

FRIENDS OF NOBSKA LIGHT, INC.

Financial Statements

December 31, 2021

FRIENDS OF NOBSKA LIGHT, INC.

Table of Contents

December 31, 2021

EXHIBIT

Independent Accountant's Review Report

Statement of Financial Position

A

Statement of Activity

B

Statement of Cash Flows

C

Statement of Functional Expenses

D

Notes to Financial Statements

E

LAMB, MASON, BULGER & CO., P.C.
Certified Public Accountants
32 Village Landing, P.O. Box 1233
West Chatham, Massachusetts 02669

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

September 22, 2022

To the Board of Directors
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, 2021, and the related statements of activity, functional expenses and cash flows for the year then ended and the related notes to the financial statements. 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 taken 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 the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Accounting 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 review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.


Lamb, Mason, Bulger & Co., P.C.

FRIENDS OF NOBSKA LIGHT, INC.

Statement of Financial Position

December 31, 2021

(See Independent Accountant's Review Report)

ASSETS

Cash	\$ 582,845
Prepaid expenses	6,945
Pledges Receivable	7,500
Equipment(net of accumulated depreciation of \$1,006)	<u>273</u>
Total Assets	<u>\$ 597,563</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Payroll liabilities	\$ <u>1,333</u>
Total Liabilities	<u>1,333</u>
Net Assets:	
Net assets without donor restrictions	588,730
Net assets with donor restrictions	<u>7,500</u>
Total Net Assets	<u>596,230</u>
 Total Net Assets and Liabilities	 <u>\$ 597,563</u>

FRIENDS OF NOBSKA LIGHT, INC.

Statement of Activity

For the Year Ended December 31, 2021

(See Independent Accountant's Review Report)

	<u>Without</u> <u>Donor Restriction</u>	<u>With</u> <u>Donor Restriction</u>	<u>Total</u>
Support and Revenue:			
Contributions	\$ 199,097	\$ -	\$ 199,097
Grants	23,701	-	23,701
Events	150	-	150
Net assets released from restrictions:			
Satisfaction of restrictions as to purpose	<u>196,101</u>	<u>(196,101)</u>	<u>-</u>
Total Support and Revenue	<u>419,049</u>	<u>(196,101)</u>	<u>222,948</u>
Expenses:			
Program services	115,615	-	115,615
General administration	62,749	-	62,749
Fundraising	<u>9,346</u>	<u>-</u>	<u>9,346</u>
Total Expenses	<u>187,710</u>	<u>-</u>	<u>187,710</u>
Change in Net Assets	<u>231,339</u>	<u>(196,101)</u>	<u>35,238</u>
Net Assets, Beginning of Year	<u>357,391</u>	<u>203,601</u>	<u>560,992</u>
Net Assets, End of Year	<u>\$ 588,730</u>	<u>\$ 7,500</u>	<u>\$ 596,230</u>

See Accompanying Notes to Financial Statements

FRIENDS OF NOBSKA LIGHT, INC.

Statement of Cash Flows

For the Year Ended December 31, 2021

(See Independent Accountant's Review Report)

Cash Flows from Operating Activities:	
Change in net assets	\$ 35,238
adjustments to reconcile change in net assets to net cash provided (used) by operating activities	
Depreciation	183
Decrease in prepaid expenses	1,578
Decrease in pledges receivable	196,101
Increase in payroll liabilities	1,333
Decrease in accounts payable	(25,943)
Net Cash Provided by Operating Activities	<u>208,490</u>
 Net Increase in Cash	 208,490
 Cash at Beginning of Year	 <u>374,355</u>
 Cash at End of Year	 <u>\$ 582,845</u>

See Accompanying Notes to Financial Statements

FRIENDS OF NOBSKA LIGHT, INC.

Statement of Functional Expenses

For the Year Ended December 31, 2021

(See Independent Accountant's Review Report)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Restoration costs	\$ 62,273	\$ -	\$ -	\$ 62,273
Advertising	-	-	1,177	1,177
Bank fees	-	400	-	400
Bad pledge	-	54,551	-	54,551
Printing and postage	-	-	3,992	3,992
Depreciation	183	-	-	183
Events	-	-	4,177	4,177
Supplies	34	1,491	-	1,525
Insurance	12,914	1,195	-	14,109
Professional fees	-	5,000	-	5,000
Payroll	19,500	-	-	19,500
Membership dues	957	-	-	957
Payroll taxes	2,343	-	-	2,343
Repairs and maintenance	7,063	-	-	7,063
Filing fees	-	112	-	112
Utilities	9,226	-	-	9,226
Staff development	69	-	-	69
Technology	1,053	-	-	1,053
Total Program Expenses	<u>\$ 115,615</u>	<u>\$ 62,749</u>	<u>\$ 9,346</u>	<u>\$ 187,710</u>

FRIENDS OF NOBSKA LIGHT, INC.

