

LOWER CAPE OUTREACH COUNCIL, INC.

Financial Statements

December 31, 2022 and 2021

LOWER CAPE OUTREACH COUNCIL, INC.

Table of Contents

December 31, 2022

	<u>EXHIBIT</u>
Independent Auditor's Report	
Statements of Financial Position	A
Statements of Activity	B
Statements of Functional Expenses	C
Statements of Cash Flows	D
Notes to Financial Statements	E

INDEPENDENT AUDITOR'S REPORT

August 29, 2023

To the Board of Directors
Lower Cape Outreach Council, Inc.
Orleans, Massachusetts

Opinion

We have audited the accompanying financial statements of Lower Cape Outreach Council, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lower Cape Outreach Council, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lower Cape Outreach Council, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lower Cape Outreach Council, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lower Cape Outreach Council, Inc. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lower Cape Outreach Council, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



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

LOWER CAPE OUTREACH COUNCIL, INC.

Statement of Financial Position

December 31, 2022 and 2021

(See Independent Auditor's Report)

ASSETS

	<u>2022</u>	<u>2021</u>
Assets:		
Cash and cash equivalents	\$ 688,365	\$ 1,557,004
Prepaid expenses	19,335	11,562
Investments	1,753,428	866,861
Investments – Endowment	455,444	482,251
Security deposit	5,000	5,000
Furniture and equipment net of accumulated depreciation	<u>41,741</u>	<u>51,702</u>
Total Assets	<u>\$ 2,963,313</u>	<u>\$ 2,974,380</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	\$ 11,332	\$ 31,413
Refundable advance	<u>19,093</u>	<u>22,433</u>
Total Liabilities	<u>30,425</u>	<u>53,846</u>
Net Assets:		
Net assets without restriction	2,472,731	2,438,283
Board designated endowment	<u>455,444</u>	<u>482,251</u>
Total net assets without restriction	<u>2,928,175</u>	<u>2,920,534</u>
Net assets with restriction	<u>4,713</u>	<u>-</u>
Total Net Assets	<u>2,932,888</u>	<u>2,920,534</u>
Total Liabilities and Net Assets	<u>\$ 2,963,313</u>	<u>\$ 2,974,380</u>

See Accompanying Notes to Financial Statements

LOWER CAPE OUTREACH COUNCIL, INC.

Statement of Activity

For the Years Ended December 31, 2022 and 2021

(See Independent Auditor's Report)

	2022			2021		
	Without Restrictions	With Restrictions	Total	Without Restrictions	With Restrictions	Total
Support and Revenue						
Contributions	\$ 1,242,011	\$ 4,713	\$ 1,246,724	\$ 1,505,678	\$ -	\$ 1,505,678
Grants	445,593	-	445,593	732,552	-	732,552
Special events(net of direct costs of \$14,918 and \$1,700)	165,534	-	165,534	72,310	-	72,310
Bank interest	568	-	568	1,109	-	1,109
Investment income	(90,239)	-	(90,239)	129,349	-	129,349
Total Support and Revenue	<u>1,763,467</u>	<u>4,713</u>	<u>1,768,180</u>	<u>2,440,998</u>	<u>-</u>	<u>2,440,998</u>
Expenses						
Program Services	1,311,968	-	1,311,968	1,342,968	-	1,342,968
Supporting Services						
General and administrative	207,305	-	207,305	135,736	-	135,736
Fund Raising	<u>236,553</u>	<u>-</u>	<u>236,553</u>	<u>160,569</u>	<u>-</u>	<u>160,569</u>
Total Expenses	<u>1,755,826</u>	<u>-</u>	<u>1,755,826</u>	<u>1,639,273</u>	<u>-</u>	<u>1,639,273</u>
Excess of Support and Revenue over Expenses	7,641	4,713	12,354	801,725	-	801,725
Net Assets, Beginning of Year	<u>2,920,534</u>	<u>-</u>	<u>2,920,534</u>	<u>2,118,809</u>	<u>-</u>	<u>2,118,809</u>
Net Assets, End of Year	<u>\$ 2,928,175</u>	<u>\$ 4,713</u>	<u>\$ 2,932,888</u>	<u>\$ 2,920,534</u>	<u>\$ -</u>	<u>\$ 2,920,534</u>

See Accompanying Notes to Financial Statements

LOWER CAPE OUTREACH COUNCIL, INC.

