

OYSTERPONDS HISTORICAL SOCIETY, INC.
ORIENT, NEW YORK

FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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SKINNON AND FABER

Certified Public Accountants, P.C.

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Trustees
Oysterponds Historical Society, Inc.
Orient, New York

We have reviewed the accompanying financial statements of Oysterponds Historical Society, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, 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 entity 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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountants' 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.

Accountants' 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.



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Report on 2018 Financial Statements

The 2018 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated July 25, 2019. We have not performed any auditing procedures since that date.

Skinnon and Faber, CPAs, P.C.

SKINNON AND FABER, CPAS, P.C.
Islandia, New York
October 28, 2020

OYSTERPONDS HISTORICAL SOCIETY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

	2019	2018
ASSETS		
Cash and Cash Equivalents	\$ 191,574	\$ 167,796
Accounts Receivable	1,145	9,730
Investments, at Fair Value	2,259,890	2,026,327
Inventory, at Cost	9,685	9,685
Prepaid Expenses	12,110	12,110
Cash and Cash Equivalents - Restricted	19,611	52,537
Investments, at Fair Value - Restricted	390,278	347,811
Fixed Assets, Net	1,097,598	1,103,943
Total Assets	\$ 3,981,891	\$ 3,729,939
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 13,384	\$ 7,537
Sales Tax Payable	977	1,134
Total Liabilities	14,361	8,671
 NET ASSETS		
With Donor Restrictions	409,889	400,348
Without Donor Restrictions	3,557,641	3,320,920
Total Net Assets	3,967,530	3,721,268
Total Liabilities and Net Assets	\$ 3,981,891	\$ 3,729,939

See Notes to the Financial Statements

OYSTERPONDS HISTORICAL SOCIETY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019
(with summarized comparative totals for 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND OPERATING REVENUE				
Member Dues Income	\$ 25,705	\$ -	\$ 25,705	\$ 35,650
Contributions	48,920	100	49,020	116,559
Grants	5,000	-	5,000	5,000
Fundraising Income	245,253	-	245,253	267,311
Less: Fundraising Expenses	(88,339)	-	(88,339)	(87,457)
Mission	1,830	-	1,830	1,341
Total Support and Operating Revenue	<u>238,369</u>	<u>100</u>	<u>238,469</u>	<u>338,404</u>
Net Assets Released From Restrictions	<u>91,595</u>	<u>(91,595)</u>	<u>-</u>	<u>-</u>
Total Support and Operating Revenue and Net Assets Released From Restrictions	<u>329,964</u>	<u>(91,495)</u>	<u>238,469</u>	<u>338,404</u>
OPERATING EXPENSES				
Program Services	348,602	-	348,602	343,521
Management and General	82,165	-	82,165	85,839
Fundraising	54,538	-	54,538	45,499
Total Operating Expenses	<u>485,305</u>	<u>-</u>	<u>485,305</u>	<u>474,859</u>
Operating Loss	<u>(155,341)</u>	<u>(91,495)</u>	<u>(246,836)</u>	<u>(136,455)</u>
NON-OPERATING ACTIVITY				
Interest and Dividend Income	69,479	8,096	77,575	68,982
Realized Gains on Sale of Investments, net	11,958	29,049	41,007	82,091
Change in Unrealized Value of Investments	310,625	63,891	374,516	(305,413)
Total Non-Operating Activity	<u>392,062</u>	<u>101,036</u>	<u>493,098</u>	<u>(154,340)</u>
Change in Net Assets	236,721	9,541	246,262	(290,795)
Net Assets, Beginning of Year	<u>3,320,920</u>	<u>400,348</u>	<u>3,721,268</u>	<u>4,012,063</u>
Net Assets, End of Year	<u>\$ 3,557,641</u>	<u>\$ 409,889</u>	<u>\$ 3,967,530</u>	<u>\$ 3,721,268</u>

See Notes to the Financial Statements

OYSTERPONDS HISTORICAL SOCIETY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(with summarized comparative totals for 2018)

	2019				2018
	Supporting Services			Total	Total
	Program Services	Management And General	Fundraising Services		
EXPENSES					
Wages and Payroll Taxes	\$ 156,110	\$ 30,749	\$ 49,672	\$ 236,531	\$ 191,392
Depreciation Expense	50,545	4,702	3,526	58,773	63,417
Building and Grounds	38,902	-	-	38,902	56,377
Collections and Conservation	31,021	-	-	31,021	17,801
Investment and Bank Fees	-	21,698	-	21,698	21,379
Utilities	17,496	3,087	-	20,583	21,632
Professional Fees	-	18,789	-	18,789	15,591
Consultants	18,786	-	-	18,786	35,447
Equipment and Software	17,750	-	-	17,750	15,310
Insurance	13,198	2,514	-	15,712	14,279
Advertising and Printing	3,811	-	1,270	5,081	4,975
Internet and Website	983	351	70	1,404	5,165
NYS Filing Fees and Taxes	-	275	-	275	2,789
Miscellaneous	-	-	-	-	9,305
Total Functional Expenses 2019	\$ 348,602	\$ 82,165	\$ 54,538	\$ 485,305	
Total Functional Expenses 2018	\$ 343,521	\$ 85,839	\$ 45,499		\$ 474,859

