

**OCEAN BEACH PLAY GROUP, INC.
D/B/A OCEAN BEACH YOUTH GROUP**

Financial Statements
December 31, 2015

PICCIRILLO, LAMONT & GIAMMARESE, LLP
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Independent Accountant's Review Report

To the Board of Trustees of
Ocean Beach Play Group, Inc.
D/B/A Ocean Beach Youth Group

We have reviewed the accompanying financial statements of Ocean Beach Play Group, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Piccirillo, Lamont & Giammarese, LLP

May 16, 2016

Babylon, New York

**OCEAN BEACH PLAY GROUP, INC.
D/B/A OCEAN BEACH YOUTH GROUP**

Statement of Financial Position
December 31, 2015

ASSETS

Current assets:

| | |
|------------------|---------------|
| Cash | \$ 40,821 |
| Prepaid expenses | 3,391 |
| | <u>44,212</u> |

| | |
|--------------------------|-----------|
| Fixed assets | 191,159 |
| Accumulated depreciation | (191,159) |
| Net fixed assets | <u>0</u> |

| | |
|--------------|-------------------------|
| Total assets | <u><u>\$ 44,212</u></u> |
|--------------|-------------------------|

LIABILITIES AND NET ASSETS

Current liabilities:

| | |
|---------------------------------------|-----------------|
| Accounts payable and accrued expenses | <u>\$ 5,750</u> |
|---------------------------------------|-----------------|

| | |
|-------------------|--------------|
| Total liabilities | <u>5,750</u> |
|-------------------|--------------|

| | |
|---------------------------|---------------|
| Net assets - unrestricted | <u>38,462</u> |
|---------------------------|---------------|

| | |
|----------------------------------|-------------------------|
| Total liabilities and net assets | <u><u>\$ 44,212</u></u> |
|----------------------------------|-------------------------|

See independent accountant's review report and notes to financial statements.

OCEAN BEACH PLAY GROUP, INC.
D/B/A OCEAN BEACH YOUTH GROUP

Statement of Activities
For the year ended December 31, 2015

Unrestricted Net Assets

Revenue

| | | |
|---|----------------|---------|
| Program service revenue - summer camp tuition | \$ 436,619 | |
| Fundraising income | 2,911 | |
| Contributions | 3,000 | |
| Total revenue | <u>442,530</u> | 442,530 |

Functional expenses

| | | |
|--|----------------|---------|
| Program service expenses | | |
| Payroll expenses | 168,827 | |
| Sailing, sports, art, theatre and activities | 63,997 | |
| Repairs and maintenance | 22,420 | |
| Payroll tax expense | 19,816 | |
| Insurance | 13,148 | |
| Uniforms | 3,470 | |
| Travel | 2,339 | |
| Total functional expenses | <u>294,017</u> | 294,017 |

Supporting services - management and general expenses

| | | |
|--------------------------------|----------------|---------|
| Rent and real estate taxes | 53,490 | |
| Payroll expenses | 44,592 | |
| Insurance | 26,469 | |
| Professional fees | 10,004 | |
| Windswept Building expense | 9,465 | |
| Office expenses | 7,051 | |
| Payroll tax expense | 5,233 | |
| Outside services | 4,000 | |
| Credit card fees | 3,841 | |
| Utilities | 3,402 | |
| Telephone | 3,011 | |
| Interest | 1,252 | |
| Payroll service | 1,013 | |
| Bank service charges | 899 | |
| Cleaning | 655 | |
| Fundraising expenses | 440 | |
| Computer and internet expenses | 301 | |
| Total supporting services | <u>175,118</u> | 175,118 |

Decrease in unrestricted net assets (net loss) (26,605)

Net assets, beginning of year 65,067

Net assets, end of year \$ 38,462

See independent accountant's review report and notes to financial statements.

