

47th STREET BUSINESS IMPROVEMENT DISTRICT INC.

(A NOT FOR PROFIT CORPORATION)

FINANCIAL STATEMENTS

JUNE 30, 2009

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JUNE 30, 2008

Harvey Scheff & Co., CPA's, LLC
Certified Public Accountants

Harvey Scheff & Co., CPA's, LLC
Certified Public Accountants

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REPORT OF INDEPENDENT PUBLIC ACCOUNTS

To the Board of Directors of
47th Street Business Improvement District Inc.
580 Fifth Avenue, Suite 323
New York, NY 10036

We have audited the accompanying statements of financial position of 47th Street Business Improvement District Inc. (the "BID") (a New York not-for-profit organization) as of June 30, 2009 and June 30, 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the "BID" management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the "BID" as of June 30, 2009 and June 30, 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with "Government Auditing Standards", we have also issued our report dated August 13, 2009 on our consideration of the "BID" internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.



New York, New York
August 13, 2009

47TH STREET BUSINESS IMPROVEMENT DISTRICT INC.

(A NOT FOR PROFIT CORPORATION)

STATEMENT OF FINANCIAL POSITION

AS AT

	<u>JUNE 30,</u> <u>2009</u>	<u>JUNE 30,</u> <u>2008</u>
<u>NON-RESTRICTED ASSETS:</u>		
<u>CURRENT ASSETS</u>		
Cash in banks (Note 2)	\$ 105,836	\$ 15,998
Assessments receivable (Note 3)	<u>-0-</u>	<u>-0-</u>
Total current assets	<u>105,836</u>	<u>15,998</u>
<u>OTHER ASSETS</u>		
Security deposit - Con Ed	330	330
Sanitation equipment	\$ 5,260	
Less: Accumulated depreciation	<u>5,260</u>	<u>-0-</u>
Total other assets	<u>330</u>	<u>330</u>
Total assets	<u>106,166</u>	<u>16,328</u>
<u>NON-RESTRICTED LIABILITIES:</u>		
Accrued taxes, expenses and bank credit line (Note 4)	<u>11,706</u>	<u>25,857</u>
Total liabilities	<u>11,706</u>	<u>25,857</u>
<u>NON-RESTRICTED NET ASSETS:</u>		
Unrestricted and available for general operatitons (deficit)	\$ 94,460 =====	\$ (9,529) =====

The accompanying notes are an integral part of these statements.

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47TH STREET BUSINESS IMPROVEMENT DISTRICT INC.

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STATEMENT OF ACTIVITY

FOR THE YEARS ENDED

	<u>JUNE 30,</u> <u>2009</u>	<u>JUNE 30,</u> <u>2008</u>
<u>NON-RESTRICTED REVENUE:</u>		
New York City assessments (Note 6)	\$ 500,000	\$ 331,367
Public support	22,510	74,815
Interest income	<u>754</u>	<u>2,666</u>
Total revenues	<u>523,264</u>	<u>408,848</u>
<u>NON-RESTRICTED EXPENSES:</u>		
Program services:		
Cleaning & sanitation	\$ 49,890	\$ 50,464
Security	49,775	48,031
Public relations	<u>4,610</u>	<u>566</u>
Total program services	104,275	99,061
General and administrative expenses (See schedules)	<u>315,000</u>	<u>310,732</u>
Total expenses	<u>419,275</u>	<u>409,793</u>
Change in net assets	103,989	(945)
NET ASSETS, beginning of year	<u>(9,529)</u>	<u>(8,584)</u>
NET ASSETS, end of year (deficit)	\$ 94,460 =====	\$ (9,529) =====

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47TH STREET BUSINESS IMPROVEMENT DISTRICT INC.

