

**Columbus Avenue  
District Management Association, Inc.**

**Financial Statements**

**Years Ended  
June 30, 2015 and 2014**

**Columbus Avenue District Management Association, Inc.**

**June 30, 2015 and 2014**

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## **Independent Auditors' Report**

**To the Board of Directors  
Columbus Avenue District Management Association, Inc.  
New York, New York**

We have audited the accompanying financial statements of the Columbus Avenue District Management Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and 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 the Columbus Avenue District Management Association, Inc. as of June 30, 2015 and 2014, 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.

## **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 6 and 7 are presented for purposes of additional analysis and are 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.

*Bauer and Colabella, LLP*

**Bauer and Colabella, LLP  
Brooklyn, New York  
October 12, 2015**

**Columbus Avenue District Management Association, Inc.**  
**(a not-for-profit organization)**  
**Statements of Financial Position**  
**June 30, 2015 and 2014**

**Assets**

	<u><b>2015</b></u>	<u><b>2014</b></u>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 390,524	\$ 361,386
Accounts receivable	22,768	22,581
Prepaid expenses	4,584	11,436
<b>Total Current Assets:</b>	<u>417,876</u>	<u>395,403</u>
 <b>Depreciable Property:</b>		
Depreciable property (Note 6)	139,430	139,430
Less: accumulated depreciation	<u>(78,161)</u>	<u>(74,725)</u>
<b>Net Depreciable Property</b>	<u>61,269</u>	<u>64,705</u>
 Security deposit	<u>750</u>	<u>750</u>
 <b>Total Assets</b>	 <u>\$ 479,895</u>	 <u>\$ 460,858</u>

**Liabilities and Net Assets**

<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 82,058	\$ 34,705
<b>Total Current Liabilities</b>	<u>82,058</u>	<u>34,705</u>
 <b>Net Assets:</b>		
Unrestricted	397,837	426,153
Temporarily restricted	-	-
Permanently restricted	<u>-</u>	<u>-</u>
<b>Total Net Assets</b>	<u>397,837</u>	<u>426,153</u>
 <b>Total Liabilities and Net Assets</b>	 <u>\$ 479,895</u>	 <u>\$ 460,858</u>

See accompanying notes to financial statements

**Columbus Avenue District Management Association, Inc.**  
**(a not-for-profit organization)**  
**Statements of Activities and Changes in Net Assets**  
**For the Year Ended June 30, 2015**  
**(with comparative totals for 2014)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2015</u>	<u>Total 2014</u>
<b>Support and Revenue:</b>					
BID assessments-NYCDSBS	\$ 308,366	\$ -	\$ -	\$ 308,366	\$ 308,800
Special event (New Taste) sponsors	136,924	-	-	136,924	129,433
Special event (New Taste) ticket sales	228,367	-	-	228,367	198,243
Map ad revenue	10,850	-	-	10,850	15,150
Contributions	120	-	-	120	2,500
Interest income	-	-	-	-	-
<b>Total Support and Revenue</b>	<u>684,627</u>	<u>-</u>	<u>-</u>	<u>684,627</u>	<u>654,125</u>
<b>Expenses:</b>					
Program services	222,563	-	-	222,563	219,016
Management and general	120,459	-	-	120,459	116,992
Fundraising	<u>369,922</u>	<u>-</u>	<u>-</u>	<u>369,922</u>	<u>352,501</u>
<b>Total Expenses</b>	<u>712,944</u>	<u>-</u>	<u>-</u>	<u>712,944</u>	<u>688,509</u>
<b>Changes in Net Assets</b>	(28,316)	-	-	(28,316)	(34,383)
<b>Net Assets, Beginning</b>	<u>426,153</u>	<u>-</u>	<u>-</u>	<u>426,153</u>	<u>460,536</u>
<b>Net Assets, Ending</b>	<u>\$ 397,837</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 397,837</u>	<u>\$ 426,153</u>

See accompanying notes to financial statements

**Columbus Avenue District Management Association, Inc.**  
**(a not-for-profit organization)**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>Operating Activities:</b>		
Changes in net assets	\$ (28,316)	\$ (34,383)
Adjustments to reconcile increase (decrease) to cash provided (used) by operating activities		
Provision for amortization/depreciation	3,436	3,436
(Increase) decrease in operating assets:		
Accounts receivable	(187)	13,320
Prepaid expenses	6,852	(3,001)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	47,354	(39,123)
Net cash provided by (used in) operating activities:	29,138	(59,751)
<b>Investing Activities:</b>		
None	-	-
Net cash (used in) investing activities:	-	-
<b>Financing Activities:</b>		
None	-	-
Net cash (used in) financing activities:	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	29,138	(59,751)
<b>Cash and cash equivalents - beginning of period</b>	361,386	421,137
<b>Cash and cash equivalents - end of period</b>	\$ 390,524	\$ 361,386

