

**86th Street Bay Ridge  
District Management Association, Inc.**

**Financial Statements**

**Years Ended  
June 30, 2019 and 2018**

**86th Street Bay Ridge District Management Association, Inc.**

**June 30, 2019 and 2018**

**Table of Contents**

<b>Independent Auditor’s 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, 2019 .....</b>	<b>6</b>
<b>Statement of Functional Expenses-June 30, 2018 .....</b>	<b>7</b>
<b>Notes to Financial Statements.....</b>	<b>8-11</b>

## **Independent Auditor's Report**

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

We have audited the accompanying financial statements of the 86th Street Bay Ridge District Management Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, 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 86th Street Bay Ridge District Management Association, Inc. as of June 30, 2019 and 2018, 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.

*Cipriani & Bauer*

**Cipriani & Bauer Certified Public Accountants, LLC**  
**Brooklyn, New York**  
**November 27, 2019**

**86th Street Bay Ridge District Management Association, Inc.**  
**(a not-for-profit organization)**  
**Statements of Financial Position**  
**June 30, 2019 and 2018**

**Assets**

	<u><b>2019</b></u>	<u><b>2018</b></u>
<b>Current Assets:</b>		
Cash	\$ 80,380	\$ 71,271
Prepaid expenses	450	430
<b>Total Current Assets:</b>	80,830	71,701
<b>Depreciable Property:</b>		
Depreciable property	118,170	118,170
Accumulated depreciation	(68,926)	(60,153)
<b>Net Depreciable Property</b>	49,244	58,017
<b>Total Assets</b>	\$ 130,074	\$ 129,718

**Liabilities and Net Assets**

<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 5,624	\$ 10,625
<b>Total Liabilities</b>	5,624	10,625
<b>Net Assets:</b>		
Without donor restrictions	124,450	119,093
With donor restrictions	-	-
<b>Total Net Assets</b>	124,450	119,093
<b>Total Liabilities and Net Assets</b>	\$ 130,074	\$ 129,718

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 Fiscal Year Ended June 30, 2019**  
**(with comparative totals for the fiscal year ended June 30, 2018)**

	<b>Without Donor <u>Restrictions</u></b>	<b>With Donor <u>Restrictions</u></b>	<b>Total For the Year Ended <u>June 30, 2019</u></b>	<b>Total For the Year Ended <u>June 30, 2018</u></b>
<b>Support and Revenue:</b>				
Assessment revenue	\$ 290,000	\$ -	\$ 290,000	\$ 290,000
Contributions	3,140	-	3,140	2,800
Interest income	<u>755</u>	<u>-</u>	<u>755</u>	<u>648</u>
<b>Total Support and Revenue</b>	<u>293,895</u>	<u>-</u>	<u>293,895</u>	<u>293,448</u>
<b>Expenses:</b>				
Program services	228,614	-	228,614	290,690
Management and general	<u>59,924</u>	<u>-</u>	<u>59,924</u>	<u>68,969</u>
<b>Total Expenses</b>	<u>288,538</u>	<u>-</u>	<u>288,538</u>	<u>359,659</u>
<b>Changes in Net Assets</b>	5,357	-	5,357	(66,211)
<b>Net Assets - Beginning</b>	<u>119,093</u>	<u>-</u>	<u>119,093</u>	<u>185,304</u>
<b>Net Assets - Ending</b>	<u>\$ 124,450</u>	<u>\$ -</u>	<u>\$ 124,450</u>	<u>\$ 119,093</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 Fiscal Years Ended June 30, 2019 and 2018**

