

EISNERAMPER

**LUCY OUTREACH,
A NJ NONPROFIT CORPORATION**

FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020



LUCY OUTREACH, A NJ NONPROFIT CORPORATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
LUCY Outreach, a NJ Nonprofit Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of LUCY Outreach, a NJ Nonprofit Corporation ("LUCY"), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of LUCY Outreach, a NJ Nonprofit Corporation as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of LUCY and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 these 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 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 LUCY's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



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Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 the LUCY's internal control. 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 the LUCY'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.

EisnerAmper LLP

EISNERAMPER LLP
Philadelphia, Pennsylvania
June 28, 2022



LUCY OUTREACH, A NJ NONPROFIT CORPORATION

Statements of Financial Position

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets:		
Cash	\$ 1,507,603	\$ 721,320
Grants receivable	903,965	393,274
Other receivables	-	125
Other current assets	7,643	7,643
Prepaid insurance	3,135	5,862
	<u>2,422,346</u>	1,128,224
Property and equipment, net of accumulated depreciation of \$129,368 in 2021 and \$82,889 in 2020	421,488	416,590
Construction-in-progress	220,253	25,244
Other assets:		
Grants receivable, net	199,153	413,264
	<u>\$ 3,263,240</u>	<u>\$1,983,322</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 51,926	\$ 52,524
Deferred grant revenue	7,379	21,015
Current portion of notes payable, related party	29,100	32,400
Current portion of notes payable	21,793	20,198
	<u>110,198</u>	126,137
Long-term portion of notes payable, related party	28,000	63,900
Long-term portion of notes payable	43,742	48,879
	<u>71,742</u>	112,779
Total liabilities	<u>181,940</u>	238,916
NET ASSETS		
Without donor restriction	362,186	250,219
With donor restriction	2,719,114	1,494,187
Total net assets	<u>3,081,300</u>	1,744,406
	<u>\$ 3,263,240</u>	<u>\$1,983,322</u>

See notes to financial statements.

LUCY OUTREACH, A NJ NONPROFIT CORPORATION

Statements of Activities and Changes in Net Assets

	Year Ended December 31,					
	2021			2020		
	Net Assets Without Donor Restriction	Net Assets With Donor Restriction	Total	Net Assets Without Donor Restriction	Net Assets With Donor Restriction	Total
Public support and revenue:						
Contributions	\$ 244,639	\$ 1,354,362	\$ 1,599,001	\$ 166,583	\$1,035,516	\$ 1,202,099
Grants	431,797	173,441	605,238	536,571	367,284	903,855
Contributed goods	87,362	-	87,362	173,120	-	173,120
Fundraising events	77,793	-	77,793	82,955	-	82,955
Net assets released from restrictions	207,133	(207,133)	-	124,923	(124,923)	-
Total support and revenue	<u>1,048,724</u>	<u>1,320,670</u>	<u>2,369,394</u>	<u>1,084,152</u>	<u>1,277,877</u>	<u>2,362,029</u>
Expenses:						
Program services:						
Educational services	769,249	-	769,249	703,787	-	703,787
Support services:						
Management and general	178,276	-	178,276	161,949	-	161,949
Direct benefits to donors	3,089	-	3,089	682	-	682
Fundraising events	81,886	-	81,886	133,473	-	133,473
Total support services	<u>263,251</u>	<u>-</u>	<u>263,251</u>	<u>296,104</u>	<u>-</u>	<u>296,104</u>
Total functional expenses	<u>1,032,500</u>	<u>-</u>	<u>1,032,500</u>	<u>999,891</u>	<u>-</u>	<u>999,891</u>
Change in net assets	16,224	1,320,670	1,336,894	84,261	1,277,877	1,362,138
Net assets at beginning of year	250,219	1,494,187	1,744,406	165,958	216,310	382,268
Net assets at end of year	<u>\$ 266,443</u>	<u>\$ 2,814,857</u>	<u>\$ 3,081,300</u>	<u>\$ 250,219</u>	<u>\$1,494,187</u>	<u>\$ 1,744,406</u>

