

**MYRTLE AVENUE DISTRICT  
MANAGEMENT ASSOCIATION, INC.**  
(A NOT-FOR-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

MYRTLE AVENUE DISTRICT  
MANAGEMENT ASSOCIATION, INC.  
(A NOT-FOR-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Myrtle Avenue District Management Association, Inc.

### Opinion

We have audited the accompanying financial statements of Myrtle Avenue District Management Association, Inc. (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2023 and 2022 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Myrtle Avenue District Management Association, Inc. as of June 30, 2023 and 2022 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.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Myrtle Avenue 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 Myrtle Avenue District Management Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards 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 would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Myrtle Avenue 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 Myrtle Avenue 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.

#### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on pages 14 and 15 is presented for purposes 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.



Lake Success, New York  
December 15, 2023



MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.  
(A NOT-FOR-PROFIT ORGANIZATION)  
STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30,

ASSETS

|                                   | 2023              | 2022              |
|-----------------------------------|-------------------|-------------------|
| <b>Assets:</b>                    |                   |                   |
| Cash and Equivalents              | \$ 188,836        | \$ 103,211        |
| Grants Receivable                 | 32,196            | 25,425            |
| Prepaid Expenses                  | 5,182             | 33,528            |
| Security Deposits                 | 1,800             | 1,800             |
| Right of Use Asset - Rental Lease | 63,262            | 86,985            |
| Other Receivable                  | 32,950            | 32,950            |
| <b>Total Assets</b>               | <b>\$ 324,226</b> | <b>\$ 283,899</b> |

LIABILITIES AND NET ASSETS

|   |                   |                   |
|---|-------------------|-------------------|
| <b>Liabilities:</b>                     |                   |                   |
| Accounts Payable                        | \$ 380            | \$ 7,490          |
| Accrued Expenses                        | 24,626            | 2,630             |
| <b>Total Liabilities</b>                | <b>25,006</b>     | <b>10,120</b>     |
| <b>Long-term Liabilities:</b>           |                   |                   |
| Lease liability - Rent                  | 66,045            | 89,124            |
| <b>Total Liabilities</b>                | <b>91,051</b>     | <b>99,244</b>     |
| <b>Net Assets:</b>                      |                   |                   |
| Without Donor Restrictions              | 233,175           | 184,655           |
| <b>Total Net Assets</b>                 | <b>233,175</b>    | <b>184,655</b>    |
| <b>Total Liabilities and Net Assets</b> | <b>\$ 324,226</b> | <b>\$ 283,899</b> |

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

MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.  
(A NOT-FOR-PROFIT ORGANIZATION)  
STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30,

|                                | 2023                          |                            |            | 2022       |
|--------------------------------|-------------------------------|----------------------------|------------|------------|
|                                | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total      |            |
| Support and revenues:          |                               |                            |            |            |
| Assessments                    | \$ 507,676                    | \$ -                       | \$ 507,676 | \$ 507,676 |
| Grant income                   | 111,127                       | -                          | 111,127    | -          |
| Contributions                  | 1,000                         | -                          | 1,000      | -          |
| Other income                   | 15                            | -                          | 15         | -          |
| Interest Income                | 395                           | -                          | 395        | 336        |
| Total support and revenues     | 620,213                       | -                          | 620,213    | 508,012    |
| Expenses:                      |                               |                            |            |            |
| Program services:              |                               |                            |            |            |
| Supplemental business services | 357,743                       | -                          | 357,743    | 294,804    |
| Supportive services:           |                               |                            |            |            |
| Management and general         | 213,950                       | -                          | 213,950    | 207,135    |
| Fundraising                    | -                             | -                          | -          | -          |
| Total expenses                 | 571,693                       | -                          | 571,693    | 501,939    |
| Change in Net Assets           | 48,520                        | -                          | 48,520     | 6,073      |
| Net Assets - beginning of year | 184,655                       | -                          | 184,655    | 178,582    |
| Net Assets - end of year       | \$ 233,175                    | \$ -                       | \$ 233,175 | \$ 184,655 |

