

FIRE ISLAND PINES PROPERTY
OWNERS' ASSOCIATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2014 and 2013

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

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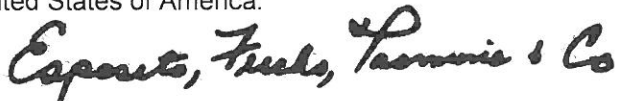
MURRAY FUCHS, C.P.A. (1956-2011)
NEIL B. ESPOSITO, (1961-2007)
JOSEPH ZAK, C.P.A. (1939-1991)

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

We have audited the accompanying Statements of Financial Position of Fire Island Pines Property Owners' Association, Inc. (a tax exempt organization) as of December 31, 2014 and December 31, 2013, and the related Statements of Activities and Cash Flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fire Island Pines Property Owners' Association, Inc. as of December 31, 2014 and December 31, 2013, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



ESPOSITO, FUCHS, TAORMINA & CO.

June 12, 2015
pls

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION

	As of <u>December 31, 2014</u>	As of <u>December 31, 2013</u>
ASSETS		
Current Assets:		
Cash in Operating Account	\$ 91,157	\$ 147,472
Money Market	172,004	171,833
Certificates of Deposits	610,946	544,752
Accounts Receivable	81,444	61,478
Prepaid Expenses	<u>14,780</u>	<u>14,780</u>
Total Current Assets	970,331	940,315
Property, Equipment and Improvements - Net of Depreciation	<u>339,638</u>	<u>370,555</u>
Total Assets	<u><u>\$ 1,309,969</u></u>	<u><u>\$ 1,310,870</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses	<u>\$ 19,520</u>	<u>\$ 12,219</u>
Total Current Liabilities	19,520	12,219
Net Assets		
Unrestricted	685,649	761,851
Restricted	<u>604,800</u>	<u>536,800</u>
Total Liabilities and Net Assets	<u><u>\$ 1,309,969</u></u>	<u><u>\$ 1,310,870</u></u>

SEE AUDITORS' REPORT AND ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

STATEMENTS OF ACTIVITIES

	Year Ended <u>December 31, 2014</u>	Year Ended <u>December 31, 2013</u>
REVENUES		
Boat Slip Rentals	\$ 165,289	\$ 160,574
Other Rental Income	181,695	185,167
Membership Dues and Donations	96,725	86,990
Miscellaneous Income	19,340	10,760
Interest Income	<u>5,358</u>	<u>8,128</u>
Total Revenues	<u>468,407</u>	<u>451,619</u>
EXPENSES		
Program Services:		
Harbor	192,821	163,028
Contributions to the Foundation	50,000	-
Beach and Community Clean-Up	<u>44,674</u>	<u>43,607</u>
Total Program Services	287,495	206,635
Supporting Services:		
Management and General	<u>156,374</u>	<u>145,449</u>
Total Expenses before Depreciation	<u>443,869</u>	<u>352,084</u>
(Decrease) / Increase in Net Assets before Depreciation	24,538	99,535
Depreciation	<u>30,917</u>	<u>31,774</u>
(Decrease) / Increase in Net Assets before Other Expenses	(6,379)	67,761
Insurance Deductible	<u>1,823</u>	<u>10,000</u>
(Decrease) / Increase in Net Assets	(8,202)	57,761
Net Assets, Beginning of Year	<u>1,298,651</u>	<u>1,240,890</u>
Net Assets, End of Year	<u><u>\$ 1,290,449</u></u>	<u><u>\$ 1,298,651</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, 2014</u>	Year Ended <u>December 31, 2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) / Increase in Net Assets	\$ (8,202)	\$ 57,761
Adjustments to reconcile change in Net Assets provided by Operating Activities:		
Depreciation	30,917	31,774
(Increase) Decrease in Current Assets:		
Account Receivable	(19,966)	(31,478)
Prepaid Expenses	-	(840)
(Decrease) Increase in Liabilities:		
Accounts Payable and Accrued Expenses	7,301	1,802
Harbor Seasonal Deposits	<u>-</u>	<u>(2,000)</u>
Net Cash (Used) for Provided by Operating Activities	<u>10,050</u>	<u>57,019</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) of Property, Equipment and Improvements	<u>-</u>	<u>(40,859)</u>
Cash (Used) for Investing Activities	<u>-</u>	<u>(40,859)</u>
Net (Decrease) / Increase in Cash	10,050	16,160
Cash, Beginning of Year	<u>864,057</u>	<u>847,897</u>
Cash, End of Year	<u><u>\$ 874,107</u></u>	<u><u>\$ 864,057</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, 2014