	<b>For the Year Ended <u>June 30, 2019</u></b>	<b>For the Year Ended <u>June 30, 2018</u></b>
<b>Operating Activities:</b>		
Changes in net assets	\$ 5,357	\$ (66,211)
Adjustments to reconcile increase (decrease) to cash provided (used) by operating activities		
Provision for amortization/depreciation	8,773	7,742
(Increase) decrease in operating assets:		
Prepaid expenses	(20)	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	<u>(5,000)</u>	<u>(34,057)</u>
Net cash provided by (used in) operating activities:	<u>9,110</u>	<u>(92,526)</u>
<b>Investing Activities:</b>		
Streetscape improvements	<u>-</u>	<u>(20,628)</u>
Net cash (used in) investing activities:	<u>-</u>	<u>(20,628)</u>
<b>Financing Activities:</b>		
None	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash</b>	9,110	(113,154)
<b>Cash - beginning of period</b>	<u>71,271</u>	<u>184,426</u>
<b>Cash - end of period</b>	<u>\$ 80,380</u>	<u>\$ 71,271</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 Fiscal Year Ended June 30, 2019**  
(with comparative totals for the Fiscal Year Ended June 30, 2018)

	Program Services			Support Services		Total for the Year Ended June 30, 2019	Total for the Year Ended June 30, 2018
	Street Beautification and Maintenance	Marketing and Promotion	Total Program Services	Management and General			
<b>Expenses:</b>							
Sanitation	\$ 134,570	\$ -	\$ 134,570	\$ -	\$ 134,570	\$ 166,955	
Holiday lighting	-	29,825	29,825	-	29,825	30,850	
Advertising and promotion	-	14,113	14,113	-	14,113	12,773	
Banners and related maintenance	-	1,585	1,585	-	1,585	13,692	
Streetscape planters and maintenance	8,241	-	8,241	-	8,241	5,135	
Computer and website expenses	-	107	107	-	107	19,294	
Management fees	9,500	9,500	19,000	19,000	38,000	38,000	
Administrative expenses	6,200	6,200	12,400	12,400	24,800	30,500	
Rent	-	-	-	12,000	12,000	12,000	
Professional fees	-	-	-	8,050	8,050	15,050	
Meeting expenses	-	-	-	2,034	2,034	2,544	
Insurance	-	-	-	2,136	2,136	1,918	
Supplies	-	-	-	1,118	1,118	1,397	
Telephone and internet	-	-	-	2,486	2,486	1,118	
Miscellaneous expenses	-	-	-	701	701	692	
	158,511	61,329	219,841	59,924	279,764	351,917	
Depreciation expense	8,773	-	8,773	-	8,773	7,742	
<b>Total expenses</b>	\$ 167,284	\$ 61,329	\$ 228,614	\$ 59,924	\$ 288,537	\$ 359,659	

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 Fiscal Year Ended June 30, 2018

	<u>Program Services</u>			<u>Support Services</u>	<u>Total for the Year Ended June 30, 2018</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>					
Sanitation	\$ 166,955	\$ -	\$ 166,955	\$ -	\$ 166,955
Holiday lighting	-	30,850	30,850	-	30,850
Advertising and promotion	-	12,773	12,773	-	12,773
Banners and related maintenance	-	13,692	13,692	-	13,692
Streetscape planters and maintenance	5,135	-	5,135	-	5,135
Computer and website expenses	-	19,294	19,294	-	19,294
Management fees	9,500	9,500	19,000	19,000	38,000
Administrative expenses	7,625	7,625	15,250	15,250	30,500
Rent	-	-	-	12,000	12,000
Professional fees	-	-	-	15,050	15,050
Meeting expenses	-	-	-	2,544	2,544
Insurance	-	-	-	1,918	1,918
Supplies	-	-	-	1,397	1,397
Telephone and internet	-	-	-	1,118	1,118
Miscellaneous expenses	-	-	-	692	692
	<u>189,215</u>	<u>93,733</u>	<u>282,948</u>	<u>68,969</u>	<u>351,917</u>
Depreciation expense	<u>7,742</u>	<u>-</u>	<u>7,742</u>	<u>-</u>	<u>7,742</u>
<b>Total expenses</b>	<u>\$ 196,957</u>	<u>\$ 93,733</u>	<u>\$ 290,690</u>	<u>\$ 68,969</u>	<u>\$ 359,659</u>

See accompanying notes to financial statements

**86th Street Bay Ridge District Management Association, Inc.**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**Note 1 – Organization**

The 86th 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 streetscape 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 27, 2019, 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 Association have been prepared on the accrual basis of accounting in accordance with U.S generally accepted accounting principles (“US GAAP”) and reflect all significant receivables, payables, and other liabilities.

