

FIRE ISLAND PINES PROPERTY
OWNERS' ASSOCIATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2019 and 2018

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

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MEMBERS-NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

MURRAY FUCHS, C.P.A. (1956-2011)
NEIL B. ESPOSITO, (1961-2007)
JOSEPH ZAK, C.P.A. (1939-1991)

INDEPENDENT AUDITOR'S REPORT

The Board of Directors of
Fire Island Pines Property Owners' Association, Inc.

We have audited the accompanying Statements of Financial Position of Fire Island Pines Property Owners' Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019 and 2018, and the related statements of operations and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fire Island Pines Property Owners' Association, Inc. as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statements of net operating revenues before depreciation and statement of functional expenses on page 13 and 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Esposito, Fuchs, Taormina & Co

ESPOSITO, FUCHS, TAORMINA & CO.
Central Islip, NY

November 10, 2020

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION

	As of <u>December 31, 2019</u>	As of <u>December 31, 2018</u>
ASSETS		
Current Assets:		
Cash in Operating Account	\$ 221,417	\$ 154,382
Money Market	423,261	322,941
Marketable Securities - Available For Sale	748,078	594,472
Accounts Receivable	113,879	134,220
Prepaid Expenses	<u>15,465</u>	<u>16,239</u>
Total Current Assets	1,522,100	1,222,254
Property, Equipment and Improvements - Net of Depreciation	<u>277,979</u>	<u>316,571</u>
Total Assets	<u><u>\$ 1,800,079</u></u>	<u><u>\$ 1,538,825</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses	<u>\$ 9,931</u>	<u>\$ 1,890</u>
Total Current Liabilities	9,931	1,890
Net Assets		
Without donor restrictions	1,012,070	932,135
Without donor restrictions - Board Designated	<u>778,078</u>	<u>604,800</u>
Total Liabilities and Net Assets	<u><u>\$ 1,800,079</u></u>	<u><u>\$ 1,538,825</u></u>

SEE AUDITORS' REPORT AND ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

STATEMENTS OF OPERATIONS

	Year Ended <u>December 31, 2019</u>	Year Ended <u>December 31, 2018</u>
REVENUES		
Boat Slip Rentals	\$ 169,832	\$ 187,029
Other Rental Income	213,489	210,306
Membership Dues	102,400	103,925
Miscellaneous Income	55,173	52,306
Interest Income	385	260
Investment Income	<u>153,606</u>	<u>(20,542)</u>
Total Revenues	<u>694,885</u>	<u>533,284</u>
EXPENSES		
Program Services:		
Harbor	184,568	202,517
Beach and Community Clean-Up	<u>22,477</u>	<u>39,786</u>
Total Program Services	207,045	242,303
Supporting Services:		
Management and General	<u>196,035</u>	<u>192,489</u>
Total Expenses before Depreciation	<u>403,080</u>	<u>434,792</u>
Increase in Net Assets before Depreciation	291,805	98,492
Depreciation	<u>38,592</u>	<u>38,592</u>
Increase in Net Assets	253,213	59,900
Unrestricted Net Assets, Beginning of Year	<u>1,536,935</u>	<u>1,477,035</u>
Unrestricted Net Assets, End of Year	<u><u>\$ 1,790,148</u></u>	<u><u>\$ 1,536,935</u></u>

SEE AUDITORS' REPORT AND ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

	Year Ended <u>December 31, 2019</u>	Year Ended <u>December 31, 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) / Increase in Net Assets	\$ 253,213	\$ 59,900
Adjustments to reconcile change in Net Assets provided by Operating Activities:		
Depreciation	38,592	38,592
(Increase) in Current Assets:		
Account Receivable	20,341	(60,878)
Prepaid Expenses	774	10,328
(Decrease) Increase in Liabilities:		
Accounts Payable and Accrued Expenses	<u>8,041</u>	<u>(8,110)</u>
Net Cash Provided by Operating Activities	<u>320,961</u>	<u>39,832</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale (Purchase) of Investments	<u>(153,606)</u>	<u>20,542</u>
Cash (Used) for Investing Activities	<u>(153,606)</u>	<u>20,542</u>
Net (Decrease) / Increase in Cash	167,355	60,374
Cash, Beginning of Year	<u>477,323</u>	<u>416,949</u>
Cash, End of Year	<u><u>\$ 644,678</u></u>	<u><u>\$ 477,323</u></u>
SUPPLEMENTAL DISCLOSURES:		
Interest Paid During the Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

SEE AUDITORS' REPORT AND ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ORGANIZATION

Fire Island Pines Property Owners' Association, Inc. (Association) is an exempt organization under Section 501(c)(4) of the Internal Revenue Code. The Association was established to own and maintain the Association's property in Fire Island Pines in the Town of Brookhaven, County of Suffolk, and State of New York, for the benefit of its property owners.

