

**86<sup>th</sup> Street Bay Ridge  
District Management Association, Inc.**

**Financial Statements**

**Years Ended  
June 30, 2015 and 2014**

**86<sup>th</sup> Street Bay Ridge District Management Association, Inc.**

**June 30, 2015 and 2014**

**Table of Contents**

<b>Independent Auditors' Report.....</b>	<b>1-2</b>
<b>Statements of Financial Position .....</b>	<b>3</b>
<b>Statements of Activities .....</b>	<b>4</b>
<b>Statements of Cash Flows.....</b>	<b>5</b>
<b>Statement of Functional Expenses-June 30, 2015 .....</b>	<b>6</b>
<b>Statement of Functional Expenses-June 30, 2014 .....</b>	<b>7</b>
<b>Notes to Financial Statements.....</b>	<b>8-11</b>



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## **Independent Auditors' Report**

**To the Board of Directors**  
**86<sup>th</sup> Street Bay Ridge District Management Association, Inc.**  
**Brooklyn, New York**

We have audited the accompanying financial statements of the 86<sup>th</sup> Street Bay Ridge District Management Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 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 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 the 86<sup>th</sup> Street Bay Ridge District Management Association, Inc. as of June 30, 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.

## **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 6 and 7 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of 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.

*Bauer and Colabella, LLP*

**Bauer and Colabella, LLP**

**Brooklyn, New York**

**November 30, 2015**

**86th Street Bay Ridge District Management Association, Inc.**  
**(a not-for-profit organization)**  
**Statements of Financial Position**  
**June 30, 2015 and 2014**

**Assets**

	<u><b>2015</b></u>	<u><b>2014</b></u>
<b>Assets:</b>		
Cash and cash equivalents	\$ 144,139	\$ 98,717
Prepaid expenses	<u>3,368</u>	<u>3,299</u>
<b>Total Current Assets:</b>	<u>147,506</u>	<u>102,016</u>
 <b>Depreciable Property:</b>		
Depreciable property (Notes 3 and 6)	97,542	97,542
Less: accumulated depreciation	<u>(38,094)</u>	<u>(29,589)</u>
<b>Net Depreciable Property</b>	<u>59,448</u>	<u>67,953</u>
 <b>Total Assets</b>	 <u>\$ 206,954</u>	 <u>\$ 169,969</u>

**Liabilities and Net Assets**

<b>Liabilities:</b>		
Accounts payable and accrued expenses	<u>\$ 15,267</u>	<u>\$ 20,993</u>
<b>Total Liabilities</b>	<u>15,267</u>	<u>20,993</u>
 <b>Net Assets:</b>		
Unrestricted	191,687	148,976
Temporarily restricted	-	-
Permanently restricted	<u>-</u>	<u>-</u>
<b>Total Net Assets</b>	<u>191,687</u>	<u>148,976</u>
 <b>Total Liabilities and Net Assets</b>	 <u>\$ 206,954</u>	 <u>\$ 169,969</u>

See accompanying notes to financial statements

**86th Street Bay Ridge District Management Association, Inc.**  
**(a not-for-profit organization)**  
**Statements of Activities and Changes in Net Assets**  
**For the Year Ended June 30, 2015**  
**(with comparative totals for June 30, 2014)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2015</u>	<u>Total 2014</u>
<b>Support and Revenue:</b>					
BID Assessments-NYCDSBS	\$ 290,000	\$ -	\$ -	\$ 290,000	\$ 210,000
Contributions	1,400	-	-	1,400	-
Interest income	<u>256</u>	<u>-</u>	<u>-</u>	<u>256</u>	<u>292</u>
<b>Total Support and Revenue</b>	<u>291,656</u>	<u>-</u>	<u>-</u>	<u>291,656</u>	<u>210,292</u>
<b>Expenses:</b>					
Program services	180,378	-	-	180,378	158,332
Management and general	<u>68,568</u>	<u>-</u>	<u>-</u>	<u>68,568</u>	<u>65,255</u>
<b>Total Expenses</b>	<u>248,945</u>	<u>-</u>	<u>-</u>	<u>248,945</u>	<u>223,587</u>
<b>Changes in Net Assets</b>	<u>42,711</u>	<u>-</u>	<u>-</u>	<u>42,711</u>	<u>(13,295)</u>
<b>Net Assets - Beginning</b>	148,976	-	-	148,976	162,271
<b>Net Assets - Ending</b>	<u>\$ 191,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191,687</u>	<u>\$ 148,976</u>