See accompanying notes to financial statements

Columbus Avenue District Management Association, Inc.  
(a not-for-profit organization)  
**Statements of Functional Expenses**  
For the Year Ended June 30, 2015  
(with comparative totals for 2014)

	<u>Program Services</u>				<u>Support Services</u>			<u>Total</u> <u>2015</u>	<u>Total</u> <u>2014</u>
	<u>Supplemental</u> <u>Sanitation</u> <u>Programs</u>	<u>Beautification</u> <u>Programs</u>	<u>Marketing and</u> <u>Promotion</u>	<u>Other</u> <u>Programs</u>	<u>Total</u> <u>Program</u> <u>Services</u>	<u>Management</u> <u>and</u> <u>General</u>	<u>Fundraising</u>		
<b>Expenses:</b>									
Payroll	\$ -	\$ -	\$ 55,633	\$ -	\$ 55,633	\$ 55,800	\$ 55,633	\$ 167,066	\$ 175,562
Payroll taxes	-	-	4,556	-	4,556	4,569	4,556	13,680	13,329
Payroll services	-	-	-	-	-	1,939	-	1,939	1,844
Professional fees	-	-	8,500	-	8,500	14,180	103,982	126,662	106,216
Street cleaning	54,965	-	-	-	54,965	-	-	54,965	194,128
Equipment rental and maintenance	-	-	-	-	-	-	143,519	143,519	108,753
Printing and publications	-	-	15,193	-	15,193	-	8,069	23,261	23,157
Tree maintenance and plantings	-	31,207	-	-	31,207	-	-	31,207	32,983
Pedestrian and holiday lights	-	-	9,510	-	9,510	-	-	9,510	9,510
Rent and utilities	-	-	-	-	-	10,281	-	10,281	11,040
Insurance	-	-	-	-	-	8,236	1,251	9,487	6,531
Health insurance	-	-	-	-	-	2,504	-	2,504	3,115
Outside services	-	-	-	-	-	-	32,702	32,702	56,663
Depreciation expense	-	-	-	-	-	3,436	-	3,436	3,436
Office expenses and supplies	-	-	-	-	-	9,008	16,712	25,720	34,188
Telephone	-	-	-	-	-	3,537	-	3,537	4,143
Donations	-	-	-	43,000	43,000	-	-	43,000	34,000
Dues, subscriptions and filing fees	-	-	-	-	-	1,691	-	1,691	1,361
Meetings, travel and conferences	-	-	-	-	-	5,277	3,500	8,777	7,980
<b>Total Expenses:</b>	<u>\$ 54,965</u>	<u>\$ 31,207</u>	<u>\$ 93,391</u>	<u>\$ 43,000</u>	<u>\$ 222,563</u>	<u>\$ 120,459</u>	<u>\$ 369,922</u>	<u>\$ 712,944</u>	<u>\$ 827,939</u>

See accompanying notes to financial statements



**Columbus Avenue District Management Association, Inc.**  
**(a not-for-profit organization)**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2014**