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

MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.  
(A NOT-FOR-PROFIT ORGANIZATION)  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30,

|  | <u>2023</u>       | <u>2022</u>       |
|--|-------------------|-------------------|
| Cash flow from operating activities:   |                   |                   |
| Changes in net assets  | \$ 48,520         | \$ 6,073          |
| Adjustments to reconcile changes in net assets to<br>net cash provided (used) by operating activities: |                   |                   |
| Changes in operating assets and liabilities:   |                   |                   |
| Grants receivable  | (6,771)           | 9,575             |
| Prepaid expenses   | 28,346            | 2,806             |
| Right of use asset - Rent  | 23,723            | 23,723            |
| Accounts payable   | (7,110)           | 7,490             |
| Accrued expenses   | 21,996            | (3,731)           |
| Lease liability - Rent   | (23,079)          | (22,192)          |
| Net cash provided (used) by operating activities   | <u>85,625</u>     | <u>23,744</u>     |
| Net increase (decrease) in cash  | 85,625            | 23,744            |
| Cash at the beginning of the year  | <u>103,211</u>    | <u>79,467</u>     |
| Rounding Adjustment  | 1                 | -                 |
| Cash at the end of the year  | <u>\$ 188,836</u> | <u>\$ 103,211</u> |
| Supplemental disclosure of cash flow information:  |                   |                   |
| Cash paid for:   |                   |                   |
| Interest   | \$ -              | \$ -              |
| Taxes  | <u>\$ -</u>       | <u>\$ -</u>       |

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

MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

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**NOTE 1: ORGANIZATION AND TAX STATUS**

Myrtle Avenue District Management Association, Inc., (the "Organization") was incorporated on May 4, 1983 under Section 402 of the Not-for-Profit Corporation Law of the State of New York. The Internal Revenue Service has determined that the Organization is exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code. The corporation was formed for the public purposes of promoting the general welfare of the people in the area described in the Myrtle Avenue, Ridgewood District Plan as approved by the Board of Estimate of The City of New York.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Principles of Accounting and Basis of Presentation

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for Not-for-Profits. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Use of Estimates

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

Net Assets

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standard Update "FASB ASU No. 2016-14, "Not-for-Profit Entities (958), Presentation of Financial Statements of Not-for-Profit Entities. Under FASB ASU 2016-14, the Organization is required to present information regarding its financial position and activities according to two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets without Donor Restrictions – Net assets without restrictions are resources available to support activities. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate

Net Assets with Donor Restrictions – Net assets with donor restrictions are resources that are restricted by a donor for use of a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

The organization's unspent contributions are included in this class if the donor limited their use.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.



MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT.**

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Tax Status

The Organization is exempt from federal income taxation under Section 501(c)(6) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). The tax years 2020, 2021 and 2022 are still open to audit both federal and state purposes. Contributions to the organization are tax deductible to donors under Section 170 of the IRC. The Organization is not classified as a private foundation.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with payments due in the future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is until all conditions on which they depend are substantially met.

Equipment and Leasehold Improvements

The Organization capitalizes all expenditures for equipment and leasehold improvements in excess of \$1,000. Equipment and leasehold improvements are recorded at cost or, if donated, at the estimated fair market value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the asset to a specific purpose. Depreciation and amortization are provided over the estimated useful lives of the equipment and leasehold improvements on a straight-line basis.

In-kind contributions

Noncash donations are recorded as contributions and the related asset or expense at fair value of the date of the donation.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people possessing those skills and would otherwise be purchased.

Functional Allocation of Expenses

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and supplemental statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited. Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction to the Organization.

MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. Advertising costs are expensed as incurred.

Classification of Transactions

All revenues and net gains are reported as increases in net assets in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses are reported as decreases in unrestricted net assets unless those decreases or losses are related sources of temporary or permanent donor restrictions.

Leases

The Organization recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The Organization is a lessee in a noncancellable operating lease for office space. The Organization will recognize a lease liability and a right of use (ROU) asset effective December 15, 2019. The lease liability for the lease is initially and subsequently recognized based on the present value of its future lease payments. The discount rate is the implicit rate if it is readily determinable or otherwise the Organization uses its incremental borrowing rate. The implicit rate of the leases is not readily determinable and accordingly, the Organization uses its incremental borrowing rate based on the information available at the commencement date for all leases. The Organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term. The Organization has recognized a right of use asset for office location and a corresponding lease liability.

The Organization has elected, for all underlying classes of assets, not to recognize the right of use (ROU) assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes the lease cost associated with its short-term leases on a straight-line basis over the lease term.