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SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES

FOR THE YEARS ENDED

	<u>JUNE 30,</u> <u>2009</u>	<u>JUNE 30,</u> <u>2008</u>
Salaries	154,166	\$ 128,632
Consulting fees	35,999	55,000
Insurance	18,983	19,174
Promotions	16,688	5,823
Utilities	16,517	4,746
Payroll taxes	13,834	10,771
Professional fees	9,198	14,105
Advertising	8,329	14,550
Postage and stationery	7,787	4,618
Repairs and maintenance	7,065	14,754
Hospitalization insurance	7,021	8,056
Office expenses	5,977	8,570
Telephone	5,039	3,521
Rent	2,714	2,253
Computer expenses	2,332	6,754
Dues and subscriptions	1,354	2,639
Licenses and fees	1,108	-0-
Bank charges	529	269
New York State Corporation Tax	250	250
Finance interest-LOC	110	192
Seasonal decoratitons	-0-	4,307
Bank interest	-0-	1,748
	<u> </u>	<u> </u>
Totals	\$ 315,000	\$ 310,732
	=====	=====

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47TH STREET BUSINESS IMPROVEMENT DISTRICT INC.

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STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED

	<u>JUNE 30,</u> <u>2009</u>	<u>JUNE 30,</u> <u>2008</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 103,989	\$ (945)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Decrease in liabilities	(14,151)	(7,505)
Increase in security deposit	<u>-0-</u>	<u>(330)</u>
Net change in cash	89,838	(8,780)
CASH, beginning of year	<u>15,998</u>	<u>24,778</u>
CASH, end of year	<u>\$ 105,836</u> =====	<u>\$ 15,998</u> =====

The accompanying notes are an integral part of these statements.

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47TH STREET BUSINESS IMPROVEMENT DISTRICT INC.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2009 AND JUNE 30, 2008

- NOTE 1 - The organization was formed May 6, 1997 under the laws of the State of New York. Operations actually began September 10, 1997. The Organization's accounting policies conform to generally accepted accounting principles.
- NOTE 2 - Cash in banks consists of \$41,980 in the operating checking account and \$63,856 in money market accounts at June 30, 2009 and \$5,048 in the operating checking account and \$10,950 in money market accounts at June 30, 2008.
- NOTE 3 - There were no assessments receivable from the City of New York Department of Business Services at June 30, 2009, and at June 30, 2008.
- NOTE 4 - Substantially all liabilities in existence at June 30, 2009 and all liabilities existing at June 30, 2008 have been liquidated in a timely manner.
- NOTE 5 - The "BID" maintains its books and records on the accrual basis in conformance with SFAS 117.
- NOTE 6 - The 47th Street Business Improvement District is incorporated under Section 402 of the New York Not for Profit Corporation Law. It was formed for the exclusive charitable and public purpose of promoting the general welfare of the people in the 47th Street Business Improvement District ("District") in the borough of Manhattan by improving the neighborhood conditions and environment within the District. (West 47th Street between Fifth Avenue and Sixth Avenue)

The Corporation has signed a contract with The City of New York ("City") a municipal corporation of the State of New York, acting by and through the Commissioner of the City's Department of Business Services to levy and collect business improvement district ("BID") charges from property owners in the district for the purpose of providing supplemental maintenance or other services in the area. Supplemental services include security, sanitation, promotion and business enhancements and other services in achieving the purpose of the Corporation.

The BID charges collected by the City are remitted to the Corporation throughout the year. The term of the contract was from July 1, 1997 through June 30, 2002. Upon the termination date, the City exercised their option to renew this contract for a further term of five (5) years until June 30, 2008, and extended until June 30, 2009. Said contract has been renewed by the City for a further term of five (5) years until June 30, 2013.

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To the Board of Directors of
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In planning and performing our audit of the financial statements of 47th Street Business Improvement District Inc. for the years ended June 30, 2009 and June 30, 2008, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. We noted no matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

In the course of our examination, we reviewed the bank reconciliations and noted that adjustments and corrections were recorded quarterly. Quarterly reports of receipts and disbursements could be rendered to the board of directors if said board so wishes.

This report is intended solely for the information and uses of the Board of Directors, management, and others within the organization.



Harvey Scheff & Co., CPA'S LLC
August 13, 2009