

FIRE ISLAND PINES PROPERTY  
OWNERS' ASSOCIATION  
CHARITABLE FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2013 and 2012

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION  
CHARITABLE FOUNDATION, INC.

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

We have audited the accompanying statements of financial position of Fire Island Pines Property Owners' Association Charitable Foundation, Inc. (a 501 (c) (3) tax exempt organization) as of December 31, 2013 and December 31, 2012, 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 generally accepted auditing standards 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 Property Owners' Association Charitable Foundation, Inc. as of December 31, 2013 and December 31, 2012 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*

ESPOSITO, FUCHS, TAORMINA & CO.

July 11, 2014  
pls

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION  
CHARITABLE FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2013

	<u>COMMUNITY CENTER</u>	<u>DAMMINIX PROGRAM</u>	<u>COMMUNITY LANDSCAPE</u>	<u>SEASHORE DEFENSE FUND</u>	<u>UNALLOCATED FUNDS</u>	<u>TOTAL</u>
<b>ASSETS</b>						
Current Assets:						
Cash	\$ 64,800	\$ 3,400	\$ 10,400	\$ 81,846	\$ 68,530	\$ 228,976
Prepaid Expenses	3,880	-	-	-	3,100	6,980
Total Current Assets	68,680	3,400	10,400	81,846	71,630	235,956
Property and Equipment (Net of Depreciation)	2,876,875	-	38,483	-	21,210	2,936,568
<b>TOTAL ASSETS</b>	<b>\$ 2,945,555</b>	<b>\$ 3,400</b>	<b>\$ 48,883</b>	<b>\$ 81,846</b>	<b>\$ 92,840</b>	<b>\$ 3,172,524</b>
<b>LIABILITIES AND NET ASSETS</b>						
Current Liabilities:						
Accrued Expenses	\$ 3,250	\$ -	\$ -	\$ -	\$ 1,562	\$ 4,812
<b>TOTAL LIABILITIES</b>	<b>3,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,562</b>	<b>4,812</b>
Net Assets						
Unrestricted	2,942,305	3,400	48,883	81,846	91,278	3,167,712
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,945,555</b>	<b>\$ 3,400</b>	<b>\$ 48,883</b>	<b>\$ 81,846</b>	<b>\$ 92,840</b>	<b>\$ 3,172,524</b>

AS OF DECEMBER 31, 2012

	<u>COMMUNITY CENTER</u>	<u>DAMMINIX PROGRAM</u>	<u>COMMUNITY LANDSCAPE</u>	<u>SEASHORE DEFENSE FUND</u>	<u>UNALLOCATED FUNDS</u>	<u>TOTAL</u>
<b>ASSETS</b>						
Current Assets:						
Cash	\$ 41,000	\$ 3,488	\$ 7,400	\$ 50,839	\$ 42,392	\$ 145,119
Prepaid Expenses	11,100	-	-	-	-	11,100
Total Current Assets	52,100	3,488	7,400	50,839	42,392	156,219
Property and Equipment (Net of Depreciation)	2,994,219	-	39,973	-	20,983	3,055,175
<b>TOTAL ASSETS</b>	<b>\$ 3,046,319</b>	<b>\$ 3,488</b>	<b>\$ 47,373</b>	<b>\$ 50,839</b>	<b>\$ 63,375</b>	<b>\$ 3,211,394</b>
<b>LIABILITIES AND NET ASSETS</b>						
Current Liabilities:						
Insurance Settlement	\$ 3,216	\$ -	\$ -	\$ -	\$ -	\$ 3,216
Accrued Expenses	4,475	-	-	-	1,283	5,758
<b>TOTAL LIABILITIES</b>	<b>7,691</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,283</b>	<b>8,974</b>
Net Assets						
Unrestricted	3,038,628	3,488	47,373	50,839	62,092	3,202,420
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,046,319</b>	<b>\$ 3,488</b>	<b>\$ 47,373</b>	<b>\$ 50,839</b>	<b>\$ 63,375</b>	<b>\$ 3,211,394</b>

SEE AUDITORS' REPORT AND ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION  
CHARITABLE FOUNDATION, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2013

