

GREATER JFK
DISTRICT MANAGEMENT ASSOCIATION, INC.

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2018

TYRONE ANTHONY SELLERS
Certified Public Accountant

GREATER JFK
DISTRICT MANAGEMENT ASSOCIATION, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Greater JFK District Management Association, Inc.
Jamaica, New York

Report on the Financial Statements

I have audited the accompanying financial statements of Greater JFK District Management Association, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2018 and the related statements of activities and change in net assets, functional expenses and cash flows for the year 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

My responsibility is to express an opinion on these financial statements based on my audit. 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 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, 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 audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater JFK District Management Association, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year ended in conformity with accounting principles generally accepted in the United States of America.



Saint Albans, New York
December 11, 2018

GREATER JFK DISTRICT MANAGEMENT ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2018

ASSETSCurrent Assets

Cash	\$ 344,756
Accounts Receivable	-
Prepaid Insurance	1,172
Total Current Assets	<u>345,928</u>

Fixed Assets

Office Furniture & Equipment	6,400
Less Accumulated Depreciation	(640)
Total Fixed Assets	<u>5,760</u>

Other Asset

Rent security deposit	-
Total Assets	<u>\$ 351,688</u>

LIABILITIES AND NET ASSETSCurrent Liabilities

Accounts payable	\$ 5,000
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Net Assets

Without donor restrictions	<u>346,688</u>
Total Liabilities and Net Assets	<u>\$ 351,688</u>

The accompanying notes are an integral part of these statements.

TYRONE ANTHONY SELLERS
Certified Public Accountant

GREATER JFK DISTRICT MANAGEMENT ASSOCIATION, INC.
 STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Revenues and other support</u>			
Assessment Revenue	\$ 500,000	\$ -	\$ 500,000
In-kind Services	6,192	—	6,192
Interest Income	—	—	—
Total before net assets released from restrictions	506,192	—	506,192
Net assets released from restrictions:	—	—	—
Total revenues, gains, and other support	<u>506,192</u>	<u>—</u>	<u>506,192</u>
<u>Expenses</u>			
Technical Services and Planning	16,293	—	16,293
Sanitation and Maintenance	—	—	—
Public Safety and Security	13,900	—	13,900
District Identity and Marketing	88,119	—	88,119
Management & General	41,192	—	41,192
Total expenses	<u>159,504</u>	<u>—</u>	<u>159,504</u>
Change in Net Assets	346,688	—	346,688
Net assets at beginning of year	—	—	—
Net assets at end of year	<u><u>\$ 346,688</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 346,688</u></u>

The accompanying notes are an integral part of this statement.

GREATER JFK DISTRICT MANAGEMENT ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2018

	Technical Services & <u>Planning</u>	Sanitation and <u>Maintenance</u>	Public Safety and <u>Security</u>	District Identity & <u>Marketing</u>	Management and <u>General</u>	2018 Total <u>Expenses</u>
Payroll	\$ 12,923	\$ -	\$ 4,846	\$ 4,846	\$ 9,693	\$ 32,308
Payroll taxes and fringes	1,370	—	514	514	1,026	3,424
Consultants	2,000	—	8,540	76,853	7,778	95,171
Contracted Services	—	—	—	—	495	495
Office and Related Costs	—	—	—	—	4,130	4,130
Printing and Copying	—	—	—	3,215	732	3,947
Occupancy Costs	—	—	—	—	8,200	8,200
Insurance	—	—	—	—	2,065	2,065
Program expense	—	—	—	250	—	250
Annual meeting	—	—	—	2,441	—	2,441
Travel, Meetings and Related Costs	—	—	—	—	181	181
Miscellaneous	—	—	—	—	60	60
In-kind Services - Legal	—	—	—	—	3,500	3,500
In-kind Services - Training	—	—	—	—	2,692	2,692
Depreciation	—	—	—	—	640	640
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>640</u>	<u>640</u>
Total	<u>\$ 16,293</u>	<u>\$ -</u>	<u>\$ 13,900</u>	<u>\$ 88,119</u>	<u>\$ 41,192</u>	<u>\$ 159,504</u>

The accompanying notes are an integral part of this statement.