Revenue Recognition

The Organization recognizes revenues through real estate assessments levied by the City of New York and are recorded when earned. The City of New York remits the assessments in two installments. Since all the assessments are received in the current year there is no allowance for doubtful accounts provided. Any assessment billing errors, or discrepancies are recorded as a direct reduction of the assessment revenue.

Program service fees and payment under cost-reimbursable contracts or grants received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

For any exchange transactions, the Company has adopted Accounting Standards Codification 606, *Revenue from Contracts with Customers*, which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity received or expects to receive.



MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT.**

ASC 606 is effective for annual reporting periods beginning after December 15, 2018 and interim periods within fiscal years beginning after December 15, 2019. The Company adopted ASC 606 with a date of application of January 2021, using full retrospective method.

The adoption of ASC 606 did not have a significant impact on the Company's financial position, results of operations, or cash flows. Revenue comes mainly from assessments and grants for program service contracts which are recognized as the work is completed. The timing of satisfying performance obligation is at the point in time the service is provided. Revenue that is received prior to services performed is deferred until the future period when the work is completed. Based on the Company's evaluation of its contracts the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption.

Financial Instruments and Current Expected Credit Loss (CECL)

As of December 15, 2022, the Organization has adopted Accounting Standard Codification 326 - *Financial Instruments – Credit Losses*, which requires the immediate recognition of estimated expected credit losses over the life of a financial instrument, including trade receivables, net investments in leases as a lessor, and certain off-balance sheet credit exposures. The estimate of expected credit losses considers not only historical information, but also current and future economic conditions and events.

As a not-for-profit, certain financial instruments such as contribution receivables, grant receivables accounted for under the contribution model, loans and receivables between entities under common control, operating lease receivables measured under ASC 842 and other investments that are measured at fair value with the fair value reported through net income are considered out of scope with ASC 326.

Management has evaluated the impact of adopting ASC 326 on the receivables and other financial instruments held by the Organization and has determined that there is little to no impact of the new standard to the financial statements. Therefore, there has been no major changes to the Organizations assets due to the adoption of the new standard.

**NOTE 3: ASSESSMENTS**

The Organization has contracted with New York City Department of Small Business Services to receive funds specially assessed for the purpose of providing additional business services within the district. The contract commenced July 1, 2022 and expires June 30, 2024. As of June 30, 2023, and 2022, the assessments received were 507,676 and 507,676, respectively.

**NOTE 4: AVAILABILITY AND LIQUIDITY**

The following represents Myrtle Avenue District Management Association, Inc.'s financial assets at June 30, 2023 and 2022:

**MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 4: AVAILABILITY AND LIQUIDITY – CONT.**

|   | 2023              | 2022              |
|---|-------------------|-------------------|
| Financial assets at period end:   |                   |                   |
| Cash and Equivalents  | \$ 188,836        | 103,211           |
| Accounts Receivable   | 32,950            | 32,950            |
| Grants Receivable   | 32,196            | 25,425            |
| Prepaid Expenses  | 5,182             | 33,528            |
| <i>Total Financial Assets</i>   | <u>259,164</u>    | <u>195,114</u>    |
| Less amounts not available to be used within one year:                              |                   |                   |
| Net Assets with Donor Restrictions  | <u>-</u>          | <u>-</u>          |
| Financial assets available to meet general expenditures over the next twelve months | <u>\$ 259,164</u> | <u>\$ 195,114</u> |

Myrtle Avenue District Management Association, Inc.'s goal is to generally maintain financial assets to meet 90 days of operating expenses. The organization may invest its excess cash in a money market account and certificate of deposits. As of June 30, 2023, there are no lines of credit for any short-term or long-term liquidity needs.

**NOTE 5: PROPERTY, PLANT, AND EQUIPMENT**

Property, plant, and equipment consisted of the following on June 30,

|   | 2023        | 2022        |
|---|-------------|-------------|
| BID Equipment                                   | \$ 52,540   | \$ 52,540   |
|   | 52,540      | 52,540      |
| LESS: Accumulated Depreciation and Amortization | (52,540)    | (52,540)    |
|   | <u>\$ -</u> | <u>\$ -</u> |

Depreciation and amortization expense incurred on these assets totaled \$0 and \$0 for the years ended June 30, 2023 and 2022, respectively.

