

**BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.  
(A Not-For-Profit Organization)**

**Financial Statements**

**June 30, 2015 & 2014**

**BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.**  
**(A Not-For-Profit Organization)**

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**June 30, 2015 & 2014**

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**Independent Auditor's Report**

To the Board of Directors  
Bayside Village Business Improvement District, Inc.

***Report on the Financial Statements***

We have audited the accompanying statement of financial position of Bayside Village Business Improvement District, Inc. (the "Organization") as of June 30, 2015 and 2014 and the related statements of activities and cash flows for the year then ended and the functional expenses which is presented only for supplementary analysis purposes, and the related notes to the financial statements. We have not audited or reviewed the accompanying supplementary information, and accordingly, do not express an opinion or provide any assurance about whether the supplementary information is in accordance with accounting principles generally accepted in the United States of America.

***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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 statement referred to in the first paragraph present fairly, in all material respects, the financial position of the Organization, as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



DePietto CPA P.C.  
Lake Success, New York  
November 12, 2015

**BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.**  
**(A Not-For-Profit Organization)**

**Statement of Financial Position**

**June 30,**

	<u><b>2015</b></u>	<u><b>2014</b></u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 64,685	\$ 73,328
Accounts receivable	750	-
Grant receivable	20,000	5,343
Prepaid expenses	6,559	4,253
Intangible assets, net	<u>13,600</u>	<u>17,000</u>
<b>Total Assets</b>	<u><u>\$ 105,594</u></u>	<u><u>\$ 99,924</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 21,056	\$ 4,235
Note payable	3,533	-
Loan payable	<u>13,600</u>	<u>17,000</u>
<b>Total Liabilities</b>	38,189	21,235
<b>NET ASSETS</b>		
Unrestricted	65,405	76,689
Temporarily restricted	<u>2,000</u>	<u>2,000</u>
<b>Total Net Assets</b>	<u><u>67,405</u></u>	<u><u>78,689</u></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 105,594</u></u>	<u><u>\$ 99,924</u></u>

The accompanying notes are an integral part of these financial statements.

**BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.**  
**(A Not-For-Profit Organization)**

**Statement of Activities**

**For the Year Ended June 30,**

	<u><b>2015</b></u>	<u><b>2014</b></u>
Support & Revenues:		
Unrestricted:		
Assessments	\$ 155,000	\$ 155,000
Grant income	27,000	8,343
Grant income- restricted - Note 11	-	2,000
Banner Program	3,000	6,750
Sponsorship income	500	1,500
In-kind donation	750	750
Participation fees	300	750
Contributions	-	500
	<hr/>	<hr/>
Total Support and Revenues	186,550	175,593
Expenses:		
Program Services		
Supplemental business services	163,630	123,503
Supportive Services		
Management and general	28,647	24,955
Fundraising	2,752	2,027
	<hr/>	<hr/>
Total Expenses	195,028	150,485
Change in Net Assets	(8,478)	25,108
Net Assets		
Unrestricted	76,689	51,581
Prior period adjustment-unrestricted	(2,806)	-
	<hr/>	<hr/>
Unrestricted - adjusted	73,883	51,581
Temporarily	2,000	2,000
	<hr/>	<hr/>
Net Assets - beginning of year	75,883	53,581
Net Assets - end of year	<u><u>\$ 67,405</u></u>	<u><u>\$ 78,689</u></u>

The accompanying notes are an integral part of these financial statements.

**BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.**  
**(A Not-For-Profit Organization)**

**Statement of Cash Flows**

**For the year ended June 30,**

	<u><b>2015</b></u>	<u><b>2014</b></u>
<b>Cash Flows from Operating Activities:</b>		
Changes in net assets	\$ (8,478)	\$ 25,108
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,400	3,400
(Increase)/Decrease in accounts receivable	(750)	5,342
(Increase)/Decrease in grants receivable	(14,657)	(5,343)
(Increase)/Decrease in prepaid expenses	(2,306)	(3,072)
Increase/(Decrease) in accounts payable and accrued expenses	16,821	(10,762)
Prior period adjustment	(2,806)	-
	<u>(8,776)</u>	<u>14,673</u>
Net cash provided by operating activities		
Net cash flows from financing activities		
Notes payable financing	3,533	-
Payments on loan payable	(3,400)	(3,400)
Net cash used in financing activities	<u>133</u>	<u>(3,400)</u>
Net increase in cash and cash equivalents	\$ (8,643)	\$ 11,273
Cash and cash equivalents - beginning of year	<u>73,328</u>	<u>62,055</u>
Cash and cash equivalents - end of year	<u>\$ 64,685</u>	<u>\$ 73,328</u>
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Taxes Paid	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.  
(A Not-For-Profit Organization)**

**Notes to Financial Statements**

**June 30, 2015 & 2014**

**NOTE 1: ORGANIZATION AND TAX STATUS**

Bayside Village Business Improvement District, Inc., (Organization) was incorporated in the State of New York on March 6, 2008 under Section 402 of the Not-for-Profit Corporation Law of the State of New York. The Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. The Organization receives a majority of its funding from real estate special tax assessments levied by the City of New York for properties located in Bayside Village which includes 35<sup>rd</sup> Avenue on Bell Boulevard to Northern Boulevard and 41<sup>st</sup> Avenue from Corporal Kennedy Street to 213<sup>th</sup> Street.