See notes to financial statements

LUCY OUTREACH, A NJ NONPROFIT CORPORATION

Statements of Functional Expenses

	Year Ended December 31,							
	2021				2020			
	Program Services	Support Services		Total	Program Services	Support Services		
	Educational Services	Management and General	Fundraising Events		Educational Services	Management and General	Fundraising Events	Total
Expenses:								
Payroll and staff expenses	\$ 373,315	\$ 87,449	\$ 51,996	\$ 512,760	\$ 352,900	\$ 69,653	\$ 88,057	\$ 510,610
Meetings and travel	8,331	3,856	431	12,618	3,149	2,468	83	5,700
Event expenses	757	3,877	6,376	11,010	22	600	24,269	24,891
Office	22,601	25,535	11,454	59,590	21,872	30,782	8,702	61,356
Equipment and vehicle	5,275	1,171	59	6,505	9,089	159	3	9,251
Facilities	33,353	4,042	4,365	41,760	33,049	3,460	7,243	43,752
Insurance	27,251	3,060	2,696	33,007	21,051	5,766	1,497	28,314
Interest	1,331	1,065	40	2,436	1,787	1,627	163	3,577
Professional services	1,013	45,786	6,271	53,070	152	45,352	1,575	47,079
Program supplies	106,998	-	-	106,998	48,356	748	226	49,330
Trips	46,548	-	-	46,548	13,460	-	-	13,460
Scholarships and educational assistance	14,693	-	-	14,693	34,031	-	-	34,031
Specific assistance to clients	84,395	320	-	84,715	139,215	-	-	139,215
Miscellaneous	311	-	-	311	-	-	-	-
Total expenses before depreciation	726,172	176,161	83,688	986,021	678,133	160,615	131,818	970,566
Depreciation	43,077	2,115	1,287	46,479	25,654	1,334	2,337	29,325
	<u>\$ 769,249</u>	<u>\$ 178,276</u>	<u>\$ 84,975</u>	<u>\$ 1,032,500</u>	<u>\$ 703,787</u>	<u>\$ 161,949</u>	<u>\$ 134,155</u>	<u>\$ 999,891</u>

See notes to financial statements

LUCY OUTREACH, A NJ NONPROFIT CORPORATION

Statements of Cash Flows

	Year Ended December 31,	
	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 1,336,894	\$ 1,362,138
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	46,479	29,325
(Increase) decrease in assets:		
Grants receivable	(296,580)	(690,117)
Other receivables	125	543
Other current assets	-	(7,643)
Prepaid insurance	2,727	(3,481)
(Decrease) increase in liabilities:		
Accounts payable and accrued expenses	(598)	28,760
Deferred grant revenue	(13,636)	21,016
Net cash provided by operating activities	<u>1,075,411</u>	<u>740,541</u>
Cash flows from investing activities:		
Payments of construction-in-progress	(195,009)	(25,244)
Purchase of property and equipment	(18,537)	(42,682)
Net cash used in financing activities	<u>(213,546)</u>	<u>(67,926)</u>
Cash flows from financing activities:		
Payments on notes payable, related party	(39,200)	(32,400)
Principal payments on notes payable	(36,382)	(5,406)
Net cash used in financing activities	<u>(75,582)</u>	<u>(37,806)</u>
Net increase in cash	786,283	634,809
Cash at beginning of year	<u>721,320</u>	<u>86,511</u>
Cash at end of year	<u>\$ 1,507,603</u>	<u>\$ 721,320</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 2,037</u>	<u>\$ 698</u>
Supplemental disclosure of noncash investing activities:		
Property and equipment acquired through notes payable	<u>\$ 32,840</u>	<u>\$ 48,344</u>

LUCY OUTREACH, A NJ NONPROFIT CORPORATION

Notes to Financial Statements December 31, 2021 and 2020

NOTE A - ORGANIZATION

LUCY (“Lifting Up Camden’s Youth”) Outreach, a NJ Nonprofit Corporation (“LUCY”) was established in April 2016, and is a nonprofit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (the “Code”). LUCY empowers youth to form healthy relationships, make good choices, and develop into compassionate and socially responsible adults who make a positive difference in their community. LUCY offers multi-lingual, culturally sensitive services to Camden County youth and young adults ages 7 to 28, and their families who are of a low-income. LUCY welcomes all youth to take part in educational, social, cultural, and service-oriented programming and also provides support and resources within the homes and schools.

LUCY’s educational services include:

Afterschool/Evening Program

- Afterschool/Evening Program
- LUCY Littles Program
- College & Career Academy
- Youth Night Program
- Youth Leadership Advisory Board

These programs include homework assistance, speakers, panels, social interactions, healthy lifestyle offerings, workshops, leadership development, life skills, clubs, and cultural and service-orientated opportunities.

