

CONCERNED CITIZENS OF MONTAUK, INC.

Financial Statements

for the years ended
December 31, 2015 and 2014

CONCERNED CITIZENS OF MONTAUK, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Concerned Citizens of Montauk, Inc.
Montauk, New York

We have audited the accompanying financial statements of Concerned Citizens of Montauk, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 Concerned Citizens of Montauk, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Sabel & Oplinger

Sabel & Oplinger, CPA, PC
Southampton, New York

April 11, 2016

CONCERNED CITIZENS OF MONTAUK, INC.

Statements of Financial Position

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 237,877	\$ 203,690
Restricted cash	34,845	28,640
Investments (Note 7)	91,509	108,412
Prepaid expenses	<u>1,888</u>	<u>989</u>
Total Current Assets	<u>366,119</u>	<u>341,731</u>
Property and Equipment, net (Note 8)	<u>12,302</u>	<u>15,366</u>
Total Assets	<u>\$ 378,421</u>	<u>\$ 357,097</u>
Liabilities and Net Assets		
Current Liabilities		
Accrued expenses	\$ 14,717	\$ 10,662
Taxes payable	<u>153</u>	<u>-</u>
Total Current Liabilities	<u>14,870</u>	<u>10,662</u>
Net Assets		
Unrestricted	328,706	317,795
Temporarily restricted (Note 5)	26,205	20,000
Permanently restricted (Note 6)	<u>8,640</u>	<u>8,640</u>
Total Net Assets	<u>363,551</u>	<u>346,435</u>
Total Liabilities and Net Assets	<u>\$ 378,421</u>	<u>\$ 357,097</u>

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Notes to Financial Statements

CONCERNED CITIZENS OF MONTAUK, INC.

Statements of Activities

for the years ended

				December 31	
	Unrestricted	Temporarily Restricted	Permanently Restricted	2015	2014
Revenues and Support					
Donations	\$ 263,739	\$ 17,370	\$ -	\$ 281,109	\$ 231,587
Grants	25,000	18,000	-	43,000	147,925
Membership dues	33,225	8,835	-	42,060	48,852
Special events	15,730	-	-	15,730	31,930
Merchandise sales	2,580	-	-	2,580	2,773
Investment income	4,252	-	-	4,252	2,768
Miscellaneous income	9	-	-	9	-
Unrealized gain (loss) on investments	(4,199)	-	-	(4,199)	(2,826)
Released from restrictions	<u>38,000</u>	<u>(38,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Support	<u>378,336</u>	<u>6,205</u>	<u>-</u>	<u>384,541</u>	<u>463,009</u>
Expenses					
Program services	275,940	-	-	275,940	307,282
Supporting Services:					
Management and general	36,872	-	-	36,872	36,919
Fundraising and public awareness	<u>54,613</u>	<u>-</u>	<u>-</u>	<u>54,613</u>	<u>54,720</u>
Total Expenses	<u>367,425</u>	<u>-</u>	<u>-</u>	<u>367,425</u>	<u>398,921</u>
Change in Net Assets	<u>10,911</u>	<u>6,205</u>	<u>-</u>	<u>17,116</u>	<u>64,088</u>
Net assets, beginning of year	<u>317,795</u>	<u>20,000</u>	<u>8,640</u>	<u>346,435</u>	<u>282,347</u>
Net assets, end of year	<u>\$ 328,706</u>	<u>\$ 26,205</u>	<u>\$ 8,640</u>	<u>\$ 363,551</u>	<u>\$ 346,435</u>

See Independent Auditors' Report and
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CONCERNED CITIZENS OF MONTAUK, INC.

Statements of Cash Flows

for the years ended

	December 31	
	2015	2014
<u>Cash Flows from Operating Activities:</u>		
Change in Net Assets	\$ 17,116	\$ 64,088
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Unrealized gains/losses on investments	4,199	2,826
Realized gains/losses on investments	(1,350)	-
Depreciation expense	3,064	2,171
(Increase) Decrease in:		
Prepaid expenses	(899)	2,413
Increase (Decrease) in:		
Accrued expenses	4,055	7,418
Payroll taxes payable	153	-
Net Cash Provided by Operating Activities	26,338	78,916
<u>Cash Flows from Investing Activities:</u>		
Purchases of fixed assets	-	(6,667)
Purchases of investments, net of proceeds and fees	18,009	(185)
Dividends reinvested	(2,835)	(2,518)
Change in restricted funds	(6,205)	(20,000)
Stock donations	(1,120)	(11,675)
Net Cash Provided (Used) by Investing Activities	7,849	(41,045)
Net Increase in Cash and Cash Equivalents	34,187	37,871
Cash and Cash Equivalents, beginning of year	203,690	165,819
Cash and Cash Equivalents, end of year	\$ 237,877	\$ 203,690
<u>Supplemental Disclosures:</u>		
Non-cash donations:		
Stock	\$ 1,120	\$ 11,675
Other	2,136	-

See Independent Auditors' Report and
Notes to Financial Statements

CONCERNED CITIZENS OF MONTAUK, INC.

