

FIRE ISLAND PINES PROPERTY  
OWNERS' ASSOCIATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2016 and 2015

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

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DECEMBER 31, 2016

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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 tax exempt organization), which comprise the statement of financial position as of December 31, 2016 and December 31, 2015, 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, 2016 and December 31, 2015, 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.

*Esposito, Fuchs, Taormina & Co*

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

September 22, 2017  
pls

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION

|   | As of<br><u>December 31, 2016</u> | As of<br><u>December 31, 2015</u> |
|---|-----------------------------------|-----------------------------------|
| <b>ASSETS</b>   |                                   |                                   |
| Current Assets:   |                                   |                                   |
| Cash in Operating Account                                     | \$ 365,532                        | \$ 90,103                         |
| Money Market  | 172,503                           | 172,176                           |
| Certificates of Deposits                                      | -                                 | 247,781                           |
| Marketable Securities - Available For Sale                    | 390,625                           | 360,047                           |
| Accounts Receivable   | 65,278                            | 50,778                            |
| Prepaid Expenses  | <u>20,038</u>                     | <u>11,067</u>                     |
| Total Current Assets  | 1,013,976                         | 931,952                           |
| Property, Equipment and Improvements -<br>Net of Depreciation | <u>288,411</u>                    | <u>308,846</u>                    |
| Total Assets  | <u><u>\$ 1,302,387</u></u>        | <u><u>\$ 1,240,798</u></u>        |
| <b>LIABILITIES AND NET ASSETS</b>                             |                                   |                                   |
| Current Liabilities:  |                                   |                                   |
| Accounts Payable and Accrued Expenses                         | <u>\$ 100</u>                     | <u>\$ 5,000</u>                   |
| Total Current Liabilities                                     | 100                               | 5,000                             |
| Net Assets  |                                   |                                   |
| Unrestricted  | 697,487                           | 630,998                           |
| Restricted - Board Designated                                 | <u>604,800</u>                    | <u>604,800</u>                    |
| Total Liabilities and Net Assets                              | <u><u>\$ 1,302,387</u></u>        | <u><u>\$ 1,240,798</u></u>        |

SEE AUDITORS' REPORT AND ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

STATEMENTS OF OPERATIONS

|   | Year Ended<br>December 31, 2016 | Year Ended<br>December 31, 2015 |
|---|---------------------------------|---------------------------------|
| REVENUES  |                                 |                                 |
| Boat Slip Rentals                                       | \$ 164,086                      | \$ 151,361                      |
| Other Rental Income                                     | 189,835                         | 175,000                         |
| Membership Dues and Donations                           | 96,715                          | 95,615                          |
| Miscellaneous Income                                    | 27,690                          | 15,380                          |
| Interest Income   | 2,544                           | 4,190                           |
| Investment Income                                       | 33,079                          | (800)                           |
|   | <hr/>                           | <hr/>                           |
| Total Revenues  | 513,949                         | 440,746                         |
|   | <hr/>                           | <hr/>                           |
| EXPENSES  |                                 |                                 |
| Program Services:                                       |                                 |                                 |
| Harbor  | 164,308                         | 219,216                         |
| Beach and Community Clean-Up                            | 40,705                          | 46,553                          |
|   | <hr/>                           | <hr/>                           |
| Total Program Services                                  | 205,013                         | 265,769                         |
| Supporting Services:                                    |                                 |                                 |
| Management and General                                  | 213,962                         | 198,836                         |
|   | <hr/>                           | <hr/>                           |
| Total Expenses before Depreciation                      | 418,975                         | 464,605                         |
|   | <hr/>                           | <hr/>                           |
| (Decrease) / Increase in Net Assets before Depreciation | 94,974                          | (23,859)                        |
| Depreciation  | 28,485                          | 30,792                          |
|   | <hr/>                           | <hr/>                           |
| (Decrease) / Increase in Net Assets                     | 66,489                          | (54,651)                        |
| Net Assets, Beginning of Year                           | 1,235,798                       | 1,290,449                       |
|   | <hr/>                           | <hr/>                           |
| Net Assets, End of Year                                 | \$ 1,302,287                    | \$ 1,235,798                    |
|   | <hr/>                           | <hr/>                           |