Summer Programs

- 8-week Summer Program for teens (ages 10-19)
- 8-week LUCY Littles Camp (ages 7-11)
- Service Immersion Experiences & Camps (ages 7-19)

Support Services

- Haven LGBTQIA+ Support Group
- Graduate Support Services
- LUCY Scholarship Fund
- Emergency Family Assistance Fund

Prior to becoming established as a separate organization in 2016, the program was formerly known as the St. Joseph Pro-Cathedral Youth Ministry, which began over 30 years ago as a youth program providing inner city youth with educational and social opportunities outside of school. In 2008, the name was changed to LUCY Outreach to signal a more inclusive outreach, inviting youth from every religion, background and neighborhood.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Basis of presentation and classification of net assets:

The financial statements of LUCY have been prepared utilizing the accrual basis of accounting conforming to accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applicable to not-for-profit organizations.

LUCY OUTREACH, A NJ NONPROFIT CORPORATION

Notes to Financial Statements December 31, 2021 and 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[2] Classification of net assets:

LUCY reports information regarding its financial position and activities based on the existence or absence of donor-imposed or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- (i) *Net assets without donor restrictions:* Net assets available for use in general operations and not subject to donor-imposed or certain grantor-imposed restrictions.
- (ii) *Net assets with donor restrictions:* Net assets subject to donor-imposed or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions which are satisfied in the year of donation are reported as net assets without donor restrictions.

[3] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

[4] Grants receivable:

Grants receivable represent payments due in future periods and recorded as public support and revenue. Grants receivable are periodically reviewed by management for collectibility. Management believes all balances are collectible. LUCY records receivables that are expected to be collected greater than one year at the estimated present value of the future cash flows.

[5] Property and equipment and depreciation:

Property and equipment are stated at cost less accumulated depreciation. Contributed equipment is recorded at fair market value at the time of donation. Purchases of equipment in excess of \$1,000 are capitalized and recognized in the statements of financial position. Depreciation is being provided by the straight-line method over the estimated useful lives of the related assets, as follows:

Building	25 years
Building improvements	15 years
Vehicles and equipment	3 to 7 years

[6] Construction-in-progress:

Construction-in-progress includes all costs capitalized for renovation and construction projects not yet placed into service.

Construction-in-progress currently relates to the building expansion project and includes architect fees and development fees.

LUCY OUTREACH, A NJ NONPROFIT CORPORATION

Notes to Financial Statements December 31, 2021 and 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[7] Paycheck Protection Program:

On March 27, 2020, Congress enacted the Coronavirus Aid Relief, and Economic Security Act ("CARES Act"). The Paycheck Protection Program ("PPP") established by the CARES Act, implemented by the U.S. Small Business Administration ("SBA"), provides businesses with funds to pay payroll and other costs during the Coronavirus ("COVID-19") outbreak. LUCY has elected to account for the PPP proceeds as a conditional contribution under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-605. The agreement includes provisions for forgiveness based on measurable performance barriers related to staffing and salary levels and qualifying expenditures. Any amounts not forgiven will be required to be repaid. PPP funds will be recognized as grant revenue as the conditions on which they depend are substantially met.

[8] Revenue recognition - contributions:

LUCY recognizes contributions as revenue when cash, securities, unconditional promises to give, a notification of a beneficial interest, or other assets are received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Funding for LUCY's educational services is achieved partially through cost reimbursement government grants. These grants and contracts provide funding to be used for LUCY's programs. As the government is not receiving a benefit as a result of these transactions, the grants are considered to be contributions to LUCY. The grant agreements require that funds be expended for a specific purpose or contain specific service requirements. As these stipulations create a barrier that must be achieved, government grants are considered to be conditional contributions until such time as the conditions are met. Contributions from grants and agreements are therefore recognized as revenue when costs are incurred and specific service requirements are met, as required by the agreements. Until the financial information required by the funding sources is accepted, costs billed for program services under cost reimbursement contracts are subject to review and possible disallowance. In management's opinion, the potential for material disallowances is remote and, therefore, is not a barrier that would prevent the recognition of revenue.

Deferred grant revenue represents amounts received from governmental grants that have not yet been expended for approved program activities. Deferred grant revenue was \$7,379 and \$21,015 as of December 31, 2021 and 2020, respectively.

LUCY records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference. LUCY recognizes revenue from fundraising events at the time of admission, as this is the point in time in which the tickets are nonrefundable and the performance obligation of hosting the event has been met. The recognition of contribution revenue is conditional on the event taking place. As of December 31, 2021 and 2020, there were no conditional contributions associated with fundraising events.

