

**EAST BROOKLYN DISTRICT  
MANAGEMENT ASSOCIATION, INC.**

**FINANCIAL STATEMENTS**

**AS OF AND**

**FOR THE YEAR ENDED JUNE 30, 2024**

**TOGETHER WITH AUDITOR'S OPINION**

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**Aston Bell, CPA**

P.O. Box 626  
Rancocas, NJ 08073

**EAST BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.**

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
East Brooklyn District Management Association, Inc.  
80 Jamaica Avenue, 3<sup>rd</sup> Floor  
Brooklyn, NY 11207

### **Opinion**

I have audited the accompanying statement of financial position of East Brooklyn District Management Association, Inc. as of June 30, 2024, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of East Brooklyn District Management Association, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, ("GAAS"). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of East Brooklyn District Management Association, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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; 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.

## **Responsibilities of Management for the Financial Statements (Continued)**

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 East Brooklyn District Management Association, Inc.'s ability to continue as a going concern within one year after the date the financial statements are available to be issued.

## **Auditor's Responsibilities for the Financial Statements**

My 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 my 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 an 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 would influence the judgement made by a reasonable user based on the financial statements.

In performing the audit in accordance with GAAS, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks for 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 amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design the audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of East Brooklyn 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 my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about East Brooklyn District Management Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

*Aston Bell, CPA*

Queens, New York  
November 22, 2024

EAST BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.  
 STATEMENT OF FINANCIAL POSITION  
 AS OF JUNE 30, 2024

<u>ASSETS</u>		<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
Cash and Cash Equivalents	(Notes 2,3)	\$ 13,908	\$ -	\$ 13,908
Grant Receivable	(Note 4)	22,497	-	22,497
<b>Total Assets</b>		<b><u>\$ 36,405</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 36,405</u></b>
 <u>LIABILITIES AND NET ASSETS</u>				
Accounts Payable and Accruals		\$ 16,682	\$ -	\$ 16,682
Due to LDCENY		<u>8,983</u>	<u>-</u>	<u>8,983</u>
<b>Total Liabilities</b>		<b>25,665</b>	<b>-</b>	<b>25,665</b>
Net Assets:				
Without Donor Restrictions		<u>10,740</u>	<u>-</u>	<u>10,740</u>
<b>Total Net Assets</b>		<b>10,740</b>	<b>-</b>	<b>10,740</b>
 <b>Total Liabilities and Net Assets</b>		 <b><u>\$ 36,405</u></b>	 <b><u>\$ -</u></b>	 <b><u>\$ 36,405</u></b>

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

EAST BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

REVENUES AND OTHER SUPPORT	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
Assessment Revenue	\$ 142,500	\$ -	\$ 142,500
Grant Income (Note 5)	89,997	-	89,997
Total Revenue	<u>232,497</u>	<u>-</u>	<u>232,497</u>
<b>EXPENSES</b>			
<b>Program Services:</b>			
Business Neighborhood Development	191,994	-	191,994
Total Program Services	<u>191,994</u>	<u>-</u>	<u>191,994</u>
<b>Supporting Services:</b>			
Management and General	53,229	-	53,229
Total Supporting Services	<u>53,229</u>	<u>-</u>	<u>53,229</u>
Total Expenses	<u>245,223</u>	<u>-</u>	<u>245,223</u>
Change In Net Assets	(12,726)	-	(12,726)
Net Asset at Start of Year	23,466	-	23,466
Net Asset at End of Year	<u>\$ 10,740</u>	<u>\$ -</u>	<u>\$ 10,740</u>

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

EAST BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2024

Net Cash Flows From Operating Activities:

Change in Net Assets	\$ (12,726)
(Increase)/Decrease in Grant Receivable	(3,747)
Increase/(Decrease) in Accounts Payable and Accruals	2,614
Increase/(Decrease) in Due to LDCENY	5,708

Net Cash provided by Operating Activities	<u>(8,151)</u>
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Cash Flow from Financing Activities:

Increase/(Decrease) in Advance - BID Assessment Income	(71,250)
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Net Cash used by Financing Activities	<u>(71,250)</u>
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Net Increase/(Decrease) in Cash and Cash Equivalents	(79,401)
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Cash and Cash Equivalents at the Beginning of Year	93,309
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Cash and Cash Equivalents at the Year End	<u>\$ 13,908</u>
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The accompanying notes are an integral part of the financial statements.