The accounts of a related Charitable Foundation (The Pines Foundation) and a Political Action Committee are not included in The Association's financial statements.

ACCOUNTING BASIS

The accompanying financial statements of the Association have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations.

Contributions are recorded as revenue upon receipt of cash. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

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.

CONTRIBUTED SERVICES

During the years ended December 31, 2019 and 2018, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Association.

DONATED ASSETS

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANK

Financial instruments, which potentially subject the Association to concentration of credit risk, consist principally of temporary cash investments and money market funds. The Association places its temporary cash and other investments with high-credit, quality financial institutions and securities dealers, which may exceed federally and privately insured amounts at times. The balances are insured by the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation up to \$250,000. On December 31, 2019 and 2018, uninsured cash balances were approximately \$382,482 and \$212,674, respectively. The Association believes it is not exposed to any significant credit risk on uninsured amounts.

INVESTMENTS

Investments are stated at estimated fair value. These fair values may differ from the values that would have been used had a ready market existed for these investments and the differences could be significant.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses are generally determined based on average cost of securities sold and are reflected in net investment return in the Statements of

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

Activities. Dividend income is recorded on the ex-dividend date, and interest income is recorded on an accrual basis, and are reflected in net investment return in the Statement of Activities.

BOARD – DESIGNATED NET ASSETS

Net assets without donor restrictions subject to self-imposed limits by action of the governing board. Board-designated net assets may be earmarked for future programs, investment, contingencies, purchase or construction of fixed assets, or other uses. Some governing boards may delegate designation decisions to internal management. Such designations are considered to be included in board-designated net assets.

DONOR-IMPOSED RESTRICTION

A donor stipulation (donors include other types of contributors, including makers of certain grants) that specifies a use for a contributed asset that is more specific than broad limits resulting from the following:

- a. The nature of the not-for-profit (NFP)
- b. The environment in which it operates
- c. The purposes specified in its articles of incorporation or bylaws or comparable documents for an unincorporated association.

Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donors impose restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions.

The Association does not have any donor-imposed restrictions.

FAIR VALUE

The Association values certain financial and nonfinancial assets and liabilities by applying the FASB pronouncement on Fair Value Measurements. The pronouncement defines fair value and establishes a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. Fair value is defined as the price 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 (an exit price). The hierarchy has three levels based on inputs that market participants would use in valuing the asset or liability based on market data obtained from sources independent of the Association as follows:

- **Level 1** Unadjusted quoted market prices in active markets for identical assets or liabilities.
- **Level 2** Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable.
- **Level 3** Unobservable inputs for the asset or liability.

Inputs broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics and other factors. The Association is required by the pronouncement to maximize the use of observable inputs (Levels 1 and 2) and minimize the use of unobservable inputs (Level 3). The Association considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable and verifiable, provided by independent sources that are actively involved in the relevant market, and not proprietary. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Association's perceived risk of that instrument.

Assets and liabilities are disclosed in the Notes to Financial Statements within the hierarchy based on the lowest (or least observable) input that is significant to the measurement. The Association's assessment of the significance of an input

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

requires judgment, which may affect the valuation and categorization within the fair value hierarchy. The fair value of assets and liabilities using Level 3 inputs are generally determined by using pricing models, discounted cash flow methods or calculated NAV, which all require significant management judgment or estimation.

As a practical expedient, the Association is permitted, under the pronouncement, to estimate the fair value of an investment in an investment company at the measurement date using the reported Net Asset Value ("NAV"). Adjustment is required if the Association expects to sell the investment at a value other than NAV or if the NAV is not calculated in accordance with GAAP. All investments for which fair value is measured using NAV, are excluded within the fair value hierarchy, as long as no adjustment is required to NAV and the manager has reported a NAV at the measurement date. Investments are categorized as Level 3 if a NAV adjustment is required or if there is no reported NAV at the measurement date.

