

**MYRTLE AVENUE BROOKLYN DISTRICT
MANAGEMENT ASSOCIATION, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2021 and 2020

MYRTLE AVENUE BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.

TABLE OF CONTENTS

Independent Auditor's Report

**Statements of Financial Position -
June 30, 2021 and 2020**

EXHIBIT A

**Statements of Activities and Change in Net Assets -
For the Fiscal Year Ended June 30, 2021
and 2020**

EXHIBIT B

**Statements of Functional Expenses -
For the Fiscal Year Ended June 30, 2021
With Comparative Totals for 2020**

EXHIBIT C

**Statements of Cash Flows -
For the Fiscal Year Ended June 30, 2021
and 2020**

EXHIBIT D

Notes to Financial Statements

WILLIAM KOLBERT, CPA
JOEL A. QUIRK, CPA
ROBERT S. SAXER, CPA

MEMBERS OF AICPA AND
NYSSCPA



ERNEST D. LOEWENWARTER & CO. LLP
CERTIFIED PUBLIC ACCOUNTANTS

ESTABLISHED 1903

LONG ISLAND
200 Old Country Road, Suite 274
Mineola, New York 11501
516-739-9777 • Fax 516-739-7388
Email – EDLLP@aol.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors

Myrtle Avenue Brooklyn District Management Association, Inc.
Brooklyn, New York

We have audited the accompanying financial statements of Myrtle Avenue Brooklyn District Management Association, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets; functional expenses and of cash flows for the years 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 audits. 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 Brooklyn District Management Association, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in dark ink, appearing to read 'Ernest D. Loewenwarter', followed by the letters '16 LLP'.

ERNEST D. LOEWENWARTER & CO. LLP
Certified Public Accountants

Mineola, New York
November 11, 2021

MYRTLE AVENUE BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$393,836	\$117,249
Accounts Receivable	167,885	105,951
Prepaid Expenses	0	19,550
	<u>561,721</u>	<u>242,750</u>
NON-CURRENT ASSETS:		
Equipment-Street Furniture (Net of Accumulated Depreciation of \$108,561 and \$104,329 in 2021 and 2020, respectively)	4,975	9,207
Rent Security Deposit Receivable	4,100	4,100
	<u>9,075</u>	<u>13,307</u>
Total Non-Current Assets		
	<u>9,075</u>	<u>13,307</u>
Total	<u>\$570,796</u>	<u>\$256,057</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Expenses	\$34,290	\$37,269
Deferred Revenue	287,500	0
	<u>321,790</u>	<u>37,269</u>
NET ASSETS: - Note 2		
Without Donor Restrictions	249,006	218,788
	<u>249,006</u>	<u>218,788</u>
Total	<u>\$570,796</u>	<u>\$256,057</u>

See Independent Auditors' Report.

The accompanying notes are an integral part of this statement.

MYRTLE AVENUE BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
REVENUES:		
Assessment Revenue	\$575,000	\$575,000
Contributions	210,265	166,933
MARP Community Fund	100,000	100,000
Grants	188,750	86,451
Program Service Revenue	17,617	16,935
Interest Income	218	1,764
	<hr/>	<hr/>
Total Revenues	<u>1,091,850</u>	<u>947,083</u>
EXPENSES:		
Program Services: - Note 3		
Sanitation and Maintenance	313,029	300,943
District Marketing	195,538	182,592
Streetscape Improvements	167,988	224,257
Community Initiatives	202,123	95,601
Business Attraction & Assistance	71,769	22,084
Planning & Advocacy	20,485	9,202
Total Program Services	<hr/> 970,931	<hr/> 834,679
General and Administrative	<hr/> 90,700	<hr/> 48,638
Total Expenses	<u>1,061,632</u>	<u>883,317</u>
CHANGE IN NET ASSETS	30,218	63,766
NET ASSETS - Beginning of Year	<hr/> 218,788	<hr/> 155,022
NET ASSETS - End of Year	<u><u>\$249,006</u></u>	<u><u>\$218,788</u></u>

See Independent Auditors' Report.

The accompanying notes are an integral part of this statement.