See accompanying notes to financial statements

**86th Street Bay Ridge District Management Association, Inc.**  
**(a not-for-profit organization)**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>Operating Activities:</b>		
Changes in net assets	\$ 42,711	\$ (13,295)
Adjustments to reconcile increase (decrease) to cash provided (used) by operating activities		
Provision for depreciation	8,505	8,505
(Increase) decrease in operating assets:		
Prepaid expenses	(68)	(2,516)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	<u>(5,726)</u>	<u>(5,447)</u>
Net cash provided by (used in) operating activities	<u>45,422</u>	<u>(12,754)</u>
<b>Investing Activities:</b>		
None	<u>-</u>	<u>-</u>
<b>Financing Activities:</b>		
None	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	45,422	(12,754)
<b>Cash and cash equivalents - beginning of period</b>	<u>98,717</u>	<u>111,471</u>
<b>Cash and cash equivalents - end of period</b>	<u>\$ 144,139</u>	<u>\$ 98,717</u>
<b>Supplemental Disclosures:</b>		
None		

See accompanying notes to financial statements

**86th Street Bay Ridge District Management Association, Inc.**  
(a not-for-profit organization)  
**Statements of Functional Expenses**  
**For the Year Ended June 30, 2015**  
(with comparative totals for June 30, 2014)

	<u>Program Services</u>			<u>Support Services</u>		<u>Total 2015</u>	<u>Total 2014</u>
	<u>Holiday Lights</u>	<u>Street Beautification and Maintenance</u>	<u>Marketing and Promotion</u>	<u>Total Program Services</u>	<u>Management and General</u>		
<b>Expenses:</b>							
Management fees	\$ -	\$ 13,092	\$ 13,092	\$ 26,185	\$ 26,185	\$ 52,369	\$ 40,780
Office expenses	-	-	-	-	12,000	12,000	12,000
Administrative expenses	-	3,178	3,178	6,356	6,356	12,712	20,136
Telephone	-	-	-	-	920	920	871
Computer and website expenses	-	-	3,715	3,715	-	3,715	2,745
Supplies	-	-	-	-	1,347	1,347	1,001
Meeting expenses	-	-	-	-	1,668	1,668	409
Miscellaneous	-	-	-	-	2,019	2,019	1,938
Insurance	-	-	-	-	2,867	2,867	2,197
Professional fees	-	-	-	-	6,700	6,700	6,970
Holiday lighting	22,420	-	-	22,420	-	22,420	24,090
Street/sidewalk cleaning/maintenance	-	98,847	-	98,847	-	98,847	95,365
Streetscape planters and maintenance	-	5,335	-	5,335	-	5,335	-
Banners and related maintenance	-	-	3,368	3,368	-	3,368	-
Advertising and promotion	-	-	14,152	14,152	-	14,152	5,480
	<u>22,420</u>	<u>120,452</u>	<u>37,505</u>	<u>180,378</u>	<u>60,063</u>	<u>240,440</u>	<u>213,980</u>
Depreciation expense	-	-	-	-	8,505	8,505	8,505
<b>Total expenses</b>	<u>\$ 22,420</u>	<u>\$ 120,452</u>	<u>\$ 37,505</u>	<u>\$ 180,378</u>	<u>\$ 68,568</u>	<u>\$ 248,945</u>	<u>\$ 222,485</u>

See accompanying notes to financial statements



**86th Street Bay Ridge District Management Association, Inc.**  
**(a not-for-profit organization)**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2014**

