



**LIBERTA & MILO, LLP**  
Certified Public Accountants

Louis G. Liberta, CPA

Douglas P. Milo, CPA

**MANAGEMENT LETTER FOR  
THE BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.**

To the Board of directors of  
Bayside Village Business Improvement District, Inc.  
213-33 39<sup>th</sup> Avenue  
Suite 310  
Bayside, NY 11361

In planning and performing our audit of the financial statement of the Bayside Village Business Improvement District, Inc. for the fiscal year ended June 30, 2013 in accordance with auditing standards generally accepted in the United States of America, we considered the Bayside Village Business Improvement District, Inc.'s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

Material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weakness.

During our audit we did not identify any deficiencies in internal control that we consider to be significant deficiencies or material weaknesses, as defined above.

This communication is intended solely for the information and use of the Board of directors, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

*Liberta & Milo, LLP*

November 1, 2013  
Roslyn, New York

**Audited Financial Statements**

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**BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.  
JUNE 30, 2013 and 2012**

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**INDEPENDENT AUDITORS' REPORT**

To the Board of directors of  
Bayside Village Business Improvement District, Inc.  
213-33 39<sup>TH</sup> 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, 2013 and 2012 and the related statements of activities and cash flows for the years then ended and the related notes to the financial statements.

**Management 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 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.

**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, 2013 and 2012 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, 2013  
Roslyn, New York

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

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash - General a/c	\$62,055	\$43,203
Prepaid expenses	1,181	3,069
Receivables	5,342	0
Start-up costs - net	<u>20,400</u>	<u>23,800</u>
<b>TOTAL ASSETS</b>	<b><u>\$88,978</u></b>	<b><u>\$70,072</u></b>
 <b>LIABILITIES AND NET ASSETS</b>		
Accrued expenses	\$14,997	\$8,298
Loans payable-Note 3	<u>20,400</u>	<u>23,800</u>
<b>TOTAL LIABILITIES</b>	<b><u>35,397</u></b>	<b><u>32,098</u></b>
 <b>NET ASSETS</b>	<b><u>53,581</u></b>	<b><u>37,974</u></b>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$88,978</u></b>	<b><u>\$70,072</u></b>

See Independent auditor's report and accompanying notes to the financial statements.

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

	<u>2013</u>	<u>2012</u>
Revenue		
Assessment revenue	\$131,368	\$131,368
Sponsorships	3,550	1,550
Grants	5,500	0
Banner program - net of refunds	6,000	(6,012)
Participation fees	375	1,528
In kind donation - rent	<u>9,000</u>	<u>9,000</u>
	<u>155,793</u>	<u>137,434</u>
Expenses		
Functional expenses	<u>136,786</u>	<u>112,902</u>
Change in net assets from activities	19,007	24,532
Less- amortization of start-up costs	<u>3,400</u>	<u>3,400</u>
Change in net assets	15,607	21,132
NET ASSETS - JULY 1,	<u>37,974</u>	<u>16,842</u>
NET ASSETS - JUNE 30,	<u>\$53,581</u>	<u>\$37,974</u>

See Independent auditor's report and accompanying notes to the financial statements.

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

	<u>2013</u>	<u>2012</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$15,607	\$21,132
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	1,888	(2,489)
Decrease/(increase) in receivables	(5,342)	6,829
(Decrease)/increase in accrued expenses	<u>6,699</u>	<u>(14,725)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>22,252</u>	<u>14,147</u>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on loans payable	<u>(3,400)</u>	<u>(3,400)</u>
<b>NET CASH (USED IN) FINANCING ACTIVITIES</b>	<u>(3,400)</u>	<u>(3,400)</u>
Net increase in cash and cash equivalents	18,852	10,747
CASH AT BEGINNING OF YEAR - July 1,	<u>43,203</u>	<u>32,456</u>
CASH AT END OF YEAR - June 30,	<u>\$62,055</u>	<u>\$43,203</u>

See Independent auditor's report and accompanying notes to the financial statements.

**BAYSIDE VILLAGE BUSINESS IMPROVEMENT DISTRICT, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

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**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, 2013 AND 2012**

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**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Contributed Services - During the years ended June 30, 2013 and 2012, 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, 2013 and 2012 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, 2013 \$20,400

**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, 2013 AND 2012**

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**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 the date of the report, the Bayside Village Business Improvement District, Inc. has provided all the necessary documentation to renew the contract. Since the original contract was executed the organization has been granted the authority to assess up to \$155,000 by the New York City Council.

As of June 30, 2013 the Bayside Village Business Improvement District, Inc. has received \$131,368 from the City of New York representing payment for the fiscal year 2013.

**Note 6: LEASE OBLIGATIONS**

The organization leases office space in Bayside, New York under a non-cancelable lease that expires June 30, 2014.

The total future minimum annual lease payments at June 30, 2013 are as follows:

Years Ending June 30,

2014	<u>\$7,200</u>
	<u>\$7,200</u>

Rent expense for the years ended June 30, 2013 and 2012 was \$9,000 and \$9,000, respectively.

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

		<u>2013</u>		<u>2012</u>
Program services:				
Marketing and promotion	\$11,387			\$7,091
Banner program	8,753			0
Special events	3,567			1,023
Holiday lights	17,857			17,625
Sanitation	<u>34,266</u>	75,830	<u>34,667</u>	60,406
Supporting services:				
Administration	37,336			33,125
Fees	60			35
Insurance	1,876			1,742
Meetings	596			696
Office supplies	5,331			1,320
Professional fees	3,500			3,500
Rent	9,000			9,000
Telephone	3,052			3,035
Travel	<u>205</u>	<u>60,956</u>	<u>43</u>	<u>52,496</u>
		<u>\$136,786</u>		<u>\$112,902</u>

See Independent auditor's report and accompanying notes to the financial statements.