Notes to Financial Statements

December 31, 2021

(See Independent Accountant's Review Report)

Note 1 - Summary of Significant Accounting Policies:

Organization – Friends of Nobska Light was established in Woods Holes, Massachusetts in 2015. The mission of Friends 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.

Financial Statement Presentation - The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions, and net assets without donor restrictions. In addition, the Organization is required to present a statement of cash flows.

Basis of Accounting - The accompanying financial statements have been prepared on the accrual basis of accounting.

Revenue and Support - Contributions received are recorded as support with donor restrictions and support without donor restrictions depending on the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the time or purpose restrictions.

Contributions are generally available for unrestricted use in the related year unless specifically restricted by the donor. The Organization reports contributions with donor imposed restrictions as support without donor restrictions when the restrictions are met in the same reporting period as received.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services, materials or facilities that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

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.

Contributed Services - A substantial number of unpaid volunteers including board members have made significant contributions of their time to develop the Organization's programs and policies. The value of this contributed time is not reflected in these statements since it is not susceptible to objective measurement or valuation.

Cash and Cash Equivalents - For the purpose of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

FRIENDS OF NOBSKA LIGHT, INC.

Notes to Financial Statements

December 31, 2021

(See Independent Accountant's Review Report)

Note 1 - Summary of Significant Accounting Policies (continued):

Depreciation – Acquisitions of property and equipment in excess of \$500 are capitalized. Equipment is stated at cost if purchased, and at fair market value at date of gift if donated. Major additions are charged to the property accounts, while replacements, maintenance and repairs which do not improve or extend the life of the respective assets are expensed in the year incurred. Fixed assets are depreciated using the straight line method over the useful life of the asset. The equipment and furniture is being depreciated over a seven year life. Depreciation expense for the year ended December 31, 2021 was \$183.

Subsequent Events - Events subsequent to December 31, 2021 have been evaluated through September 22, 2022, the date these financial statements were available to be issued, to determine whether they should be disclosed to keep the financial statements from being misleading. Management found no additional subsequent events that should be disclosed.

Allocation of Expenses - The Organization incurred costs for fund raising, program, and management activities which were allocated based on specific identification of expense items. The allocated costs are shown on Exhibit D.

Note 2 - Pledges Receivable:

Pledges receivable are from the capital campaign for the restoration of Nobska Light and are expected to be fully collectable, therefore no allowance or discount is reported.

Pledges are due as follows: 2022	\$ 5,500
2023	1,000
2024	<u>1,000</u>
	<u>\$ 7,500</u>

FRIENDS OF NOBSKA LIGHT, INC.

Notes to Financial Statements

December 31, 2021

(See Independent Accountant's Review Report)

Note 3 - Restrictions on Net Assets:

Net assets with donor restrictions represent donations that are restricted by the donor. Donor imposed restrictions may be temporary or perpetual in nature. When a donor restriction is accomplished or when a stipulated time restriction ends, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as a reclassification of net assets

Donor restricted as to time or purpose December 31, 2021:

Pledges receivable	<u>\$ 7,500</u>
Total net assets restricted as to a purpose	<u>\$ 7,500</u>

Note 4 - Taxes:

The Organization is a nonprofit organization under Section 501 (c)(3) of the Internal Revenue Code, as such it is exempt from income tax except that from unrelated sales of goods of which there were none.

Note 5 – Liquidity and Availability:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

Cash and equivalents	\$ 582,845
Pledges Receivable	<u>5,500</u>
Total	<u>\$ 588,345</u>

Note 6– Credit Risk:

The Organization maintains bank accounts at local banks insured by the Federal Deposit Insurance Corporation up to \$250,000. Account balances exceeded the insured limit by \$312,068 on December 31, 2021. Amounts in excess of FDIC limits are insured through private insurance with Depositors Insurance Fund.