SEE AUDITORS' REPORT AND ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

|  | Year Ended<br><u>December 31, 2016</u> | Year Ended<br><u>December 31, 2015</u> |
|--|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |  |  |
| (Decrease) / Increase in Net Assets  | \$ 66,489                              | \$ (54,651)                            |
| Adjustments to reconcile change in Net Assets<br>provided by Operating Activities: |  |  |
| Depreciation   | 28,485                                 | 30,792                                 |
| (Increase) Decrease in Current Assets:   |  |  |
| Account Receivable   | (14,500)                               | 30,666                                 |
| Prepaid Expenses   | (8,971)                                | 3,713                                  |
| (Decrease) Increase in Liabilities:  |  |  |
| Accounts Payable and Accrued Expenses  | (4,900)                                | (19,520)                               |
| Harbor Seasonal Deposits   | -                                      | 5,000                                  |
|  | <u>66,603</u>                          | <u>(4,000)</u>                         |
| Net Cash (Used) for Provided by<br>Operating Activities                            |  |  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |  |  |
| Investment in Harbor Improvements  | (8,050)                                | -                                      |
| Purchase of Investments  | (30,578)                               | (360,047)                              |
|  | <u>(38,628)</u>                        | <u>(360,047)</u>                       |
| Cash (Used) for<br>Investing Activities  |  |  |
| Net (Decrease) / Increase in Cash  | 27,975                                 | (364,047)                              |
| Cash, Beginning of Year  | 510,060                                | 874,107                                |
| Cash, End of Year  | <u>\$ 538,035</u>                      | <u>\$ 510,060</u>                      |
| <b>SUPPLEMENTAL DISCLOSURES:</b>   |  |  |
| Interest Paid During the Year  | <u>\$ 0</u>                            | <u>\$ 0</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, 2016

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.

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, 2016 and 2015, 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.

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, 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 absence or existence and nature of any donor restrictions. The Association has not received restricted contributions, but allocates contributions received and contributions made to the applicable program.

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

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

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, 2016 and 2015, uninsured cash balances were approximately \$277,456 and \$4,513, 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 on the basis of average cost of securities sold and are reflected in net investment return in the Statements of 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.

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 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.

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

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. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, The Association reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Association reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

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.

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.

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

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, 2016 and 2015. 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, 2016 and 2015.

| 2016                    |                   |             |             |             |                   |
|-------------------------|-------------------|-------------|-------------|-------------|-------------------|
| Investment Strategy     | Level 1           | Level 2     | Level 3     | NAV         | Total             |
| Equities                |                   |             |             |             |                   |
| Mutual Funds (Equities) | \$ 390,625        | \$ -        | \$ -        | \$ -        | \$ 390,625        |
|                         | <u>\$ 390,625</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 390,625</u> |

| 2015                    |                   |             |             |             |                   |
|-------------------------|-------------------|-------------|-------------|-------------|-------------------|
| Investment Strategy     | Level 1           | Level 2     | Level 3     | NAV         | Total             |
| Equities                |                   |             |             |             |                   |
| Mutual Funds (Equities) | \$ 360,047        | \$ -        | \$ -        | \$ -        | \$ 360,047        |
|                         | <u>\$ 360,047</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 360,047</u> |

The Association held \$390,625 and \$360,047 at December 31, 2016 and 2015, 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) at December 31, 2016 and 2015, are summarized as follows:

|                          | December 31, 2016 |                   |  | December 31, 2015 |                   |  |
|--------------------------|-------------------|-------------------|--|-------------------|-------------------|--|
|                          | Cost              | Fair Value        | Unrealized<br>Appreciation<br>(Depreciation) | Cost              | Fair Value        | Unrealized<br>Appreciation<br>(Depreciation) |
| Investments Unrestricted |                   |                   |  |                   |                   |  |
| Marketable Securities    | \$ 369,257        | \$ 390,625        | \$ 21,368                                    | \$ 362,824        | \$ 360,047        | \$ (2,776)                                   |
|                          | <u>\$ 369,257</u> | <u>\$ 390,625</u> | <u>\$ 21,368</u>                             | <u>\$ 362,824</u> | <u>\$ 360,047</u> | <u>\$ (2,776)</u>                            |

