

**47TH STREET BUSINESS IMPROVEMENT DISTRICT, INC.**

**FINANCIAL STATEMENTS  
AND  
AUDITORS' REPORT**

**JUNE 30, 2021 AND 2020**

**47TH STREET BUSINESS IMPROVEMENT DISTRICT, INC.**

Index

	<u>Page</u>
Independent Auditors' Report	1
Statements of financial position as of June 30, 2021 and 2020	2
Statements of activities for the years ended June 30, 2021 and 2020	3
Statement of expenses for the year ended June 30, 2021	4
Statement of expenses for the year ended June 30, 2020	5
Statements of cash flows for the years ended June 30, 2021 and 2020	6
Notes to financial statements	7 - 10
 <u>Supplementary Financial Information</u>	
Independent Auditors' Report on Supplementary Information	11
Schedule of expenses and budget for the year ended June 30, 2021	12



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## INDEPENDENT AUDITORS' REPORT

To: The Board of Directors of  
47th Street Business Improvement District, Inc.

We have audited the accompanying financial statements of 47th Street Business Improvement District, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, expenses, and cash flows for the years 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 entity'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 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 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 47th Street Business Improvement District, Inc. as of June 30, 2021 and 2020, 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.

*Skody Scot & Company, CPAs, P.C.*

New York, NY  
December 21, 2021

**47TH STREET BUSINESS IMPROVEMENT DISTRICT, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 340,569	\$ 437,951
Program revenue receivable	68,576	40,222
Prepaid expenses	21,091	13,305
Property and equipment, net	2,951	4,410
Security deposit	330	330
	\$ 433,517	\$ 496,218

**LIABILITIES AND NET ASSETS**

Liabilities:		
Accounts payable and accrued expenses	\$ 50,397	\$ 56,998
Total liabilities	50,397	56,998
Commitments and contingencies (see notes)		
Net Assets:		
Without donor restrictions	383,120	439,220
With donor restrictions	-	-
Total net assets	383,120	439,220
Total liabilities and net assets	\$ 433,517	\$ 496,218

**See accompanying notes to the financial statements.**

**47TH STREET BUSINESS IMPROVEMENT DISTRICT, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>Support and Revenues:</b>		
Without donor restrictions:		
Assessment revenue	\$ 900,000	\$ 900,000
Program service revenue	395,818	395,618
Publication revenue	12,000	40,095
Interest income	230	946
Total support and revenues	1,308,048	1,336,659
 <b>Expenses:</b>		
Program expenses:		
Sanitation and streetscape	119,356	129,360
Security	896,593	841,382
Promotion	226,884	168,983
Total program expenses	1,242,833	1,139,725
Management and general	121,315	143,154
Total expenses	1,364,148	1,282,879
 <b>Increase/(Decrease) in Net Assets:</b>		
Without donor restrictions	(56,100)	53,780
With donor restrictions	-	-
Increase/(decrease) in net assets	(56,100)	53,780
Net assets, beginning of year	439,220	385,440
Net assets, end of year	\$ 383,120	\$ 439,220

**See accompanying notes to the financial statements.**

**47TH STREET BUSINESS IMPROVEMENT DISTRICT, INC.  
STATEMENT OF EXPENSES  
YEAR ENDED JUNE 30, 2021**

	<b>Program Expenses</b>			Total Program Expenses	<b>Supporting</b>	Total Expenses
	Sanitation & Streetscape	Security	Promotion		Management and General	
Salaries	\$ 15,250	\$ 15,250	\$ 68,625	\$ 99,125	\$ 53,375	\$ 152,500
Payroll taxes and benefits	1,338	1,338	6,021	8,697	4,683	13,380
Outside contractors	81,137	851,800	24,500	957,437	6,564	964,001
Depreciation	-	-	-	-	1,693	1,693
Design fees	-	-	9,975	9,975	-	9,975
Insurance	-	28,205	-	28,205	15,188	43,393
Office expenses	-	-	-	-	11,173	11,173
Postage & printing	-	-	32,240	32,240	3,303	35,543
Professional fees	-	-	-	-	22,617	22,617
Program expenses - other	-	-	45,808	45,808	-	45,808
Rent	-	-	-	-	837	837
Repairs and maintenance	17,740	-	-	17,740	-	17,740
Seasonal decorations	-	-	39,715	39,715	-	39,715
Telephone	-	-	-	-	1,882	1,882
Utilities	3,891	-	-	3,891	-	3,891
<b>Total expenses</b>	<b>\$ 119,356</b>	<b>\$ 896,593</b>	<b>\$ 226,884</b>	<b>\$ 1,242,833</b>	<b>\$ 121,315</b>	<b>\$ 1,364,148</b>

See accompanying notes to the financial statements.

