

EAST HAMPTON VILLAGE FOUNDATION, INC.

Financial Statements and  
Independent Auditors' Report

Years Ended  
December 31, 2023 and 2022

EAST HAMPTON VILLAGE FOUNDATION, INC.

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# *Sabel & Oplinger, CPA, PC*

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
East Hampton Village Foundation, Inc.  
East Hampton, New York

### **Opinion**

We have audited the accompanying financial statements of East Hampton Village Foundation, Inc (a nonprofit organization) which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of East Hampton Village Foundation, Inc as of December 31, 2023 and 2022, 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.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of East Hampton Village Foundation, Inc and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the East Hampton Village Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 East Hampton Village Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## **Report on Summarized Comparative Information**

We have previously audited the East Hampton Village Foundation, Inc 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 27, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Sabel & Oplinger*

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Sabel & Oplinger, CPA, PC

Southampton, New York

October 4, 2024

EAST HAMPTON VILLAGE FOUNDATION, INC.

Statements of Financial Position

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Assets		
Current Asset		
Cash in bank		
Without donor restrictions	\$ 395,615	\$ 1,387,097
With donor restrictions	<u>-</u>	<u>301,460</u>
Total Assets	<u>\$ 395,615</u>	<u>\$ 1,688,557</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	<u>\$ 14,579</u>	<u>\$ 22,652</u>
Net Assets		
Net assets without donor restrictions	381,036	1,364,445
Net assets with donor restrictions	<u>-</u>	<u>301,460</u>
Total Net Assets	<u>381,036</u>	<u>1,665,905</u>
Total Liabilities and Net Assets	<u>\$ 395,615</u>	<u>\$ 1,688,557</u>

See Independent Auditors' Report and  
Notes to Financial Statements

EAST HAMPTON VILLAGE FOUNDATION, INC.

Statements of Activities

for the years ended

	Without Donor Restrictions	With Donor Restrictions	December 31	
			2023	2022
Revenues and Support				
Contributions	\$ 421,014	\$ -	\$ 421,014	\$ 737,274
Special events	-	-	-	14,860
Investment income	177	-	177	223
Release from restrictions	<u>301,460</u>	<u>(301,460)</u>	<u>-</u>	<u>-</u>
Total Revenues and Support	<u>722,651</u>	<u>(301,460)</u>	<u>421,191</u>	<u>752,357</u>
Expenses				
Program services	1,644,424	-	1,644,424	430,523
Supporting services				
Management and general	41,547	-	41,547	25,333
Fundraising	<u>20,089</u>	<u>-</u>	<u>20,089</u>	<u>16,860</u>
Total Expenses	<u>1,706,060</u>	<u>-</u>	<u>1,706,060</u>	<u>472,716</u>
Change in Net Assets	(983,409)	(301,460)	(1,284,869)	279,641
Net Assets, beginning of year	<u>1,364,445</u>	<u>301,460</u>	<u>1,665,905</u>	<u>1,386,264</u>
Net Assets, end of year	<u>\$ 381,036</u>	<u>\$ -</u>	<u>\$ 381,036</u>	<u>\$ 1,665,905</u>

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EAST HAMPTON VILLAGE FOUNDATION, INC.

Statement of Functional Expenses

for the years ended

Expense Name	Program Services	Management and General Services	Fundraising and Public Awareness	2023	2022
Professional fees	\$ -	\$ 22,670	\$ -	\$ 22,670	\$ 8,000
Bank service fee	-	969	-	969	1,539
Donation to EH Village	1,195,645	-	-	1,195,645	154,783
Event expense	307,691	-	-	307,691	150,459
Insurance	3,788	631	1,894	6,313	-
License and permit	582	97	291	970	1,110
Office expense	2,171	362	1,085	3,618	4,225
Payroll taxes	10,851	1,356	1,357	13,564	11,102
Salaries	123,696	15,462	15,462	154,620	141,498
<b>Total Expenses</b>	<b>\$ 1,644,424</b>	<b>\$ 41,547</b>	<b>\$ 20,089</b>	<b>\$ 1,706,060</b>	<b>\$ 472,716</b>

See Independent Auditors' Report and  
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EAST HAMPTON VILLAGE FOUNDATION, INC.

Statements of Cash Flows

for the years ended

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Cash Flows from Operating Activities</u>		
Change in Net Assets	\$ (1,284,869)	\$ 279,641
Adjustments to reconcile the change in net assets to net cash (used) provided by operating activities:		
Increase (Decrease) in:		
Accounts payable and accrued expenses	<u>(8,073)</u>	<u>22,652</u>
Net Cash (Used) Provided by Operating Activities	<u>(1,292,942)</u>	<u>302,293</u>
Net (Decrease) Increase in Cash	(1,292,942)	302,293
Cash in banks, beginning of year	<u>1,688,557</u>	<u>1,386,264</u>
Cash in banks, end of year	<u>\$ 395,615</u>	<u>\$ 1,688,557</u>

See Independent Auditors' Report and  
Notes to Financial Statements

# EAST HAMPTON VILLAGE FOUNDATION, INC.

## Notes to Financial Statements

Years Ended December 31, 2023 and 2022

### Note 1 - Nature of Organization

East Hampton Village Foundation, Inc. was incorporated in 2021 as a not-for-profit corporation pursuant to general corporation law of the State of New York. The Organization's purpose is educating the public, funding programs with respect to the beautification and maintenance of East Hampton village properties, including open space and historical structures, and/or in support of public safety, environmental and/or public works in benefit to the village of East Hampton, New York, or the community in which it serves.