The Organization was formed for the public purpose of promoting enjoyment, protection and enhancement of the Business Improvement District ("BID"). The BID, is located in Bayside, NY, and is known as the Bayside BID.

The program services provided by the Organization include sanitation, maintenance and improvements, holiday and seasonal decoration, promotions, security, parking and administration to name a few.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Principles of Accounting and Basis of Presentation

The accompanying financial statements include all amounts of the Organization and have been prepared on the accrual basis of accounting. The net assets, revenues, gains and expenses of the Organization are classified based on the existence or absence of donor-imposed restrictions, as permanently restricted, temporarily restricted or unrestricted.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that could affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.



**BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.**  
**(A Not-For-Profit Organization)**

**Notes to Financial Statements**

**June 30, 2015 & 2014**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)**

Income Tax Status

The BID is exempt from federal income taxes under Section 501c(3) of the Internal Revenue Code. The Organization files its form 990, Return of Organization Exempt from Income Tax, in the U.S. federal jurisdiction. The Organization is subject to examination by the Internal Revenue Service for fiscal years after 2011.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Statement of Financial Accounting Standards No. 117 ASC 958-205 ("SFAS No. 117 ASC 958"), *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117 ASC 958-205, the BID 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 net assets – Net Assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by action of the BID and/or the passage of time. When restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that must be maintained permanently by the BID.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the organization.

**BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.**  
**(A Not-For-Profit Organization)**

**Notes to Financial Statements**

**June 30, 2015 & 2014**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)**

Revenue Recognition/Contributions

Support that is not restricted by the donor is reported as an increase in unrestricted net assets in the reporting period in which the support is recognized. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction in the reporting period in which the support is recognized. When a restriction expires, temporarily net assets are reclassified to unrestricted net assets.

The real estate tax special assessments are recorded by the Organization when earned. The City remits these assessments to the Organization in two mid-year installments. An allowance for doubtful accounts is not provided because all assessments are received in the current year.

Contributed Services

Directors and officers have made a significant contribution of their time to develop the Organization and its program. The value of the contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist in the organization's objectives, but these services do not meet the criteria for recognition as contributed services.

Advertising Costs

The Organization uses advertising to promote its programs. The advertising costs are expensed as incurred.

**NOTE 3: ASSESSMENTS**

The Organization has contracted with New York City Department of Small Business Services to receive funds specially assessed for the purpose of providing additional business services within the district. The contract will expire on June 30, 2018. As of June 30, 2015 and 2014, the assessments received were \$155,000 and \$155,000, respectively.

**BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.**  
**(A Not-For-Profit Organization)**

**Notes to Financial Statements**

**June 30, 2015 & 2014**

**NOTE: 4      LOAN PAYABLE/NOTE PAYABLE**

The Organization has a ten year, non-interest bearing loan for \$34,000 with a maturity date of June 30, 2019 with the Bayside Businessman's Association. As of June 30, 2015 and 2014 the balance due on the loan was \$13,600 and \$17,000 respectively. The Organization has a note payable with Premco Financial Corporation for an existing insurance policy. As of June 30, 2015 and 2014 the balance of the note payable was \$3,533 and \$0, respectively.

**NOTE 5:      SANITATION**

The Organization has a sanitation service contract with Atlantic Maintenance. The current contract expires as of June 30, 2015. The cost for sanitation service is \$39,070 per annum paid in monthly installments of \$3,256 through. On November 17, 2014 the contract was increased to \$3,374 per month due to the Affordable Health Care Act's employer mandate commencing January 1, 2015. Total sanitation expense for the year ended June 30, 2015 and 2014 was \$39,780 and \$32,559, respectively.

**NOTE 6:      CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the BID to concentrations of credit risk consist principally of cash and cash-equivalent accounts in financial institutions, which from time to time exceed the Federal Depository Insurance Coverage limit. As of June 30, 2015, the Organization had no balances which exceeded insured limits.

The BID's principal source of revenue is BID assessments for the City of New York. The BID is dependent upon property owners maintaining their status.

The contract of the Organization with the City of New York is subject to audit by the City. No provision has been made for any liabilities which may arise from such audits since the amounts, if any, can not be determined at this date. Disallowance or adjustments, if any, will be reflected in the financial statements in the year of settlement.

