

Audited Financial Statements

BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.
JUNE 30, 2012 and 2011

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Audited Financial Statements

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LIBERTA & MILO, LLP
Certified Public Accountants

Louis G. Liberta, CPA

Douglas P. Milo, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of directors of
Bayside Village Business Improvement District, Inc.
213-38 40TH Avenue
Bayside, NY 11361

We have audited the accompanying financial statements of the Bayside Village Business Improvement District, Inc. (a non-profit organization) which comprise the statements of financial position as of June 30, 2012 and 2011 and the related statements of activities and cash flows for the years then ended and the related notes to 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of any 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 procedure 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bayside Village Business Improvement District, Inc. as of June 30, 2012 and 2011 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Liberta & Milo, LLP

November 1, 2012
Roslyn, New York

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BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash - General a/c	\$43,203	\$32,456
Prepaid expenses	3,069	580
Receivables	0	6,829
Start-up costs - net	<u>23,800</u>	<u>27,200</u>
 TOTAL ASSETS	 <u>\$70,072</u>	 <u>\$87,065</u>
 LIABILITIES AND NET ASSETS		
Accrued expenses	\$8,298	\$23,023
Loans payable-Note 3	<u>23,800</u>	<u>27,200</u>
 TOTAL LIABILITIES	 <u>32,098</u>	 <u>50,223</u>
 NET ASSETS	 <u>37,974</u>	 <u>16,842</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$70,072</u>	 <u>\$87,065</u>

See accompanying notes to the financial statements.

BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.
STATEMENTS OF ACTIVITY
FOR THE YEARS ENDED JUNE 30,

	<u>2012</u>	<u>2011</u>
Revenue		
Assessment revenue	\$131,368	\$81,368
Sponsorships	1,550	0
Banner program - net of refunds	(6,012)	19,079
Participation fees	1,528	1,960
Inkind donation - rent	<u>9,000</u>	<u>0</u>
	<u>137,434</u>	<u>102,407</u>
Expenses		
Functional expenses	<u>112,902</u>	<u>107,515</u>
Change in net assets from activities	24,532	(5,108)
Less- amortization of start-up costs	<u>3,400</u>	<u>3,400</u>
Change in net assets	21,132	(8,508)
NET ASSETS - JULY 1,	<u>16,842</u>	<u>25,350</u>
NET ASSETS - JUNE 30,	<u>\$37,974</u>	<u>\$16,842</u>

See accompanying notes to the financial statements.

BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	<u>2012</u>	<u>2011</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$21,132	(\$8,508)
Adjustments to reconcile change in net assets to net cash from operations :		
Amortization of start-up costs	3,400	3,400
Changes in operating assets and liabilities:		
(Increase)/decrease in prepaid expenses	(2,489)	40
Decrease/(increase) in receivables	6,829	(6,829)
(Decrease)/increase in accrued expenses	<u>(14,725)</u>	<u>16,904</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>14,147</u>	<u>5,007</u>
NET CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on loans payable	<u>(3,400)</u>	<u>(3,400)</u>
NET CASH (USED IN) FINANCING ACTIVITIES	<u>(3,400)</u>	<u>(3,400)</u>
Net increase in cash and cash equivalents	10,747	1,607
CASH AT BEGINNING OF YEAR - July 1,	<u>32,456</u>	<u>30,849</u>
CASH AT END OF YEAR - June 30,	<u>\$43,203</u>	<u>\$32,456</u>

See accompanying notes to the financial statements.

**BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

Note 1: REPORTING ENTITY

The Bayside Village Business Improvement District, Inc. is a registered 501(C)(3) non-profit organization. The organization's services may include any services required for the enjoyment and protection of the public, and the promotion and enhancement of the District. The services will supplement the municipal services that are provided by the City to the District, and shall not take the place of services provided by the City on a city wide basis.