	COMMUNITY CENTER	DAMMINIX PROGRAM	COMMUNITY LANDSCAPE	SEASHORE DEFENSE FUND	UNALLOCATED FUNDS	TOTAL
<b>REVENUES</b>						
Net Earnings from Rentals & Events	\$ 82,019	\$ -	\$ -	\$ -	\$ 13,395	\$ 95,414
Contributions and Other Fund Raising Activities	108,541	31,784	2,950	39,110	147,154	329,539
Contributions from FIPPOA	-	-	-	-	-	-
Interest Income	-	-	-	-	76	76
<b>TOTAL REVENUE</b>	<u>\$ 190,560</u>	<u>\$ 31,784</u>	<u>\$ 2,950</u>	<u>\$ 39,110</u>	<u>\$ 160,625</u>	<u>\$ 425,029</u>
<b>EXPENSES</b>						
Program Services:						
Operating Expenses	\$ 139,175	\$ 33,591	\$ -	\$ 8,103	\$ 75,723	\$ 256,592
Depreciation	131,203	-	2,714	-	9,774	143,691
Supporting Services:						
Management and General	-	-	-	-	59,454	59,454
<b>TOTAL EXPENSES</b>	<u>\$ 270,378</u>	<u>\$ 33,591</u>	<u>\$ 2,714</u>	<u>\$ 8,103</u>	<u>\$ 144,951</u>	<u>\$ 459,737</u>
(Decrease) Increase in Net Assets	\$ (79,818)	\$ (1,807)	\$ 236	\$ 31,007	\$ 15,674	\$ (34,708)
Net Assets, Beginning of Year	3,038,628	3,488	47,373	50,839	62,092	3,202,420
Allocation of Funds	(16,505)	1,719	1,274	-	13,512	-
<b>Net Assets, End of Year</b>	<u>\$ 2,942,305</u>	<u>\$ 3,400</u>	<u>\$ 48,883</u>	<u>\$ 81,846</u>	<u>\$ 91,278</u>	<u>\$ 3,167,712</u>

FOR THE YEAR ENDED DECEMBER 31, 2012

	COMMUNITY CENTER	DAMMINIX PROGRAM	COMMUNITY LANDSCAPE	SEASHORE DEFENSE FUND	UNALLOCATED FUNDS	TOTAL
<b>REVENUES</b>						
Net Earnings from Rentals & Events	\$ 71,687	\$ -	\$ -	\$ 34,190	\$ 8,215	\$ 114,092
Contributions and Other Fund Raising Activities	107,023	18,337	5,099	3,000	15,973	149,432
Contributions from FIPPOA	100,000	-	-	-	-	100,000
Interest Income	-	-	-	31	-	31
<b>TOTAL REVENUE</b>	<u>\$ 278,710</u>	<u>\$ 18,337</u>	<u>\$ 5,099</u>	<u>\$ 37,221</u>	<u>\$ 24,188</u>	<u>\$ 363,555</u>
<b>EXPENSES</b>						
Program Services:						
Operating Expenses	\$ 133,774	\$ 20,443	\$ -	\$ 29,001	\$ 69,086	\$ 252,304
Depreciation	128,186	-	2,714	-	15,885	146,785
Supporting Services:						
Management and General	1,359	-	-	-	19,950	21,309
<b>TOTAL EXPENSES</b>	<u>\$ 263,319</u>	<u>\$ 20,443</u>	<u>\$ 2,714</u>	<u>\$ 29,001</u>	<u>\$ 104,921</u>	<u>\$ 420,398</u>
(Decrease) Increase in Net Assets	\$ 15,391	\$ (2,106)	\$ 2,385	\$ 8,220	\$ (80,733)	\$ (56,843)
Net Assets, Beginning of Year	3,124,039	5,594	46,993	43,119	39,518	3,259,263
Allocation of Funds	(100,802)	-	(2,005)	(500)	103,307	-
<b>Net Assets, End of Year</b>	<u>\$ 3,038,628</u>	<u>\$ 3,488</u>	<u>\$ 47,373</u>	<u>\$ 50,839</u>	<u>\$ 62,092</u>	<u>\$ 3,202,420</u>

SEE AUDITORS' REPORT AND ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION  
CHARITABLE FOUNDATION, INC.