	<u>Program Services</u>			<u>Support Services</u>		<u>Total 2014</u>
	<u>Holiday Lights</u>	<u>Street Beautification and Maintenance</u>	<u>Marketing and Promotion</u>	<u>Total Program Services</u>	<u>Management and General</u>	
<b>Expenses:</b>						
Management fees	\$ -	\$ 10,195	\$ 10,195	\$ 20,390	\$ 20,390	\$ 40,780
Office expenses	-	-	-	-	12,000	12,000
Administrative expenses	-	5,034	5,034	10,068	10,068	20,136
Telephone	-	-	-	-	871	871
Computer and website expenses	-	-	2,745	2,745	-	2,745
Supplies	-	-	-	-	1,001	1,001
Meeting expenses	-	-	-	-	409	409
Miscellaneous	-	-	-	-	1,938	1,938
Insurance	-	-	-	-	2,197	2,197
Professional fees	-	-	-	-	6,970	6,970
Holiday lighting	24,090	-	-	24,090	-	24,090
Street/sidewalk cleaning/maintenance	-	95,365	-	95,365	-	95,365
Advertising and promotion	-	-	5,480	5,480	-	5,480
	<u>24,090</u>	<u>110,594</u>	<u>23,454</u>	<u>158,138</u>	<u>55,843</u>	<u>213,980</u>
Depreciation expense	-	-	-	-	8,505	8,505
<b>Total Expenses:</b>	<u>\$ 24,090</u>	<u>\$ 110,594</u>	<u>\$ 23,454</u>	<u>\$ 158,138</u>	<u>\$ 64,348</u>	<u>\$ 222,485</u>

See accompanying notes to financial statements

**86<sup>th</sup> Street Bay Ridge District Management Association, Inc.**  
**Notes to Financial Statements**  
**June 30, 2015 and 2014**

**Note 1 – Organization**

The 86<sup>th</sup> Street Bay Ridge District Management Association, Inc. (the BID) was incorporated in New York State and organized in 2001 to promote commercial revitalization along the 86<sup>th</sup> Street Bay Ridge area by providing supplemental services such as increased sanitation, business promotion, neighborhood beautification and initiating capital improvements to make the neighborhood cleaner, safer and more attractive.

The BID receives its annual budget through a special assessment New York City places primarily on commercial property owners within the district's boundaries, which is then collected by the City of New York. A fixed amount based on the approved budget is turned over to the BID by the City on a bi-annual basis. The BID is designated a District Management Association ("DMA") and is made up of property owners and commercial and residential tenants.

**Note 2 – Date of Management's Review**

In preparing the financial statements, the organization has evaluated events and transactions for potential recognition or disclosure through November 30, 2015, the date the financial statements were available to be issued.

**Note 3 – Summary of Significant Accounting Policies**

***Basis of Accounting***

The financial statements of the organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) and reflect all significant receivables, payables, and other liabilities.

***Basis of Presentation***

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, *Presentation of Financial Statements*. Under FASB ASC 958-205, the Organization 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.

**Unrestricted** – represents activity which has not been restricted by donors.

**Temporarily restricted** – represents donor restricted contributions whose restrictions have not been met at year end but whose restrictions are anticipated to be met in the future. The organization did not have any temporarily restricted net assets at June 30, 2015 and 2014.

**Permanently restricted** – represents donor restricted assets which must remain intact. These types of assets are commonly referred to as endowment. The organization did not have any permanently restricted net assets at June 30, 2015 and 2014.

**86<sup>th</sup> Street Bay Ridge District Management Association, Inc.**  
**Notes to Financial Statements**  
**June 30, 2015 and 2014**

**Note 3 – Summary of Significant Accounting Policies (*continued*)**

***Cash and Cash Equivalents***

The organization considers all highly liquid investments financial instruments purchased with a maturity of three months or less to be cash equivalents.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from the estimates.

***Depreciable Property***

Purchases of furniture, equipment and streetscape improvements which have a useful life of greater than one year and which exceed certain established dollar levels are capitalized and recorded at cost. Donations of the same, are valued at fair market at the time of the donation. Depreciation is provided for annually, based on the estimated useful lives of the assets using a straight-line method.

***Functional Allocation of Expenses***

The costs of providing 86<sup>th</sup> Street Bay Ridge District Management Association's various programs and supporting services 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.

***Tax Status***

The 86<sup>th</sup> Street Bay Ridge District Management Association, Inc. has received a determination from the Internal Revenue Service that they are exempt from federal income taxes as an organization under section 501(c)(3) of the Internal Revenue Code and is a publicly supported charity as provided in Section 509(a)(1). The organization is also registered with the New York State Charities Bureau. As a result, no provision for income taxes has been made in these financial statements.

***Comparative Financial Information***

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organizations financial statements for the year ended June 30, 2014, from which the summarized information was derived.