### Note 2 - 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 have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the organization to report information regarding its financial position and activities according to the following net asset classifications:

***Net assets without donor restrictions:*** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

***Net assets with donor restrictions:*** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

See Independent Auditors' Report

EAST HAMPTON VILLAGE FOUNDATION, INC.

Notes to Financial Statements

Years Ended December 31, 2023 and 2022

Note 2 - Continued

Revenue and Revenue Recognition

The organization recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

The Organization has the following exchange transaction revenue included in its Statement of Activities for the year ending December 31, 2023:

- *Special events* – The Organization conducts special and fundraising events in which a portion of the proceeds paid by the participant represent payment for the direct cost benefits received by the participant at the event – the exchange component, and a portion represents a contribution to the Organization. The fair value of meals and entertainment provided at these events are measured at actual cost to the Organization and is recognized when the event takes place. The contribution portion is the excess of the gross revenue over the fair value of the direct donor benefit and is recognized immediately, unless there is a right of return if the event does not take place.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

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EAST HAMPTON VILLAGE FOUNDATION, INC.

Notes to Financial Statements

Years Ended December 31, 2023 and 2022

Note 2 - Continued

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, including restricted funds. Cash investments are placed with high credit-quality financial institutions and may exceed the amount of federal deposit insurance. Cash consists of the following:

	<u>2023</u>	<u>2022</u>
Unrestricted	\$ 395,615	\$ 1,387,097
Restricted	<u>-</u>	<u>301,460</u>
Total Cash and Cash Equivalents	<u>\$ 395,615</u>	<u>\$ 1,688,557</u>

Concentration of Credit Risk

The Organization's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash in bank, savings and certificates of deposits. The Organization deposits its cash with what it believes to be quality financial institutions and at times during the year the balances have exceeded the federally insured limits. The Organization believes no significant concentration of credit risk exists with respect to its cash and cash equivalents.

Contributed Services

A substantial number of volunteers have donated significant amounts of their time relating to the activities of the Organization. The value of this contributed time is not reported in these financial statements, as it does not meet the criteria for recognition.

Property, Equipment and Depreciation

The 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.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

# EAST HAMPTON VILLAGE FOUNDATION, INC.

## Notes to Financial Statements

Years Ended December 31, 2023 and 2022

Note 2 - Continued

### 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, the actual results could differ from those estimates.

### Summarized Financial Information for 2022

The financial statements include prior year summarized comparative information in total but not by net asset class in the Statement of Functional Expenses. 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, 2022, from which the summarized information was derived.

### New Accounting Pronouncements

As of January 1, 2022, the Organization changed its accounting method for leases as a result of implementing the requirements in the Financial Accounting Standard Board's Accounting Standards Codification (ASC) 842, *Leases*, using the modified retrospective transition method. There was no cumulative effect adjustment to the Organization's statement of financial position.

The new lease guidance requires the recognition of a right-of-use asset and a lease liability for finance leases, similar to the standards that preceded it. The new lease guidance also requires the recognition of a right-of-use asset and a lease liability for operating leases, but the Organization has no leases subject to that requirement because it elected not to apply the new guidance to leases of 12 months or less. The Organization elected the package of practical expedients, which allowed, among other things, for not reassessing the lease classification or initial direct costs for existing leases. The Organization has not elected the hindsight practical expedient. Adoption of the new guidance did not have any impact on the statements of financial position, activities or cash flows.

### Tax Exempt Status

The Organization has been classified by the Internal Revenue Service as a publicly supported tax-exempt charity pursuant to IRC Section 501 (c) (3) and as a not-for-profit corporation under the laws of New York State. Accordingly, no provision for Federal or State income taxes is required. As of December 31, 2023 and 2022, no amounts have been recognized for uncertain income tax positions.

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EAST HAMPTON VILLAGE FOUNDATION, INC.

Notes to Financial Statements

Years Ended December 31, 2023 and 2022

Note 3 - Liquidity and Availability of Financial Assets

The following represents the organization's financial assets at December 31:

	<u>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash and cash equivalents	\$ <u>395,615</u>	\$ <u>1,387,097</u>
Total Financial Assets	395,615	1,387,097
Less financial assets not available to be used within one year:	<u>-</u>	<u>(301,460)</u>
Financial assets available within one year	<u>\$ 395,615</u>	<u>\$ 1,085,637</u>

The organization maintains financial assets to meet operating expenses.

Note 4 - Net Assets

Net assets with donor restrictions are as follows as of December 31:

	<u>2023</u>	<u>2022</u>
Herrick Park	\$ -	\$ 301,460

Net assets released from net assets with donor restrictions are as follows as of December 31:

	<u>2023</u>	<u>2022</u>
Herrick Park	\$ 301,460	\$ 12,000

Note 5 - Subsequent Events

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 4, 2024, which is the date that the financial statements were available to be issued. There are no other subsequent events or transactions that required recognition or disclosure in these financial statements.