STATEMENT OF NET EARNINGS FROM "BEACH"  
FOR THE YEAR ENDED DECEMBER 31, 2013

	Beach	Fever/Pool	Total
SALES:			
Tents, Tickets, Volunteer and Sponsor Receipts	\$ 330,654	\$ 15,262	\$ 345,916
EXPENSES:			
Production, Scenery and Entertainment Expense	321,643	9,378	331,021
Contribution to Stonewall Charitable Foundation	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total	<u>323,143</u>	<u>9,378</u>	<u>332,521</u>
Net Earnings Before Depreciation	7,511	5,884	13,395
Adjustments of Capital Improvements	-	-	-
Depreciation of "Beach" Equipment	<u>4,724</u>	<u>-</u>	<u>4,724</u>
Total Net Earnings	<u>\$ 12,235</u>	<u>\$ 5,884</u>	<u>\$ 18,119</u>

FOR THE YEAR ENDED DECEMBER 31, 2012

	Beach	Fever/Pool	Total
SALES:			
Tents, Tickets, Volunteer and Sponsor Receipts	\$ 325,441	\$ 9,336	\$ 334,777
EXPENSES:			
Production, Scenery and Entertainment Expense	310,889	10,673	321,562
Contribution to Stonewall Charitable Foundation	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total	<u>315,889</u>	<u>10,673</u>	<u>326,562</u>
Net Earnings Before Depreciation	9,552	(1,337)	8,215
Adjustments of Capital Improvements	-	-	-
Depreciation of "Beach" Equipment	<u>(2,724)</u>	<u>-</u>	<u>(2,724)</u>
Total Net Earnings	<u>\$ 6,828</u>	<u>\$ (1,337)</u>	<u>\$ 5,491</u>

SEE AUDITORS' REPORT AND ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION  
CHARITABLE FOUNDATION, INC.  
STATEMENT OF COMMUNITY CENTER ACTIVITIES

	For the Year Ended <u>December 31, 2013</u>	For the Year Ended <u>December 31, 2012</u>
Earnings From Events:		
Receipts		
Admissions and Rentals	\$ 39,237	\$ 29,161
Total Receipts	39,237	29,161
Other Rentals	<u>42,782</u>	<u>42,526</u>
Total Earnings Before Operating and General Expenses	<u>\$ 82,019</u>	<u>\$ 71,687</u>
Operating Expenses:		
Administrative Payroll	\$ 13,850	\$ 16,185
Maintenance Payroll	12,500	12,250
Payroll Taxes and Insurance	2,691	2,849
Maintenance and Supplies	18,689	18,912
Utilities	14,562	16,723
Real Estate Taxes	4,422	4,327
Insurance	40,919	36,422
Elevator and Alarm Maintenance	5,228	
Landscape Maintenance	2,550	1,750
Canopy Service	3,246	4,646
Cleaning	6,250	7,000
Consultant	400	250
Telephone / Internet	3,499	3,271
Fire Prevention	3,708	-
Miscellaneous	6,661	9,189
Total	<u>\$ 139,175</u>	<u>\$ 133,774</u>
Management and General Expenses:		
Liquor License Expenses	\$ -	\$ 1,359
Total	<u>\$ -</u>	<u>\$ 1,359</u>

SEE AUDITORS' REPORT AND ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION  
CHARITABLE FOUNDATION, INC.

STATEMENT OF CASH FLOWS

	For the Year Ended December 31, 2013	For the Year Ended December 31, 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) in Net Asset	\$ (34,708)	\$ (56,843)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Program Depreciation	138,967	135,948
Depreciation of "Beach" Equipment	4,724	2,724
(Increase) Decrease in Prepaid Expenses	4,117	(1,890)
(Decrease) Due to Stonewall		-
Increase (Decrease) in Insurance Settlement	(3,216)	(23,500)
Increase (Decrease) in Security Deposit	(3,475)	350
Increase (Decrease) in Accrued Expenses	2,531	(24,004)
Net Cash Provided by Operating Activities	\$ 108,940	\$ 32,785
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of building improvements, landscaping and vehicle	(25,083)	(53,981)
Net (Decrease) Increase in Cash	83,857	(21,196)
Cash, Beginning of Year	145,119	166,315
Cash, End of Year	<u>\$ 228,976</u>	<u>\$ 145,119</u>
SUPPLEMENTAL DISCLOSURE:		
Interest Paid During the Period	<u>\$ 0</u>	<u>\$ 0</u>

SEE AUDITORS' REPORT AND ACCOMPANYING NOTES TO FINANCIAL STATEMENTS



FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION  
CHARITABLE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ORGANIZATION

Fire Island Pines Property Owners' Association Charitable Foundation, Inc. (The Foundation) is an exempt organization under Section 501(c) (3) of the Internal Revenue Code. The Foundation was established to maintain, renovate, modernize and beautify the publicly used areas of Fire Island Pines in the Town of Brookhaven, County of Suffolk and State of New York, for the benefit of its property owners and visitors. The accounts of the Fire Island Pines Property Owners Association, Inc., and Political Action Committee are not included in the Foundation's financial statements.

ACCOUNTING BASIS

The accompanying financial statements of the Foundation 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.