Statement of Functional Expenses

For the Year Ended December 31, 2022

(See Independent Auditor's Report)

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fund Raising</u>	<u>Total</u>
Advertising	\$ -	\$ -	\$ 30,996	\$ 30,996
Bank charges	-	2,264	3,396	5,660
Depreciation	9,268	2,317	-	11,585
Donations	25,554	-	-	25,554
Dues and subscriptions	-	1,491	-	1,491
Information technology	18,090	28,278	7,254	53,622
Insurance	6,627	368	368	7,363
Office equipment	2,700	1,157	-	3,857
Payments for clients	902,759	-	-	902,759
Personnel	245,254	152,755	152,458	550,467
Postage & printing	1,415	1,415	15,030	17,860
Professional development	785	-	-	785
Professional fees	-	6,607	1,867	8,474
Property management	26,716	1,484	1,484	29,684
Rent	55,730	3,096	3,096	61,922
Retirement contribution	4,429	2,759	2,512	9,700
Supplies	3,743	2,779	14,132	20,654
Taxes and licenses	-	40	3,465	3,505
Telephone	8,435	469	469	9,373
Volunteer appreciation	<u>463</u>	<u>26</u>	<u>26</u>	<u>515</u>
Totals	<u>\$ 1,311,968</u>	<u>\$ 207,305</u>	<u>\$ 236,553</u>	<u>\$ 1,755,826</u>

See Accompanying Notes to Financial Statements

LOWER CAPE OUTREACH COUNCIL, INC.

Statement of Functional Expenses

For the Year Ended December 31, 2021

(See Independent Auditor's Report)

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fund Raising</u>	<u>Total</u>
Advertising	\$ -	\$ -	\$ 15,934	\$ 15,934
Bank charges	-	697	3,811	4,508
Depreciation	5,715	1,429	-	7,144
Information technology	16,915	16,624	7,190	40,729
Insurance	10,741	597	597	11,935
Office equipment	3,408	1,460	-	4,868
Office supplies	2,403	2,402	1,052	5,857
Payments for clients	1,028,909	-	-	1,028,909
Personnel	184,271	98,447	107,543	390,261
Postage & printing	1,444	1,443	12,774	15,661
Professional development	1,920	-	-	1,920
Professional fees	-	6,808	1,332	8,140
Property management	21,305	1,184	1,183	23,672
Rent	54,230	3,013	3,013	60,256
Retirement contribution	1,264	552	2,390	4,206
Taxes and licenses	-	500	3,170	3,670
Telephone	6,155	342	342	6,839
Volunteer appreciation	<u>4,288</u>	<u>238</u>	<u>238</u>	<u>4,764</u>
Totals	<u>\$ 1,342,968</u>	<u>\$ 135,736</u>	<u>\$ 160,569</u>	<u>\$ 1,639,273</u>

See Accompanying Notes to Financial Statements

LOWER CAPE OUTREACH COUNCIL, INC.

Statement of Cash Flows

For the Year Ended December 31, 2022 and 2021

(See Independent Auditor's Report)

	<u>2022</u>	<u>2021</u>
Cash Flow from Operating Activities:		
Change in net assets	\$ 12,354	\$ 801,725
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Donated stock	(15,000)	(32,514)
Depreciation and amortization	11,585	7,144
Realized and unrealized (gain)loss on investments	123,984	(108,407)
Decrease in pledges receivable	-	25,473
(Increase) in prepaid expenses	(7,773)	(2,860)
(Decrease) in refundable advance	(3,340)	(9,000)
Increase(decrease) in accounts payable	<u>(20,081)</u>	<u>23,618</u>
Net Cash Provided by Operating Activities	<u>101,729</u>	<u>705,179</u>
 Cash Flows from Investing Activities:		
Transfer from investments	15,000	32,703
Purchase of fixed assets	(35,368)	(45,082)
Purchase of investments	<u>(950,000)</u>	<u>(270,932)</u>
Net Cash (Used) by Investing Activities	<u>(970,368)</u>	<u>(283,311)</u>
 Net Increase(Decrease) in Cash	(868,639)	421,868
 Cash and cash equivalents at Beginning of Year	<u>1,557,004</u>	<u>1,135,136</u>
 Cash and cash equivalents at End of Year	<u>\$ 688,365</u>	<u>\$ 1,557,004</u>

See Accompanying Notes to Financial Statements

LOWER CAPE OUTREACH COUNCIL, INC.

