

**GREATER JFK DISTRICT MANAGEMENT ASSOCIATION, INC.
FINANCIAL STATEMENTS
AND
AUDITORS' REPORT**

JUNE 30, 2022

GREATER JFK DISTRICT MANAGEMENT ASSOCIATION, INC.

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INDEPENDENT AUDITORS' REPORT

To: The Board of Directors of
Greater JFK District Management Association, Inc.

Opinion

We have audited the financial statements of Greater JFK District Management Association, Inc., a nonprofit organization, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying 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, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Greater JFK District Management Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater JFK District Management Association, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they could reasonably be expected to influence the judgement made by a reasonable user based on these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Greater JFK District Management Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater JFK District Management Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

New York, NY
January 18, 2023

Skody Scot & Company, CPAs, P.C.

GREATER JFK DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

ASSETS

Cash	\$ 624,928
Prepaid expenses	2,177
Property and equipment, net	8,464
Security deposits	1,000
Total assets	<u>\$ 636,569</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued expenses	\$ 14,747
Total liabilities	<u>14,747</u>
Commitments and contingencies (see notes)	
Net Assets:	
Without donor restrictions	621,822
With donor restrictions	-
Total net assets	<u>621,822</u>
Total liabilities and net assets	<u>\$ 636,569</u>

See accompanying notes to the financial statements.

**GREATER JFK DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Support and Revenues:

Without donor restrictions:

Assessment revenue	\$ 500,000
Total support and revenues	<u>500,000</u>

Expenses:

Program services:

Sanitation and maintenance	134,054
Public safety	87,683
Planning & transportation	170,176
Marketing	86,903
Total program expenses	<u>478,816</u>

Supporting services:

Management and general	208,490
Total expenses	<u>687,306</u>

Increase/(Decrease) in Net Assets:

Without donor restrictions	(187,306)
With donor restrictions	<u>-</u>
Increase/(decrease) in net assets	(187,306)

Net assets, beginning of year	<u>809,128</u>
Net assets, end of year	<u>\$ 621,822</u>

See accompanying notes to the financial statements.

**GREATER JFK DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 2022**

	Program Expenses				Total Program	Management and General	Total Expenses
	Sanitation & Maintenance	Public Safety	Planning & Transportation	Marketing			
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,448	\$ 109,448
Payroll taxes	-	-	-	-	-	8,915	8,915
Employee benefits	-	-	-	-	-	13,595	13,595
Consultants and outside contractors	132,879	87,683	-	-	220,562	30,341	250,903
Depreciation and amortization	-	-	-	-	-	4,819	4,819
Equipment	-	-	-	-	-	4,448	4,448
Events	-	-	-	46,179	46,179	-	46,179
Insurance	-	-	-	-	-	4,536	4,536
Office supplies and expenses	-	-	-	-	-	5,503	5,503
Printing	-	-	-	6,865	6,865	-	6,865
Promotion	-	-	-	7,168	7,168	-	7,168
Professional fees	-	-	-	-	-	388	388
Program expenses - other	-	-	-	-	-	634	634
Rent and utilities	-	-	-	-	-	16,096	16,096
Shuttle service	-	-	75,000	-	75,000	-	75,000
Strategic planning	-	-	95,176	-	95,176	-	95,176
Streetscape improvements	1,175	-	-	-	1,175	-	1,175
Telephone and communications	-	-	-	-	-	2,536	2,536
Travel	-	-	-	-	-	1,968	1,968
Website & IT	-	-	-	26,691	26,691	5,263	31,954
Total expenses	<u>\$ 134,054</u>	<u>\$ 87,683</u>	<u>\$ 170,176</u>	<u>\$ 86,903</u>	<u>\$ 478,816</u>	<u>\$ 208,490</u>	<u>\$ 687,306</u>

See accompanying notes to the financial statements.

**GREATER JFK DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022**

Cash flows from operating activities:	
Increase/(decrease) in net assets	\$ (187,306)
Adjustments for non-cash items included in operating activities:	
Depreciation and amortization	4,819
Changes in assets and liabilities:	
Prepaid expenses	25,000
Accounts payable and accrued expenses	(58,306)
Assessment advance	(250,000)
Net cash provided/(used) by operating activities	<u>(465,793)</u>
Cash flows from investing activities	<u>-</u>
Cash flows from financing activities	<u>-</u>
Net increase/(decrease) in cash	(465,793)
Cash, at beginning of year	<u>1,090,721</u>
Cash, at end of year	<u><u>\$ 624,928</u></u>

See accompanying notes to the financial statements.

