

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The Organization also received an IDA grant of \$100,000 from another government program. This award will provide funds to match the savings of thirty Mercer County residents on a dollar for dollar basis to create IDA accounts eligible for expenditure on a first home purchase, education, or business startup and development expenses. The Organization has received \$25,000 to date. Such amount is included in cash and accounts payable and accrued expenses on the consolidated statements of financial position.

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**NOTE 9 - LINE OF CREDIT:**

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The Organization has an uncommitted demand revolving line of credit with a financial institution which continues until terminated by either party. Maximum borrowings cannot exceed the value of the pledged collateral. At December 31, 2011 and 2010, \$1,335,171 and \$1,663,693, respectively, was due on this line of credit. The interest rate at December 31, 2011 and 2010 was 2.49% and 1.26%, respectively.

The Organization also has an unsecured demand line of credit of up to \$500,000 with a bank which terminates on December 31, 2012, unless renewed by the bank. The Organization is required to pay monthly interest on its outstanding borrowings at the bank's prime lending rate plus 4.75 percent per annum for 2011 and ½ percent per annum for 2010. Rates at December 31, 2011 and 2010 were 8% and 3.25%, respectively. The Organization had no outstanding balances at December 31, 2011 and 2010. Per the terms of the credit line note, the Organization must reduce the outstanding balance to \$100 for minimum of 30 consecutive days during the year.

**ISLES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

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**NOTE 10 - LONG-TERM DEBT:**

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Long-term debt consists of the following:

	<b>December 31,</b>	
	<b>2011</b>	<b>2010</b>
Note payable to the Community Loan Fund, Inc. due February 1, 2017, bearing interest at the rate of 8.62% per annum. The note is collateralized by substantially all personal property and fixtures and is payable in monthly installments of \$1,581 including principal and interest, with the remaining balance of principal due at maturity.	\$ -	\$ 90,508
Note payable to the City of Trenton due May 2030, without interest. The note is collateralized by a subordinated mortgage lien on real property owned by Chestnut Monmouth Apartments, L.P., an affiliated entity.	25,129	25,129
Mortgage payable by Stockton Arms, LLC to Wachovia Bank, N.A., due January 22, 2013 bearing interest at 5.75% per annum. Monthly payments of \$2,200, including interest and principal with the remaining principal balance due at maturity. The note is collateralized by the real estate and other assets of Stockton Arms, LLC and an unconditional guaranty by Isles, Inc., Isles' Community Foundation, Inc. and Isles Properties, Inc.	237,887	250,365
Mortgage payable to Community Loan Fund of NJ, due January 1, 2011, bearing interest at 7.5% per annum. Monthly payments of \$1,050, including interest and principal with remaining balance due at maturity. The note is collateralized by the property located at 619 Greenwood Avenue, Trenton, New Jersey.	-	132,724
Predevelopment loan payable to Bank of America, due June 30, 2012, requiring monthly payments of interest at 2% per annum, with remaining accrued interest and principal due at maturity.	150,000	150,000
Predevelopment loan payable to New Jersey Community Capital, due January 1, 2011, requiring monthly payments of principal and interest at 3% per annum, with remaining accrued interest and principal due at maturity.	-	886



**ISLES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

**NOTE 10 - LONG-TERM DEBT: (Continued)**

	<b>2011</b>	<b>2010</b>
Loan payable to Nonprofit Finance Fund, due July 1, 2014 bearing interest at the Prime Lending Rate until May 1, 2012 and thereafter at prime plus 1% per annum. Monthly payments of \$3,160, including interest and principal with the remaining principal balance due at maturity. The note has an unconditional guaranty by Isles Community Foundation, Inc. The loan is collateralized by real property on Tucker Street in Trenton, New Jersey.	364,862	388,365
A loan to Isles, Inc. from the State of New Jersey, Department of Community Affairs granted for the rehabilitation of three historic structures for the sale to low income families. Upon issuance of a certificate of occupancy and a signed contract for sale, the State will grant a partial release of this mortgage for each project program. The loan is collateralized by the Academy Court 2 properties in Trenton, New Jersey. If the Organization fails to sell the homes to low-income families, the entire balance plus interest will become payable.	638,091	638,091
A loan to Isles, Inc. from the City of Trenton granted for the rehabilitation of three historic structures to be sold to low-income families. Upon issuance of a certificate of occupancy and a signed contract for sale, the City will grant a partial release of this mortgage for each project program. The loan is collateralized by the Academy Court 2 properties in Trenton, New Jersey. If the Organization fails to sell the homes to low-income families, the entire balance plus interest will become payable.	72,485	72,485
Mortgage payable by Isles Mills 57, Inc. and guaranteed by Isles, Inc. to TD Bank, due January 1, 2030, bearing interest at LIBOR plus 3.35% per annum. Monthly payments of \$4,429, including interest and principal with remaining balance due at maturity. During the year ended December 31, 2011 an interest rate swap was exercised, making the effective interest rate fixed at 6.55% with monthly payments of \$6,883. The note is collateralized by the property located at 57 Johnston Avenue, Hamilton, New Jersey.	831,502	854,579