MYRTLE AVENUE BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
3 THE FISCAL YEAR ENDED JUNE 30, 2021 WITH
COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Public Space Management	District Marketing	Streetscape & Beautification	Community Initiatives	Business Attraction & Assistance	Planning & Advocacy	Total Program Services	Management And General	Year Ended June 30,	
									2021 Total	Comparative 2020 Total
EXPENSES:										
Salaries and Related Costs-										
Salaries and Wages	57,473	64,128	22,989	72,597	29,644	13,915	260,746	41,743	302,489	228,270
Payroll Taxes and Benefits	12,137	13,543	4,855	15,332	6,260	2,938	55,066	8,816	63,882	44,565
Total Salaries and Related Costs	69,611	77,671	27,844	87,929	35,904	16,853	315,812	50,559	366,371	272,835
Summer Youth Program	0	0	0	11,308	0	0	11,308	0	11,308	23,114
Professional Fees	2,808	1,631	1,450	1,722	544	227	8,382	680	9,062	7,120
Consultants	0	26,244	0	0	0	0	26,244	17,116	43,360	18,914
Rent Expense	9,399	10,188	3,902	12,175	4,699	2,278	42,641	6,559	49,200	50,625
Utilities	402	235	209	248	78	33	1,205	98	1,303	1,680
Insurance	975	565	502	596	188	78	2,904	235	3,139	2,695
Telephone, Fax & Internet	2,050	1,190	1,058	1,256	397	165	6,116	496	6,612	7,056
Office Expense & Supplies	1,392	809	719	854	270	112	4,155	337	4,492	4,738
Payroll Processing	5,545	3,221	2,862	3,401	1,072	445	16,547	1,342	17,889	13,899
Computer Equipment / Software	3,438	1,997	1,775	2,108	666	277	10,261	832	11,093	5,929
Postage and Delivery	208	122	108	129	41	17	625	51	676	1,498
Dues and Subscriptions	0	444	0	0	0	0	444	3,603	4,047	10,837
Meetings & Conferences	0	0	81	146	0	0	227	595	822	2,474
Bank Service Charges	0	0	0	0	0	0	0	78	78	30
Travel & Local Transportation	0	0	0	0	0	0	0	1,075	1,075	400
Professional Development	0	0	91	0	0	0	91	1,317	1,408	1,651
Street Sweeping	209,314	0	0	0	0	0	209,314	0	209,314	183,703
Graffiti Removal	2,098	0	0	0	0	0	2,098	0	2,098	3,138
Plaza Maintenance	5,790	0	0	0	0	0	5,790	0	5,790	9,847
Gardening & Horticulture	0	0	66,951	0	0	0	66,951	0	66,951	44,154
Street Furniture Maintenance	0	0	10,610	0	0	0	10,610	0	10,610	8,396
Community Programs	0	0	0	79,379	0	0	79,379	0	79,379	77,708
Storefront Improvement	0	0	0	0	27,910	0	27,910	0	27,910	12,720
Administrative Fee	0	0	0	0	0	0	0	5,558	5,558	
Advertising	0	1,703	0	871	0	0	2,574	0	2,574	6,244
Events / Programming	0	22,849	0	0	0	0	22,849	79	22,928	23,357
Promotional Materials	0	46,668	0	0	0	0	46,668	0	46,668	12,434
Public Art Installation	0	0	4,804	0	0	0	4,804	0	4,804	1,173
Holiday Lights	0	0	40,792	0	0	0	40,792	0	40,792	62,685
Tax & Filing Fees	0	0	0	0	0	0	0	90	90	75
Depreciation - Street Furniture	0	0	4,231	0	0	0	4,231	0	4,231	12,188
Total Expenses	313,029	195,538	167,988	202,123	71,769	20,485	970,932	90,700	1,061,632	883,317

See Independent Auditors' Report.

The accompanying notes are an integral part of this statement.

Ernest D. Loewenwarter & Co. LLP
 Certified Public Accountants

MYRTLE AVENUE BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (Decrease) in Net Assets	\$30,218	\$63,766
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation on Equipment	4,231	12,188
Changes in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	(61,934)	(105,951)
Decrease (Increase) in Prepaid Expenses	19,550	(19,550)
Increase (Decrease) in Accounts Payable and Accrued Expenses	(2,978)	16,460
Increase in Deferred Revenue	287,500	0
Increase in Security Deposit Receivable	<u>0</u>	<u>(4,100)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>276,586</u>	<u>(37,187)</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES:		
Street Furniture Purchases (net of depreciation)	<u>0</u>	<u>(1,917)</u>
NET INCREASE (DECREASE) IN CASH	276,586	(39,104)
CASH AND CASH EQUIVALENTS - Beginning of Period	<u>117,249</u>	<u>156,353</u>
CASH AND CASH EQUIVALENTS - End of Period	<u><u>\$393,835</u></u>	<u><u>\$117,249</u></u>
SUPPLEMENTAL DISCLOSURES:		
Interest Paid	<u><u>\$-0-</u></u>	<u><u>\$-0-</u></u>
Income Taxes Paid	<u><u>\$-0-</u></u>	<u><u>\$-0-</u></u>

See Independent Auditors' Report.

The accompanying notes are an integral part of this statement.

MYRTLE AVENUE BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

1. ORGANIZATION:

The Myrtle Avenue Brooklyn District Management Association, Inc. (The "Corporation") is a not-for-profit organization incorporated under New York State law in 2005.