**86<sup>th</sup> Street Bay Ridge District Management Association, Inc.**  
**Notes to Financial Statements**  
**June 30, 2015 and 2014**

**Note 4 – Contract with the City of New York**

The City of New York, acting through its Department of Small Business Services, has entered into a contract with the 86<sup>th</sup> Street Bay Ridge District Management Association to provide the 86<sup>th</sup> Street Bay Ridge area with community improvements, including improving environmental conditions, increasing public safety and supplementing social services. The City shall pay a set sum of assessments collected based on a formula related to the amount of real property owned within the District. It renewed its contract with the 86<sup>th</sup> Street Bay Ridge District Management Association, Inc. for another five-year term. The new contract began July 1, 2013 and extends until June 30, 2018. Beginning July 1, 2014, the assessment was increased to \$290,000. The total assessments awarded by the City of New York, for the fiscal years ended June 30, 2015 and 2014, were \$290,000 and \$210,000, respectively.

**Note 5 – Contingency**

The 86<sup>th</sup> Street Bay Ridge District Management Association is dependent on assessments against property in the district collected by the NYC Department of Finance. Any change in this level of support could materially impact the ability of the 86<sup>th</sup> Street Bay Ridge District Management Association to continue to provide its services.

**Note 6 – Depreciable Property**

Depreciable property at June 30, 2015 and 2014 consists of:

	<b>2015</b>	<b>2014</b>
Street clock	\$ 35,789	\$ 35,789
Benches	24,800	24,800
Trash receptacles	27,978	27,978
Garbage compactors	<u>8,975</u>	<u>8,975</u>
Total depreciable property	97,542	97,542
Less accumulated depreciation	<u>(38,094)</u>	<u>(29,589)</u>
Net depreciable property	<u>\$ 59,448</u>	<u>\$ 67,953</u>

Depreciation expense for June 30, 2015 and 2014 was \$8,505 and \$8,505, respectively.

**Note 7 – Service Contracts**

***Management Contracts***

The 86<sup>th</sup> Street Bay Ridge District Management Association entered into a contract with the Bay Ridge and Bensonhurst Beautification and Preservation Alliance (BRB) for the BRB to provide office space and administrative support to the organization. The original contract expired on June 30, 2011 and but was renewed for a three-year term ending June 30, 2014 for a \$30,100 annual fee, payable monthly. The contract was extended for another year ending June 30, 2015 under the same terms as the prior contract.

**86<sup>th</sup> Street Bay Ridge District Management Association, Inc.**  
**Notes to Financial Statements**  
**June 30, 2015 and 2014**

**Note 7 – Service Contracts (continued)**

*Management Contracts (continued)*

Management services are also provided by an executive director whose contracts ran from July 1, 2013 through June 30, 2014 and July 1, 2014 through June 30, 2015. He was paid directly from the 86<sup>th</sup> Street Bay Ridge District Management Association with an annual fee of \$25,080, payable in equal monthly installments, for each of the contract periods.

*Street Maintenance Contract*

The 86<sup>th</sup> Street Bay Ridge District Management Association renewed its contract for supplemental street sanitation services with Atlantic Maintenance Corporation with a fee for services of \$14.25 per service hour from July 1, 2013 through December 31, 2013, and \$15.50 per service hour from January 1, 2014 through June 30, 2014, with each month's services being billed on a monthly basis.

This contract was renewed again with a new term beginning on July 1, 2014 and ending June 30, 2015. The new fee for services was \$15.50 per service hour, with each month's services being billed on a monthly basis.

Street maintenance fees for the periods ended June 30, 2015 and 2014 were \$98,847 and \$95,365, respectively.

**Note 8 – Subsequent Events**

*Executive Director Contract*

The contract for management services provided by an executive director was renewed for another year beginning July 1, 2015 and ending June 30, 2016. He is being paid directly from the 86<sup>th</sup> Street Bay Ridge District Management Association for an annual fee of \$30,080, payable in equal monthly installments of \$2,506.66.

*Street Maintenance Contract*

The 86<sup>th</sup> Street Bay Ridge District Management Association renewed its contract for supplemental street sanitation services with Atlantic Maintenance Corporation for a new term beginning on July 1, 2015 and ending June 30, 2016. The new fee for services will be \$17.50 per service hour with each month's services being billed on a monthly basis.