



***QUEENS ECONOMIC DEVELOPMENT
CORPORATION***

**Financial Statements
June 30, 2024**

QUEENS ECONOMIC DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Queens Economic Development Corporation

Opinion

We have audited the accompanying financial statements of the Queens Economic Development Corporation (the "Organization") which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Queens Economic Development Corporation as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial statements section of our report. We are required to be independent of Queens Economic Development Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Queens Economic Development Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Queens Economic Development Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Queens Economic Development Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Wei Wei & Co. LLP

Flushing, New York
February 18, 2025

QUEENS ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

ASSETS	2024
Current assets:	
Cash and cash equivalents (<i>Note 2</i>)	\$ 906,057
Grants receivable (<i>Notes 2 and 4</i>)	1,374,023
Receivable, other	45,027
Total current assets	2,325,107
Noncurrent assets:	
Long-term investments, at fair value (<i>Note 2</i>)	594,332
Property and equipment, net (<i>Notes 2 and 5</i>)	65,983
Security deposits	14,855
Total noncurrent assets	675,170
TOTAL ASSETS	3,000,277
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable and accrued expenses	120,884
Contract refundable advances	396,109
Securities payable	62,322
Fiscal conduit	147,652
TOTAL LIABILITIES	726,967
Net assets (<i>Note 2</i>):	
Without donor restrictions	2,273,310
TOTAL LIABILITIES AND NET ASSETS	\$ 3,000,277

See accompanying auditors' report and notes to financial statements.

QUEENS ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024

2024

REVENUE AND SUPPORT:

Government income	\$	1,989,133
Grants and contributions		1,009,291
Program revenue and fees		439,523
Contributed space		40,000
Other income		4,097

Total Revenue and Support 3,482,044

EXPENSES:

Program services:		
Business services		2,210,985
Training		442,164
Neighborhood economic development		294,830

Total Program Services 2,947,979

Supporting services:		
Fundraising		122,722
Management and general		389,092

Total Supporting Services 511,814

Total Expenses 3,459,793

Change in Net Assets 22,251

Net Assets, Beginning of year 2,251,059

Net Assets, End of year \$ 2,273,310

See accompanying auditors' report and notes to financial statements.

QUEENS ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2024

	Program Services				Supporting Services			Total
	Business Services	Training	Neighborhood Economic Development	Total Program Services	Administrative and General	Fund-Raising	Total Supporting Services	2024
Salaries	\$ 888,895	\$ 177,751	\$ 118,547	\$ 1,185,193	\$ 166,220	\$ 54,844	\$ 221,064	\$ 1,406,257
Payroll taxes and fringes	127,680	25,532	17,028	170,240	23,875	7,878	31,753	201,993
Telephone	17,512	3,502	2,335	23,349	2,594	-	2,594	25,943
Postage and shipping	823	165	110	1,098	274	-	274	1,372
Office supplies	27,909	5,582	3,721	37,212	1,959	-	1,959	39,171
Rent	172,402	34,480	22,987	229,869	-	-	-	229,869
Equipment leases	57,686	11,537	7,692	76,915	4,048	-	4,048	80,963
Repairs and maintenance	50,516	10,103	6,736	67,355	-	-	-	67,355
Staff development and training	722	145	96	963	-	-	-	963
Utilities	66,160	13,232	8,821	88,213	-	-	-	88,213
Meetings and events	32,647	6,529	4,353	43,529	-	-	-	43,529
Contracted services	189,401	37,880	25,254	252,535	6,800	-	6,800	259,335
Marketing and advertising	59,496	11,899	7,933	79,328	4,359	-	4,359	83,687
Lobbying activities	-	-	-	-	-	60,000	60,000	60,000
Insurance	4,629	926	617	6,172	6,173	-	6,173	12,345
Travel	5,816	1,163	775	7,754	862	-	862	8,616
Professional services	-	-	-	-	119,810	-	119,810	119,810
Subscription fees	6,492	1,298	866	8,656	8,657	-	8,657	17,313
Program expenses	480,290	96,058	64,038	640,386	-	-	-	640,386
Contributed space	-	-	-	-	40,000	-	40,000	40,000
Other	-	-	-	-	3,461	-	3,461	3,461
Total expenses before depreciation	2,189,076	437,782	291,909	2,918,767	389,092	122,722	511,814	3,430,581
Depreciation	21,909	4,382	2,921	29,212	-	-	-	29,212
TOTAL EXPENSES	\$ 2,210,985	\$ 442,164	\$ 294,830	\$ 2,947,979	\$ 389,092	\$ 122,722	\$ 511,814	\$ 3,459,793

See accompanying notes to financial statements.