	<u>Program Services</u>				<u>Support Services</u>			<u>Total 2014</u>
	<u>Supplemental Sanitation Programs</u>	<u>Beautification Programs</u>	<u>Marketing and Promotion</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
<b>Expenses:</b>								
Payroll	\$ -	\$ -	\$ 58,462	\$ -	\$ 58,462	\$ 58,638	\$ 58,462	\$ 175,562
Payroll taxes	-	-	4,439	-	4,439	4,452	4,439	13,329
Payroll services	-	-	-	-	-	1,844	-	1,844
Professional fees	-	-	8,995	-	8,995	7,818	89,403	106,216
Street cleaning	54,698	-	139,430	-	194,128	-	-	194,128
Equipment rental and maintenance	-	-	-	-	-	-	108,753	108,753
Printing and publications	-	-	15,929	-	15,929	-	7,228	23,157
Tree maintenance and plantings	-	32,983	-	-	32,983	-	-	32,983
Pedestrian and holiday lights	-	-	9,510	-	9,510	-	-	9,510
Rent and utilities	-	-	-	-	-	11,040	-	11,040
Insurance	-	-	-	-	-	6,531	-	6,531
Health insurance	-	-	-	-	-	3,115	-	3,115
Outside services	-	-	-	-	-	-	56,663	56,663
Depreciation expense	-	-	-	-	-	3,436	-	3,436
Office expenses and supplies	-	-	-	-	-	10,635	23,553	34,188
Telephone	-	-	-	-	-	4,143	-	4,143
Donations	-	-	-	34,000	34,000	-	-	34,000
Dues, subscriptions and filing fees	-	-	-	-	-	1,361	-	1,361
Meetings, travel and conferences	-	-	-	-	-	3,980	4,000	7,980
<b>Total Expenses:</b>	<u>\$ 54,698</u>	<u>\$ 32,983</u>	<u>\$ 236,765</u>	<u>\$ 34,000</u>	<u>\$ 358,446</u>	<u>\$ 116,992</u>	<u>\$ 352,501</u>	<u>\$ 827,939</u>

See accompanying notes to financial statements

**Columbus Avenue District Management Association, Inc.**  
**Notes to Financial Statements**  
**June 30, 2015 and 2014**

**Note 1 – Organization**

The Columbus Avenue District Management Association, Inc. (the BID) was incorporated under New York State and organized to promote commercial revitalization along Columbus Avenue from West 67<sup>th</sup> to West 82<sup>nd</sup> Streets in New York City 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 October 12, 2015, the date the financial statements were available to be issued.

**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***

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, *Presentation of Financial Statements*. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Unrestricted** – represents activity which has not been restricted by donors.

**Temporarily restricted** – represents donor restricted contributions whose restrictions have not been met at year end but whose restrictions are anticipated to be met in the future. The organization did not have any temporarily restricted net assets at June 30, 2015 and 2014.

**Permanently restricted** – represents donor restricted assets which must remain intact. These types of assets are commonly referred to as endowment. The organization did not have any permanently restricted net assets at June 30, 2015 and 2014.

**Columbus Avenue District Management Association, Inc.**  
**Notes to Financial Statements**  
**June 30, 2015 and 2014**

**Note 3 – Nature of Organization and Summary of Significant Accounting Policies** *(continued)*

***Cash and Cash Equivalents***

The organization considers all highly liquid investments financial instruments purchased with a maturity of three months or less to be cash equivalents.

***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 a 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 Columbus Avenue District Management Association's various programs and supporting services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the organization.

***Tax Status***

The Columbus Avenue District Management Association, Inc. has received a determination from the Internal Revenue Service that they are exempt from federal income taxes as an organization under section 501(c)(3) of the Internal Revenue Code and is a publicly supported charity as provided in Section 509(a)(1). The organization is also registered with the New York State Charities Bureau. As a result, no provision for income taxes has been made in these financial statements.

***Comparative Financial Information***

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organizations financial statements for the year ended June 30, 2014, from which the summarized information as derived.

**Columbus Avenue District Management Association, Inc.**  
**Notes to Financial Statements**  
**June 30, 2015 and 2014**

**Note 3 – Nature of Organization and Summary of Significant Accounting Policies** *(continued)*

***Contributions***

In accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions received with donor stipulations that limit the use of the assets are reported as restricted support. When a restriction expires, that is, when a stipulated time restrictions ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. In addition, those contributions whose restrictions lapse in the same period the contribution is made are recorded as unrestricted.

***Uninsured Cash Balances***

The Federal Deposit Insurance Corporation (FDIC) insures deposit accounts for up to \$250,000 per depositor, per insured bank for each account ownership category. As of June 30, 2015 and 2014 the organization had deposits which exceeded FDIC coverage by approximately \$141,000 and \$115,200, respectively.

**Note 4 – 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 Columbus Avenue District Management Association, Inc. to provide the Columbus Avenue area from West 67<sup>th</sup> to West 82<sup>nd</sup> Streets 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.

The City of New York, acting through its Department of Small Business Services, renewed its contract with the Columbus Avenue District Management Association, Inc. for another five-year term. The new contract began July 1, 2013 and extends until June 30, 2018. The total income awarded by the City of New York, for the fiscal years ended June 30, 2015 and June 30, 2014 was \$308,366 and \$308,800, respectively.

