

**MYRTLE AVENUE DISTRICT
MANAGEMENT ASSOCIATION, INC.**
(A NOT-FOR-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020



DEPIETTO CPA
Accounting • Tax • Advisory

A Professional Corporation

**MYRTLE AVENUE DISTRICT
MANAGEMENT ASSOCIATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)**

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Myrtle Avenue District Management Association, Inc.

We have audited the accompanying financial statements of Myrtle Avenue District Management Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 statements referred to above present fairly, in all material respects, the financial position of Myrtle Avenue District Management Association, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on pages 13 and 14 is presented for 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.



Lake Success, New York
February 1, 2022



MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30,

ASSETS

	<u>2021</u>	<u>2020</u>
Assets:		
Cash and Equivalents	\$ 79,467	\$ 16,451
Grants Receivable	35,000	40,000
Prepaid Expenses	36,334	32,797
Security Deposits	1,800	1,800
Right of use asset - rental lease	110,708	0
Other Receivable	<u>32,950</u>	<u>32,950</u>
Total Assets	<u>\$ 296,259</u>	<u>\$ 123,998</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Bank Overdraft	\$ -	\$ 21,770
Accrued Expenses	<u>6,361</u>	<u>13,730</u>
Total Current Liabilities	6,361	35,500
Long-term liabilities		
Lease liability - Rent	<u>111,316</u>	<u>0</u>
Total Liabilities	<u>117,677</u>	<u>35,500</u>
Net Assets:		
Without Donor Restrictions	<u>178,582</u>	<u>88,498</u>
Total Net Assets	<u>178,582</u>	<u>88,498</u>
Total Liabilities and Net Assets	<u>\$ 296,259</u>	<u>\$ 123,998</u>

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



MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	
Support and revenues:				
Assessments	\$ 507,676	\$ -	\$ 507,676	\$ 507,676
Grant income	35,000	-	35,000	46,400
Program income	-	-	-	571
Other income	(53)	-	(53)	2,050
Interest Income	236	-	236	179
Total support and revenues	542,859	-	542,859	556,876
Expenses:				
Program services:				
Supplemental business services	258,520	-	258,520	345,516
Supportive services:				
Management and general	194,255	-	194,255	197,122
Fundraising	-	-	-	-
Total expenses	452,775	-	452,775	542,638
Change in Net Assets	90,084	-	90,084	14,239
Net Assets - beginning of year	88,498	-	88,498	74,259
Net Assets - end of year	\$ 178,582	\$ -	\$ 178,582	\$ 88,498

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

MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	<u>2021</u>	<u>2020</u>
Cash flow from operating activities:		
Changes in net assets	\$ 90,084	\$ 14,239
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Changes in operating assets and liabilities:		
Grants receivable	5,000	(3,340)
Prepaid expenses	(3,537)	224
Right of use asset - Rent	(110,708)	
Other receivables	-	10,000
Accounts payable	-	(980)
Accrued expenses	(7,369)	(36,377)
Lease liability - Rent	111,316	-
Net cash provided (used) by operating activities	<u>84,786</u>	<u>(16,235)</u>
Cash flow from financing activities		
Bank overdraft	<u>(21,770)</u>	<u>21,770</u>
Net cash provided (used) by operating activities	<u>(21,770)</u>	<u>21,770</u>
Net increase (decrease) in cash	63,016	5,536
Cash at the beginning of the year	<u>16,451</u>	<u>10,915</u>
Cash at the end of the year	<u><u>\$ 79,467</u></u>	<u><u>\$ 16,451</u></u>
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Taxes	<u>\$ -</u>	<u>\$ -</u>

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

MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1: ORGANIZATION AND TAX STATUS

Myrtle Avenue District Management Association, Inc., (the "Organization") was incorporated on May 4, 1983 under Section 402 of the Not-for-Profit Corporation Law of the State of New York. The Internal Revenue Service has determined that the Organization is exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code. The corporation was formed for the public purposes of promoting the general welfare of the people in the area described in the Myrtle Avenue, Ridgewood District Plan as approved by the Board of Estimate of The City of New York.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Accounting and Basis of Presentation

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for Not-for-Profits. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

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.

