

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

FINANCIAL STATEMENTS

AS OF AND

FOR THE YEAR ENDED JUNE 30, 2015

TOGETHER WITH AUDITORS' OPINION

EAST BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.

TABLE OF CONTENTS

<u>DESCRIPTION</u>	<u>Pages</u>
Independent Auditors' Report	3 - 4
Statement of Financial Position as of June 30, 2015	5
Statement of Activities for the year ended June 30, 2015	6
Statement of Cash Flows for the year ended June 30, 2015	7
Statement of Functional Expenses for the year ended June 30, 2015	8
Notes to Financial Statements	9 - 12
Schedule of Revenue and Expenses compared to Assessment for the year ended June 30, 2015 - Contract Period - 14/15 - Schedule 1	13
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	14 - 15



Aston Bell
Certified Public Accountant

131 West 35th Street, 8th Floor
New York, NY 10001
Tel. (212) 957-7385

17 Academy Street, Suite 1008
Newark, NJ 07102
Tel. (973) 824-5773

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying statement of financial position of East Brooklyn District Management Association, Inc., (the, "Organization") as of June 30, 2015, and the related statements of activities, cash flows and functional expenses for the year 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.

Auditors' Responsibility

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require 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 Organization'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 Organization'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 East Brooklyn District Management Association, Inc. as of June 30, 2015, 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 14, 2015 on our consideration of East Brooklyn District Management Association, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and in considering East Brooklyn District Management Association, Inc.'s internal control over financial reporting and compliance.

Ashton Bell CPA

New York, New York
December 14, 2015

EAST BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.
 STATEMENT OF FINANCIAL POSITION
 AS OF JUNE 30, 2015

<u>ASSETS</u>		<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
Cash and Cash Equivalents	(Notes 2,3)	\$ 25,815	\$ -	\$ 25,815
Assessment Receivable		446	-	446
Equipment, Net	(Notes 2,4)	2,240	-	2,240
Total Assets		<u>\$ 28,501</u>	<u>\$ -</u>	<u>\$ 28,501</u>
 <u>LIABILITIES AND NET ASSETS</u>				
Accruals		\$ 3,000	\$ -	\$ 3,000
Net Assets - Unrestricted		25,501	-	25,501
Net Assets - Temporarily Restricted		-	-	-
Total Liabilities and Net Assets		<u>\$ 28,501</u>	<u>\$ -</u>	<u>\$ 28,501</u>

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, 2015

REVENUES AND OTHER SUPPORT	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
Assessment Revenue	\$ 95,000	\$ -	\$ 95,000
Total Revenue	<u>95,000</u>	<u>-</u>	<u>95,000</u>
EXPENSES			
Program Services:			
Business Neighborhood Development	55,568	-	55,568
Total Program Services	<u>55,568</u>	<u>-</u>	<u>55,568</u>
Supporting Services:			
Management and General	46,580	-	46,580
Total Supporting Services	<u>46,580</u>	<u>-</u>	<u>46,580</u>
Total Expenses	<u>102,148</u>	<u>-</u>	<u>102,148</u>
Change In Net Assets	(7,148)	-	(7,148)
Net Asset at Start of Year	32,649	-	32,649
Net Asset at End of Year	<u>\$ 25,501</u>	<u>\$ -</u>	<u>\$ 25,501</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, 2015

Net Cash Flows From Operating Activities:

Change in Net Assets	\$ (7,148)
Depreciation Expense	1,595
(Increase)/Decrease in Assessment Receivable	(446)
Net Cash provided by Operating Activities	<u>(5,999)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>(5,999)</u>
Cash and Cash Equivalents at the Beginning of Year	31,814
Cash and Cash Equivalents at the Year End	<u>\$ 25,815</u>

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, 2015

EXPENSES	MANAGEMENT AND GENERAL	PROGRAM SERVICE	TOTAL
	<u> </u>	<u> </u>	<u> </u>
Salaries	\$ 28,000	\$ -	\$ 28,000
Fringe Benefits	7,899	-	7,899
Pest Extermination	-	1,985	1,985
Cleaning, Sweeping, and Snow Removal	-	40,287	40,287
Promotion and Advertising	-	10,120	10,120
Economic Development	-	1,026	1,026
Community Development	-	2,150	2,150
Other Than Personal Services	10,681	-	10,681
Total Expenses	<u>\$ 46,580</u>	<u>\$ 55,568</u>	<u>\$ 102,148</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, 2015**