**NOTE 6: GRANT INCOME / GRANT RECEIVABLE**

The NYC Small Business Services has awarded the Organization with a FY23 Business Improvement District Development Grant Agreement that provides grant funding to single district small BIDs to perform updates and new services related to placemaking and streetscape programs for their respective district. The Organization is required to perform two projects related to the grant, a streetscape / placemaking project and special event programs and provide expenses for reimbursement of up to \$50,000 for the completed deliverables. For the fiscal year ending June 30, 2023, the Organization has performed the deliverables in full and received \$37,500 of the reimbursement.



**MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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**NOTE 6: GRANT INCOME / GRANT RECEIVABLE**

The NYC Department of Transportation Plaza Program engages community partners to transform underutilized streets into pedestrian plazas to enhance public space (with tables, chairs, plantings and other amenities) and provide programs and event for the local community.

The grants awarded are from the One NYC Plaza Equity Program reimbursement fund for which the BID could be reimbursed up to \$20,000 per Plaza. For the fiscal years ended June 30, 2023 and 2022, the BID was awarded a total of \$39,680 and \$0, respectively. The awards are comprised of \$19,984 and \$0, respectively, for 71st Ave Plaza and \$19,696 and \$0, respectively for Venditti Square.

As of June 30, 2023, and 2022, the grants receivable was 32,196 and 25,425 respectively.

**NOTE 7: SANITATION**

The Organization has a month-to-month sanitation services agreement with Streetplus Company LLC in the amount of approximately \$16,695. As of the end of the fiscal period, there is no contract in place. Total sanitation charges for June 30, 2023, and 2022, amounted to \$149,415 and \$156,358 respectively.

**NOTE 8: COMMITMENTS AND CONTINGENCIES**

In February 2016, the FASB issued guidance revising the accounting for leases. Under the new guidance, lessees will be required to recognize a right-of-use ("ROU") asset and lease liability for all leases other than those that are less than one year. Leases will be classified as finance or operating, with classification affecting the patter and classification of expense recognition in the statement of activities. The new standard is effective for the Organization on December 15, 2019 with early adoption permitted.

The Organization adopted the guidance on July 1, 2020, using a modified retrospective transition approach with the cumulative effect recognized at the date of initial application, whereby comparative prior period financial information will not be adjusted to reflect the new standard.

The Organization entered into a lease for office space for a five-year term which expires on February 28, 2026. Rent expense is recognized on a straight-line basis.

Rent expense for the year ended June 30, 2023, and 2022 was 23,723and 23,723 respectively.

The Organization is subject to future commitments set forth in the rental lease agreement. Future minimum lease commitments under the operating lease are:

| FISCAL YEAR       | AMOUNT    |
|-------------------|-----------|
| 07/01/23-06/30/24 | \$ 24,002 |
| 07/01/24-06/30/25 | 24,963    |
| 07/01/25-06/30/26 | 17,080    |

The future minimum lease commitments as of June 30, 2022, equals \$66,045.

**NOTE 9: RELATED PARTY TRANSACTIONS**

Myrtle Avenue District Management Association, Inc. and Ridgewood Local Development Corporation ("LDC"), Not-for-Profit Organizations, are operated as separate entities. Both entities have common board members. Ridgewood Local Development Corporation is responsible for supervising the management of Myrtle Avenue District Management Association and its legal responsibilities.

**MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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**NOTE 9: RELATED PARTY TRANSACTIONS – CONT.**

Myrtle Avenue pays Ridgewood Local Development Corporation quarterly management fees for its services. The amounts of those fees are reviewed annually. The fees for the fiscal year ended June 30, 2023, and 2022 amounted to \$130,270 and \$130,270 respectively.

**NOTE 10: NET ASSETS**

The balance of net assets is a result of unused monies from prior year's budget allocations for sanitation, marketing & promotion, holiday lights and administrative expenses. The Organization may allocate the unused funds for future programs and administration.

**NOTE 11: CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash-equivalent accounts in financial institutions, which from time to time exceed the Federal Depository Insurance Coverage limit. As of June 30, 2023, and 2022, the Organization had no accounts which exceeded insured limits.

**NOTE 12: RECLASSIFICATIONS**

Certain items were reclassified from prior period to be in conformity with current presentation and had no material effect on reported earnings of those periods.

**NOTE 13: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 15, 2023, the date the financial statements are available for issuance for inclusion or disclosure in the financial statements.