The Association performs additional procedures including due diligence reviews on its investments in investment companies and other procedures with respect to the capital account or NAV provided to ensure conformity with GAAP. The Association has assessed factors including, but not limited to, managers' compliance with the Fair Value Measurement standard, price transparency and valuation procedures in place.

All investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is likely that changes in the values of investments will occur in the near term and such changes could materially affect the amounts reported in the Statements of Financial Position.

The fair value of the Association's investments is disclosed in Note 2.

FIXED ASSETS

The Association capitalizes all property and equipment with a cost of \$2,000 if purchased, and a fair value of \$2,000 at the date of donation if received by contribution. Property and equipment are depreciated using the straight-line method. Expenditures for normal maintenance and repairs are charged to expense.

TAX EXEMPT STATUS

As a tax-exempt organization, no provision for federal or state income taxes has been recorded in the accompanying financial statements. "Unrelated business income", if any, would be subject to income taxes.

The Association's tax returns are subject to audit by various taxing authorities. The Association's federal and state tax returns for the 2016, 2017, 2018, and 2019 years remain open to examination by the Internal Revenue Service and New York State. In evaluating the Association's tax provisions and accruals, management believes that its estimates are appropriate based on current facts and circumstances.

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, The Association considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Cash in Operating Account	\$	211,417	\$	154,382
Money Market		423,261		322,941
	\$	<u>644,678</u>	\$	<u>477,323</u>

ADOPTION OF ACCOUNTING PRONOUNCEMENT

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. ASU 2016-14 requires significant changes to the financial reporting model of organizations who follow the not-for-profit reporting model. The changes include reducing the classes of net assets from three classes to two – net assets with donor restrictions and net assets without donor restrictions. The ASU will also require changes in the way certain information is aggregated and reported by the Project, including required disclosures about liquidity and availability of resources and increased disclosures on functional expenses. The new standard is effective for the Project's year ending December 31, 2018 and thereafter and must be applied on a retrospective basis. The Project adopted the ASU effective January 1, 2018. Adoption of the ASU did not result in any reclassifications or restatements to net assets or changes in net assets.

CLASSIFICATION OF NET ASSETS

Net assets of the Project are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets with Donor Restrictions – Assets subject to usage limitations based on donor imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Project. Certain restrictions may need to be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor-restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 2 – MARKETABLE EQUITY SECURITIES

The following tables present the fair value hierarchy for those assets reported at fair value in the Statements of Financial Position as of December 31, 2019 and 2018. The fair value amounts presented below are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statements of Financial Position as of December 31, 2019 and 2018.

2019					
Investment Strategy	Level 1	Level 2	Level 3	NAV	Total
Equities					
Mutual Funds (Fixed Inc)	172,938	-	-	-	172,938
Mutual Funds (Equities)	\$ 575,140	\$ -	\$ -	\$ -	\$ 575,140
	<u>\$ 748,078</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 748,078</u>

2018					
Investment Strategy	Level 1	Level 2	Level 3	NAV	Total
Equities					
Mutual Funds (Fixed Inc)	156,957	-	-	-	156,957
Mutual Funds (Equities)	\$ 437,515	\$ -	\$ -	\$ -	\$ 437,515
	<u>\$ 594,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 594,472</u>

The Association held \$748,078 and \$594,472 on December 31, 2019 and 2018, respectively, in marketable securities with maturity dates of greater than three months. Short-term investments are stated at fair value. Fair values and unrealized appreciation (depreciation) on December 31, 2019 and 2018, are summarized as follows:

	December 31, 2019			December 31, 2018		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Investments Board Restricted						
Marketable Securities	<u>\$ 552,149</u>	<u>\$ 748,078</u>	<u>\$ 195,929</u>	<u>\$ 536,864</u>	<u>\$ 594,472</u>	<u>\$ 57,608</u>
	\$ 552,149	\$ 748,078	\$ 195,929	\$ 536,864	\$ 594,472	\$ 57,608

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 3 – PROPERTY, EQUIPMENT AND IMPROVEMENTS

Property, equipment, and improvements consist of the following:

