

**FRIENDS OF NOBSKA LIGHT, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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FINANCIAL STATEMENTS
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Friends of Nobska Light, Inc.
Woods Hole, Massachusetts

We have reviewed the accompanying financial statements of Friends of Nobska Light, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, cash flows, and functional expenses for the year then ended and the related notes to the financial statement. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the American and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Pamela J. Souza, CPA
Certified Public Accountant
Falmouth, Massachusetts

June 19, 2018

FRIENDS OF NOBSKA LIGHT, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

Assets

Current Assets:

Cash and Cash Equivalents	\$ 206,373	
Investment Account	<u>1,991</u>	
Total Current Assets		\$ 208,364

Fixed Assets:

Equipment & Furniture	1,279	
Accumulated Depreciation	<u>(274)</u>	
Total Fixed Assets		<u>1,005</u>

Total Assets \$ 209,369

Net Assets

Unrestricted Net Assets \$ 209,369

Total Net Assets \$ 209,369

See accompanying notes and independent accountant's review report.

FRIENDS OF NOBSKA LIGHT, INC.
 STATEMENT OF ACTIVITIES
 YEAR ENDED DECEMBER 31, 2017

	<u>Unrestricted</u>
<u>Revenue & Support</u>	
Donations	\$ 369,174
Donations - In-Kind	2,101
Interest and dividends	<u>13</u>
Total Revenue, Support and Gains	<u>371,288</u>
<u>Expenses</u>	
Program expenses	253,691
Fundraising expenses	18,892
General and administrative expenses	<u>3,853</u>
Total Expenses	<u>276,436</u>
Increase (Decrease) in Net Assets	94,852
Net Assets at December 31, 2016	<u>114,517</u>
Net Assets at December 31, 2017	<u>\$ 209,369</u>

See accompanying notes and independent accountant's review report.

FRIENDS OF NOBSKA LIGHT, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017

Operating Activities:

Change in net assets	\$ 94,852
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	183
Accrued liabilities	(1,163)
In-kind donations	<u>(1,991)</u>
Net cash provided by (used in) operating activities	<u>91,881</u>
Net Increase (Decrease) in Cash and Cash Equivalents	91,881
Cash and Cash Equivalents as of Beginning of Year	<u>114,492</u>
Cash and Cash Equivalents as of End of Year	<u>\$ 206,373</u>

See accompanying notes and independent accountant's review report.

FRIENDS OF NOBSKA LIGHT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017

	<u>Program Expenses</u>	<u>Fundraising Expenses</u>	<u>Gen & Admin Expenses</u>	<u>Total Expenses</u>
Accounting	\$ -	\$ -	\$ 700	\$ 700
Advertising	-	629	-	629
Building & Grounds	5,165	-	-	5,165
Consultant	-	12,830	-	12,830
Depreciation expense	183	-	-	183
Development	-	3,109	-	3,109
Fees/Dues	631	-	-	631
Insurance	1,550	-	804	2,354
Office Supplies	-	-	2,001	2,001
Payroll Expense	50,700	-	-	50,700
Payroll Taxes	4,168	-	-	4,168
Postage	-	472	-	472
Preservation/Restoration	184,019	-	-	184,019
Printing	-	1,852	-	1,852
Staff Development	-	-	260	260
Taxes - Other	-	-	88	88
Technology	3,122	-	-	3,122
Utilities	4,153	-	-	4,153
	<u>4,153</u>	<u>-</u>	<u>-</u>	<u>4,153</u>
Total	\$ 253,691	\$ 18,892	\$ 3,853	\$ 276,436

See accompanying notes and independent accountant's review report.

FRIENDS OF NOBSKA LIGHT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

The Nobska Light was established in Woods Hole, Massachusetts. The mission of Nobska Light is to preserve the tower, the lighthouse keeper's house and the grounds as an educational resource open to the public. Falmouth Historical Society, Highfield Hall & Gardens, Woods Hole Historical Museum and Woods Hole Community Association cooperated to form the Friends of Nobska Light.

Basis of Accounting

The financial statements of Nobska Light have been prepared on the accrual basis of accounting.

Basis of Presentation

Financial statements presentation follows the requirements of the Financial Accounting Standard Board in its Statement of Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations* and reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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 Nobska Light and/or the passage of time.

Permanently restricted net assets – Net assets to be held in perpetuity as directed by donors. The income from the contributions is available to support activities as designated by the donors.

Revenue

Major sources of revenue for Nobska Light's operations are contributions.

Contributions

Nobska Light records contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or specific purposes are reported as temporarily restricted or permanently

FRIENDS OF NOBSKA LIGHT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

restricted support that increases those net asset classes. Contributions of donated noncash assets are recorded at their estimated fair values in the period received.

Cash and Cash Equivalents

Nobska Light considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purpose of the statement of cash flows exclude temporarily and permanently restricted cash and cash equivalents.

Investments

Investments are carried at fair value. Donated investments are recorded at fair market value at the time of donation and subsequently adjusted to their year-end market value. Interest and dividend income on these investments, as well as unrealized gains and losses resulting from changes in market value are reported in the Statement of Activities.

Fair value measurements

The Fair Value Measurements topic of the FASB Accounting Standards Codification (FASB ASC) establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Building and Equipment

Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as temporarily restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, Nobska Light reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Depreciation is computed over the estimated useful lives of the related assets using the straight line method. The equipment and furniture is being depreciated over a seven year useful life.

FRIENDS OF NOBSKA LIGHT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Income Tax Status

Nobska Light is a Massachusetts not-for-profit corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. Nobska Light is not classified as a private foundation under Internal Revenue Code Section 509(a). Management has considered and concluded that Nobska Light has no uncertain tax positions. Contributions to Nobska Light by individual donors qualify as tax deductible, subject to the limitations provided in the Internal Revenue Code.

Generally, tax years beginning in 2015 are subject to examination by taxing authorities. The jurisdictions subject to examination include the United States and Massachusetts.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – INVESTMENTS

Investments are presented in the financial statements at fair value and consist of the common stock valued at \$1,991. At December 31, investments were held in LPL Financial.

Investment income consisted of \$13 from Martha's Vineyard Savings Bank.

NOTE 3 – DONATED SERVICES

Nobska Light receives a significant amount of donated services from unpaid volunteers who assist in fund-raising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

NOTE 4 – FUNCTIONAL ALLOCATION OF EXPENSES

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

**FRIENDS OF NOBSKA LIGHT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 5 – SUBSEQUENT EVENTS

Nobska Light has evaluated all events and transactions through June 19, 2018, the date the financial statements were available to be issued. There were no events or transactions that occurred that would require recognition or disclosure in the financial statements.