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 is 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, ("Assessments") for the fiscal year ended June 30, 2015 per agreement with New York City Department of Small Business Services, ("SBS") was \$95,000. In addition, during 2015, a budget of \$149,618, which includes assessment of \$142,500, was approved for the fiscal year ended June 30, 2016.

Note 2 - Summary of Significant Accounting Policies

Financial Statement Accounting Basis and Presentation

The financial statements of the East Brooklyn District Management Association, Inc. are prepared on the accrual basis of accounting following accounting principles generally accepted in the United States of America. EBDMA 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: Financial resources available for support of its organizational purposes. One hundred percent (100%) of revenues are received from the special BID assessments made by New York City which are based on levies on businesses and funded through SBS.

Temporarily Restricted: Generally, East Brooklyn District Management Association, Inc. reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction 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.

For the fiscal year ended June 30, 2015, there were no temporarily restricted amounts.

EAST BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Note 2 - Summary of Significant Accounting Policies (Continued)

Financial Statement Accounting Basis and Presentation (Continued)

Permanently Restricted: Generally, East Brooklyn District Management Association, Inc. reports contributions and other inflows of assets as restricted support if they are received with donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of EBDMA. This donor imposed restriction permits EBDMA to use up or expend part or all of the income derived from the donated assets.

For the fiscal year ended June 30, 2015, there were no permanently restricted amounts.

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 unrestricted 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 restricted 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.

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.

Revenue Recognition

One hundred percent (100%) of revenues are received from the special BID assessments made by New York City which are based on levies on businesses and funded through SBS.

Generally, all donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified to unrestricted net assets 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 unrestricted net assets.

EAST BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Note 2 - Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation (Continued)

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

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

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 equivalents.

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.

Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, assessment receivable, and accruals is a reasonable estimate of their fair value due to their short-term nature.

Note 3 - Cash and Cash Equivalents

Cash and Cash Equivalents represent cash held in the Organization's operating account at Citibank. At June 30, 2015, Cash and Cash Equivalents is \$25,815.

EAST BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Note 4 - **Equipment, Net**

Equipment, Net at June 30, 2015 consisted of the following:

Equipment	\$ 32,911
Less: Accumulated Depreciation	(30,671)
Equipment, Net	<u>\$ 2,240</u>

Depreciation Expense at June 30, 2015 is \$1,595.

Note 5 - **Concentrations of Revenue Sources**

EBDMA receives one hundred (100%) of its revenues from assessment funds from New York City. Any significant change in the government'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 6 - **Related Party**

Two members of the Board of Directors of the EBDMA are also members 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 7 - **Subsequent Events**

EBDMA evaluated its June 30, 2015 financial statements for subsequent events through December 14, 2015, the date the financial statements were available to be issued. EBDMA is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements.

EAST BROOKLYN DISTRICT MANAGEMENT ASSOCIATION, INC.
 SCHEDULE OF REVENUES AND EXPENSES COMPARED TO ASSESSMENT
 FOR THE YEAR ENDED JUNE 30, 2015

SCHEDULE 1

BUDGET PERIOD: 07/01/2014 - 06/30/2015
 AUDIT PERIOD: 07/01/2014 - 06/30/2015

	Actual	Assessment	Variance
REVENUE			
Special Assessment	\$ 95,000	\$ 95,000	\$ -
Total Revenue	<u>95,000</u>	<u>95,000</u>	<u>-</u>
EXPENDITURES			
Program Expense:			
Pest Extermination	1,985	2,500	515
Cleaning, Sweeping, and Snow Removal	40,287	30,830	(9,457)
Promotion and Advertising	7,500	7,500	-
Economic Development	3,646	5,000	1,354
Community Development	2,150	2,500	350
Total	<u>55,568</u>	<u>48,330</u>	<u>(7,238)</u>
General and Administration:			
Personal Services			
Salaries	28,000	28,000	-
Fringe Benefits	7,899	8,400	501
Total	<u>35,899</u>	<u>36,400</u>	<u>501</u>
Other Than Personal Services			
Total	<u>10,681</u>	<u>10,270</u>	<u>(411)</u>
Total Expenditure	<u>102,148</u>	<u>95,000</u>	<u>(7,148)</u>
Surplus/(Deficit)	<u>\$ (7,148)</u>	<u>\$ -</u>	<u>\$ (7,148)</u>