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 3 – PROPERTY, EQUIPMENT AND IMPROVEMENTS

Property, equipment and improvements consist of the following:

|  | Estimated Useful<br>Life – Years | <u>December 31, 2016</u> | <u>December 31, 2015</u> |
|--|----------------------------------|--------------------------|--------------------------|
| Harbor Improvements                            | 10 to 25                         | \$ 622,804               | \$ 614,754               |
| Equipment                                      | 5 to 15                          | <u>13,532</u>            | <u>13,532</u>            |
| Total Property, Equipment and Improvements     |                                  | 636,336                  | 628,286                  |
| Accumulated Depreciation                       |                                  | <u>331,306</u>           | <u>319,440</u>           |
| Total Net Property, Equipment and Improvements |                                  | <u>\$ 288,411</u>        | <u>\$ 308,846</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.

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, 2016

NOTE 7 – 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 22, 2017, which is the date the financial statements were issued.

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JOSEPH ZAK, C.P.A. (1939-1991)

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, 2016 and 2015, and our report thereon dated September 22, 2017, 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*

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

September 22, 2017

FIRE ISLAND PINES PROPERTY OWNERS' ASSOCIATION, INC.

SUPPLEMENTARY SCHEDULE

STATEMENTS OF NET OPERATING REVENUES BEFORE DEPRECIATION

FOR THE YEARS ENDED DECEMBER 31, 2016 AND DECEMBER 31, 2015

|   | <u>PROGRAM SERVICES</u> |                                     |                               | <u>SUPPORTING SERVICES</u>    | <u>TOTAL</u>                 |                              |
|---|-------------------------|-------------------------------------|-------------------------------|-------------------------------|------------------------------|------------------------------|
|   | <u>Harbor</u>           | <u>Beach and Community Clean-Up</u> | <u>Total Program Services</u> | <u>Management and General</u> | <u>Year Ended 12/31/2016</u> | <u>Year Ended 12/31/2015</u> |
| <b>REVENUES</b>                                   |                         |                                     |                               |                               |                              |                              |
| Boat Slips Rentals:                               |                         |                                     |                               |                               |                              |                              |
| Seasonal  | \$ 127,843              | \$ -                                | \$ 127,843                    | \$ -                          | \$ 127,843                   | \$ 121,885                   |
| Transients  | 36,243                  | -                                   | 36,243                        | -                             | 36,243                       | 29,476                       |
| Total Boat Slip Rentals                           | 164,086                 | -                                   | 164,086                       | -                             | 164,086                      | 151,361                      |
| Other Rental Income:                              |                         |                                     |                               |                               |                              |                              |
| Ferry Service                                     | 37,500                  | -                                   | 37,500                        | -                             | 37,500                       | 35,000                       |
| Freight Service                                   | 12,000                  | -                                   | 12,000                        | -                             | 12,000                       | 12,000                       |
| Garbage   | 90,000                  | -                                   | 90,000                        | -                             | 90,000                       | 90,000                       |
| Gas Platform                                      | 7,035                   | -                                   | 7,035                         | -                             | 7,035                        | 6,700                        |
| Freight Dock Usage, etc.                          | 34,400                  | -                                   | 34,400                        | -                             | 34,400                       | 26,000                       |
| Parking   | -                       | -                                   | -                             | 8,900                         | 8,900                        | 5,300                        |
| Total Other Rental Income                         | 180,935                 | -                                   | 180,935                       | 8,900                         | 189,835                      | 175,000                      |
| Membership Dues and Donations                     | -                       | -                                   | -                             | 96,715                        | 96,715                       | 95,615                       |
| Miscellaneous Income                              | 4,670                   | -                                   | 4,670                         | 23,020                        | 27,690                       | 15,380                       |
| Interest Income                                   | -                       | -                                   | -                             | 2,544                         | 2,544                        | 4,190                        |
| Investment Income                                 | -                       | -                                   | -                             | 33,079                        | 33,079                       | 1,977                        |
| Total Revenues                                    | 349,691                 | -                                   | 349,691                       | 164,258                       | 513,949                      | 443,523                      |
| Total Functional Expenses-<br>Before Depreciation | 164,308                 | 40,705                              | 205,013                       | 213,962                       | 418,975                      | 464,605                      |
| Net Operating Revenues<br>Before Depreciation     | <u>\$ 164,308</u>       | <u>\$ 40,705</u>                    | <u>\$ 205,013</u>             | <u>\$ 213,962</u>             | <u>\$ 418,975</u>            | <u>\$ 464,605</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, 2016 AND DECEMBER 31, 2015