**ISLES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

**NOTE 10 - LONG-TERM DEBT: (Continued)**

	<b>2011</b>	<b>2010</b>
Mortgage payable to TD Bank, due April 1, 2015, bearing interest at 3% per annum. Monthly payments of \$2,251, including interest and principal with remaining balance due at maturity. The note is collateralized by the property located at 57 Johnston Avenue, Hamilton, New Jersey.	295,548	313,275
Loan payable to the United States Small Business Administration, due August 3, 2020, bearing interest at 2.375% per annum. Interest will be recalculated on an annual basis based on the average size of microloans made by the Organization. No payments of principal or interest will be required during the first twelve months of the note. Monthly payments of \$1,418 plus interest calculated, with remaining balance due at maturity. The note is collateralized by all funds held in the Microloan Revolving Fund and the Loan Loss Reserve, as well as all microloan notes made as a result of this funding.	44,758	50,000
Total Long-Term Debt	2,660,262	2,966,407
Less: Current Maturities	260,749	266,410
Long-Term Debt, Net of Current Maturities	<u>\$ 2,399,513</u>	<u>\$ 2,699,997</u>

Maturities of long-term debt as of December 31, 2011, are as follows:

<u>Year</u>	
2012	\$ 260,749
2013	112,972
2014	364,279
2015	282,525
2016	45,845
Thereafter	<u>1,593,892</u>
Total	<u>\$ 2,660,262</u>

**ISLES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

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**NOTE 11 - RETIREMENT AND DEFERRED COMPENSATION PLANS:**

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The Organization maintains a 401(k) savings plan for qualified employees. Employees are eligible after three months of employment. Employee contributions are discretionary, up to the statutory limits. The Plan provides a 100% match for the first 3% of employee voluntary contributions. In addition, the Organization will contribute an additional 1% at the rate of 50% of an additional 2% contributed by the employee, to a maximum Organization contribution of 4%. Total contributions by the Organization amounted to \$77,435 and \$96,711 for the years ended December 31, 2011 and 2010, respectively.

The Organization maintains a non-qualified deferred compensation plan under which two officers of the Organization can defer receipt of their board-authorized salaries until the time of retirement. The liability as of December 31, 2011 and 2010 for such deferred compensation, which aggregated \$448,008 and \$432,841, respectively, has been included in other liabilities in the consolidated statements of financial position. At December 31, 2011 and 2010, the deferred compensation plan was funded by approximately \$20,000 and \$22,500, respectively.

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**NOTE 12 - SIGNIFICANT RISKS AND UNCERTAINTIES:**

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Financial instruments that expose the Organization to concentrations of credit risk consist primarily of cash, cash equivalents, receivables, investments and debt. The Organization maintains its cash and cash equivalents in accounts with federally insured institutions. At times, the balances in these accounts may be in excess of federally insured limits.

The Organization's receivables are concentrated with governmental agencies, as well as a single donor and a significant amount of its debt financing is concentrated with governmental agencies. A considerable balance of the Organization's investments is concentrated in equities. The Organization's exposure to concentrations of credit risk is limited by its policy of investing in diverse investments.

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**NOTE 13 - CONCENTRATIONS:**

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Approximately 40% and 34% of the Organization's revenue for the years ended December 31, 2011 and 2010, respectively, is from government grants and contracts.