**47TH STREET BUSINESS IMPROVEMENT DISTRICT, INC.  
STATEMENT OF EXPENSES  
YEAR ENDED JUNE 30, 2020**

	<b>Program Expenses</b>			Total Program Expenses	<b>Supporting</b>	Total Expenses
	Sanitation & Streetscape	Security	Promotion		Management and General	
Salaries	\$ 14,650	\$ 14,650	\$ 65,925	\$ 95,225	\$ 51,275	\$ 146,500
Payroll taxes and benefits	1,912	1,912	8,604	12,428	6,694	19,122
Outside contractors	84,386	768,995	24,050	877,431	6,388	883,819
Depreciation	-	-	-	-	1,681	1,681
Design fees	-	-	10,825	10,825	-	10,825
Insurance	-	55,825	-	55,825	4,849	60,674
Office expenses	-	-	-	-	13,403	13,403
Postage & printing	-	-	37,260	37,260	560	37,820
Professional fees	-	-	-	-	47,197	47,197
Program expenses - other	-	-	5,834	5,834	-	5,834
Rent	-	-	-	-	8,496	8,496
Repairs and maintenance	25,403	-	-	25,403	-	25,403
Seasonal decorations	-	-	16,485	16,485	-	16,485
Telephone	-	-	-	-	2,611	2,611
Utilities	3,009	-	-	3,009	-	3,009
<b>Total expenses</b>	<b>\$ 129,360</b>	<b>\$ 841,382</b>	<b>\$ 168,983</b>	<b>\$ 1,139,725</b>	<b>\$ 143,154</b>	<b>\$ 1,282,879</b>

See accompanying notes to the financial statements.

**47TH STREET BUSINESS IMPROVEMENT DISTRICT, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ (56,100)	\$ 53,780
Adjustments for non-cash items included in operating activities:		
Depreciation	1,693	1,681
Changes in assets and liabilities:		
Accounts payable and accrued expenses	(6,601)	37,055
Program revenue receivable	(28,354)	(2,050)
Prepaid expenses	(7,786)	(1)
Net cash provided/(used) by operating activities	(97,148)	90,465
Cash flows from investing activities:		
Purchase of property & equipment	(234)	-
Net cash provided/(used) by investing activities	(234)	-
Cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(97,382)	90,465
Cash and cash equivalents at beginning of year	437,951	347,486
Cash and cash equivalents at end of year	\$ 340,569	\$ 437,951

**See accompanying notes to the financial statements.**



**47TH STREET BUSINESS IMPROVEMENT DISTRICT, INC.  
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies

The Organization

The 47th Street Business Improvement District, Inc. (Organization), a not-for-profit organization, was incorporated in the State of New York on May 6, 1997. The Organization primarily receives its support from a real estate special assessment levied by The City of New York (City) on properties located in the 47th Street Business Improvement District (BID). The BID's boundaries are approximately West 47th Street between Fifth and Sixth Avenues.

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal, state or local income taxes has been recorded. The Organization does not believe its financial statements contain any uncertain tax positions.

The Organization's programs include the following: Sanitation and Streetscape - maintaining clean streets/curbs, removing garbage and graffiti, and improving the overall appearance of the district through a combination of projects including lighting and public fixtures; Security - providing increased public security through a combination of uniformed guards and a working relationship with the New York City Police Department; and Promotion - promoting the district to residents and tourists, retaining and developing prospective businesses, and publishing a monthly newsletter.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash Equivalents

For the purposes of the statements of financial position and the statements of cash flows, the Organization considers as cash equivalents money market funds and all highly liquid resources, such as investments in certificates of deposits, with an original maturity to the Organization of three months or less.

**47TH STREET BUSINESS IMPROVEMENT DISTRICT, INC.  
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies (Continued)

Receivables

Receivables that are expected to be collected within one year are recorded at their net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows. All receivables are expected to be received within one year and as such have been stated at their net realizable value with no allowance for uncollectible receivables.

Property and Equipment

The Organization capitalizes certain property and equipment with estimated lives of three years or more. Property and equipment are stated at cost, less accumulated depreciation. Depreciation of furniture and equipment is computed by the straight-line method over estimated useful lives ranging from three to ten years. Expenditures for repairs and maintenance are charged as an expense, and major renewals and betterments are capitalized.

Net Assets

Net assets, revenue, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. This classification includes net assets designated by the board or management for a specified purpose.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature (endowment), where the donor stipulates that resources be maintained in perpetuity.