See Notes to the Financial Statements

OYSTERPONDS HISTORICAL SOCIETY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 246,262	\$ (290,795)
Adjustments to Reconcile Change in Net Assets to Net Cash (Used) Provided by Operating Activities:		
Depreciation Expense	58,773	63,417
Decrease in Accounts Receivable	8,585	4,641
Increase in Inventory	-	(142)
Increase in Prepaid Expenses	-	(344)
Increase in Accounts Payable	5,847	1,449
Decrease in Sales Tax Payable	(157)	(147)
Change in Unrealized Value of Investments	(374,516)	305,413
Net Cash (Used) Provided by Operating Activities	(55,206)	83,492
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds From Sale of Investments	493,335	82,531
Purchase of Investments	(394,849)	(30,525)
Fixed Asset Acquisitions	(52,428)	(12,467)
Net Cash Provided by Investing Activities	46,058	39,539
Net (Decrease) Increase in Cash, Cash Equivalents, and Restricted Cash	(9,148)	123,031
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	220,333	97,302
Cash, Cash Equivalents, and Restricted Cash, End of Year	\$ 211,185	\$ 220,333

See Notes to the Financial Statements

**OYSTERPONDS HISTORICAL SOCIETY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

I. NATURE OF ORGANIZATION

The Oysterponds Historical Society, Inc. (the “Organization”), a not-for-profit organization, was incorporated October 4, 1944 under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Organization is exempt from federal tax under these provisions and is not a private foundation.

The Oysterponds Historical Society, Inc. encourages and advances local history in the community it serves. The mission of the Organization is to discover, procure, preserve, research and exhibit as appropriate that which relates to the natural, social, civil and military history of Orient and East Marion, (formerly known as Oysterponds). The Organization offers programs of interest to its members and the public, operates a museum featuring changing exhibits, publishes appropriate publications, provides research facilities, initiates and supports local events of a historical nature.

The Oysterponds Historical Society, Inc. owns and is responsible for the preservation and maintenance of seven buildings and the property on which they sit. These include the Village House, built in 1799 on its present site and exhibited as the boarding house which it became in the mid 19th century; the Hallock Building, a 19th century cookhouse and dormitory which was transferred to the Oysterponds Historical Society property in the 1950’s and has been renovated and climate-controlled to contain the library of archival documents and photographs and the extensive painting and textile collections; the Old Point School House, which houses the Organization’s offices and the Janet T. Swanson Gallery, a venue for exhibitions of artifacts from the collections as well as work by local artists; Webb House, an eighteenth century former inn which was moved from Greenport to its present location in the 19th century and deeded to the Oysterponds Historical Society, Inc. together with Poquatuck Park which it overlooks, and which exhibits important examples of local 18th and 19th century furniture; a seine shed housing a collection of carriages; a small private school house, and the Director’s House.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Financial Statement Presentation

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

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

OYSTERPONDS HISTORICAL SOCIETY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Net assets without donor restrictions – net assets that are used to account for the general activities of the Organization. They are separated into two categories: undesignated and board designated. Board designated consists of voluntary designations of net assets by the governing board.

Net assets with donor restrictions – net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Cash and Cash Equivalents

The Organization considers all highly liquid instruments with a maturity of three months or less at the date of purchase to be cash equivalents.

Investments

All marketable securities with a readily determinable fair value and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Inventory

Inventories held for sale in the Beach Plum Shop are carried on the statement of financial position at the lower of cost or market.

Donated Goods and Services

No amounts have been reflected in the financial statements for donated services, since no objective basis is available to measure the value of such services. However, the Organization receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the Statement of Activities because the criteria for recognition have not been satisfied. No amounts have been reflected in the financial statements for donated goods because the amounts of such goods are not of material significance.

Functional Allocation of Expenses

The costs of providing the various programs have been summarized on a functional basis. Certain indirect costs have been allocated to programs and administration based upon ratios determined by management. These costs primarily include salaries, occupancy and other expenses.

OYSTERPONDS HISTORICAL SOCIETY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Use of Estimates in the Preparation of Financial Statements

Management of the Organization uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that management uses.

Fair Value Measurements

Fair value measurements establish a hierarchy that prioritizes the inputs used to measure fair value into three broad levels. All of the Organization's 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.