	Estimated Useful Life – Years	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Harbor Improvements	10 to 25	\$ 622,804	\$ 622,804
Fire Island Blvd Enclosures	7	99,388	99,388
Equipment	5 to 15	<u>13,532</u>	<u>13,532</u>
Total Property, Equipment, and Improvements		735,724	735,724
Accumulated Depreciation		<u>457,745</u>	<u>419,153</u>
Total Net Property, Equipment and Improvements		<u>\$ 277,979</u>	<u>\$ 316,571</u>

A Harbor renovation, completed in 2006, was financed by a \$2,200,000 Suffolk County Tax District bond issue in 2004, to be repaid by property owners' real estate taxes concluding 2024. Harbor Improvements include approximately \$366,000 in connection with establishment of the Tax District, engineering, and other renovation costs in excess of the bond issue.

In connection with the transaction, the Association leased its harbor property to the Tax District as security for the bond issue. All harbor income is collected by the Association. The \$2,200,000 financed by the bond is not included in these financial statements.

The Board of Directors approved the construction by the Foundation of a new Community Center on the site of the former Community House. The new Center opened in June 2007. In this connection, in December 2007, the Association contributed its land to the Foundation.

NOTE 4 – RELATED PARTIES

The Officers and Directors of The Association also serve as Officers and Directors of The Pines Foundation, Inc. and Political Action Committee.

NOTE 5 – FUNCTIONAL ALLOCATION OF EXPENSES

Costs of providing various programs and supporting services have been reflected on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 6 – RELATED PARTY TRANSACTIONS

In the event the Association was to be dissolved, the property owned by the Association would revert to the property owners of Fire Island Pines.

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7 – CONTINGENCIES

On January 23, 2015, a lawsuit was filed against the Association in New York court concerning a breach of contract. The plaintiffs are seeking \$1,118,477 in damages. In evaluating liabilities associated with the legal proceeding, the Association did not accrue probable liabilities based on information presently available, and the advice of counsel.

NOTE 8 – SUBSEQUENT EVENTS

Subsequent event guidance requires the Association to evaluate subsequent events to determine whether they provide additional evidence about conditions that existed at the date of the financial statements, and to determine if those events require recognition or disclosure in the financial statements. The Association has performed an evaluation of subsequent events through September 28, 2020, which is the date the financial statements were issued.

NOTE 9 – DATE OF THE MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through September 28, 2020, the date that the financial statements were available to be issued.

NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Association's working capital and cash flows have seasonal variations during the year attributed to the annual cash receipts from dues and rentals and a concentration of contributions received during the summer. To manage liquidity the Association's board maintains cash reserves in a brokerage account and maintains one year operating costs in cash.

The following reflects the Association's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of Board-approved restrictions. Amounts available include Board-approved appropriation for general expenditure in the following year. Amounts not available include amounts set aside.

	<u>2019</u>	<u>2018</u>
Current assets, excluding non-financial assets	\$ 1,392,756	\$ 1,071,795
Subtract: board-designated operating reserves and other	<u>(778,078)</u>	<u>(594,472)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 614,678</u>	<u>\$ 477,323</u>

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MEMBERS-NEW YORK STATE SOCIETY OF
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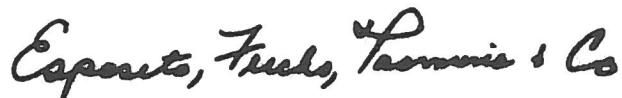
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INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

To The Board of Directors of
Fire Island Pines Property Owners' Association, Inc.
Fire Island Pines, New York

We have audited the financial statements of the Fire Island Pines Property Owners' Association, Inc. as of and for the year ended December 31, 2019 and 2018, and our report thereon dated November 10, 2020, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The statement of net operating revenues before depreciation and statement of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Sincerely,