Aston Bell
Certified Public Accountant

131 West 35th Street, 8th Floor
New York, NY 10001
Tel. (212) 957-7385

17 Academy Street, Suite 1008
Newark, NJ 07102
Tel. (973) 824-5773

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of East Brooklyn District Management Association, Inc., as of and for the year ended June 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated December 14, 2015.

Internal Control Over Financial Reporting

In planning and performing the audit of the financial statements, we considered East Brooklyn District Management Association, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of East Brooklyn District Management Association, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of East Brooklyn District Management Association, Inc.'s internal control.

A deficiency in internal control 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether East Brooklyn District Management Association, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Aston Bell CPA

New York, New York
December 14, 2015

FOR IMMEDIATE
RELEASE
LDCENY

Contact: Bill Wilkins, ✓

718.385.6700 x19
Billscott44@aol.com

Local Bus Company Hosts a Holiday Party and Toy Drive

Brooklyn, NY – One of the largest employers in East New York, Consolidated Bus Transit (CBT) is giving back this holiday season with a Holiday Party and Toy Drive to ensure that over 135 children in the East New York community have a Merry Christmas. The event is **Thursday, December 18, 2015 at 10:00 a.m.** at Schwartz Head Start / Police Athletic League, Inc. 454 Pennsylvania Avenue in Brooklyn.

With community and business collaborations between Community Board #5, East Brooklyn Business Improvement District (EBBID), the Local Development Corporation of East New York, Consolidated Transit, PAL, and Trey Whitfield School, this party is made possible. "In this season of giving and sharing, the East Brooklyn Business Improvement District (EBBID) is pleased to be a part of embracing this spirit with today's Holiday Party and Toy Giveaway. This event helps to fortify and create a harmonious balance between residents and the business community of East New York," says Bill Wilkins, Director for the EBBID.

Gifts will be given to over 100 children from the PAL Schwartz Head Start and 30 children who are students at the Trey Whitfield School, a premier elementary school in East New York. Additionally, Trey Whitfield's student choir will be on hand to sing Christmas Carols.

Consolidated Transit, a privately owned bus company and a tenant in the East Brooklyn Industrial Park, has provided bus service in the five boroughs and Nassau County for 40 years. They are hosting this party and toy giveaway as a way to express their kindness to the children and to build stronger relationships in the community. Stephen Genovese of CBT posits, "All of us at Consolidated Bus are grateful for the opportunity to give back to the community and spread some holiday cheer."