FINANCIAL STATEMENT PRESENTATION

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

CONTRIBUTIONS

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

CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANK

Financial instruments, which potentially subject the Foundation to concentration of credit risk, consist principally of money market funds. The Foundation places its temporary cash with high-credit, quality financial institutions which may exceed federally and privately insured amounts at times. The Foundation does not believe that it is exposed to any significant credit risk on uninsured amounts.

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION  
CHARITABLE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 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 – RELATED PARTIES

The Officers and Directors of the Foundation also serve as Officers and Directors of the Fire Island Pines Property Owners' Association, Inc. (FIPPOA) and Political Action Committee.

NOTE 3 – DONATED SERVICES

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

NOTE 4 – SEASHORE DEFENSE FUND PROGRAM

The Seashore Defense Fund is administered as a separate program of the Foundation. The Fund supplements the efforts of the Beach Erosion Control District to maintain the protective dune on the ocean at Fire Island Pines and funds public education efforts to encourage the public to respect the dune system.

NOTE 5 – UNALLOCATED FUNDS

The change in unallocated net assets is summarized as follows:

	<u>Year Ended</u> <u>December 31, 2013</u>	<u>Year Ended</u> <u>December 31, 2012</u>
Net Earnings from "Beach"	\$ 13,395	\$ 8,215
Contributions and Other Fund Raising Activities	147,154	15,973
Interest Earned	76	0
Costs of Environmental Improvements and Other Community Benefits	(85,497)	(84,971)
Management and General Expenses	(59,454)	(19,950)
(Decrease) in Net Unallocated Assets	<u>\$ 15,674</u>	<u>\$ (80,733)</u>

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION  
CHARITABLE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 6 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	Estimated Useful Life - Years	December 31, 2013	December 31, 2012
Community House			
Land		16,102	16,102
Building - Community Center	30	3,630,783	3,615,701
Building - Landscaping	30	19,922	19,922
Total Community House		3,666,807	3,651,725
Accumulated Depreciation		789,932	657,507
Net Community House		2,876,875	2,994,218
Community Landscape	30	44,680	44,680
Accumulated Depreciation		6,197	4,707
Net Community Landscape		38,483	39,973
Unallocated Funds			
"Beach" Equipment	5	23,622	13,621
Mobility Cart	5	25,247	25,247
Environmental Cart	5	9,230	9,230
Total		58,099	48,098
Accumulated Depreciation		36,889	27,114
Net Unallocated Funds		21,210	20,984
<b>TOTAL PROPERTY AND EQUIPMENT</b>		<b>2,936,568</b>	<b>3,055,175</b>

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION  
CHARITABLE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 7 – FUNDRAISING PROGRAMS

The Foundation conducts various fundraising programs which are summarized, as follows:

Community House Annual Fund, which supports the operations of the John Whyte Community Center. Contributions aggregated \$68,343 in 2013 and \$63,334 in 2012. Contributions also included \$0 in 2013 and \$100,000 in 2012, from FIPPOA and \$40,198 in 2013 and \$39,209 in 2012 from the Fire Island Pines Arts Project Inc., Pines Care Center, Inc. and other local entities.

The Margie Fund underwrites the purchase of a vehicle to transport the elderly and infirm along Fire Island Boulevard. Contributions in 2013 aggregated \$9,980 and in 2012 aggregated \$9,973.

Seashore Defense Fund protects the beaches from erosion. Contributions aggregated \$39,110 in 2013 and in \$34,190 in 2012.

The Damminex Program supports the prevention of Lyme disease. Contributions aggregated \$31,784 in 2013 and \$18,337 in 2012.

The Boulevard Tree Program which underwrites planting of trees along Fire Island Boulevard. Contributions aggregated \$2,950 in 2013 and \$2,730 in 2012.

Contributions to these funds are not legally restricted by the donors.

NOTE 8 – INSURANCE SETTLEMENT

The foundation experienced two floods which they received a settlement from their insurance company. The first flood occurred in 2011 and the repairs completed through the year end 2011 were \$25,570 and the remaining repairs were completed in 2012. During the year, the foundation received \$52,287 from the insurance company to repairs the damages. The remaining balance of the insurance claim settlement at December 31, 2011 was \$26,717.

The second occurrence happened in 2012. The cost of the repairs in 2012 was \$49,254 and the foundation collected \$45,000 in 2012 from the insurance claim settlement. The remaining balance of the insurance claim settlement at December 31, 2012 was 3,216 and was collected in 2013.