

May 1, 2024

QUESTIONS & ANSWERS RECEIVED

RE: REQUEST FOR QUOTE

Independent Audit and Tax Return Preparation Services

REGARDING RFQ

- 1) Your RFQ says the contract term is July 1, 2024 through June 30, 2027. The RFQ is for the audits for the years ending June 30, 2024, 2025, and 2026. These periods don't appear to align. Can you please clarify?
 - The contract term trails the FY being audited/reported on, and aligns with a typical annual timeline that starts with Audit prep in the fall and ends with Tax Return filing in spring, see following example timelines:
 - For FY24: Start: Audit prep in August 2024; End: 990 is filed in April of 2025.
 - For FY25: Start: Audit prep in August 2025; End: 990 filed in April of 2026.
 - For FY26: Start: Audit prep in August 2026; End: 990 filed in April of 2027.
- 2) There are two times that the financials will be presented, once to the Audit Committee in the fall and once to the Board in December. Based upon this, is it right to assume that there is no pre-audit meeting that takes place?
 - The Audit Committee in the Fall and Board Meeting in December are the only official meetings to which we request auditor attendance/presentation. We typically meet with the auditing staff as requested in advance of commencing the audit and host audit staff for an on-site meeting if necessary/requested.
- 3) Item 6 of the RFQ ("additional ad-hoc reporting for special projects") calls for additional submissions. What is the auditor's role in each of those submissions?
 - Items a. and b. typically involve a straightforward summarization of the Partnership's financial position for the purposes of public-facing reporting. Item c. essentially describes the availability of the firm to consult/advise with leadership on financial reporting matters as needed.

REGARDING THE PARTNERSHIP

- 4) What accounting software do you use?
 - QuickBooks Online (and Bill.com for AP & AR)
- 5) What payroll company do you use and approximately how many employees do you use?
 - We are presently transitioning from ADP to a UKG-based platform. We have 10 full-time employees and 1 hourly employee, and we host an intern seasonally.

- 6) Do you maintain your financial records on the cash or accrual basis throughout the year? We understand the financials are prepared on the accrual basis.
 - Our financial records are maintained on an accrual basis.
- 7) What is the staffing of your accounting department?
 - We retain a contracted bookkeeper/accounting associate who supports AP & AR and leads reconciliations and monthly close, on-site once weekly. All other financial management and reporting is handled by the Director of Administration & Finance and the President.
- 8) How are restricted contributions identified and tracked?
 - The Partnership has very limited instances of restricted contributions, e.g. a program grant. These instances would be managed with distinct class codes and accounts as needed.
- 9) Your largest source of revenue is the Assessment from NY City. How is the amount of the assessment determined? How are you notified and paid?
 - The amount of the assessment is defined in the Partnership's District Plan, approved during the BID's legislative authorization, which defines the BID's initial operating budget and the formula that will be used to calculate each property's assessment - in our case, based on commercial square footage. The Department of Finance bills and collects the fee as part of the administration of the property tax; the funds are remitted to the Partnership in two installments each year.
- 10) How do you track your expenses throughout the year by program? Do you use cost centers?
 - Each of our programs has a specific budget code prefix in our chart of accounts, and each revenue/expense item is accordingly accrued to its corresponding program(s). Personnel/payroll expenses are allocated on a percentage basis across programs using the same budget code prefix system.
- 11) Who prepares the Statement of Functional Expenses?
 - Monthly financial reporting is collaboratively prepared by our contracted bookkeeper and the Director of Administration & Finance.
- 12) Who performs the 842 accounting, is this done internally or do the auditors handle?
 - Lease amortization is handled by the Partnership's auditor/CPA with the support of the Director of Administration & Finance.
- 13) Is there a reason you don't issue a classified statement of financial position (breaking out current and long-term assets and liabilities).
 - Because of the organization's operating model as a not-for-profit Business Improvement District, the Partnership does not generally carry long-term assets, nor does it hold long-term debt or shareholder equity.
- 14) What are you looking for in a relationship with your audit firm?
 - Seeking familiarity with Business Improvement Districts, and reliability as a resource to keep us informed and current on NYS tax and compliance matters.