EAST BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.  
 STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED JUNE 30, 2024

EXPENSES	SUPPORTING SERVICES		TOTAL
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	
Personnel: Salaries	\$ 38,000	\$ 38,000	\$ 76,000
Personnel: Fringe Benefits	6,365	6,365	12,730
Cleaning and Sweeping	80,837	-	80,837
Promotion and Advertising	17,302	-	17,302
Economic Development	15,000	-	15,000
Community Development	4,125	-	4,125
Program Consultants Expense	21,500	-	21,500
Other Than Personnel Services	8,865	8,864	17,729
Total Expenses	<u>\$ 191,994</u>	<u>\$ 53,229</u>	<u>\$ 245,223</u>

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

## **EAST BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.**

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### Note 1 - **Background**

In 1983, East Brooklyn District Management Association, Inc., (“EBDMA”) was organized under the Laws of the State of New York and is exempt from taxation under Section 501 (c) (3) of the Internal Revenue Code.

The EBDMA was organized to create a Business Improvement District, (“BID”) within a forty-block area in East Brooklyn Park area to enhance the business environment, bolster economic activity, and supplement municipal services. The Association’s activities and services include maintenance, and supportive services.

Revenues for the fiscal year ended June 30, 2024 includes Assessments per agreement with New York City Department of Small Business Services, (“SBS”) of \$142,500 and Grant Income by the NYC Small Business Services, a single district grant, as a part of its commercial revitalization services for the enhancement and provision of services in the Business District, in the amount of \$89,997.

#### Note 2 - **Summary of Significant Accounting Policies**

##### Basis of Accounting and Presentation

The financial statements of EBDMA have been prepared on the accrual basis of accounting following accounting principles generally accepted in the United States of America.

##### New Accounting Policies from Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update, (“ASU”) No. 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities (“ASU 2016-14”). ASU 2016-14 changes presentation and disclosure requirements for not-for-profit entities to provide more relevant information about their resources (and the changes to those resources) to donors, grantors, and creditors, and other users. These include qualitative and quantitative requirements in the following areas: • Net Asset Classes; • Investment Return; • Expenses; • Liquidity and Availability of Resources; and • Presentation of Operating Cash Flows.

Under the provisions of the Guide - ASU 2016-14, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the BID and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the BID. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. For the fiscal year ended June 30, 2024, there were no Net assets with donor restrictions.

**EAST BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.**

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

Note 2 - **Summary of Significant Accounting Policies (Continued)**

**New Accounting Policies from Recent Accounting Pronouncements (Continued)**

The Organization has implemented ASU 2016-14 changes; there was no impact on the Organization's change in net assets or financial position upon adoption of the new standard.

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09 that introduces a new five-step revenue recognition model in which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU also requires disclosures sufficient to enable users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, including qualitative and quantitative disclosures about contracts with customers, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The standard is effective for fiscal years beginning after December 15, 2018, with early adoption permitted for nonpublic entities.

The Organization has implemented ASU 2014-09 changes; there was no impact on the Organization's change in net assets or financial position upon adoption of the new standard.

**Cash and Cash Equivalents**

For the purposes of the statement of cash flows, EBDMA considers all highly liquid debt instruments purchased within maturity of three months or less to be cash and cash equivalents.

**Depreciation**

Depreciation is provided over the useful life of Equipment on a straight - line basis. The estimated useful lives for Equipment range from 3-7 years.