Net Assets

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standard Update "FASB ASU No. 2016-14, "Not-for-Profit Entities (958), Presentation of Financial Statements of Not-for-Profit Entities. Under FASB ASU 2016-14, the Organization is required to present information regarding its financial position and activities according to two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets without Donor Restrictions – Net assets without restrictions are resources available to support activities. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate

Net Assets with Donor Restrictions – Net assets with donor restrictions are resources that are restricted by a donor for use of a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

The organization's unspent contributions are included in this class if the donor limited their use.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT.

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.

Tax Status

The Organization is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). The tax years 2017, 2018 and 2019 are still open to audit both federal and state purposes. Contributions to the organization are tax deductible to donors under Section 170 of the IRC. The Organization is not classified as a private foundation.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with payments due in the future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is until all conditions on which they depend are substantially met.

Equipment and Leasehold Improvements

The Organization capitalizes all expenditures for equipment and leasehold improvements in excess of \$1,000. Equipment and leasehold improvements are recorded at cost or, if donated, at the estimated fair market value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the asset to a specific purpose. Depreciation and amortization are provided over the estimated useful lives of the equipment and leasehold improvements on a straight-line basis.

In-kind contributions

Noncash donations are recorded as contributions and the related asset or expense at fair value of the date of the donation.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people possessing those skills and would otherwise be purchased.

Functional Allocation of Expenses

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and supplemental statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited. Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction to the Organization.

MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. Advertising costs are expensed as incurred.

Classification of Transactions

All revenues and net gains are reported as increases in net assets in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses are reported as decreases in unrestricted net assets unless those decreases or losses are related sources of temporary or permanent donor restrictions.

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 commenced July 1, 2017 and expires June 30, 2022. As of June 30, 2021, and 2020, the assessments received were \$507,676 and \$507,676, respectively.

NOTE 4: PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consisted of the following on June 30,

	2020	2019
BID Equipment	\$ 52,540	\$ 52,540
	52,540	52,540
 LESS: Accumulated Depreciation and Amortization	 (52,540)	 (52,540)
	\$ -	\$ -

Depreciation and amortization expense incurred on these assets totaled \$0 and \$0 for the years ended June 30, 2021 and 2020, respectively.

NOTE 5: GRANT INCOME / GRANT RECEIVABLE

The Organization was awarded a grant from the NYC Department of Transportation for Weekend Walks in the amount of \$0 and \$6,400 for the fiscal year ended June 30, 2021, and 2020, respectively.

The NYC Department of Transportation Plaza Program engages community partners to transform underutilized streets into pedestrian plazas to enhance public space (with tables, chairs, plantings and other amenities) and provide programs and event for the local community. The grants awarded are from the One NYC Plaza Equity Program reimbursement fund for which the BID could be reimbursed up to \$20,000 per Plaza. For the fiscal years ended June 30, 2021 and 2020, the BID was awarded a total of \$35,000 and \$40,000, respectively. The awards are comprised of \$17,500 and \$20,000, respectively, for 71st Ave Plaza and \$17,500 and \$20,000, respectively for Venditti Square.

As of June 30, 2021, and 2020, the grants receivable was \$35,000 and \$40,000 respectively.

MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 6: SANITATION

The Organization has a month-to-month sanitation services agreement with Streetplus in the amount of approximately \$16,695. As of June 30, 2021, there is no contract in place. Total sanitation charges for June 30, 2021, and 2020, amounted to \$142,662 and \$175,058 respectively.

NOTE 7: RIGHT OF USE ASSET

In February 2016, the FASB issued guidance revising the accounting for leases. Under the new guidance, lessees will be required to recognize a right-of-use ("ROU") asset and lease liability for all leases other than those that are less than one year. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of activities. The new standard is effective for the Organization on December 15, 2019 with early adoption permitted. The Organization plans to adopt the guidance on July 1, 2020 using a modified retrospective transition approach with the cumulative effect recognized at the date of initial application, whereby comparative prior period financial information will not be adjusted to reflect the new standard.

The Organization entered a lease for office space for a five-year term which expires on February 28, 2026. Rent expense is recognized on a straight-line basis.

Rent expense for the year ended June 30, 2021, and 2020 was \$21,946 and \$20,517 respectively.