Notes to Financial Statements

December 31, 2022 and 2021

(See Independent Auditor's Report)

Note 1 - Nature of Organization:

Lower Cape Outreach Council Inc., (the "Organization") was formed in 1984 to provide emergency assistance of food, clothing and financial support to individuals and families in Brewster, Chatham, Eastham, Harwich, Orleans, Provincetown, Truro and Wellfleet which will lead to healthy, productive and self-sustaining lives as part of the Cape Cod community.

Note 2 – Summary of Significant Accounting Policies:

Financial Statement Presentation - The financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, Presentation of Financial Statements of Not-For-Profit-Organizations. Under FASB ASC 958-205 the Organization is required to classify its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's Board of Directors (the "Board") may designate assets without restrictions for specific operational purposes from time to time.

Net assets with restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

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

Contributions - Contributions received are recorded as net assets without restrictions or net assets with restrictions, depending on the existence and/or nature of any donor-imposed restrictions. As permitted, the Organization reports contributions with donor-imposed restrictions as without restriction when the restrictions are met in the same reporting period as received.

Use of Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising – The Organization follows the policy of charging the costs of advertising and publicity to expense as incurred.

LOWER CAPE OUTREACH COUNCIL, INC.

Notes to Financial Statements

December 31, 2022 and 2021

(See Independent Auditor's Report)

Note 2 – Summary of Significant Accounting Policies:(continued)

Cash and Cash Equivalents - For the purpose of the statement of cash flows, the Organization considers all unrestricted highly liquid, FDIC insured investments to be cash equivalents.

Contributed Goods and Services - Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and may otherwise be purchased by the Organization.

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 recognized as contributions in the financial statements since the recognition criteria were not met. The Organization receives materials from various donors. The values of these items are not reflected in these financial statements since an objective measurable basis for determining fair value is not available, therefore the recognition criteria were not met.

Functional Allocation of Expenses – Expenses such as payroll, payroll taxes and insurance have been allocated based on employee time devoted to each function. Expenses such as Depreciation, office supplies, rent, and property maintenance have been allocated using estimates provided by management. Expenses such as information technology and professional fees are allocated by classifying actual expenditures.

Subsequent Events - The Organization evaluated subsequent events for potential required disclosures through August 29, 2023, which is the day the financial statements were available to be issued.

Investments - The Organization's investments in equity securities with readily determinable fair market values and all investments in debt securities are valued at fair market value in the statement of financial position. Unrealized gains and losses are included in the statement of net assets and the statement of activities. Investments are stated at fair market, valuation being determined by national stock exchanges.

Fair Value Measurement - The Organization values its investments in accordance with the FASB ASC 820, Fair Value Measurement and Disclosure, which defines fair value as the price that the Organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market of the investment. ASC 820 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on fair market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

LOWER CAPE OUTREACH COUNCIL, INC.

Notes to Financial Statements

December 31, 2022 and 2021

(See Independent Auditor's Report)

Note 2 – Summary of Significant Accounting Policies:(continued)

Level 1 - quoted prices in active markets for identical investments

Level 2 - other significant observable inputs (including quoted prices for similar investments in active markets, interest rates, prepayment speeds, credit risk, etc).

Level 3 - significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments)

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, the Organization utilizes techniques that maximize the use of observable inputs and minimizes the use of unobservable inputs to the extent possible.

The carrying amounts of financial instruments, including cash and cash equivalents, pledges receivable, accounts payable and accrued expenses, prepaid expenses, security deposit, and refundable advance approximate fair value due to the short term nature of these assets and liabilities.

Note 3 - Investments:

In accordance with ASC 820, the following methods and assumptions were used by the Organization in estimating its fair value disclosure for investments:

Investments: The fair value of investments are based on quoted market prices for those or similar investments (Level 1).