The Corporation was formed for the charitable and public purpose of promoting the general welfare of the people in the Myrtle Avenue area of Brooklyn (the "District"), as described in the Myrtle Avenue Brooklyn Business Improvement District Plan, improving neighborhood conditions within the District, improving the environment of the District and supplementing municipal services within the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Accounting Policies

Assets, liabilities, revenue and expenses are recognized on the accrual basis.

Assessments, contributions and grants are recorded in the period to which such assessments, contributions and grants are intended to apply.

Basis of Presentation

The Myrtle Avenue Brooklyn District Management Association, Inc. has presented, as required, the financial statements, in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Corporation is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. These classes are defined as follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary objectives of the Corporation.

With Donor Restrictions – Net assets that are subject to donor-imposed stipulations that may or will be met either by actions of The Corporation and/or the passage of time.

For the year ending June 30, 2021, the Myrtle Avenue Brooklyn District Management Association, Inc. has no Net Assets with Donor Restrictions.

Liquidity Management

The Organization's financial assets available within one year of the balance sheet date for general expenditures is \$239,931. The Organization's financial assets are maintained in cash. The Organization's cash balances are sufficient to meet its short-term cash requirements.

MYRTLE AVENUE BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

3. **SERVICES AND PROGRAMS:**

The Corporation provides supplementary services to the commercial district between Flatbush Avenue Extension and Classon Avenue from assessments paid by commercial property owners in the district and collected by the City of New York. The current annual assessment is \$575,000. The Corporation's services and programs consist of the following:

a) **Public Space Management:**

The Public Space Management Program provides supplementary sanitation services, sidewalk sweeping, emptying of corner garbage bins, graffiti removal, streetlamp and street furniture cleaning and painting, and snow removal at bus shelters and crosswalks.

b) **District Marketing:**

The District Marketing Program promotes the commercial corridor in order to increase business activity for all retailers within the district. The program includes branding of the shopping district, production of printed promotional materials, attracting new businesses to the district, maintenance of a website and production of daily content, coordinating various social media accounts and email newsletters, media relations, cultural tourism, public art programs, advertising, and the production of special events and programming.

c) **Business Attraction & Assistance:**

The Business Attraction & Assistance program provides technical assistance and grant making initiatives to the merchant community within the district, with a focus on both business retention and business attraction to maintain a healthy storefront vacancy rate, equip small businesses for success, and collaborate with City agencies and external partners to create a business friendly environment along Myrtle Avenue.

d) **Streetscape & Beautification:**

The Streetscape Beautification Program promotes physical and aesthetic improvements to public spaces and the built environment, including the planting and maintenance of street trees and ornamentals, the design, installation, and maintenance of street furniture elements, the creation and maintenance of new public spaces, and providing design assistance and financial incentives to retailers to improve their storefronts and signage.

e) **Planning & Advocacy:**

The Planning & Advocacy Program includes conducting economic development, public policy, land use, historic preservation, transportation, real estate, and physical planning studies aimed at making future strategic investment and capital improvement decisions for the district.

f) **Community Initiatives:**

The Community Initiatives Program supports strategic partnerships with local schools and community groups, and provides summer employment and mentoring for local youth, and food access programming.

MYRTLE AVENUE BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

4. TAXES:

The Corporation is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, as such, is not subject to income taxes on net income from exempt purposes. Tax filings for the years ended June 30, 2018 and thereafter are still "in statute", and subject to IRS audit.

5. COMMITMENTS:

In July 2021 the Corporation renewed its lease for office space at 472 Myrtle Avenue, Brooklyn, N.Y. The lease is for two years ending August 31, 2023. The lease calls for gross monthly rent payments based on the following annual rent schedule for the years ending August 31, as follows:

2022	\$51,600
2023	\$51,600

By agreement the Corporation is sharing these premises with the Myrtle Avenue Commercial Revitalization and Development Project LDC (LDC) at no cost to LDC.

6. CONTRACTS:

Myrtle Avenue Brooklyn District Management Association, Inc. has entered into a two year agreement to perform certain community activities for \$100,000 per year, commencing July 1, 2020. The community programs to be provided include Fort Green & Farragut Fresh Pantry, Age-Friendly Myrtle Avenue and the Young entrepreneur Mentorship Program and others. The agreement calls for quarterly payments of \$50,000, \$25,000 & \$25,000 on September 1st, January 1st & April 1st, respectively. For the year ended June 30, 2021 these programs were supported as follow, Fort Green & Farragut Fresh Pantry \$65,000; Age-Friendly Myrtle Avenue \$12,500, and Youth Initiatives \$22,500.

Through June 30, 2020 the Corporation had a contract with the LDC to receive administration and staffing services from LDC. Total payments under this agreement for the year ended June 30, 2020 was \$295,949. Subsequently the Corporation has paid for its own administrative and staffing costs.

7. SUBSEQUENT EVENTS:

The Corporation has evaluated subsequent events through November 11, 2021, the date which the financial statements were issued. During the period. The Corporation did not have any material subsequent events.