

Park Slope Fifth Avenue District Management  
Association, Inc.

(A Not-for-Profit Corporation)

June 30, 2020 and 2019

Financial Statements

Park Slope Fifth Avenue District Management Association Inc.  
(A Not-for-Profit Corporation)

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Park Slope Fifth Avenue District Management Association, Inc.

Notes to Financial Statements

June 30, 2020

**NOTE 1 - Organization**

The Park Slope Fifth Avenue District Management Association, Inc. (the BID) was incorporated in New York State and organized in 2009 to promote commercial revitalization along the 5th Avenue Park Slope area between Dean Street and 18th Street 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 December 7, 2020, the date the financial statements were available.

**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**

To improve information presented in a not-for-profit entity's financial statement and provide more useful information to users of those statements, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities, on August 18, 2016. The new standards includes qualitative and quantitative requirements in the following areas: (1) net assets classes; (2) investment return; (3) expenses; (4) liquidity and availability of resources; and (5) presentation of operating cash flows. ASU 2016-14 will be effective for fiscal years beginning after June 15, 2017, with early adoption permitted. I have elected to adopt ASU 2016-14 early with full retrospective application.

**Cash and Cash Equivalents**

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

Park Slope Fifth Avenue District Management Association, Inc.

Notes to Financial Statements

June 30, 2020

**NOTE 6 - Contingency**

The Park Slope Fifth Avenue District Management Association is dependent on assessments against property in the district collected by the NYC Dept. of Finance. Any change in this level of support could materially impact the ability of the Park Slope Fifth Avenue District Management Association to continue to provide its services.

**NOTE 7 – Liquidity and Availability**

We regularly monitor the availability of resources required to meet our operating needs and other contractual commitments. Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, consists of the following:

Cash and cash equivalents	\$78,233
	<u>\$78,233</u>

**NOTE 8 - Depreciable Property**

Depreciable property at June 30, consists of:

	2020	2019
Trash receptacle/compactor	<u>\$50,301</u>	<u>\$50,301</u>
Total depreciable property	50,301	50,301
Less: accumulated depreciation	<u>(46,395)</u>	<u>(43,835)</u>
Net depreciable property	<u>\$ 3,906</u>	<u>\$ 9,026</u>

Depreciation expense for June 30, 2020 and 2019 was \$2,560 and \$2,560

**NOTE 9 - Lease and Contracts**

**Office Lease**

The Park Slope Fifth Avenue District Management Association has entered into a written agreement for office space with a payment of \$1,600 per month until March 1, 2021, exclusive of utilities and heat. In April 2020 the Bid entered into a agreement to sub lease space at a rate of \$325.00 per month.

**Maintenance Contract**

The Park Slope Fifth Avenue District Management Association had entered into a contract for street cleaning/sanitation services with Mydatt Services Inc on May 31, 2017 for one year ending June 30, 2018. Under the contract, maintenance services will be done for an annual fee of \$175,305 to be paid in monthly installments of \$14,442.08. The agreement includes a provision for increase in the contract monthly payment for increases in the minimum wage and other regulatory increases. The Contract was extended for an additional year to June 30, 2021.

Park Slope Fifth Avenue District Management Association, Inc.

Notes to Financial Statements

June 30, 2020

**NOTE 3 - Nature of Organization and Summary of Significant Accounting Policies (continued)**

**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.

**Equipment and Improvements**

Purchases of furniture, equipment and streetscape improvements which have 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 Park Slope Fifth Avenue 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 Park Slope Fifth Avenue District Management Association, Inc. is exempt from federal income taxes as an organization under section 501(c)(3) of the Internal Revenue Service Code and that they are a publicly supported charity as provided in Section 509(a)(1). The organization is also a registered with the New York State Charities Bureau.

**Note 4 - Concentration of Credit Risk**

The federal deposit insurance coverage (FDIC) limits account insurance to \$250,000. At June 30, 2020 and 2019 the organization did not have any deposits exceeding the FDIC coverage.

**NOTE 5 - 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 Park Slope Fifth Avenue District Management Association to provide the Park Slope Fifth Avenue 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 Park Slope Fifth Avenue District Management Association, Inc. for a five-year term. The new contract began July 1, 2013 and extends until June 30, 2018. The total assessment awarded by the City of New York, for the fiscal years ended June 30, 2018 and 2017 was \$300,000. On November 15, 2018 a new agreement was signed that included a three year plan to increase the payment from New York City to \$500,000. Under that plan revenues will increase in the June 30, 2019 fiscal year to \$435,000. In the fiscal year June 30, 2020 revenue will be \$475,000, and in June 30, 2021 the payment will be \$500,000.

To the Board of Directors of  
Park Slope Fifth Avenue District Management Association Inc.  
Brooklyn N.Y.

### Independent Auditors' Report

I have audited the accompanying of financial statements of Park Slope Fifth Avenue District Management Association Inc., which includes the statement of financial position as of June 30, 2019 and 2018, and the related statements of activities functional expenses, and the related notes to the financial statements

#### **Managements Responsibility for the Financial Statements**

Management is responsible for the preparation 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 controls 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**

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 judgement, including the assessment of risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Park Slope Fifth Avenue District Management Association Inc. as of June 30, 2019 and 2018, and the changes in its net assets, and cash flows for the years then ended, in conformity with standards generally accepted in the United States of America.

Mineola, New York  
December 7, 2020

