Broadway Mall Association, Inc.
Financial Statements
(Modified Cash Basis)
December 31, 2020

Broadway Mall Association, Inc.
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PragerMetis

Independent Accountant's Review Report

To the Board of Directors of
Broadway Mall Association, Inc.

Prager Metis CPAs, LLC

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We have reviewed the accompanying financial statements of the Broadway Mall Association, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities and net assets – modified cash basis as of December 31, 2020, and the related statements of revenue and expenses – modified cash basis, functional expenses – modified cash basis, and cash flows – modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw your attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is the basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Prager Metis CPAs, LLC

Prager Metis CPAs, LLC
New York, New York
November 8, 2021

Assets		
Current assets		
Cash	$	268,600
Prepaid expenses		383
Total current assets		268,983
Property and equipment, net		1,199
Other assets		
Security deposit		1,500
Total assets	$	271,682
Liabilities	$	-
Net assets		
Without donor restrictions		271,682
Total net assets	$	271,682

Broadway Mall Association, Inc.
Statement of Revenue and Expenses – Modified Cash Basis
Year Ended December 31, 2020

Revenue and public support		
Contributions	$	586,709
Special events revenue		70,654
Total revenue and public support		657,363
Functional expenses		
Program services		455,124
Management and general		67,293
Fundraising		71,048
Total functional expenses		593,465
Other income		
Paycheck Protection Program loan forgiveness income		34,407
Economic Injury Disaster Loan – Advance Grant forgiveness income		3,000
Total other income		37,407
Change in net assets		101,305
Net assets – without donor restrictions – beginning of year		170,377
Net assets – without donor restrictions – end of year	$	271,682

See accompanying notes and independent accountant's review report.

Broadway Mall Association, Inc.
Statement of Functional Expenses – Modified Cash Basis
Year Ended December 31, 2020

	Program Services	Management and General	Fundraising	Totals
Maintenance and landscaping	$ 281,024	$ -	$ -	$ 281,024
Compensation	124,338	7,596	47,776	179,710
Winter lighting	33,307	-	-	33,307
Rent	11,812	2,953	14,765	29,530
Bookkeeping and audit	-	21,910	-	21,910
Other cultivation	4,643	22,194	-	26,837
Signage	-	-	422	422
Printing	-	-	6,030	6,030
Insurance	-	6,729	-	6,729
Website	-	-	2,055	2,055
Payroll service	-	3,838	-	3,838
Bank and credit card charges	-	2,073	-	2,073
Total	$ 455,124	$ 67,293	$ 71,048	$ 593,465

See accompanying notes and independent accountant's review report.

Cash flows from operating activities		
Change in net assets	$	101,305
Adjustment to reconcile change in net assets to net cash provided by operating activities		
Paycheck Protection Program loan forgiveness income		(34,407)
Economic Injury Disaster Loan – Advance Grant forgiveness income		(3,000)
Net cash provided by operating activities		63,898
Cash flows from financing activities		
Proceeds form Paycheck Protection Program loan		34,407
Proceeds from Economic Injury Disaster Loan – Advance Grant		3,000
Net cash provided by financing activities		37,407
Net increase in cash		101,305
Cash – beginning of year		167,295
Cash – end of year	$	268,600

See accompanying notes and independent accountant's review report.

Note 1 Nature of Organization and Purpose

Broadway Mall Association, Inc. (the "Organization") is a nonprofit organization incorporated in the State of New York. The Organization was formed for the purpose of providing program services to maintain the malls and median strips on the street called Broadway, located in the Borough of Manhattan, in New York City, for use by the general public. Broadway Mall Association, Inc. is an exempt organization for federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation. Income is generated primarily from contributions.

The worldwide outbreak of COVID-19, which was declared a pandemic by the World Health Organization in March 2020, has impacted and may continue to impact global commerce. The full impact of the COVID-19 outbreak continues to evolve, and management is actively monitoring and adapting to the situation. It is uncertain as to the magnitude the COVID-19 pandemic will have in the future on the global economy as well as the Organization's financial condition and future results of operations. To date, management has been able to effectively navigate the impact of the COVID-19 pandemic in meeting its operational and financial goals.

Note 2 Summary of Significant Accounting Policies

Basis of Accounting

The Organization's financial statements have been prepared on the modified cash basis of accounting. The modified cash basis of accounting is a special purpose framework basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Under the modified cash basis of accounting, revenue is recognized when received rather than when earned, and expenses and purchases of assets are recognized when paid rather than when the obligation is incurred. Consequently, the Organization has not recognized receivables from earnings, accounts payable to vendors, and their related effects on the changes in net assets in the accompanying financial statements.

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with the modified cash basis of accounting, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – consist of assets, public support and program revenue, which are available and used for operations and programs. Contributions are considered available for unrestricted use unless specifically restricted by the donor, they may, however, be subject to board designation.

Net assets with donor restrictions – include funds with donor-imposed restrictions, which permit the Organization to expend the assets as specified and are satisfied either by the passage of time or by actions of the Organization or may be permanent in nature. Resources of this nature originate from gifts, contribution, and investment income earned on restricted funds. The Organization has no net assets with donor restrictions.

Note 2 Summary of Significant Accounting Policies (continued)

Use of Estimates
The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

Property and Equipment
Property and equipment is recorded at cost when purchased or constructed, or at market value when donated. The Organization capitalizes all expenditures in excess of $1,000 for property and equipment at cost. Donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Expenditures for major renewals and betterment that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Depreciation is calculated on a straight-line basis.

