

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

Financial Statements

June 30, 2014 & 2013

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

Table of Contents

June 30, 2014 & 2013

	<u>Page</u>
Independent Auditors' Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7-12



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, 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, 2014, 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.

Other Matter – Supplemental Information

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 XX and XX are presented for the 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 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 aspects in relation to the financial statements as a whole.

Other Matter on the June 30, 2013 Financial Statements

The financial statements of the Organization as of June 30, 2013, and for the year then ended were audited by predecessor auditors who have ceased operations. Those auditors expressed an unqualified opinion on those financial statements in their report dated November 1, 2013.



DePietto CPA P.C.
Lake Success, New York
November 5, 2014

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

Statement of Financial Position

June 30,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and cash equivalents	\$ 73,328	\$ 62,055
Accounts receivable	-	5,342
Grant receivable	5,343	-
Prepaid expenses	4,253	1,181
Intangible assets, net	<u>17,000</u>	<u>20,400</u>
Total Assets	<u><u>\$ 99,924</u></u>	<u><u>\$ 88,978</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 4,235	\$ 14,997
Loan payable	<u>17,000</u>	<u>20,400</u>
Total Liabilities	21,235	35,397
NET ASSETS		
Unrestricted	76,689	53,581
Temporarily restricted	<u>2,000</u>	<u>-</u>
Total Net Assets	<u><u>78,689</u></u>	<u><u>53,581</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 99,924</u></u>	<u><u>\$ 88,978</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>2014</u>	<u>2013</u>
Support & Revenues:		
Assessments	\$ 155,000	\$ 131,368
Grant income	8,343	5,500
Grant income- restricted - Note	2,000	-
Banner Program	6,750	6,000
Sponsorship income	1,500	3,550
In-kind donation	750	9,000
Participation fees	750	375
Contributions	500	-
	<hr/>	<hr/>
Total Support and Revenues	175,593	155,793
Expenses:		
Program Services		
Supplemental business services	123,503	75,830
Supportive Services		
Management and general	24,955	64,356
Fundraising	2,027	-
	<hr/>	<hr/>
Total Expenses	150,485	140,186
Change in Net Assets	25,108	15,607
Net Assets - beginning of year	<hr/> 53,581	<hr/> 37,974
Net Assets - end of year	<hr/> <u>\$ 78,689</u>	<hr/> <u>\$ 53,581</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>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 25,108	\$ 15,607
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	5,342	(5,342)
(Increase)/Decrease in grants receivable	(5,343)	-
(Increase)/Decrease in prepaid expenses	(3,072)	1,888
Increase/(Decrease) in accounts payable and accrued expenses	<u>(10,762)</u>	<u>6,699</u>
Net cash provided by operating activities	<u>14,673</u>	<u>22,252</u>
Net Cash Flows From Financing Activities		
Payments on loan payable	<u>(3,400)</u>	<u>(3,400)</u>
Net cash used in financing activities	<u>(3,400)</u>	<u>(3,400)</u>
Net increase in cash and cash equivalents	\$ 11,273	\$ 18,852
Cash and cash equivalents - beginning of year	<u>62,055</u>	<u>43,203</u>
Cash and cash equivalents - end of year	<u><u>\$ 73,328</u></u>	<u><u>\$ 62,055</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 Functional Expenses
For the Year Ended June 30,

	BID Program Services	Supporting Services Management and General	Fundraising	2014	BID Program Services	Supporting Services Management and General	Fundraising	2013
Administrative expenses	\$ 28,380	\$ 10,136	\$ 2,027	\$ 40,543	\$ -	\$ 37,336	\$ -	\$ 37,336
Amortization		3,400		3,400		3,400		3,400
Banner Program	6,516			6,516	8,753			8,753
Fees		60		60		60		60
Holiday lighting	18,102			18,102	17,857			17,857
Insurance	2,559			2,559		1,876		1,876
Marketing and promotions	27,566			27,566	11,387			11,387
Meetings	757	159		916		596		596
Office expense	3,174			3,174		5,331		5,331
Professional fees		4,000		4,000		3,500		3,500
Rent		7,200		7,200		9,000		9,000
Sanitation	32,559			32,559	34,266			34,266
Special events				-	3,567			3,567
Telephone/Internet	3,661			3,661		3,052		3,052
Travel	229			229		205		205
Total expenses	\$ 123,503	\$ 24,955	\$ 2,027	\$ 150,485	\$ 75,830	\$ 64,356	\$ -	\$ 140,186

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

Notes to Financial Statements

June 30, 2014 & 2013

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 35rd Avenue on Bell Boulevard to Northern Boulevard and 41st Avenue from Corporal Kennedy Street to 213th 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, 2014 & 2013

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 2010.

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, 2014 & 2013

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 expired on June 30, 2014. As of June 30, 2014, the assessments received were \$155,000.

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

Notes to Financial Statements

June 30, 2014 & 2013

NOTE: 4 LOAN 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, 2014 the balance due on the loan was \$17,000.

NOTE 5: SANITATION

The Organization has a sanitation service contract with Atlantic Maintenance. The current contract expires as of June 30, 2015. The price for sanitation service is \$39,070 per annum paid in monthly installments of \$3,256. Total sanitation expense for the year ended June 30, 2014 was \$32,559.

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, 2014, 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, 2014. The total rent expense for the year ended June 30, 2014 was \$7,200.

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

June 30, 2014 & 2013

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, 2014 and 2013 was \$6,750 and \$6,000 respectively. The banner expense incurred as of June 30, 2014 and 2013 was \$6,516 and \$8,753 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 \$3,500 from the City of New York Department of Youth and Community Development. The Organization was also awarded a grant in the amount of \$2,000 with the New York State Office of Parks, Recreation and Historic Preservation.

As of June 30, 2014 the grant receivable is \$5,343.

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, 2010 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, 2014 & 2013

NOTE 11: RESTRICTED NET ASSETS

The Organization temporarily restricted net assets at June 30, 2014 and 2013 for the following programs and services:

	<u>2014</u>	<u>2013</u>
Long Island Railroad Train Station	<u>\$2,000</u>	<u>\$ 0</u>
Total temporarily restricted net assets	<u>\$2,000</u>	<u>\$ 0</u>

NOTE 12: 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 13: SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 5, 2014, the date the financial statements are available for issuance, for inclusion or disclosure in the financial statements.