

**JAMAICA CENTER IMPROVEMENT
ASSOCIATION, INC.**

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORT**

JUNE 30, 2018 AND 2017

JAMAICA CENTER IMPROVEMENT ASSOCIATION, INC.

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Skody Scot & Company, CPAs, P.C.

520 Eighth Avenue, Suite 2200, New York, NY 10018 • (T) 212-967-1100 • (F) 212-967-2002

www.skodyscot.com

INDEPENDENT AUDITORS' REPORT

To: The Board of Directors of
Jamaica Center Improvement Association, Inc.

We have audited the accompanying financial statements of Jamaica Center Improvement Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities 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 Jamaica Center Improvement Association, Inc. as of June 30, 2018 and 2017, 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 17, 2018

JAMAICA CENTER IMPROVEMENT ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 407,274	\$ 386,589
Government grants receivable	19,999	5,225
Prepaid expenses	31,486	28,069
Property and equipment, net	11,919	8,044
Security deposits	5,855	5,855
	<u>\$ 476,533</u>	<u>\$ 433,782</u>
Total assets	<u>\$ 476,533</u>	<u>\$ 433,782</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 80,946	\$ 63,499
User right distribution payable	13,552	13,552
Total liabilities	<u>94,498</u>	<u>77,051</u>
Commitments and contingencies (see notes)		
Net Assets:		
Unrestricted	382,035	356,731
Temporarily restricted	-	-
Permanently restricted	-	-
	<u>382,035</u>	<u>356,731</u>
Total net assets	<u>382,035</u>	<u>356,731</u>
Total liabilities and net assets	<u>\$ 476,533</u>	<u>\$ 433,782</u>

See accompanying notes to the financial statements.

JAMAICA CENTER IMPROVEMENT ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
Support and Revenues:		
Unrestricted:		
Assessment revenue	\$ 917,500	\$ 877,500
Program service revenue	4,910	7,150
Government grants	19,999	19,987
Interest income	672	539
Total support and revenues	943,081	905,176
Expenses:		
Program Expenses:		
Marketing and promotion	137,383	184,717
Sanitation	551,131	465,280
Community outreach	20,235	29,744
Public improvements	18,881	25,106
Total program expenses	727,630	704,847
Management and general	180,707	173,529
Fundraising	9,440	12,552
Total expenses	917,777	890,928
Increase/(Decrease) In Net Assets:		
Unrestricted	25,304	14,248
Temporarily restricted	-	-
Permanently restricted	-	-
Increase/(decrease) in net assets	25,304	14,248
Net assets, beginning of year	356,731	342,483
Net assets, end of year	\$ 382,035	\$ 356,731

See accompanying notes to the financial statements.

JAMAICA CENTER IMPROVEMENT ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ 25,304	\$ 14,248
Adjustments for non-cash items included in operating activities:		
Depreciation and amortization	3,669	2,162
Changes in assets and liabilities:		
Accounts payable and accrued expenses	17,447	2,772
Government grants receivable	(14,774)	41,779
Other receivables	-	3,500
Prepaid expenses	(3,417)	(21,919)
Security deposits	-	(5,855)
Net cash provided/(used) by operating activities	28,229	36,687
Cash flows from investing activities:		
Purchase of property and equipment	(7,544)	(9,194)
Net cash provided/(used) by investing activities	(7,544)	(9,194)
Cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	20,685	27,493
Cash and cash equivalents at beginning of year	386,589	359,096
Cash and cash equivalents at end of year	\$ 407,274	\$ 386,589
Supplemental Information:		
Disposal of fully depreciated assets	\$ -	\$ 22,680

See accompanying notes to the financial statements.

**JAMAICA CENTER IMPROVEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies

The Association

Jamaica Center Improvement Association, Inc. (Association), a not-for-profit organization, was incorporated in the State of New York on September 15, 1977. The Association 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 Association does not believe its financial statements contain any uncertain tax positions. The Association primarily receives its support from a real estate special assessment levied by The City of New York (City) on properties located in the Jamaica Center Special Assessment District (SAD). The SAD boundaries are approximately Jamaica Avenue from Sutphin Boulevard to 169th Street, and Union Hall Street.

The Association's programs include the following: Marketing and Promotion - promoting the district to residents and tourists and to retain and develop prospective businesses; Sanitation - maintaining clean streets/curbs and garbage removal; Community Outreach - supporting local community organizations that are involved in educational, cultural, and charitable activities; and Public Improvements - improving the overall appearance of the district through a combination of projects including sidewalk maintenance and public fixtures.

Basis of Accounting

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

Basis of Presentation

In accordance with GAAP the Association 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. In addition, the Association is required to present a statement of cash flows.

Use of Estimates

Management uses estimates and assumptions in preparing the 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 Association considers as cash equivalents money market funds and all highly liquid resources, such as investments in certificates of deposits and treasury bills, with an original maturity of three months or less.

JAMAICA CENTER IMPROVEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Property and Equipment

The Association 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. Leasehold improvements are amortized by the straight-line method over the life of the improvement or the term of the lease, whichever is shorter. Expenditures for repairs and maintenance are charged as an expense, and major renewals and betterments are capitalized.

Revenue Recognition

The real estate assessment levied by the City is recorded by the Association when earned. The City remits these assessments to the Association in two installments. An allowance for doubtful accounts is not provided because all assessments are received in the current year. Assessment billing errors are recorded as a direct reduction of assessment revenue.