On April 22, 2020, LUCY received proceeds from the U.S. Small Business Administration ("SBA") as part of the PPP in the amount of \$72,035. The funding is conditional on LUCY using the funds to cover qualified expenditures while maintaining certain employment levels. Contributions from this agreement are therefore recognized as revenue when qualifying costs are incurred and conditions have been substantially met, as required by the agreement. For the period from April 22, 2020 to October 7, 2020, the full amount of the grant was used for qualified expenditures, including payroll, and utilities, and thus was recognized as grant revenue on the statements of activities and changes in net assets. Management believed that these costs met the conditions of the grant and would ultimately be approved by the SBA, and the potential for material disallowances was remote and, therefore, was not a barrier that would prevent the recognition of revenue. On April 28, 2021, LUCY received notification from the SBA that the full amount of PPP proceeds were forgiven and would not have to be repaid.

LUCY OUTREACH, A NJ NONPROFIT CORPORATION

Notes to Financial Statements December 31, 2021 and 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[9] Contributed goods and services:

At times LUCY receives contributed goods from donors. Contributed goods are recorded at fair value at the date of donation. Total contributed goods were \$87,362 and \$173,120 for the years ended December 31, 2021 and 2020, respectively. During the year ended December 31, 2021, \$16,591 of donated goods were related to program supplies, and \$70,771 of donated goods were related to specific assistance to clients. During the year ended December 31, 2020, \$22,210 of donated goods were related to event expenses, and \$150,910 of donated goods were related to specific assistance to clients.

LUCY recognizes contributions of services received if such services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

[10] Functional allocation of expenses:

Directly identifiable expenses are charged to program services, management and general expenses, and fundraising. Salaries, payroll taxes, and benefits are allocated to the different functions based on the employees' functions performed. Expenses related to more than one function are allocated among the functions benefited, as follows: meetings and travel, professional services - based on estimates of time and effort depending on the employee's function; facilities expense – based on specific use of the building.

[11] Federal tax status:

LUCY is exempt from federal income taxes under the Code. LUCY qualifies for the charitable contribution deduction under Code Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

U.S. GAAP requires management to evaluate tax positions taken and recognize a tax liability if LUCY has taken an uncertain tax position that more likely than not would not be sustained upon examination by a government authority. Management has analyzed the tax positions taken by LUCY, and has concluded that as of December 31, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. LUCY would recognize future interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

[12] Reclassification:

Certain amounts as of and for the year ended December 31, 2020 have been reclassified to conform to the current year's presentation.

LUCY OUTREACH, A NJ NONPROFIT CORPORATION

Notes to Financial Statements December 31, 2021 and 2020

NOTE C - 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 as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash	\$ 1,507,603	\$ 721,320
Grant receivables, net	1,103,118	806,538
Other receivables	<u>-</u>	<u>125</u>
Total financial assets	2,610,721	1,527,983
Less amounts not available to be used within one year:		
Grant receivables, net	199,153	413,264
Net assets with donor restrictions subject to expenditures for scholarships and college assistance	<u>83,119</u>	<u>59,750</u>
	<u>\$ 2,328,449</u>	<u>\$ 1,054,969</u>

General expenditures include program services expenses, management and general expenses, and fundraising expenses expected to be paid in the subsequent year.

As part of the LUCY's liquidity management plan, LUCY structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE D - PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Land	\$ 60,957	\$ 60,957
Buildings	142,234	142,234
Building improvements	76,286	76,286
Vehicles and equipment	<u>271,379</u>	<u>220,002</u>
	550,856	499,479
Less: accumulated depreciation	<u>129,368</u>	<u>82,889</u>
	<u>\$ 421,488</u>	<u>\$ 416,590</u>

Depreciation for the years ended December 31, 2021 and 2020 was \$46,479 and \$29,325, respectively.

LUCY OUTREACH, A NJ NONPROFIT CORPORATION

Notes to Financial Statements December 31, 2021 and 2020

NOTE E - GRANTS RECEIVABLE

LUCY has received grants, some of which are receivable in future years. Grants that are receivable more than one year are discounted at an interest rate commensurate with the risk involved to approximate the net present value of the estimated future cash flows.