The Organization is subject to future commitments set forth in the rental lease agreement. Future minimum lease commitments under the operating lease are:

FISCAL YEAR	AMOUNT
07/01/21-06/30/22	\$ 22,192
07/01/22-06/30/23	\$ 23,079
07/01/23-06/30/24	\$ 24,002
07/01/24-06/30/25	\$ 24,963
07/01/25-06/30/26	\$ 17,080

The future minimum lease commitments as of June 30, 2021, equals \$111,361.

NOTE 8: RELATED PARTY TRANSACTIONS

Myrtle Avenue District Management Association, Inc. and Ridgewood Local Development Corporation ("LDC"), Not-for-Profit Organizations, are operated as separate entities. Both entities have common board members. Ridgewood Local Development Corporation is responsible for supervising the management of Myrtle Avenue District Management Association and its legal responsibilities. Myrtle Avenue pays to Ridgewood Local Development Corporation quarterly management fees for its services. The amounts of those fees are reviewed annually. The fees for the fiscal year ended June 30, 2021, and 2020 amounted to \$130,145 and \$130,395 respectively.

MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 9: NET ASSETS

The balance of net assets is a result of unused monies from prior year's budget allocations for sanitation, marketing & promotion, holiday lights and administrative expenses. The Organization may allocate the unused funds for future programs and administration.

NOTE 10: CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization 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, 2021, and 2020, the Organization had no accounts which exceeded insured limits.

NOTE 11: RECLASSIFICATIONS

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

NOTE 12: UNCERTAINTIES

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Company's financial condition, liquidity and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, and industry. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

NOTE 12: SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 1, 2022, 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 Myrtle Avenue District Management Association, Inc. (the "Organization") as of and for the year ended June 30, 2021 and 2020, and have issued our report thereon dated February 1, 2022, 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
February 1, 2022

MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC
(A NOT-FOR-PROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Business Improvement District Program Services	Supporting Services Management and General	Fundraising	Total
Expenses:				
Accounting	\$ -	\$ 6,750	\$ -	\$ 6,750
Beautification	11,150	-	-	11,150
Computer/Website	-	5,216	-	5,216
Electric	-	1,976	-	1,976
Filing Fees	-	75	-	75
Garage Rental	6,175	-	-	6,175
GM Repairs and Maintenance	-	-	-	-
Green Market	15,000	-	-	15,000
Holiday Lights	35,699	-	-	35,699
Insurance	-	20,319	-	20,319
Interest Expense	-	-	-	-
Legal Fees	-	150	-	150
Management Fees	-	130,145	-	130,145
Marketing and Promotions	43,936	-	-	43,936
Moving Expenses	-	-	-	-
Printing, Bulk Mailings, etc.	-	5,440	-	5,440
Publications / Memberships	-	988	-	988
Rent	-	21,946	-	21,946
Repairs and Maintenance	3,568	-	-	3,568
Sanitation	142,292	-	-	142,292
Streetscape	700	-	-	700
Telephone	-	1,250	-	1,250
Total Expenses	\$ 258,520	\$ 194,255	\$ -	\$ 452,775

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

MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC
(A NOT-FOR-PROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Business Improvement District Program Services	Supporting Services Management and General	Fundraising	Total
Expenses:				
Accounting	\$ -	\$ 5,350	\$ -	\$ 5,350
Beautification	15,128	-	-	15,128
Computer/Website	-	6,144	-	6,144
Electric	-	1,956	-	1,956
Filing Fees	-	75	-	75
Garage Rental	5,700	-	-	5,700
GM Repairs and Maintenance	459	-	-	459
Green Market	12,430	-	-	12,430
Holiday Lights	38,913	-	-	38,913
Insurance	-	23,986	-	23,986
Interest Expense	-	-	-	-
Legal Fees	-	150	-	150
Management Fees	-	130,395	-	130,395
Marketing and Promotions	95,327	-	-	95,327
Moving Expenses	-	-	-	-
Printing, Bulk Mailings, etc.	-	5,245	-	5,245
Publications / Memberships	-	1,188	-	1,188
Rent	-	20,517	-	20,517
Repairs and Maintenance	-	1,305	-	1,305
Sanitation	175,058	-	-	175,058
Streetscape	2,501	-	-	2,501
Telephone	-	811	-	811
Total Expenses	\$ 345,516	\$ 197,122	\$ -	\$ 542,638

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