**NOTE 7:      COMMITMENTS AND CONTINGENCIES**

The Organization leases office space in Bayside, Queens under an operating lease which will expire June 30, 2015. The total rent expense for the year ended June 30, 2015 and 2014 was \$7,200 and 7,200 respectively.

**BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.**  
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**Notes to Financial Statements**

**June 30, 2015 & 2014**

**NOTE 8: BANNER PROGRAM INCOME/EXPENSES**

The Organization raises funds through a banner program. The program allows members of the Organization and local community to sponsor and display advertising on lampposts banners within the District. The banner income as of June 30, 2015 and 2014 was \$3,000 and \$6,750 respectively. The banner expense incurred as of June 30, 2015 and 2014 was \$2,064 and \$6,516 respectively.

**NOTE 9: GRANT INCOME/GRANTS RECEIVABLE**

Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the organization's management believes that costs ultimately disallowed, if any would not materially affect the financial position of the organization.

Grants receivable are primarily unsecured non-interest-bearing amounts due from grantors on cost reimbursement or performance grants. Management believes that all outstanding receivables are collectible in full, therefore no allowance for uncollectible receivables has been provided.

The Organization was awarded a grant in the amount of \$5,000 from the City of New York Department of Transportation. The Organization was also awarded an assembly grant in the amount of \$2,000 with the New York State Office of Children and Family Services. The Organization also received a discretionary grant of \$20,000 from the City of New York Department of Youth and Community Development.

As of June 30, 2015 and 2014 the grant receivable was \$20,000 and \$5,343, respectively.

**NOTE 10: ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES**

The Organization's accounting policy is to provide liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor of any exposure to unrelated business income tax. Periods ending after June 30, 2011 remain subject to examination by the applicable taxing authorities.

**BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.**  
**(A Not-For-Profit Organization)**

**Notes to Financial Statements**

**June 30, 2015 & 2014**

**NOTE 11: RESTRICTED NET ASSETS**

The Organization temporarily restricted net assets at June 30, 2015 and 2014 for the following programs and services:

	<u>2015</u>	<u>2014</u>
Long Island Railroad Train Station	<u>\$2,000</u>	<u>\$2,000</u>
Total temporarily restricted net assets	<u>\$2,000</u>	<u>\$2,000</u>

**NOTE 12: PRIOR PERIOD ADJUSTMENT**

During the year ended June 30, 2015, the Organization determined that prior year's sanitation expense was understated and accounts receivable accruals were overstated. The adjustment corrections resulted in a prior period adjustment of \$(2,806).

**NOTE 13: RECLASSIFICATION**

Certain items were reclassified from prior years in order to be in conformity with current presentation, and had no material effect on reported earnings of those periods.

**NOTE 14: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 12, 2015, the date the financial statements are available for issuance, for inclusion or disclosure in the financial statements.

**Independent Auditor's Report on Supplementary Information**

We have audited the financial statements of Bayside Village Business Improvement District, Inc. (the "Organization") as of and for the year ended June 30, 2015 and 2014, and have issued our report thereon dated November 9, 2015, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The schedule of functional expenses is presented for the purposes of additional analysis and is 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.



DePietto CPA P.C.  
Lake Success, New York  
November 12, 2015

**BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.**  
**(A Not-For-Profit Organization)**  
**Statement of Functional Expenses**  
**For the Year Ended June 30,**

	<b>BID Program Services</b>	<b>Supporting Services Management and General</b>	<b>Fundraising</b>	<b>2015</b>	<b>BID Program Services</b>	<b>Supporting Services Management and General</b>	<b>Fundraising</b>	<b>2014</b>
Administrative expenses	\$ 17,500	\$ 6,250	\$ 1,250	\$ 25,000	\$ 28,380	\$ 10,136	\$ 2,027	\$ 40,543
Amortization		3,400		3,400		3,400		3,400
Banner Program	2,064			2,064	6,516			6,516
Fees		90		90		60		60
Holiday lighting	17,625			17,625	18,102			18,102
Insurance	4,560			4,560	2,559			2,559
Marketing and promotions	32,616			32,616	27,566			27,566
Meetings	967	198		1,165	757	159		916
Office expense	3,201			3,201	3,174			3,174
Parking study	20,000			20,000				
Professional fees		4,000		4,000		4,000		4,000
Rent		7,200		7,200		7,200		7,200
Salaries and payroll taxes	21,024		1,502	30,034				-
Sanitation	39,780			39,780	32,559			32,559
Telephone/Internet	3,904			3,904	3,661			3,661
Travel	389			389	229			229
<b>Total expenses</b>	<b>\$ 163,630</b>	<b>\$ 28,647</b>	<b>\$ 2,752</b>	<b>\$ 195,028</b>	<b>\$ 123,503</b>	<b>\$ 24,955</b>	<b>\$ 2,027</b>	<b>\$ 150,485</b>