**ISLES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

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**NOTE 14 - COMMITMENTS AND CONTINGENCIES:**

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The Organization is involved with certain claims and other routine litigation matters in the normal course of operations. In the opinion of management, after consultation with legal counsel, the outcome of such matters is not expected to have a material adverse effect on the Organization's financial position or results of operations.

The Organization leases office facilities on Wood Street in Trenton, under a lease with Wood Street Housing Partnership, LP that expired in March 2010, with an option for a fifteen-year renewal until March 2025. Notice was rendered in accordance with the terms of the lease to exercise the option to extend the lease to March 2025. Under this lease, the Organization is not charged for base rent, but it is charged tenant's pro-rata share of utilities, taxes and insurance allocable to the occupied space. The lease is a triple net lease, which requires the Organization to be responsible for all repairs or other operating costs. A separate 15-year lease with Wood Street Housing Partnership, LP, which expires in September 2017, provides smaller satellite office space at another nearby location in Trenton under similar terms.

The Organization has recorded the in-kind contribution of the base rent based on market value of similar facilities, to estimate fair value of the donated facilities. Total rent expense of \$133,098 and \$121,038 recorded for the years 2011 and 2010 includes in-kind contributed rentals of \$67,809.

Isles, Inc. has agreed to fund shortfalls of Chestnut Monmouth Apartments, L.P., an affiliated organization.

During 2009, the Organization entered into a grant agreement with the Federal Home Loan Bank of New York, Affordable Housing Program ("AHP"), in the amount of \$80,000 for the rehabilitation of six historic structures for sale to low-income families. AHP grants bear no interest and are not required to be repaid as long as the homes are sold to low-income eligible families in accordance with the grant agreement. If the Organization fails to sell the homes to low-income families, the entire balance plus interest will become payable.

**ISLES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

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**NOTE 15 - NET ASSETS:**

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Components of net assets were as follows:

	<b>December 31,</b>	
	<b>2011</b>	<b>2010</b>
<b>Unrestricted Net Assets:</b>		
Available for general operations	\$ 4,570,229	\$ 4,293,271
Board designated net assets of Isles Community Foundation, Inc.	2,470,018	2,645,777
<b>Total Unrestricted Net Assets</b>	<b>\$ 7,040,247</b>	<b>\$ 6,939,048</b>
 <b>Temporarily Restricted:</b>		
Time restriction - to be utilized in subsequent years	\$ -	\$ 221,518
Purpose restriction - Community Planning	959,500	120,292
Capital Campaign	4,123,277	4,160,050
Environmental	15,000	227,968
Financial Self Reliance	80,000	175,850
YouthBuild Institute	220,747	38,093
Real Estate Development	-	27,948
Green Jobs Training	10,000	68,773
Events and Other	44,000	81,963
<b>Total Temporary Restricted Net Assets</b>	<b>\$ 5,452,524</b>	<b>\$ 5,122,455</b>
 <b>Permanently Restricted:</b>		
Endowment - Capital Improvements	\$ 525,000	\$ 525,000
Endowment - Youth Centered Services	50,043	-
<b>Total Permanently Restricted Net Assets</b>	<b>\$ 575,043</b>	<b>\$ 525,000</b>

**ISLES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

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**NOTE 16 - PERMANENTLY RESTRICTED NET ASSETS:**

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The Organization follows accounting standards that provide clarification on accounting for donor restricted endowment funds. The guidance prescribes that the portion of donor-restricted endowment funds that are classified as permanently restricted should not be reduced by losses on the investment of the fund or an Organization's appropriations from the fund.

The Board of Directors' interpretation requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this, the Organization classifies permanently restricted net assets at the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization.

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the programs
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

Endowment Net Asset Composition by Type of Fund as of December 31, 2011:

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ -	\$ 575,043	\$ 575,043

**ISLES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

**NOTE 16 - PERMANENTLY RESTRICTED NET ASSETS: (Continued)**

Changes in Endowment Net Assets for the year ended December 31, 2011:

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Endowment Net Assets, January 1, 2011	\$ -	\$ -	\$ 525,000	\$ 525,000
Investment return:				
Investment income	-	-	-	-
Net realized and unrealized gains on investments	-	-	-	-
Total Investment Return	-	-	-	-
Contributions	-	-	50,043	50,043
Appropriation for expenditure	-	-	-	-
Endowment Net Assets December 31, 2011	\$ -	\$ -	\$ 575,043	\$ 575,043