Revenue Recognition

The real estate assessment levied by the City is recorded by the Organization when earned. The City remits these assessments to the Organization in two installments. An allowance for doubtful accounts is not provided because all assessments are received in the current year. Assessment billing adjustments are corrected in the next billing cycle.

Program service revenue and publication revenue relate to fees received in exchange for program services. Revenue is recognized when the service is provided. Any revenue received which has not been earned is recorded as deferred revenue.

**47TH STREET BUSINESS IMPROVEMENT DISTRICT, INC.  
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies (Continued)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and related expenses based on estimated time and effort. The Organization classifies expenses, which are not directly related to a specific program, as Management and General expenses.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Bank deposits and cash	\$ 140,487	\$ 237,655
Money market funds	<u>200,082</u>	<u>200,296</u>
	<u>\$ 340,569</u>	<u>\$ 437,951</u>

Note 3 - Property and Equipment

Property and equipment by major class consisted of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Equipment	\$ 107,398	\$ 107,164
Furniture and fixtures	<u>6,450</u>	<u>6,450</u>
	113,848	113,614
Less: Accumulated depreciation	<u>( 110,897)</u>	<u>( 109,204)</u>
	<u>\$ 2,951</u>	<u>\$ 4,410</u>

Note 4 - Pension Plan

The Organization adopted a qualified deferred compensation plan under section 401(k) of the Internal Revenue Code. This plan allows for the Organization to make non-elective contributions of up to 4.5% of the participant's salary. During the years ended June 30, 2021 and 2020, the Organization did not make any contributions to the plan.

**47TH STREET BUSINESS IMPROVEMENT DISTRICT, INC.  
NOTES TO FINANCIAL STATEMENTS**

**Note 5 - Revenue from Contracts with Customers**

All of the revenue derived from contracts with customers during fiscal years 2021 and 2020 was fully earned in the same annual reporting period. Detail of revenue from contracts with customers during the years ended June 30, 2021 and 2020, is as follows:

	<u>2021</u>	<u>2020</u>
Publication revenue	\$ 12,000	\$ 40,095
Supplemental security services	395,818	395,618

**Note 6 - Liquidity and Availability of Financial Assets**

The Organization regularly monitors liquidity required to meet its operating needs and other obligations as they come due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures. Amounts available for general expenditures over a 12-month period include donor-restricted amounts that are available for ongoing programmatic and support expenditures.

The following reflects the Organization's financial assets, as of June 30, 2021 and 2020, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 340,569	\$ 437,951
Receivables	<u>68,576</u>	<u>40,222</u>
Total financial assets	409,145	478,173
Less those unavailable for general expenditures within one year	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 409,145</u>	<u>\$ 478,173</u>

**Note 7 - Concentrations**

The Organization maintains its checking, savings, and money market accounts with major financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures bank deposits up to \$250,000 per financial institution. At times, the balance of the accounts may have exceeded the insurance limits during the years ended June 30, 2021 and 2020.

**Note 8 - Subsequent Events**

Subsequent events were evaluated for potential additional disclosures and corrections through December 21, 2021, which is the date the financial statements were available to be issued.



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## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To: The Board of Directors of  
47th Street Business Improvement District, Inc.

We have audited the financial statements of 47th Street Business Improvement District, Inc. as of and for the years ended June 30, 2021 and 2020, and have issued our report thereon dated December 21, 2021, 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 expenses and budget is presented for the purpose 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.

New York, NY  
December 21, 2021

*Skody Scot & Company, CPAs, PC*

**47TH STREET BUSINESS IMPROVEMENT DISTRICT, INC.**  
**SCHEDULE OF EXPENSES AND BUDGET**  
**(Supplemental Financial Information)**  
**YEAR ENDED JUNE 30, 2021**

	<u>Total Expenses</u>	<u>Budget</u>
Salaries	\$ 152,500	\$ 149,000
Payroll taxes and benefits	13,380	13,000
Outside contractors	964,001	924,000
Depreciation	1,693	-
Design fees	9,975	5,000
Insurance	43,393	55,000
Office expenses	11,173	8,950
Postage & printing	35,543	35,300
Professional fees	22,617	49,000
Program expenses - other	45,808	54,326
Rent	837	2,000
Repairs and maintenance	17,740	30,000
Seasonal decorations	39,715	15,000
Telephone	1,882	2,500
Utilities	3,891	2,000
Total expenses	<u>\$ 1,364,148</u>	<u>\$ 1,345,076</u>