LUCY recorded grants receivables as of December 31, 2021 and 2020 as follows:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Grants receivable in less than one year	\$ 903,965	\$ 393,274
Grants receivable in one to three years	<u>200,000</u>	<u>415,000</u>
Total grants receivable	1,103,965	808,274
Less: discount to net present value	<u>(847)</u>	<u>(1,736)</u>
Net grants receivable	<u>\$ 1,103,118</u>	<u>\$ 806,538</u>
Current grants receivable	\$ 903,965	\$ 393,274
Noncurrent grants receivable	<u>199,153</u>	<u>413,264</u>
	<u>\$ 1,103,118</u>	<u>\$ 806,538</u>

Grants which are receivable in more than one year are discounted at an appropriate rate of return for the expected term of grant ranging from 0.73% to 0.97%.

NOTE F - NOTES PAYABLE, RELATED PARTY

LUCY has two notes payable from Board members signed in May of 2018, for \$160,000 and \$20,000, which were used to pay for the purchase of the building and land at 3201 Federal Street. The notes payable bear interest at a fixed rate of 2.00% through May 2023. Monthly principal payments of \$2,400 and \$300 are being made. The notes payable are secured by a first mortgage lien on the property. As of December 31, 2021 and 2020, the outstanding balance on the notes payable was \$57,100 and \$96,300, respectively.

For the years ended December 31, 2021 and 2020, interest expense incurred was \$1,436 and \$2,043, respectively.

LUCY OUTREACH, A NJ NONPROFIT CORPORATION

Notes to Financial Statements December 31, 2021 and 2020

NOTE F - NOTES PAYABLE, RELATED PARTY (CONTINUED)

The scheduled aggregate future maturities of long-term debt as of December 31, 2021 are as follows:

<u>Year Ending December 31,</u>	
2022	\$ 29,100
2023	<u>28,000</u>
	<u>\$ 57,100</u>

NOTE G - NOTES PAYABLE

In June 2019, LUCY entered into a loan agreement as part of the purchase of a van used to support LUCY's programming for \$28,346. The loan bore interest at a fixed rate of 2.948% through July 2024. Monthly payments of principal and interest of \$509 were being made. The van was sold in October 2021. As of December 31, 2021 and 2020, the outstanding balance on the loan was \$0- and \$20,734, respectively.

In December 2020, LUCY entered into a loan agreement as part of the purchase of a van used to support LUCY's programming for \$48,343. The loan bears interest at a fixed rate of 0.924% through January 2024. Monthly payments of principal and interest of \$1,362 began in February 2021. The loan is secured by the title of the van. As of December 31, 2021 and 2020, the outstanding balance on the loan was \$33,714 and \$48,343, respectively.

In December 2021, LUCY entered into a loan agreement as part of the purchase of a van used to support LUCY's programming for \$32,840. The loan bears interest at a fixed rate of 2.948% through November 2026. Monthly payments of principal and interest of \$589 began in December 2021. The loan is secured by the title of the van. As of December 31, 2021, the outstanding balance on the loan was \$31,821.

For the years ended December 31, 2021 and 2020, interest expense incurred was \$1,000 and \$337, respectively.

The scheduled aggregate future maturities of long-term debt as of December 31, 2021 are as follows:

<u>Year Ending December 31,</u>	
2022	\$ 21,793
2023	22,638
2024	7,941
2025	6,775
2026	<u>6,388</u>
	<u>\$ 65,535</u>

LUCY OUTREACH, A NJ NONPROFIT CORPORATION

Notes to Financial Statements December 31, 2021 and 2020

NOTE H - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Subject to expenditures for specified purpose:		
College and career coordinator, programming and supplies	\$ 372,517	\$ 406,209
Scholarships and educational assistance	83,119	59,750
Capital Campaign	<u>1,312,563</u>	<u>429,932</u>
	1,768,199	895,891
Promises to give, the proceeds from which have been restricted by donors for:		
Capital campaign	835,458	598,296
Subject to assets being placed in service:		
Capital campaign funds expected	<u>211,200</u>	<u>-</u>
	<u><u>\$ 2,814,857</u></u>	<u><u>\$ 1,494,187</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donors as follows for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Satisfaction of purpose restrictions:		
College and career coordinator, programming and supplies	\$ 207,133	\$ 92,700
Scholarships and educational assistance	<u>-</u>	<u>32,223</u>
	<u><u>\$ 207,133</u></u>	<u><u>\$ 124,923</u></u>

NOTE I - RELATED PARTY TRANSACTIONS

Included in contributions are amounts received from Board members of \$205,281 and \$55,611 for the years ended December 31, 2021 and 2020, respectively.

NOTE J - SUBSEQUENT EVENTS

LUCY has evaluated subsequent events through June 28, 2022, which is the date the financial statements were available to be issued.