Depreciation

Beginning in 1993, depreciation is recorded for the Organization's fixed assets as promulgated by the financial standards accounting board, Opinion #93. The building and improvements capitalized in the general fund and in the Webb House fund are being depreciated using the MACRS method over a period of 31.5 years. Capital Improvements made to the Webb House Shed are being depreciated using the MACRS method over a period of 27.5 years. Equipment is depreciated using the MACRS method over a period of five or seven years. During the years ended December 31, 2019 and December 31, 2018, depreciation expense totaled \$58,773 and \$63,417, respectively.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization has evaluated its activities for uncertain tax positions and has determined that there were no uncertain tax positions for the year ended December 31, 2019.

Other Assets

The Organization has elected not to report collections, works of art, or similar assets in its financial statements.

OYSTERPONDS HISTORICAL SOCIETY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

III. FIXED ASSETS

Fixed assets include buildings, improvements, and equipment. The fixed assets shown on the statement of financial position are reflected at historical cost, and do not represent current market values.

A summary of fixed assets are as follows:

	2019	2018
Buildings and Improvements	\$ 1,732,698	\$ 1,680,270
Equipment	65,774	65,774
Total Assets	1,798,472	1,746,044
Less: Accumulated Depreciation	(700,874)	(642,101)
Net Fixed Assets	<u>\$ 1,097,598</u>	<u>\$ 1,103,943</u>

IV. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Board of Trustees has established investments to provide a source of funding for the future operations of the Organization.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2019, are as follows:

	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Long-term Investments:				
Short-term Reserves	\$ 21,575	\$ 21,575	\$ -	\$ -
Mutual Funds	2,160,906	2,160,906	-	-
Stocks	467,687	467,687	-	-
	<u>\$ 2,650,168</u>	<u>\$ 2,650,168</u>	<u>\$ -</u>	<u>\$ -</u>

OYSTERPONDS HISTORICAL SOCIETY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

V. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$2,452,609 of financial assets available within one year of the balance sheet date to meet cash needs for general expenses. The Organization has a goal to maintain financial assets, which consist of cash, accounts receivable and investments to meet 60 days of normal operating expenses, which are approximately \$81,000.

The following reflects the Organization's financial assets as of December 31, 2019, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside by donor restrictions.

Cash and Cash Equivalents	\$ 191,574
Cash and Cash Equivalents - Restricted	19,611
Accounts receivable	1,145
Investments	2,259,890
Investments - Restricted	390,278
Total Financial Assets	<u>2,862,498</u>
Donor Retriected Net Assets	<u>(409,889)</u>
Financial Assets Available to Meet Cash Needs For General Expenditures Within One Year	<u><u>\$ 2,452,609</u></u>

VI. CONCENTRATIONS OF RISK

The Organization maintains cash in one bank. There is a risk of loss of these funds, to the extent not covered by FDIC insurance coverage.

VII. COMMITMENTS AND CONTINGENCIES

There are no contingencies that the Organization is aware of that would have a material impact on the financial statements.

VIII. RESTRICTED NET ASSETS

In the fiscal year ended December 31, 2019, the Organization received \$100 of restricted contributions for the maritime collection. The restrictions are considered to expire when payments are made for the restricted purpose. Amounts released from restriction in the current year totaled \$91,595.

OYSTERPONDS HISTORICAL SOCIETY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

At the end of the year, the remaining net assets with donor restrictions were as follows:

	2019	2018
Subject to expenditure for specified purposes:		
Curatorial Project	\$ 2,297	\$ 21,083
Gardiner Master	4,600	4,600
Maritime	100	14,255
South Fence	124	124
Webb House	402,768	360,286
Total Net Assets With Donor Restrictions	\$ 409,889	\$ 400,348

In order to preserve the restricted assets of the Webb House, the Society has elected to allocate a portion of the yearly operating budget plus capital expenses to the Webb House allocation. The amount transferred for the years ended December 31, 2019 and December 31, 2018 were \$55,554 and \$13,063, respectively, from the Webb House restricted assets to the unrestricted assets of the Oysterponds Historical Society, Inc.

IX. SUPPLEMENTAL DISCLOSURES OF CASH FLOW STATEMENT

Cash, Cash Equivalents and Restricted Cash as of December 31, 2019 and 2018 consist of the following:

	2019	2018
Cash and Cash Equivalents	\$ 191,574	\$ 167,796
Restricted Cash	19,611	52,537
Total Cash, Cash Equivalents, and Restricted Cash Shown in the Statements of Cash Flows	\$ 211,185	\$ 220,333

X. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 28, 2020, the date that the financial statements are considered available to be issued. On March 13, 2020, President Trump declared a national emergency due to extraordinary circumstances resulting from the coronavirus (COVID-19). Management is in the process of evaluating the impact of COVID-19 may have on its financial condition, results of operations and outlook for the year ended December 31, 2020.