GREATER JFK DISTRICT MANAGEMENT ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

AS OF JUNE 30, 2018

<u>Cash Flows From Operating Activities</u>	
Change in net assets	\$ 346,688
<u>Adjustments to reconcile change in net assets</u>	
<u>to net cash provided by operating activities</u>	
Decrease (increase) in operational assets	
Depreciation expense	640
Prepaid insurance	(1,172)
Increase (decrease) in operational liabilities	
Accounts payable	<u>5,000</u>
Net cash provided by operating activities	<u>351,156</u>
<u>Cash Flows From Investing Activities</u>	
Purchase of office furniture & equipment	<u>(6,400)</u>
Net cash used in investing activities	<u>(6,400)</u>
Net increase in cash	344,756
Cash balance at beginning of year	<u>—</u>
Cash balance at end of year	<u>\$ 344,756</u>
<u>Supplemental Information for Cash Flows</u>	
Cash paid for interest	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

TYRONE ANTHONY SELLERS
Certified Public Accountant

GREATER JFK
DISTRICT MANAGEMENT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Greater JFK District Management Association, Inc. (the “Organization”) was formed on June 19, 2017 under Section 402 of the Not-For-Profit Corporation Law of the State of New York. The primary purpose of the Organization is to manage the Greater JFK Business Improvement District (“BID”). The BID is located in Southeastern Queens County of New York and extends along both sides of Rockaway Blvd. from Baisley Blvd. to 183rd Street and includes 33 blocks between 147th Avenue and Rockaway Blvd. and 18 blocks between Nassau Expressway and Rockaway Blvd.

The Organization entered into a contract with the City of New York to provide the BID with the following supplemental services; Public Safety and Security, Sanitation and Maintenance, District Identity and Marketing, Industry Networking and Labor Force Development, Technical Services and Planning Studies for Project Development, Advocacy and Administration, and additional services including Capital Improvements which the City of New York may determine useful. The contract is for a five year period commencing July 1, 2017 and ending June 30, 2022 and may be renewed for another five years at the sole discretion of the City of New York.

A summary of significant accounting policies of the Organization are as follows.

Basis of Accounting – The accompanying financial statements were prepared on the accrual basis of accounting.

Capitalization and Depreciation – Furniture and equipment are recorded at cost, and are capitalized and depreciated over their estimated service lives using the straight-line method of depreciation. The estimated service life of the assets for depreciation purposes may be different from their actual economic useful lives. Furniture and equipment purchased with government contract funding are expensed in the year purchased.

Income Taxes – The Organization is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending June 30, 2015 and subsequent remain subject to examination by applicable taxing authorities.

Contributions – Contributions are recorded as contributions with donor restrictions or contributions without donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor is reported as an increase in net assets with donor restrictions and then reclassified to net assets without donor restrictions by incurring expenses satisfying the restricted purposes, by occurrence of the passage of time, or other events specified by donors. Donor restricted contributions received and expensed in the same fiscal year are reflected as contributions without donor restrictions.

Financial Statements – The Organization’s financial statements adhere to the established standards for external financial statements provided by not-for-profit organizations which require that resources be classified for accounting and reporting purposes into two classes of net assets – with donor restrictions and without donor restrictions. All other net assets, including board-designated or appropriated amounts, are reported as part of the without donor restrictions class.

Functional Expense – Expenses are summarized and categorized based upon their functional classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll, payroll taxes and employee benefits, which are allocated on the basis of estimates of time and effort.

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GREATER JFK
DISTRICT MANAGEMENT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents – The Organization maintains its cash in bank deposit accounts which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash. For financial statement purposes, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Subsequent Events – Management has evaluated subsequent events through December 11, 2018, the date the financial statements were available to be issued. No significant subsequent events have been identified that would require adjustment or disclosure in the financial statements.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$344,756 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$344,756. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. All receivables are subject to implied time restrictions but are expected to be collected within one year. The Organization has a goal to maintain financial assets, which consist of cash and/or short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$75,883. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 3 – ASSESSMENT REVENUE

The City of New York (“NYC”) agreed to pay the Organization all of the proceeds actually collected by the City pursuant to a special assessment levied by the City upon real property within the district. The assessment collected and received for the fiscal year ended June 30, 2018 was \$500,000. The amount due from NYC as of June 30, 2018 was \$-0-.

Note 4 – IN KIND SERVICES/DONATIONS

Donated services, including in-kind donations meeting the criteria for recognition in the financial statements are reflected as in-kind services/donations at their estimated fair value at the date of receipt. Contributed services which do not meet the criteria for recognition in the financial statements are not reflected in these financial statements.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 5 – OPERATING LEASE

The Organization rented office space through August 31, 2018 located at 157-11 Rockaway Blvd., Jamaica, NY. The rental lease obligation was on a month to month basis. Subsequently, the Organization relocated and entered into a lease for office space located at 167-43 148th Avenue, Jamaica, NY. The lease is a one year lease expiring on August 31, 2019.

Note 6 – PROGRAM GRANTS

Certain government and other grants may be subject to audit by the funding sources. No provision has been made for any liabilities which may arise from such audits since the amounts, if any, cannot be determined at this point in time. Disallowances or adjustments, if any, will be reflected in the financial statements in the year of settlement.