Revenue and Public Support Recognition
Effective January 1, 2020, the Organization adopted FASB ASC 606, *Revenue from Contracts with Customers*. ASC 606 and all subsequently issued clarifying Accounting Standards Updates replaced most existing revenue recognized under the modified cash basis of accounting. Per the new guidance, revenue is recognized in accordance with a five-step revenue model, as follows: identifying the contract with the customer; identifying the performance obligations in the contract; determining the transaction price; allocating the transaction price to the performance obligations; and recognizing revenue when (or as) the Organization satisfies a performance obligation. ASC 606 also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The Organization has assessed the application of ASC 606 guidance and determined that revenue recognized pursuant to the new guidance is consistent with previous revenue recognition standards. The amount of revenue recognized primarily from contributions, reflects the expected consideration to be received for providing goods or services to the public.

Contributions and special events revenue are recorded as revenue in the period the services are performed or contribution is received.

Note 2 Summary of Significant Accounting Policies (continued)

Special Events
The direct costs of special events include expenses for the benefit of the donor. For example, meals and rental facilities are considered direct costs of special events.

Expenses
Expenses are reported as decreases in unrestricted net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Functional Allocation of Expenses
The costs of providing various program and supporting activities have been summarized on a functional basis in the statement of revenue and expenses – modified cash basis. The statement of functional expenses – modified cash basis presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the various functional areas based on the full-time employee equivalent.

Measurement of Operations
The statement of revenue and expenses – modified cash basis reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing program services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Income Taxes
The Organization is organized as a nonprofit entity and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Unrelated business income, of which the Organization had none for the year ended December 31, 2020, would be subject to federal income taxes. The Organization's information returns filed with the Internal Revenue Service have not been examined in the past. The Organization is not aware of any uncertainties that could jeopardize its nonprofit status. Therefore, no provision or liability for income taxes is deemed necessary.

The Organization follows the provisions of uncertain tax provisions addressed by ASC 740-10, *Accounting for Uncertainty in Income Taxes*. The Organization has no uncertain tax positions at December 31, 2020, for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. The Organization recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in management and general expenses. The Organization has determined that no amount is required to be accrued for taxes or related interest and penalties for any tax position taken through December 31, 2020.

Note 2 Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements
Leases
In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*, which will require leases to be recorded as an asset on the statement of assets, liabilities and net assets – modified cash basis for the right to use the leased asset and a liability for the corresponding lease obligation for leases with terms of more than twelve months. ASU 2016-02 is effective for non-public companies and not-for-profit organizations for fiscal years beginning after December 15, 2020, with early adoption permitted. The Organization will implement the new changes for the year ending December 31, 2021.

Advertising
Advertising costs are expensed as incurred.

Note 3 Property and Equipment, Net

Property and equipment, net, consists of the following at December 31, 2020:

	Useful Lives (Years)	Amount
Furniture and equipment	5	$ 1,199
Less: accumulated depreciation		-
		$ 1,199

Note 4 Commitments

The Organization is obligated under a rental agreement for their office space which expired in March 2020. The lease was renewed until December 31, 2025. Rental expense for the year ended December 31, 2020 amounted to $29,530. The future minimum rental commitment under this agreement approximates the following:

Year Ending December 31,	Amount
2021	$ 28,076
2022	28,918
2023	29,786
2024	30,679
2025	31,600
	$ 149,059

Note 5 Concentrations of Credit Risk

Cash includes demand deposits at financial institutions. The Organization maintains its cash in bank deposit accounts which at times may exceed federally insured limits, which potentially subjects the Organization to a concentration of credit risk. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk to its cash.

Note 6 Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of December 31, 2020, reduced by the amounts not available for general use within one year of the date of the statement of assets, liabilities and net assets – modified cash basis because of contractual or donor-imposed restrictions or internal designations.

Current assets, excluding non-financial assets	$ 268,600
Less: donor restrictions for specific purposes	-
Financial assets available to meet cash needs for general expenditures within one year	$ 268,600

Note 7 Paycheck Protection Program

In response to the COVID-19 pandemic, the Paycheck Protection Program ("PPP") was established under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") and administered by the Small Business Administration ("SBA"). Companies who met the eligibility requirements set forth by the PPP could qualify for PPP loans. If the loan proceeds are fully utilized to pay qualified expenses, the full principal amount of the PPP loan, along with any accrued interest, may qualify for loan forgiveness, subject to potential reduction based on the level of full-time employees maintained by the Organization.

On May 4, 2020, the Organization received a loan of $34,407 under the PPP pursuant to the CARES Act. The loan bears interest at 1.0% per annum at the date of disbursement. The loan matures in two years which can be extended to 5 years by mutual agreement of the Organization and the lender, after the receipt of the loan proceeds, if not forgiven under the terms of the PPP. The Organization intends to use the proceeds for purposes consistent with the PPP. During 2021, the Organization applied for full loan forgiveness. The loan has been classified on the statement of revenue and expenses – modified cash basis as Paycheck Protection Program loan forgiveness income because the Organization has determined the loan will meet the conditions to have the loan forgiven in 2021 (Note 9).

Note 8 Economic Injury Disaster Loan – Advance Grant

On May 4, 2020, the Organization received an Advance Grant amounting to $3,000 under the EIDL pursuant to the CARES Act. Under the Consolidated Appropriations Act (CAA), the Advance Grant is 100% forgiven.

Note 9 Subsequent Events

Subsequent events have been evaluated through November 8, 2021, which is the date the financial statements were available to be issued.

During 2021, the Organization applied for the PPP full loan forgiveness. On February 25, 2021, the Organization received full loan forgiveness.