**GREATER JFK DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies

The Association

Greater JFK District Management Association, Inc. (Association), a not-for-profit organization, was incorporated in the State of New York on June 16, 2017. The Association is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and accordingly, no provision for federal, state or local income taxes has been recorded. The Association does not believe its financial statements include any uncertain tax positions. The Association primarily receives its support from a real estate special assessment levied by The City of New York (City) on properties located in the Greater JFK Business Improvement District (BID) in the borough of Queens. The BID's boundaries extend along both side of Rockaway Blvd., approximately 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 Association's programs include the following: Sanitation and Maintenance - maintaining clean streets/curbs/sidewalks and garbage removal; Public Safety - providing increased public security; Planning & Transportation - strategic planning and shuttle services; and Marketing - promoting the district to residents and tourists and to retain and develop prospective businesses.

Basis of Accounting

The financial statements of the Association have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Property and Equipment

The Association capitalizes certain property and equipment with estimated lives of three years or more. Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation of furniture and equipment is computed by the straight-line method over estimated useful lives ranging from three to ten years. Leasehold improvements are amortized by the straight-line method over the life of the improvement or the term of the lease, whichever is shorter. Expenditures for repairs and maintenance are charged as an expense, and major renewals and betterments are capitalized.

GREATER JFK DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Assets

Net assets, revenue, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. This classification includes net assets designated by the board or management for a specified purpose or for an operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature (endowment), where the donor stipulates that resources be maintained in perpetuity.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of expenses. All expenses were directly allocated to a functional area during the year ended June 30, 2022. The Association classifies expenses, which are not directly related to a specific program, as Management and General expenses.

Revenue Recognition

The real estate assessment levied by the City is recorded by the Association when earned. The City remits these assessments to the Association in two installments. An allowance for doubtful accounts is not provided because all assessments are received in the current year. Assessment billing adjustments are corrected in the next billing cycle.

Note 2 - Property and Equipment

Property and equipment by major class consisted of the following at June 30, 2022:

Equipment	\$ 19,590
Leasehold improvements	<u>1,500</u>
	21,090
Less: Accumulated depreciation and amortization	<u>(12,626)</u>
	<u>\$ 8,464</u>

GREATER JFK DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

Note 3 - Concentrations

The Association maintains its bank account with a financial institution. The Federal Deposit Insurance Corporation (FDIC) insures bank deposits up to \$250,000 per financial institution. At times, the balance of the account may have exceeded the insured limits during the year ended June 30, 2022.

Note 4 - Commitments and Contingencies

The Association leases office space under a non-cancelable operating lease set to expire in August 2022. As of June 30, 2022, minimum aggregate annual rentals are as follows:

Year ended June 30, 2023	\$ 2,600
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Note 5 - Liquidity and Availability of Financial Assets

The Association regularly monitors liquidity required to meet its operating needs and other obligations as they come due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Association considers all expenditures related to its ongoing activities to be general expenditures. Amounts available for general expenditures over a 12-month period include donor-restricted amounts that are available for ongoing programmatic and support expenditures.

The following reflects the Association's financial assets, as of June 30, 2022, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

Financial assets:	
Cash	\$ 624,928
Less those unavailable for general expenditures within one year	<u> -</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 624,928</u></u>

Note 6 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through January 18, 2023, which is the date the financial statements were available to be issued.



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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To: The Board of Directors of
Greater JFK District Management Association, Inc.

We have audited the financial statements of Greater JFK District Management Association, Inc. as of and for the year ended June 30, 2022, and have issued our report thereon dated January 18, 2023, 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 expenses and budget is presented for the purpose 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.

New York, NY
January 18, 2023

Skody Scot & Company, CPAs, PC

GREATER JFK DISTRICT MANAGEMENT ASSOCIATION, INC.
SCHEDULE OF EXPENSES AND BUDGET
(Supplemental Financial Information)
YEAR ENDED JUNE 30, 2022

	Total Expenses	Budget
Salaries	\$ 109,448	\$ 165,708
Payroll taxes	8,915	-
Employee benefits	13,595	-
Consultants and outside contractors	250,903	243,500
Depreciation and amortization	4,819	-
Equipment	4,448	-
Events	46,179	-
Insurance	4,536	-
Office supplies and expenses	5,503	-
Printing	6,865	-
Promotion	7,168	63,250
Professional fees	388	-
Program expenses - other	634	18,000
Rent and utilities	16,096	17,000
Shuttle service	75,000	75,000
Strategic planning	95,176	-
Streetscape improvements	1,175	-
Telephone and communications	2,536	8,500
Travel	1,968	-
Website & IT	31,954	-
Administrative	-	17,250
	<u>\$ 687,306</u>	<u>\$ 608,208</u>