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 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.

USE OF ESTIMATES

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

REVENUE

Members' dues are voluntary and are recorded as income when received. Boat slip and other harbor rentals are reflected as income during the operating season. Boat slip rentals received in advance are reflected as deferred income.

FINANCIAL STATEMENT PRESENTATION

In accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statement of Not-for-Profit Organization*, the Association recognizes three classes of net assets; unrestricted, temporarily restricted and permanently restricted net assets. The Association has not had any transaction for legally restricted assets.

CONTRIBUTIONS

In accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily or permanently restricted support depending on the existence and/or nature of any donor restrictions. The Association has not received restricted contributions.

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. At December 31, 2014, uninsured cash balances were approximately \$114,119. The Association believes it is not exposed to any significant credit risk on uninsured amounts.

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

FIXED ASSETS

Property, equipment and improvements are stated at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Fully depreciated assets are removed from the accounts.

UNRESTRICTED NET ASSETS

The Association's governing documents do not require the accumulation of funds to finance future major repairs and replacements. The Board of Directors has established reserve funds for future repairs, improvements and contingencies of \$604,800 for 2014 and \$536,800 for 2013.

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.

NOTE 2 – PROPERTY, EQUIPMENT AND IMPROVEMENTS

Property, equipment and improvements consist of the following:

	Estimated Useful Life – Years	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Harbor Improvements	10 to 25	\$ 614,754	\$ 614,754
Equipment	5 to 15	<u>13,532</u>	<u>13,532</u>
Total Property, Equipment and Improvements		628,286	628,286
Accumulated Depreciation		<u>288,648</u>	<u>257,731</u>
Total Net Property, Equipment and Improvements		<u>\$ 339,638</u>	<u>\$ 370,555</u>

A Harbor renovation, completed in 2006, was financed by a \$2,200,000 Suffolk County Tax District bond issue, to be repaid by property owners' real estate taxes. 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.

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 3 – 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 4 – DONATED SERVICES

No amounts have been included in the financial statements for donated services, as no objective basis is available to measure the value of such services.

NOTE 5 – 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.

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

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

Our report on our audit of the basic financial statements of Fire Island Pines Property Owners' Association, Inc. for December 31, 2014 appears on page 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of net operating revenues and functional expenses for the year ended December 31, 2014, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Esposito, Fuchs, Taormina & Co

ESPOSITO, FUCHS, TAORMINA & CO.