Notes to Financial Statements

December 31, 2015

Note 1 - Nature of Organization

Concerned Citizens of Montauk, Inc. is a community based nonprofit organization whose purpose is to preserve and protect the unique environment and ecology of Montauk through education, advocacy and grassroots citizen action.

Note 2 - Date of Management's Review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition of disclosure through April 11, 2016, the date that the financial statements were available to be issued.

Note 3 - Summary of Significant Accounting Policies

The summary of significant accounting policies is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representations of the Organization's management who are responsible for their integrity and objectivity.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The financial statements are presented on the basis of unrestricted, temporarily restricted, and permanently restricted net assets. For the year ended December 31, 2015, the Organization had all three classes of net assets.

Revenue Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires that is, when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

CONCERNED CITIZENS OF MONTAUK, INC.

Notes to Financial Statements

December 31, 2015

Note 3 - Continued

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with original maturity of three months or less to be cash equivalents.

Investments

Investments in marketable securities, money markets and certificates of deposits are reported at their fair values in the statement of financial position. Investment income and any realized and unrealized gains and losses are included in the statement of activities.

Property, Equipment and Depreciation

Expenditures for property and equipment are capitalized at cost. Donated assets are capitalized at their fair market value on the date of the gift. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

Donated Materials and Services and Contributed Services

Donated materials and services are reflected as donations in the statements at their estimated values at the date of donation. A substantial number of volunteers have donated significant amounts of their time in the Organization's program services and in its fund-raising campaigns. The value of this contributed time is not reported in these financial statements, as it does not meet the criteria for recognition.

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.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

See Independent Auditors' Report

CONCERNED CITIZENS OF MONTAUK, INC.

Notes to Financial Statements

December 31, 2015

Note 3 - Continued

Summarized Financial Information for 2014

The financial statements include prior year summarized comparative information in total but not by net asset class in the Statement of Activities. Such information does not include sufficient detail to constitute a presentation in conformity with United States generally accepted accounting principles. Accordingly, such information should only be read in conjunction with the Organization's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

Note 4 - Tax Exempt Status

The Organization is a not-for-profit corporation under the laws of New York State, classified by the Internal Revenue Service as a publicly supported tax-exempt charity pursuant to IRC Section 501 (c) (3). Accordingly, no provision for Federal or State income taxes is required. The Organization's tax returns for 2012 and forward are subject to the usual review by the appropriate taxing authorities.

Note 5 - Temporarily Restricted Assets

The temporarily restricted net assets represent donation and membership funds received during 2015 relating to the Save the Lake designation in the amount of \$26,205 as these funds were not expended as of the end of the year.

The temporarily restricted net assets at December 31, 2014 represent a \$20,000 grant received in 2014 which was not expended as of the end of the year. The grant funds were fully expended in 2015.

Note 6 - Permanently Restricted Assets

The permanently restricted net assets consist of \$8,640 for unexpended grants at December 31, 2013 related to the Lake Montauk project.

CONCERNED CITIZENS OF MONTAUK, INC.

Notes to Financial Statements

December 31, 2015

Note 7 - Investments – Fair Value

Investments in marketable securities and certificates of deposits with readily determinable fair values reported at their fair values in statement of financial position. Cumulative unrealized gains and losses are included in the statement of activities. Investments are measured using Level 1 inputs, which are defined as quoted prices in active markets for identical assets that the reporting entity has the ability to access at the measurement date.

The relationship between carrying values and fair values of investments as of December 31, 2015, is as follows:

	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Unrealized Adjustment</u>
Balance, beginning of year	\$ <u>112,755</u>	\$ <u>108,412</u>	\$ <u>(4,343)</u>
Balance, end of year	\$ <u>100,051</u>	\$ <u>91,509</u>	\$ <u>(8,542)</u>
Net change in unrealized gains and losses on investments			\$ <u>(4,199)</u>

Note 8 - Property and Equipment

Property and equipment are summarized as follows:

	<u>2015</u>	<u>2014</u>
Furniture and fixtures	\$ 2,100	\$ 2,100
Equipment	16,752	16,752
Less: Accumulated Depreciation	<u>(6,550)</u>	<u>(3,486)</u>
Total	\$ <u>12,302</u>	\$ <u>15,366</u>

Depreciation expense for the years ended December 31, 2015 and 2014 were \$3,064 and \$2,171 respectively.

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Notes to Financial Statements

December 31, 2015

Note 9 - Lease Commitment

The Organization has a one year lease agreement with two one-year renewal options at the same rent, dated May 1, 2014 covering its office in Montauk, New York. The monthly lease payments are \$1,575 per month which are due on the first day of each month.

<u>Year Ended</u> <u>December 31</u>	<u>Amount</u>
2016 (four months)	\$ 6,300

Note 10 - Related Party Transactions

- Members of the board have provided financial support to the Organization in the amount of \$48,885 and \$50,335 respectively for the years ended December 31, 2015 and 2014.
- JMR Barker Foundation provided the Organization with grants totaling \$25,000 and \$110,000 respectively for the years ended December 31, 2015 and 2014. A special three year grant of \$100,000 per year terminated in 2014. One of the board members of the Organization is also on the board of the JMR Barker Foundation.