Independent Auditor's Report on Supplementary Information

We have audited the financial statements of Myrtle Avenue District Management Association, Inc. (the "Organization") as of and for the year ended June 30, 2023 and 2022, and have issued our report thereon dated December 15, 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 functional expenses is presented for the purposes 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.

DePietto CPA P.C.  
Lake Success, New York  
December 15, 2023

MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.  
(A NOT-FOR-PROFIT ORGANIZATION)  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2023

|                               | Business<br>Improvement<br>District Program<br>Services | Supporting<br>Services<br>Management and<br>General | Fundraising | Total             |
|-------------------------------|---|---|-------------|-------------------|
| <b>Expenses:</b>              |   |   |             |                   |
| Accounting                    | \$ -  | \$ 6,750  | \$ -        | \$ 6,750          |
| Beautification                | 13,101  | -   | -           | 13,101            |
| Computer/Website              | -   | 4,348   | -           | 4,348             |
| Electric                      | -   | 2,296   | -           | 2,296             |
| Filing Fees                   | -   | 75  | -           | 75                |
| Garage Rental                 | 6,475   | -   | -           | 6,475             |
| GM Repairs and Maintenance    | 1,952   | -   | -           | 1,952             |
| Green Market                  | 15,000  | -   | -           | 15,000            |
| Holiday Lights                | 38,545  | -   | -           | 38,545            |
| Insurance                     | -   | 30,052  | -           | 30,052            |
| Legal Fees                    | -   | 150   | -           | 150               |
| Management Fees               | -   | 130,270   | -           | 130,270           |
| Marketing and Promotions      | 63,268  | -   | -           | 63,268            |
| Office Expenses               | -   | 2,363   | -           | 2,363             |
| Printing, Bulk Mailings, etc. | -   | 10,534  | -           | 10,534            |
| Publications / Memberships    | -   | 771   | -           | 771               |
| Rent                          | -   | 23,723  | -           | 23,723            |
| Repairs and Maintenance       | 12,551  | -   | -           | 12,551            |
| Sanitation                    | 149,415   | -   | -           | 149,415           |
| Streetscape                   | 51,236  | -   | -           | 51,236            |
| Special Events - Programs     | 6,200   | -   | -           | 6,200             |
| Telephone                     | -   | 2,618   | -           | 2,618             |
| <b>Total Expenses</b>         | <b>\$ 357,743</b>                                       | <b>\$ 213,950</b>                                   | <b>\$ -</b> | <b>\$ 571,693</b> |

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



MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.  
(A NOT-FOR-PROFIT ORGANIZATION)  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2022

|                               | Business<br>Improvement<br>District Program<br>Services | Supporting<br>Services<br>Management and<br>General | Fundraising | Total             |
|-------------------------------|---|---|-------------|-------------------|
| Expenses:                     |   |   |             |                   |
| Accounting                    | \$ -  | \$ 7,299  | \$ -        | \$ 7,299          |
| Beautification                | 8,434   | -   | -           | 8,434             |
| Computer/Website              | -   | 6,281   | -           | 6,281             |
| Electric                      | -   | 2,566   | -           | 2,566             |
| Filing Fees                   | -   | 75  | -           | 75                |
| Garage Rental                 | 4,750   | -   | -           | 4,750             |
| GM Repairs and Maintenance    | 3,314   | -   | -           | 3,314             |
| Green Market                  | 15,000  | -   | -           | 15,000            |
| Holiday Lights                | 37,322  | -   | -           | 37,322            |
| Insurance                     | -   | 26,643  | -           | 26,643            |
| Legal Fees                    | -   | 400   | -           | 400               |
| Management Fees               | -   | 130,270   | -           | 130,270           |
| Marketing and Promotions      | 60,335  | -   | -           | 60,335            |
| Printing, Bulk Mailings, etc. | -   | 6,582   | -           | 6,582             |
| Publications / Memberships    | -   | 1,085   | -           | 1,085             |
| Rent                          | -   | 23,723  | -           | 23,723            |
| Repairs and Maintenance       | 8,741   | -   | -           | 8,741             |
| Sanitation                    | 156,358   | -   | -           | 156,358           |
| Streetscape                   | 550   | -   | -           | 550               |
| Telephone                     | -   | 2,211   | -           | 2,211             |
| Total Expenses                | <u>\$ 294,804</u>                                       | <u>\$ 207,135</u>                                   | <u>\$ -</u> | <u>\$ 501,939</u> |

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