

Park Slope Fifth Avenue District Management
Association, Inc.

(A Not-for-Profit Corporation)

June 30, 2021 and 2020

Financial Statements

Richard C. Devlin, C.P.A., P.C.
Certified Public Accountant

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

Table of Contents

	<u>Page</u>
Report of Certified Public Accountant	1
Statement of Financial Position as of June 30, 2021 and 2020	2
Statements of Activities and Changes in Net Assets for the Year Ended June 30, 2021 and 2020	3
Statement of Cash Flows for the Year Ended June 30, 2021 and 2020	4
Notes to the Financial Statements	5-7
Supplementary Schedules	8-9

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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 financial statements of Park Slope Fifth Avenue District Management Association Inc., which includes the statement of financial position as of June 30, 2021 and 2020, and the related statements of activities functional expenses, and the related notes to the financial statements

Management's 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.

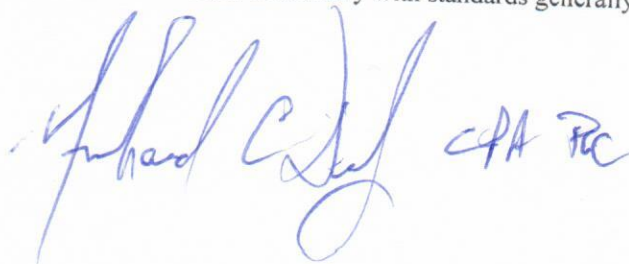
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risk of material misstatement of the financial statements, whether due to fraud or error. 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, 2021 and 2020, 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, 2021



Park Slope Fifth Avenue District Management Association, Inc.
(a not-for-profit organization)
Statement of Financial Position
June 30,

Assets	<u>2021</u>	<u>2020</u>
Current Assets:		
Cash and cash equivalents	\$101,190	\$78,233
Accounts Receivable	0	0
Prepaid expenses and other assets	22,733	6,182
Total Current Assets	<u>123,923</u>	<u>84,415</u>
Depreciable Property:		
Depreciable property	50,301	50,301
Less: Accumulated depreciation	50,301	46,395
Net Depreciable Property	<u>0</u>	<u>3,906</u>
Total Assets	<u><u>\$123,923</u></u>	<u><u>\$88,321</u></u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$24,569	\$32,729
Total Liabilities	<u>24,569</u>	<u>32,729</u>
Net Assets:		
Without doner restrictions	99,354	55,592
Total net assets	<u>99,354</u>	<u>55,592</u>
Total Liabilities and net assets	<u><u>\$123,923</u></u>	<u><u>\$88,321</u></u>

The accompanying notes are an integral part of these financial statements

Park Slope Fifth Avenue District Management Association, Inc.
(a not-for-profit organization)
Statement of Activities and Changes in Net Assets
For the Year Ended June 30,

	2021	2020
Support and Revenues:		
BID assessments-NYCDSBS	\$500,000	\$475,000
Grants	0	0
Special events	68,136	25,868
Interest	14	15
Total support and revenue	568,150	500,883
Expenses		
Program services	266,439	291,953
Management and general	205,507	206,935
Special events and fundraising	52,442	3,219
Total Expenses	524,388	502,107
Change in Net Assets Without donor restrictions	43,762	-1,224
Net Assets, Beginning of Year	55,592	56,816
Net Assets, End of Period	\$99,354	\$55,592

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Park Slope Fifth Avenue District Management Association, Inc.
(a not-for-profit organization)
Statement of Cash Flows
For the Year Ended June 30,

	2021	2020
Cash Flows From Operating Activities		
Changes in Net Assets	\$43,762	-\$1,224
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	3,906	2,560
 Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts Receivable	0	5000
Prepaid expenses	(16,551)	3,699
 Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(8,160)	(4,709)
 Net Cash (Used) Provided By Operating Activities	22,957	5,326
 Cash Flow From Investing Activities:		
Acquisition of Depreciable property	0	0
 Cash Flow From Financing Activities:		
None	0	0
 Net increase (decrease) in cash and cash equivalents	22,957	5,326
 Cash and cash equivalents - beginning of year	78,233	72,907
 Cash and cash equivalents - end of period	\$101,190	\$78,233
 Supplemental disclosures:		
None		

The accompanying notes are an integral part of these financial statements

Park Slope Fifth Avenue District Management Association, Inc.

Notes to Financial Statements

June 30, 2021

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, 2021, 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 include 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.

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, 2021

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, 2021 and 2020 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.

Park Slope Fifth Avenue District Management Association, Inc.

Notes to Financial Statements

June 30, 2021

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	\$101,190
	<u>\$101,190</u>

NOTE 8 - Depreciable Property

Depreciable property at June 30, consists of:

	2021	2020
Trash receptacle/compactor	<u>\$50,301</u>	<u>\$50,301</u>
Total depreciable property	50,301	50,301
Less: accumulated depreciation	<u>(50,301)</u>	<u>(46,395)</u>
Net depreciable property	<u>\$ 0.00</u>	<u>\$ 3,906</u>

Depreciation expense for June 30, 2021 and 2020 was \$3,906 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. The rent increased to \$1750 per month in March 2021 until March 1, 2022.

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 \$173,305 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, 2022.

Park Slope Fifth Avenue District Management Association, Inc.
(a not-for-profit organization)
Statement of Functional Expenses
For the Year Ended June 30,

	Program Services			Support Services		Totals 2020
	Street Beautification and Maintenance	Marketing and Promotion	Other Programs	Management and General	Special Events and Fundraising	
Expenses:						
Street /Sidewalk cleaning	\$176,313					\$176,313
Payroll and payroll taxes			0	160,397	13,194	160,881
Advertising and promotion		3,823				6,653
Fifth Avenue Events			3,699		39,248	24,081
Holiday lights		45,912				49,583
Banners		735				2,050
Rent expense			0	24,234		19,644
Sponsorship and Donations			10,407			14,000
Consultants			25,550			23,700
Professional fees			0	3,500		3,500
Administrative services			0	1,975		1,974
Telephone and internet			0	2,076		1,699
Office expense			0	839		2,185
Depreciation			0	3,906		2,560
Insurance			0	5,526		9,980
Meetings and conference			0	368		1,669
Licenses, permits and dues			0	2,686		2,843
			0	0	0	0
Total expenses	\$176,313	\$50,470	\$39,656	\$266,439	\$205,507	\$52,442
						\$502,107

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