|                                   | <u>PROGRAM SERVICES</u> |                                     |                               | <u>SUPPORTING SERVICES</u>    | Total year ended<br>12/31/2016 | Total year ended<br>12/31/2015 |
|-----------------------------------|-------------------------|-------------------------------------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|
|                                   | <u>Harbor</u>           | <u>Beach and Community Clean-Up</u> | <u>Total Program Services</u> | <u>Management and General</u> |                                |                                |
| EXPENSES:                         |                         |                                     |                               |                               |                                |                                |
| Salaries                          | \$ 81,718               | \$ 27,168                           | \$ 108,886                    | \$ 95,201                     | \$ 204,087                     | \$ 178,231                     |
| Payroll Taxes & Insurance         | <u>8,669</u>            | <u>3,255</u>                        | <u>11,924</u>                 | <u>11,532</u>                 | <u>23,456</u>                  | <u>19,617</u>                  |
| Total Employee Compensation       | 90,387                  | 30,423                              | 120,810                       | 106,733                       | 227,543                        | 197,848                        |
| Contribution to Foundation        | -                       | -                                   | -                             | -                             | -                              | -                              |
| Maintenance, Repairs and Supplies | 8,414                   | 1,323                               | 9,737                         | 1,322                         | 11,059                         | 47,744                         |
| Utilities                         | 18,214                  | -                                   | 18,214                        | -                             | 18,214                         | 22,837                         |
| Real Estate Taxes                 | 3,003                   | -                                   | 3,003                         | -                             | 3,003                          | 2,914                          |
| Travel, Ferry and Parking         | 3,985                   | 1,733                               | 5,718                         | 3,317                         | 9,035                          | 9,032                          |
| Legal Fees                        | 2,173                   | -                                   | 2,173                         | -                             | 2,173                          | 16,533                         |
| Accounting Fees                   | -                       | -                                   | -                             | 6,000                         | 6,000                          | 5,000                          |
| Insurance                         | 31,535                  | 6,018                               | 37,553                        | 45,298                        | 82,851                         | 73,092                         |
| Consultants                       | -                       | -                                   | -                             | -                             | -                              | 966                            |
| Post Office                       | -                       | -                                   | -                             | 10,990                        | 10,990                         | 11,130                         |
| Advertising and Promotion         | 1,060                   | -                                   | 1,060                         | 4,398                         | 5,458                          | 5,672                          |
| Telephone and Internet            | 1,054                   | 1,208                               | 2,262                         | 2,629                         | 4,891                          | 6,258                          |
| Contributions                     | -                       | -                                   | -                             | 2,600                         | 2,600                          | 24,000                         |
| Credit Card                       | 1,705                   | -                                   | 1,705                         | 4,666                         | 6,371                          | 5,415                          |
| Miscellaneous                     | <u>2,778</u>            | <u>-</u>                            | <u>2,778</u>                  | <u>26,009</u>                 | <u>28,787</u>                  | <u>36,164</u>                  |
| Subtotal                          | 164,308                 | 40,705                              | 205,013                       | 213,962                       | 418,975                        | 464,605                        |
| Depreciation                      | <u>26,737</u>           | <u>-</u>                            | <u>26,737</u>                 | <u>1,748</u>                  | <u>28,485</u>                  | <u>30,792</u>                  |
| Total Expenses                    | <u>\$ 191,045</u>       | <u>\$ 40,705</u>                    | <u>\$ 231,750</u>             | <u>\$ 215,710</u>             | <u>\$ 447,460</u>              | <u>\$ 495,397</u>              |

SEE AUDITORS' REPORT AND ACCOMPANYING NOTES TO FINANCIAL STATEMENTS