***Basis of Presentation***

The financial statements of the Jamaica Center Improvement Association, Inc. have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the Jamaica Center Improvement Association, Inc. 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 Association. These net assets may be used at the discretion of the Jamaica Center Improvement Association, Inc.’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 the actions of the Jamaica Center Improvement Association, Inc. 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.

**86th Street Bay Ridge District Management Association, Inc.**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**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 useful lives of the assets.

***Functional Allocation of Expenses***

The costs of providing the 86th 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 86th 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, 2018, from which the summarized information was derived.

**86th Street Bay Ridge District Management Association, Inc.**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**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 86th Street Bay Ridge District Management Association to provide the 86<sup>th</sup> Street Bay Ridge area with community improvements, including improving environmental conditions 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, 2018 and extends until June 30, 2023. 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, 2019 and June 30, 2018, were \$290,000 and \$290,000, respectively.

**Note 5 – Contingency**

The 86th Street Bay Ridge District Management Association is dependent on assessments on 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 86th Street Bay Ridge District Management Association to continue to provide its services.

**Note 6 – Depreciable Property**

Depreciable property at June 30, 2019 and 2018 consists of:

	<b>2019</b>	<b>2018</b>
Street clock	\$ 35,789	\$ 35,789
Benches	33,222	33,222
Trash receptacles	34,328	34,328
Planters	5,856	5,856
Garbage compactors	<u>8,975</u>	<u>8,975</u>
Total depreciable property	<u>118,170</u>	<u>118,170</u>
Accumulated depreciation	<u>(68,926)</u>	<u>(60,153)</u>
Net depreciable property	<u>\$ 49,244</u>	<u>\$ 58,017</u>

Depreciation expense for June 30, 2019 and 2018 was \$8,773 and \$7,742, respectively.

**Note 7 – Service Contracts**

***Management Contract***

Management services are provided by a consultant for executive director services whose contracts ran from July 1, 2017 through June 30, 2019. The consultant was paid directly from the 86<sup>th</sup> Street Bay Ridge District Management Association for an annual fee of \$30,000, payable in equal monthly installments of \$2,500, along with \$5,000 for health insurance reimbursement, payable in equal monthly installments of \$416.66. This contract was renewed for another year beginning July 1, 2018 and ending June 30, 2019 under the same terms as the previous year.

**86<sup>th</sup> Street Bay Ridge District Management Association, Inc.**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

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

***Sanitation Services Contract***

The 86<sup>th</sup> Street Bay Ridge District Management Association, Inc. renewed its contract for supplemental street sanitation services with Atlantic Maintenance Corporation, d/b/a Streetplus, for a new term beginning on January 1, 2017 and ending December 31, 2019. The fee for services will be \$20.25 per service hour from 1-1-2017 through 12-31-2017; \$23.00 per service hour from 1-1-2018 through 12-31-2018 and \$25.90 per service hour from 1-1-2019 through 12-31-2019.

Street maintenance fees for the periods ended June 30, 2019 and 2018 were \$134,570 and \$166,955, respectively.

**Note 8 – Subsequent Events**

***Executive Director Contract***

The contract for management services provided by a consultant for executive director services was renewed for another year beginning July 1, 2019 and ending June 30, 2020 for an annual fee of \$30,000, payable in equal monthly installments of \$2,500, along with \$5,000 for health insurance reimbursement, payable in equal monthly installments of \$416.66.