Contributions are considered available for the Association's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increases in the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Association received several grants from governmental agencies. In accordance with the grant provisions, the Association either receives grant funds following the disbursement of approved expenses or is authorized to receive funds in advance of anticipated expenditures. All unreimbursed expenses as of period-end are recorded as grant receivables and all advanced funds not expended are recorded as either refundable advances or deferred income.

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 schedule of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Association allocates salaries based on estimated time and other expenses are allocated based on usage. The Association classifies expenses, which are not directly related to a specific program, as Management and General expenses.

**JAMAICA CENTER IMPROVEMENT ASSOCIATION, 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 uncollectable grants.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Checking and savings	\$ 405,622	\$ 384,917
Money market funds	<u>1,652</u>	<u>1,672</u>
	<u>\$ 407,274</u>	<u>\$ 386,589</u>

Note 3 - Property and Equipment

Property and equipment by major class consisted of the following at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Equipment	\$ 44,919	\$ 37,375
Furniture and fixtures	<u>29,690</u>	<u>29,690</u>
	74,609	67,065
Less: Accumulated depreciation and amortization	<u>(62,690)</u>	<u>(59,021)</u>
	<u>\$ 11,919</u>	<u>\$ 8,044</u>

Note 4 - Government Grants

The Association was awarded several grants from governmental agencies to support its activities. The terms of the grants require the Association to expend grant funds for specific activities. The total expenses incurred under the grants for the years ended June 30, 2018 and 2017, amounted to \$19,999 and \$19,987, respectively.

**JAMAICA CENTER IMPROVEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 5 - Commitments and Contingencies

The Association leases space under a noncancelable operating lease. As of June 30, 2018, minimum aggregate annual rentals are as follows:

Year ended June 30, 2019	\$ 31,485
2020	23,877

Total rent expense charged to operations for the years ended June 30, 2018 and 2017 was \$34,278 and \$13,950, respectively.

Note 6 - Concentrations

The Association maintains its bank accounts with major financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures bank deposits up to \$250,000 per financial institution. At times, the balances of the accounts may have exceeded the limits during the years ended June 30, 2018 and 2017.

Note 7 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures through December 17, 2018, 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
Jamaica Center Improvement Association, Inc.

We have audited the financial statements of Jamaica Center Improvement Association, Inc. as of and for the years ended June 30, 2018 and 2017, and have issued our report thereon dated December 17, 2018, 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 schedules of functional expenses, and expenses and budget are presented for the purpose of additional analysis and are 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 17, 2018

Skody Scot & Company, CPAs, PC

JAMAICA CENTER IMPROVEMENT ASSOCIATION, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
(Supplemental Financial Information)
YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE TOTALS FOR 2017

	2 0 1 8								2 0 1 7
	Program Expenses				Supporting				
	Marketing and Promotion	Sanitation	Community Outreach	Public Improvements	Total Program Expenses	Management & General	Fundraising	Total Expenses	Total Expenses
Staff salaries	\$ 44,632	\$ 5,579	\$ 11,158	\$ 11,158	\$ 72,527	\$ 33,474	\$ 5,579	\$ 111,580	\$ 206,543
Payroll taxes and benefits	8,092	1,011	2,023	2,023	13,149	6,069	1,011	20,229	44,516
Outside contractors	24,258	374,220	5,700	5,700	409,878	20,606	2,850	433,334	354,890
Depreciation and amortization	-	-	-	-	-	3,669	-	3,669	2,162
Donation to others	-	-	1,229	-	1,229	-	-	1,229	7,774
Holiday decorations	39,000	-	-	-	39,000	-	-	39,000	40,950
Insurance	-	170,231	-	-	170,231	15,816	-	186,047	132,654
Office supplies & expenses	8,835	90	-	-	8,925	17,226	-	26,151	19,739
Printing & postage	105	-	-	-	105	7,528	-	7,633	3,415
Professional fees	-	-	-	-	-	27,746	-	27,746	29,781
Project expenses	10,750	-	125	-	10,875	3,995	-	14,870	21,566
Rent	-	-	-	-	-	34,278	-	34,278	13,950
Telephone/communications	-	-	-	-	-	8,191	-	8,191	6,194
Travel & meetings	1,711	-	-	-	1,711	2,109	-	3,820	6,794
Total expenses	\$137,383	\$551,131	\$ 20,235	\$ 18,881	\$ 727,630	\$ 180,707	\$ 9,440	\$ 917,777	\$ 890,928

JAMAICA CENTER IMPROVEMENT ASSOCIATION, INC.
SCHEDULE OF EXPENSES AND BUDGET
(Supplemental Financial Information)
YEAR ENDED JUNE 30, 2018

	<u>Total Expenses</u>	<u>Budget</u>
Staff salaries	\$ 111,580	\$ 203,193
Payroll taxes and benefits	20,229	50,891
Outside contractors	433,334	371,416
Depreciation and amortization	3,669	-
Donation to others	1,229	2,500
Holiday decorations	39,000	40,950
Insurance	186,047	167,819
Office supplies and expenses	26,151	12,500
Printing and postage	7,633	4,200
Professional fees	27,746	29,600
Project expenses	14,870	27,500
Rent	34,278	41,408
Telephone and communications	8,191	7,760
Travel and meetings	3,820	7,200
Total expenses	<u>\$ 917,777</u>	<u>\$ 966,937</u>