**OCEAN BEACH PLAY GROUP, INC.
D/B/A OCEAN BEACH YOUTH GROUP**

Statement of Cash Flow
For the year ended December 31, 2015

Operating activities

| | |
|--|----------------|
| Decrease in unrestricted net assets | \$ (26,605) |
| Adjustments to reconcile decrease in net assets to net cash provided by operating activities | |
| Changes in assets liabilities | |
| Increase in prepaid expenses | (3,391) |
| Decrease in exchange receivable FEMA proceeds | 75,000 |
| Decrease in accrued expenses | <u>(3,308)</u> |
| Net cash provided by operating activities | <u>41,696</u> |

Investing activities

| | |
|------|----------|
| None | <u>0</u> |
|------|----------|

Financing activities

| | |
|------|----------|
| None | <u>0</u> |
|------|----------|

Net increase in cash 41,696

Cash, beginning (875)

Cash, ending \$ 40,821

Supplemental disclosure

| | |
|-------------------|----------|
| Interest paid | \$ 1,252 |
| Income taxes paid | \$ 0 |

See independent accountant's review report and notes to financial statements.

**OCEAN BEACH PLAY GROUP, INC.
D/B/A OCEAN BEACH YOUTH GROUP**

Notes to Financial Statements
December 31, 2015

Note 1 - Organization and nature of operations

Ocean Beach Play Group, Inc. d/b/a Ocean Beach Youth Group ("OBYG") is a Not-for-Profit Corporation formed in the State of New York on April 5, 1965. OBYG was formed exclusively to create a not-for-profit community recreation center to service the needs of the children of permanent and temporary residents in Fire Island from the ages of 4 through 15. OBYG provides a summer camp which includes activities such as swimming, sailing, sports, dance, theatre, and art. It employs young residents of Ocean Beach, New York and the surrounding communities. OBYG owns a house located on Ocean Beach which is used for camp purposes.

Note 2 - Summary of significant accounting policies

- a. OBYG maintains its financial records on the accrual basis of accounting.
- b. The measurement focus of the financial statements for OBYG is the determination of changes in financial position rather than the net income determination.
- c. OBYG is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. At this time, all net assets are unrestricted.
- d. The functional expense classifications are program services expenses and supporting services. The supporting services consist of management and general expenses. The functional classification of expenses requires allocation of expenses to the proper functions.
- e. Fixed assets consist of building and improvements recorded at cost and depreciated over their estimated useful lives. The fixed assets are fully depreciated at December 31, 2015.
- f. OBYG is a not-for-profit that is a tax-exempt under Internal Revenue code Section 501(c) (3). It is not subject to Federal or New York State income taxes and, accordingly, no provision for income taxes is included in these financial statements. OBYG files a Federal annual return of organizations exempt from income tax and the returns for the year 2012 through 2015 are open for examination by them.
- g. The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses in the financial statements. Actual future results could differ from those estimates.

**OCEAN BEACH PLAY GROUP, INC.
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Notes to Financial Statements
December 31, 2015

Note 3 - Concentration of credit risk -uninsured cash balance

OBYG maintains its cash in one financial institution. As part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, all funds are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) effective January 1, 2013. There was no amount in excess of the coverage limit at December 31, 2015.

Note 4 – License Agreement

OBYG has a one year licensing agreement for 2015 with the Incorporated Village of Ocean Beach which grants the use of the village facilities.

Note 5 - Commitments

OBYG entered into two short-term leases for the summer of 2015 for housing facilities. In addition, a short-term lease for the summer of 2016 was signed in November 2015.

Note 6 - FEMA proceeds and Windswept Building expense

The Windswept Building was the central camp building for OBYG and was leased from the Village of Ocean Beach. The building was damaged during Hurricane Sandy in 2012 and cannot be used. During 2015, OBYG received \$75,000 from Federal Emergency Management Agency (FEMA) for reimbursement of the cost of supplies, furniture, equipment, etc. destroyed by Hurricane Sandy. Accordingly this amount was recorded as an exchange receivable – FEMA proceeds in the prior year and the proceeds received in 2015 offset this account in full.

The Windswept Building expense consists of costs incurred for possible renovation of the building.

Note 7 – Subsequent events

Management has evaluated subsequent events through May 16, 2016 the date the financial statements were issued and the following material subsequent event was identified:

During March 2016, OBYG entered into a one year licensing agreement for 2016 with the Incorporated Village of Ocean Beach which grants the use of village facilities.