**Capitalization Policy**

Equipment is recorded at cost, if purchased, or fair value, if donated. Equipment of less than seven hundred (\$700) dollars is expensed.

**Contributions**

Under accounting principles generally accepted in the United States of America, East Brooklyn District Management Association, Inc. reports gifts of land, buildings, and equipment as net assets without donor restriction support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are to be reported as net assets with donor restriction support. In the absence of explicit donor stipulations about how long those long-lived assets must be maintained, East Brooklyn District Management Association, Inc. reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**EAST BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.**

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

Note 2 - **Summary of Significant Accounting Policies (Continued)**

**Revenue Recognition**

One hundred percent (100%) of revenues received from the special BID assessments made by New York City are based on levies on property owners within the Business District and funded by the New York City Department of Finance through SBS.

Generally, all donor-restricted support is reported as an increase in net assets with donor restriction, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. However, revenues whose restrictions are met within the same fiscal year are initially recorded and classified as net assets without donor restriction.

**Income Taxes**

East Brooklyn District Management Association, Inc. is exempt from Federal income taxes under Section 501 (c) (3) of the US Internal Revenue Code.

**Use of Estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

**Functional Allocation of Expenses**

The costs of providing various programs and supporting services have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program services and supporting services benefited.

Note 3 - **Cash and Cash Equivalents**

Cash and Cash Equivalents represent cash held in the Organization's operating account at Citibank. At June 30, 2024, Cash and Cash Equivalents are \$13,908.

Note 4 - **Grant Receivable**

At June 30, 2024, Grant Receivable in the amount of \$22,497 represents the balance outstanding on the Grant Income, a single district grant from the Neighborhood 360 Grant funds of the City of New York NYC through the Department of Small Business Services for the enhancement and provision of services in the Business District.

**EAST BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.**

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

Note 5 - **Grant Income**

Grant Income represents income earned from a single district grant from the Neighborhood 360 Grant funds of the City of New York NYC through the Department of Small Business Services, for the enhancement and provision of services in the Business District.

For the year ended June 30, 2024, Grant Income was \$89,997.

Note 7 - **Concentrations of Revenue Sources**

EBDMA receives sixty-one percent (61%) of its revenues from assessment funds and thirty-nine percent (39%) from a single grant for small BIDS from New York City Small Business Services. Any significant change in the City's approach to funding could significantly affect its revenues and the Organization's ability to function. Such changes may occur with little notice or inadequate funding to pay for the related costs, including the additional administrative burden, to comply with a change.

Note 8 - **Related Party**

One member of the Board of Directors of the EBDMA is also a member of the Board of Directors of Local Development Corporation of East New York, ("LDCENY").

EBDMA shares office space, equipment, management services, bookkeeping, administrative services, and personnel with LDCENY through an agreement with them.

Note 9 - **Liquidity and Availability**

The Organization's Financial Assets are available for general expenditure, that is without donor restrictions limiting their use, within one year of the balance sheet date. The Financial Assets comprise of Cash and Cash Equivalents of \$13,908 and Receivable of \$22,497. There were no donor restrictions on Cash and Cash Equivalents to be used in the next year.

**EAST BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.**

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

Note 10 - **Functional Expenses**

The Organization's financial statements report certain categories of expenses that are attributed to one program: Business Neighborhood and Development and one support function: Management and General. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include: personnel: salaries, personnel: fringe benefits, cleaning and sweeping, promotions and advertising, economic development, community development, program consultants' expense, and other than personnel services which are allocated based on actual costs and reasonable percentage estimates of cost line items.

Note 11 - **Subsequent Events**

EBDMA evaluated its June 30, 2024 financial statements for subsequent events through November 22, 2024, the date the financial statements were available to be issued. Except for Increase in BID Assessment (see paragraph below), EBDMA is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements.

**Increase in BID Assessment**

Subsequent to the year end, EBDMA's budget for assessment income increased to \$200,000, and half of the annual assessed amount of \$100,000 was received.