Investments are stated at fair market value as follows:

		<u>2022</u>	
	<u>Basis</u>	<u>Fair Market Value</u>	<u>Unrealized Gain/(Loss)</u>
Equity mutual funds	\$ 595,549	\$ 711,420	\$ 115,871
Bond mutual funds	282,836	293,207	10,371
US Treasury bonds	1,202,870	1,202,276	(594)
Money market mutual funds	<u>1,969</u>	<u>1,969</u>	<u>-</u>
	<u>\$ 2,083,224</u>	<u>\$ 2,208,872</u>	<u>\$ 125,648</u>

LOWER CAPE OUTREACH COUNCIL, INC.

Notes to Financial Statements

December 31, 2022 and 2021

(See Independent Auditor's Report)

Note 3 - Investments:(continued)

		<u>2021</u>	
	<u>Basis</u>	<u>Fair Market Value</u>	<u>Unrealized Gain/(Loss)</u>
Equity mutual funds	\$ 557,530	\$ 791,615	\$ 234,085
Bond mutual funds	295,870	307,479	11,609
Money market mutual funds	<u>250,018</u>	<u>250,018</u>	<u>-</u>
	<u>\$ 1,103,418</u>	<u>\$ 1,349,112</u>	<u>\$ 245,694</u>

	<u>2022</u>	<u>2021</u>
Return on Investments:		
Dividends and interest	\$ 33,744	\$ 20,942
Realized gain on sale of investments	34,714	75,081
Unrealized gain(loss) on investments	<u>(158,697)</u>	<u>33,326</u>
Total Return on Investments	<u>\$ (90,239)</u>	<u>\$ 129,349</u>

Note 4 – Cash:

The Organization maintains bank accounts at local banks insured by the Federal Deposit Insurance Corporation (“FDIC”). The standard deposit insurance amount is \$250,000 per depositor, per FDIC-insured bank. At various times during the year the account balances exceeded the FDIC insured limit. At December 31, the amount in excess of the FDIC insured limit was \$411,881 for 2022 and \$1,298,711 for 2021.

LOWER CAPE OUTREACH COUNCIL, INC.

Notes to Financial Statements

December 31, 2022 and 2021

(See Independent Auditor's Report)

Note 5 - Income Taxes:

The Organization is a nonprofit corporation under Section 501 (c)(3) of the Internal Revenue Code and Massachusetts law. It is exempt from income tax except on net income that is derived from unrelated business activities, of which there was none.

The Financial Accounting Standard Board ("FASB") issued a standard that clarifies the accounting and recognition of income tax positions taken or expected to be taken in the Organization's tax return. The Organization assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. If the Organization incurs interest or penalties as a result of unrecognized tax benefit the policy is to classify interest accrued with interest expense and penalties thereon with supporting services expenses. The Organization's tax filings are subject to audit by various taxing authorities. However, there are currently no audits for any tax periods in progress. The tax years 2020, 2021, 2022 are open for federal and Massachusetts tax review.

Note 6 - Furniture and Equipment:

Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets using straight-line methods as follows:

		<u>2022</u>	<u>2021</u>
Leasehold improvements-office	20 years	\$ 30,717	\$ 30,717
Furniture	7 years	4,300	4,300
Vehicles	5 years	43,048	43,048
Office equipment	5 to 7 years	<u>29,901</u>	<u>28,277</u>
		107,966	106,342
Accumulated depreciation		<u>(66,225)</u>	<u>(54,640)</u>
		<u>\$ 41,741</u>	<u>\$ 51,702</u>

Furniture and equipment costing \$500 or more is recorded at cost and include expenditures which materially increase values or extend useful lives. Expenditures in the nature of normal and recurring repairs and maintenance are charged to operations as incurred.

Depreciation expense for the year ended December 31, 2022 amounted to \$11,585 and \$7,144 in 2021.

Note 7 - Simple IRA:

The Organization has a simple IRA plan for eligible employees. The plan calls for a matching contribution of up to 3% of an employee's salary. The Organization's contribution for 2022 was \$9,700 and \$4,206 for 2021.

LOWER CAPE OUTREACH COUNCIL, INC.