ESPOSITO, FUCHS, TAORMINA & CO.
Central Islip, NY

November 10, 2020

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

SUPPLEMENTARY SCHEDULE

STATEMENTS OF NET OPERATING REVENUES BEFORE DEPRECIATION

FOR THE YEARS ENDED DECEMBER 31, 2019 AND DECEMBER 31, 2018

	<u>PROGRAM SERVICES</u>			<u>SUPPORTING SERVICES</u>	<u>TOTAL</u>	
	<u>Pines Marina</u>	<u>Community Clean-Up</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Year Ended 12/31/2019</u>	<u>Year Ended 12/31/2018</u>
REVENUES						
Boat Slips Rentals:						
Seasonal	\$ 143,088	\$ -	\$ 143,088	\$ -	\$ 143,088	\$ 154,985
Transients	26,744	-	26,744	-	26,744	32,044
Total Boat Slip Rentals	169,832	-	169,832	-	169,832	187,029
Other Rental Income:						
Ferry Service	42,000	-	42,000	-	42,000	41,300
Freight Service	12,000	-	12,000	-	12,000	12,500
Garbage	100,000	-	100,000	-	100,000	100,000
Gas Platform	8,144	-	8,144	-	8,144	7,756
Freight Dock Usage, etc.	37,395	-	37,395	-	37,395	36,150
Parking	-	-	-	13,950	13,950	12,600
Total Other Rental Income	199,539	-	199,539	13,950	213,489	210,306
Membership Dues and Donations	-	-	-	102,400	102,400	103,925
Miscellaneous Income	-	-	-	55,173	55,173	52,306
Interest Income	-	-	-	260	385	260
Investment Income	-	-	-	153,606	153,606	(20,542)
Total Revenues	369,371	-	369,371	325,389	694,885	533,284
Total Functional Expenses- Before Depreciation	184,568	22,477	207,045	196,035	403,080	434,792
Net Operating Revenues Before Depreciation	<u>\$ 184,803</u>	<u>\$ (22,477)</u>	<u>\$ 162,326</u>	<u>\$ 129,354</u>	<u>\$ 291,680</u>	<u>\$ 98,492</u>

SEE AUDITORS' REPORT AND ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

SUPPLEMENTARY SCHEDULE

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2019 AND DECEMBER 31, 2018

	<u>PROGRAM SERVICES</u>			<u>SUPPORTING SERVICES</u>	Total year ended <u>12/31/2019</u>	Total year ended <u>12/31/2018</u>
	<u>Pines Marina</u>	<u>Community Clean-Up</u>	<u>Total Program Services</u>	<u>Management and General</u>		
EXPENSES:						
Salaries	\$ 83,458	\$ 11,375	\$ 94,833	\$ 45,785	\$ 140,618	\$ 167,151
Payroll Taxes & Insurance	<u>7,966</u>	<u>784</u>	<u>8,750</u>	<u>5,619</u>	<u>14,369</u>	<u>20,328</u>
Total Employee Compensation	91,424	12,159	103,583	51,404	154,987	187,479
Maintenance, Repairs and Supplies	21,558	3,431	24,989	1,633	26,622	18,352
Utilities	29,169	-	29,169	309	29,478	30,515
Real Estate Taxes	3,206	-	3,206	-	3,206	4,663
Travel, Ferry and Parking	4,078	285	4,363	4,249	8,612	11,311
Legal Fees	6	-	6	5,724	5,730	15,512
Accounting Fees	-	-	-	9,500	9,500	7,250
Insurance	28,250	6,462	34,712	43,529	78,241	84,229
Consultants	-	-	-	-	-	6,000
Post Office	-	-	-	18,837	18,837	15,793
Advertising and Promotion	-	-	-	2,705	2,705	2,018
Telephone and Internet	1,824	140	1,964	3,254	5,218	2,776
Contributions	-	-	-	3,100	3,100	3,000
Merchant Account Fees	1,461	-	1,461	5,917	7,378	7,348
Miscellaneous	<u>3,592</u>	<u>-</u>	<u>3,592</u>	<u>45,874</u>	<u>49,466</u>	<u>38,546</u>
Subtotal	184,568	22,477	207,045	196,035	403,080	434,792
Depreciation	<u>22,646</u>	<u>-</u>	<u>22,646</u>	<u>15,946</u>	<u>38,592</u>	<u>38,592</u>
Total Expenses	<u>\$ 207,214</u>	<u>\$ 22,477</u>	<u>\$ 229,691</u>	<u>\$ 211,981</u>	<u>\$ 441,672</u>	<u>\$ 473,384</u>

SEE AUDITORS' REPORT AND ACCOMPANYING NOTES TO FINANCIAL STATEMENTS