**Note 5 – Contingency**

The Columbus Avenue District Management Association is dependent on assessments against property in the district collected by the NYC Department of Finance. Any change in this level of support could materially impact the ability of the Columbus Avenue District Management Association to continue to provide its services.

**Columbus Avenue District Management Association, Inc.**  
**Notes to Financial Statements**  
**June 30, 2015 and 2014**

**Note 6 – Depreciable Property**

Depreciable property at June 30, 2015 and 2014 consists of:

	<b>2015</b>	<b>2014</b>
Office furniture, fixtures and equipment	\$ 10,269	\$ 10,269
Website	4,800	4,800
Streetscape improvements	68,711	68,711
Tree guards	<u>55,650</u>	<u>55,650</u>
Total depreciable property	<u>139,430</u>	<u>139,430</u>
Less accumulated depreciation	<u>(78,161)</u>	<u>(74,725)</u>
Net depreciable property	<u>\$ 61,269</u>	<u>\$ 64,705</u>

Depreciation expense for June 30, 2015 and 2014 was \$3,436 and \$3,436, respectively.

**Note 7 – Street Maintenance Contract**

The Columbus Avenue District Management Association renewed its contract for supplemental street sanitation services with The Doe Fund, Inc. beginning on October 1, 2012 and ending September 30, 2013, at which time the contract was renewed until September 30, 2014. The contract was extended again for another year until September 30, 2015 with an annual fee of \$54,645 being made in equal monthly payments of \$4,553.75. Street cleaning fees for the periods ended June 30, 2015 and 2014 were \$54,965 and \$54,698, respectively.

**Note 8 – Office Lease**

On August 29, 2012, the Columbus Avenue District Management Association signed a lease for office space located at 180 West 80<sup>th</sup> Street in Manhattan, New York. The lease will be for a one year term beginning on September 1, 2012 until August 31, 2013 for an annual rental rate of \$9,000 payable in monthly installments of \$750 plus a utility surcharge of \$88.40. The lease was extended for another year until August 31, 2014 at which time it was renewed through August 31, 2015. Rent expense for the fiscal years ended June 30, 2015 and 2014 was \$10,281 and \$11,040, respectively.

**Columbus Avenue District Management Association, Inc.**  
**Notes to Financial Statements**  
**June 30, 2015 and 2014**

**Note 9 – Fundraising Event Management Contract**

The Columbus Avenue District Management Association has entered into a contract with a company to help manage its annual fundraising event. The contract was for a three-year term beginning September 1, 2010, with incremental management fee increases at the end of each contract year. The project management fee for the first year was \$42,000; the second year's fee was \$44,100 and the third year's fee was \$46,300.

In addition to the base management fee, an incentive fee of 20% was paid on all cash revenue secured by the management company on behalf of the DMA for the first \$50,000, and a 25% incentive fee for all cash revenue over and above \$50,000. A flat travel stipend of \$4,000 for all travel and out-of-pocket expenses associated with managing the event was also paid for each contract period.

The Columbus Avenue District Management Association renewed its contract with Agency 21 Consulting LLC to help manage its annual fundraising event. The new contract is for a three-year term beginning November 1, 2013, with incremental management fee increases at the end of each contract year. The project management fee for the first year will be \$46,790; the second year's fee will be \$48,194 and the third year's fee will be \$49,640.

In addition to the base management fee, an incentive fee of 20% will be paid on all cash revenue secured by the management company on behalf of the DMA for the first \$50,000, and a 25% incentive fee for all cash revenue over and above \$50,000. This base incentive fee increases to \$55,000 for the 2015 event and \$60,000 for the 2016 event, with the percentages remaining the same. A flat travel stipend of \$3,500 for all travel and out-of-pocket expenses associated with managing the event was also paid.

**Note 10 – Subsequent Events**

***Renewal of Office Space Lease***

The Columbus Avenue District Management Association extended its current agreement to rent office space through August 31, 2016, with annual rent due of \$9,000 payable in equal monthly installments of \$750.

***Renewal of Street Maintenance Contract***

The Columbus Avenue District Management Association is in the process of signing a new agreement with The Doe Fund for continued supplemental sidewalk/street maintenance as of the date of this report.

***Increase in Assessment***

The members of the BID are in the process of applying to increase their budgeted assessment for fiscal years ending June 30, 2016 and later by \$150,000, phased in at \$30,000 per year over a five-year period. At the time of this report, the status of this is pending approval from the City of New York and the Department of Small Business Services.