Notes to Financial Statements

December 31, 2022 and 2021

(See Independent Auditor's Report)

Note 8 - Rent:

The Organization signed a 1 year lease starting in May 2022 for office and program space which for \$5,306 per month which expired in May 2023. Office rent for the year ended December 31, 2022 was \$57,418.

The office lease requires payments as follows:

2023	<u>\$ 21,224</u>
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The Organization assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the statement of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term.

Note 9 – 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	\$ 688,365
Investments	1,753,428
Endowment spending appropriations	<u>-</u>
	<u>\$ 2,441,793</u>

The Board has created a board designated endowment by earmarking a portion of its net assets without restriction to be invested for a long but unspecified period of time. The Board does not intend to spend from the board designated endowment, other than amounts appropriated for expenditure. However, these amounts could be made available for general use by Board vote.

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations may come due.

LOWER CAPE OUTREACH COUNCIL, INC.

Notes to Financial Statements

December 31, 2022 and 2021

(See Independent Auditor's Report)

Note 10 - Investments-Endowment:

The purpose of the Board Designated Endowment is to provide for the long term stability of the Organization. The funds in this account are designated to generate annual income that will supplement the annual budget. Distributions of the funds are restricted to 50% of the annual capital gains and dividend distributions the fund earns in the calendar year. All future contributions and share value fluctuations as well as 50% of the capital gains and dividend distributions remain in the fund. Principal distributions occur on an emergency basis and are subject to an affirmative vote of two thirds of both the finance committee and the board. The investment policy is to use mutual funds to provide for the long term well-being of the Organization by diversifying risk while also generating income to provide for near term operational needs.

	<u>2022</u>	<u>2021</u>
Board designated endowment net assets, beginning of year	\$ 482,251	\$ 204,080
Additions to account	-	250,000
Withdrawals from account	-	(110)
Investment income	5,394	4,715
Net appreciation	(42,275)	9,667
Gain on sale of investments	<u>10,074</u>	<u>13,899</u>
Board designated endowment net assets, end of year	<u>\$ 455,444</u>	<u>\$ 482,251</u>

As of December 31, endowment investments consisted of the following:

	<u>2022</u>		
	<u>Fair Market Value</u>	<u>Cost</u>	<u>Unrealized Gain</u>
Vanguard Wellesley Income Fund	\$ 103,585	\$ 102,502	\$ 1,083
US Treasury bonds	250,096	250,225	(129)
Money market mutual funds	252	252	-
Vanguard Wellington Fund	<u>101,511</u>	<u>95,880</u>	<u>5,631</u>
Total Investments	<u>\$ 455,444</u>	<u>\$ 448,859</u>	<u>\$ 6,585</u>

	<u>2021</u>		
	<u>Fair Market Value</u>	<u>Cost</u>	<u>Unrealized Gain</u>
Vanguard Wellesley Income Fund	\$ 113,837	\$ 94,917	\$ 18,920
Vanguard Treasury Money Market	250,018	250,018	-
Vanguard Wellington Fund	<u>118,396</u>	<u>88,022</u>	<u>30,374</u>
Total Investments	<u>\$ 482,251</u>	<u>\$ 432,957</u>	<u>\$ 49,294</u>

LOWER CAPE OUTREACH COUNCIL, INC.

Notes to Financial Statements

December 31, 2022 and 2021

(See Independent Auditor's Report)

Note 11- Refundable Advance:

Refundable advances are the remaining amounts received from a donor for distribution to a group of individuals who meet certain criteria. The individuals must apply and be approved to receive benefits and the unspent portion of the conditional contribution must be returned to the donor. The balances of \$ 19,093 and \$22,433 on December 31, 2022 and 2021 respectively are the amounts of the contribution for which conditions have not been met.

Note 12 – Subsequent Event:

In April 2023, subsequent to these financial statements, the organization purchased the building that it had been occupying as a tenant. The purchase price of the real estate was \$1,200,000. The purchase was completed using available funds.

Subsequent events were evaluated through August 29, 2023, which is the date the financial statements were available to be issued.

Note 13 - Restricted 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 purpose December 31, 2022:

Food Pantries

\$ 4,713