June 12, 2015
pls

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

SUPPLEMENTARY SCHEDULE

STATEMENTS OF NET OPERATING REVENUES BEFORE DEPRECIATION

FOR THE YEARS ENDED DECEMBER 31, 2014 AND DECEMBER 31, 2013

	<u>PROGRAM SERVICES</u>			<u>SUPPORTING SERVICES</u>	<u>TOTAL</u>		
	<u>Harbor</u>	<u>Contributions to the Foundation</u>	<u>Beach and Community Clean-Up</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Year Ended 12/31/2014</u>	<u>Year Ended 12/31/2013</u>
REVENUES							
Boat Slips Rentals:							
Seasonal	\$ 133,993	\$ -	\$ -	\$ 133,993	\$ -	\$ 133,993	\$ 133,669
Transients	31,296	-	-	31,296	-	31,296	26,905
Total Boat Slip Rentals	165,289	-	-	165,289	-	165,289	160,574
Other Rental Income:							
Ferry Service	34,013	-	-	34,013	-	34,013	33,000
Freight Service	12,000	-	-	12,000	-	12,000	26,839
Garbage	90,000	-	-	90,000	-	90,000	90,000
Gas Platform	8,482	-	-	8,482	-	8,482	6,078
Freight Dock Usage, etc.	33,500	-	-	33,500	-	33,500	22,450
Parking	-	-	-	-	3,700	3,700	6,800
Total Other Rental Income	177,995	-	-	177,995	3,700	181,695	185,167
Membership Dues and Donations	-	-	-	-	96,725	96,725	86,990
Miscellaneous Income	9,940	-	-	9,940	9,400	19,340	10,760
Interest Income	-	-	-	-	5,358	5,358	8,128
Total Revenues	353,224	-	-	353,224	115,183	468,407	451,619
Total Functional Expenses- Before Deprecation	192,821	50,000	44,674	287,495	156,374	443,869	352,084
Net Operating Revenues Before Depreciation	\$ 160,403	\$ (50,000)	\$ (44,674)	\$ 65,729	\$ (41,191)	\$ 24,538	\$ 99,535

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, 2014 AND DECEMBER 31, 2013

	<u>PROGRAM SERVICES</u>			<u>SUPPORTING SERVICES</u>		Total year ended 12/31/2014	Total year ended 12/31/2013
	<u>Harbor</u>	<u>Contributions to the Foundation</u>	<u>Beach and Community Clean-Up</u>	<u>Total Program Services</u>	<u>Management and General</u>		
EXPENSES:							
Salaries	\$ 75,195	\$ -	\$ 26,500	\$ 101,695	\$ 69,500	\$ 171,195	\$ 164,032
Payroll Taxes & Insurance	9,193	-	3,622	12,815	8,980	21,795	20,138
Total Employee Compensation	84,388	-	30,122	114,510	78,480	192,990	184,170
Contribution to Foundation	-	50,000	-	50,000	-	50,000	-
Maintenance, Repairs and Supplies	35,946	-	1,018	36,964	2,942	39,906	27,609
Utilities	26,169	-	-	26,169	-	26,169	23,037
Real Estate Taxes	3,067	-	-	3,067	-	3,067	3,199
Travel, Ferry and Parking	4,052	-	1,238	5,290	3,386	8,676	8,378
Legal Fees	-	-	-	-	1,750	1,750	-
Accounting Fees	-	-	-	-	5,850	5,850	5,550
Insurance	29,398	-	5,851	35,249	22,381	57,630	49,166
Consultants	-	-	-	-	3,586	3,586	4,800
Post Office	-	-	-	-	10,168	10,168	10,388
Advertising and Promotion	465	-	-	465	6,099	6,564	3,886
Telephone and Internet	1,645	-	1,115	2,760	3,684	6,444	5,160
Contributions	-	-	-	-	2,500	2,500	3,000
Credit Card	2,411	-	-	2,411	3,280	5,691	4,500
Miscellaneous	5,280	-	5,330	10,610	12,268	22,878	19,241
Subtotal	192,821	50,000	44,674	287,495	156,374	443,869	352,084
Insurance Deductible	1,823	-	-	1,823	-	1,823	10,000
Depreciation	30,727	-	-	30,727	190	30,917	31,774
Total Expenses	<u>\$ 225,371</u>	<u>\$ 50,000</u>	<u>\$ 44,674</u>	<u>\$ 320,045</u>	<u>\$ 156,564</u>	<u>\$ 476,609</u>	<u>\$ 393,858</u>

SEE AUDITORS' REPORT AND ACCOMPANYING NOTES TO FINANCIAL STATEMENTS