###

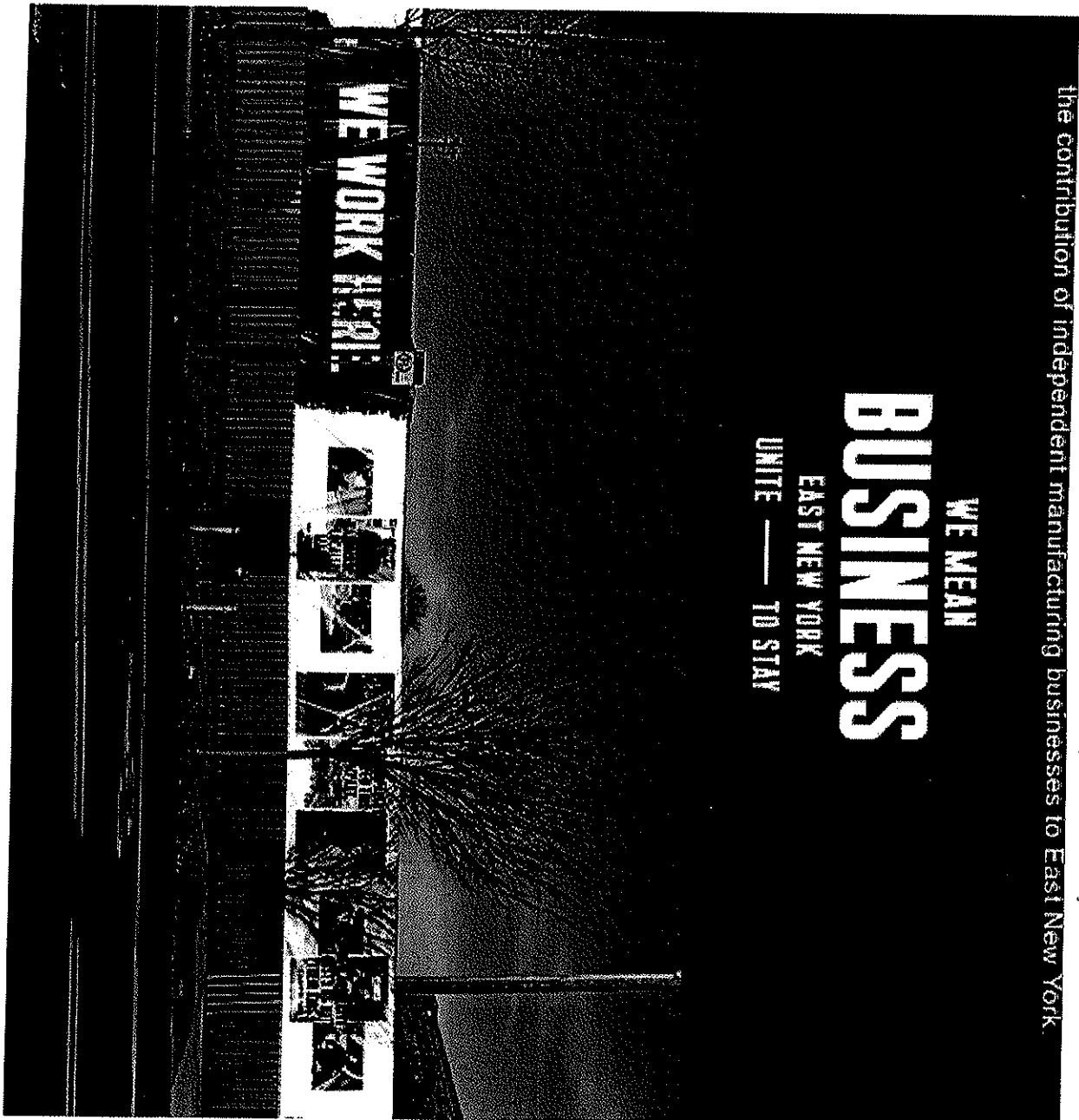
Re: Banner ribbon cutting invite for Thursday

the contribution of independent manufacturing businesses to East New York.

WE MEAN BUSINESS

EAST NEW YORK

UNITE — TO STAY



THURSDAY, JANUARY 21, 2016 | 10AM

Trey Whitfield School

17 Hinsdale Street, between Atlantic and Liberty Avenue

EVENT PROGRAM

Su contribución importa! Venga a conocer demás propietarios de pequeñas empresas y crear una fuerte East New York.

RSVP: Gail Davis gaid@ldceny.org
for questions, call Gail at (718) 385-6700 ext. 20

enwemeanbiz.com

WE MEAN BUSINESS. EAST NEW YORK

is an advocacy campaign that aims to enhance small business awareness of current changes in the neighborhood, fast-track access to existing business development services, and empower owners to unite as a merchant alliance.

WIMBOS EN SENDO, EAST NEW YORK

es una campaña de promoción que tiene como objetivo aumentar la conciencia de la pequeña empresa de los cambios actuales en el barrio, el acceso por vía rápida a los servicios de desarrollo empresariales existentes, y la autonomía de los propietarios para unirse como una alianza comercial.

jimmpp