Description of Services

- 1) Sanitation
- 2) Maintenance / Improvements
- 3) Holiday and Seasonal Decoration
- 4) Promotions
- 5) Security
- 6) Parking
- 7) Administration
- 8) Additional Services

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the significant accounting policies of the Bayside Village Business Improvement District, Inc. applied in preparation of the accompanying financial statement follows:

Basis of Presentation - The financial statements of the Bayside Village Business Improvement District, Inc. have been prepared on the accrual basis of accounting in conformity with the accounting principles generally accepted in the United States of America.

Financial Statement Presentation - The statements of financial position and of activities focuses on the organization as a whole and reports the amounts of it's total assets, liabilities, net assets and changes in net assets in accordance with the Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-For-Profit Organizations*.

Cash and Cash Equivalents - For purposes of the statement of cash flows, The Bayside Village Business Improvement District, Inc. included both cash deposit accounts and short-term investments, if any, with maturities of less than three months from the date they were purchased.

Revenue Recognition/Contributions - Support that is not restricted by the donor is reported as an increase in unrestricted net assets in the reporting period in which the support is recognized. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction in the reporting period in which the support is recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Contributed Services - During the years ended June 30, 2012 and 2011, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist in the organization's objectives, but these services do not meet the criteria for recognition as contributed services.

Use of Estimates and Assumptions- The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses- The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses.

Income Tax Status- The Bayside Village Business Improvement District, Inc. is exempt from income taxes under Section 501(a) of the Internal Revenue Code of 1986 as a charitable organization described in Section 501(c)(3). Consequently, no provision for federal income taxes is required or included in the accompanying financial statements.

Receivables- The Bayside Village Business Improvement District, Inc. reviews the receivables periodically and considers the receivables at June 30, 2012 and 2011 to be fully collectible; accordingly no allowance for doubtful accounts has been recorded.

Note 3: LOANS PAYABLE

There is a 10 year no interest loan for \$34,000 that was extended to the Bayside Village Business Improvement District, Inc. for start-up costs and incorporation fees by the Bayside Businessman's Association. Payments are to be made annually beginning in the fiscal year ended June 30, 2010.

Maturity Date – Fiscal year ended June 30, 2019.

Balance – June 30, 2012 \$23,800

Note 4: BANNER PROGRAM

The Bayside Village Business Improvement District, Inc. raises funds through a banner program. The program allows members of the Bayside Village Business Improvement District, Inc. and the local community to sponsor and display advertising on lampposts within the District.

**BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

Note 5: CONTRACT WITH THE CITY OF NEW YORK

On July 1, 2008, the Bayside Village Business Improvement District, Inc. entered into a contract with the City of New York to receive funds specially assessed for the operation and maintenance of the improvements; for providing supplemental maintenance; and to enter into contract with other entities for the purposes of providing services and carrying out the maintenance and operation of the improvements within the District.

This contract is set to expire on July 1, 2013. The City, in its sole discretion, has the option to renew this contract, upon the termination date, for a further term of five years.

As of June 30, 2012 the Bayside Village Business Improvement District, Inc. has received \$131,368 from the City of New York representing payment for the fiscal year 2012.

BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30,

		<u>2012</u>		<u>2011</u>
Program services:				
Marketing and promotion	\$7,091		\$5,478	
Banner program	0		19,079	
Special events	1,023		3,337	
Holiday lights	17,625		17,000	
Sanitation	<u>34,667</u>	60,406	<u>29,931</u>	74,825
Supporting services:				
Administration	33,125		22,750	
Bank charges	0		83	
Dues and subscriptions	0		87	
Fees	35		35	
Insurance	1,742		1,740	
Meetings	696		0	
Office supplies	1,320		2,426	
Professional fees	3,500		3,500	
Rent	9,000		0	
Telephone	3,035		1,847	
Travel	<u>43</u>	<u>52,496</u>	<u>222</u>	<u>32,690</u>
		<u>\$112,902</u>		<u>\$107,515</u>

See accompanying notes to the financial statements.