QUEENS ECONOMIC DEVELOPMENT CORPORATION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES:	2024
Change in net assets	\$ 22,251
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	29,212
Changes in operating assets and liabilities:	
Grants receivable	(515,467)
Receivable, other	50,368
Accounts payable and accrued expenses	53,192
Contract refundable advances	396,109
Securities payable	4,931
Fiscal conduit	(32,129)
Net cash provided by operating activities	8,467
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of investments	(594,332)
Purchase of property and equipment	(15,394)
Net cash (used in) investing activities	(609,726)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(601,259)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,507,316
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 906,057

**SUPPLEMENTAL DISCLOSURE OF ADDITIONAL
CASH FLOW INFORMATION:**

Cash paid for interest	\$ -
Initial recognition of operating right-of-use assets and lease liabilities	\$ -

See accompanying auditors' report and notes to financial statements.

QUEENS ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

1. NATURE OF ORGANIZATION

Queens Economic Development Corporation (“QEDC”) was incorporated under the laws of the State of New York in 1976 and began operations soon thereafter. The Organization is a not-for-profit organization under Section 501(c)(3) and is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (“IRC”). The Organization creates and retains jobs through training programs in the neighborhoods to assist small businesses and promote tourism and business development.

Queens Economic Development Corporation is funded primarily by government contract revenues as well as foundations contributions and corporate grants.

The following are descriptions of the Organization’s programs:

Business Services and training

QEDC provides individual counseling, workshops and seminars to new emerging entrepreneurs seeking to open and grow their businesses. Training is offered in business plan preparation through the start-up business competition and the entrepreneurial assistance programs. The home improvement contractor training program helps unlicensed handyman obtain New York City Department of Consumer Affairs licenses.

Neighborhood Development

QEDC works with local businesses and new merchants to provide assistance and advice to improve the business well-being of targeted neighborhoods. QEDC provides graffiti removal programs in several communities and promotes tourism in Queens.

Entrepreneur Space

QEDC provides a commercial kitchen and office spaces for new entrepreneurs and restaurant businesses. The incubator has all the necessary equipment and resources to start a food manufacturing business and it provides lessons and business counseling as well as marketing opportunities.

QUEENS ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentationⁱ

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (“U.S.GAAP”), as applicable to not-for-profit organizations. The classification of the Organization’s net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. The two classes of net assets are defined as follows:

Net assets without donor restrictions -includes funds having no restriction as to use or purpose imposed by donors. It represents resources available for support of the Organization’ operations.

Net assets with donor restrictions -represents assets that are subject to donor-imposed stipulations. Donor restricted contributions whose restrictions are met within the same year as received are reflected as net assets without donor restrictions in the accompanying financial statements. At June 30, 2024, the Organization had no net assets with donor restrictions.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

For the purposes of the statement of cash flows, the Organization considers all demand deposits, money market funds and other short-term liquid investments with original maturities of three months or less to be cash equivalents.

QUEENS ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants receivable and revenue recognition

Grants receivable are recorded when expenses are incurred or services are rendered and the Organization has a contract for services. The allowance for doubtful accounts is based on management's review that all receivables are collectible and accordingly, no provision for doubtful collection is deemed necessary. As of June 30, 2024, there was no balance for allowance for doubtful accounts.

The Organization recognizes revenue from contributions in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-08, Not-For-Profit Entities ("Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. In accordance with ASU 2018-08, the Organization evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred and (2) a contribution. If the transfer is determined to be an exchange transaction, the Organization applies guidance under FASB Accounting Standards Codification ("ASC") 606. If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Organization is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Revenue from government sources

Revenue from cost reimbursement contracts is recognized when the Organization has expended the program costs in accordance with the grant agreement. Advance received from grantor agencies under cost reimbursement grants and before the Organization's expenses claim submissions are reflected in the accompanying statements of financial position as "contract refundable advances."

Contributions and Promises to Give

Contributions to support the Organization's operations are recognized as without donor restrictions unless they are received with donor stipulations that limit their use. Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either net assets with donor restrictions or net assets without donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

QUEENS ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Program revenue and fees

Program revenue and fees are recognized when earned, based upon expenses incurred or services provided. QEDC started a new program in 2010 to assist local restaurant owners and chefs for business development and cooking skills. The “Entrepreneur Space” provides a professional kitchen for rent to caterers, bakers and chefs. The services also include providing business counseling and office space rental.

Donated space and in-kind contributions

Donated spaces are recorded as contributions at their market value at the date of donation. The Organization reports the donations in the net assets without donor restrictions category, unless explicit donor stipulations specify how the donated assets must be used. QEDC received the donated space valued at \$40,000 for the year ended June 30, 2024. The valuation is based on the fair market value per square foot on the basis of recent comparable rental prices in the New York City Metropolitan area. There is no associated donor restrictions and the donated space is charged to program expenses.

Investments

Investments are reported at fair value, which refers to the price that would be received to sell an asset in an orderly transaction between the market participants at the measurement dates. Unrealized gains and losses are included in income on the statement of activities.

Property and equipment

Fixed assets are recorded at cost, or if donated, at their approximate fair value at the date of donation. Depreciation is over the estimated useful lives of the assets using the straight-line method for financial reporting as follows:

Building and leasehold improvements	10-40 years
Equipment and fixture	5 years

The Organization follows the policy of capitalizing all acquisitions in excess of \$5,000 and a useful life of 2 years or more. Donations of fixed assets are recorded as contributions at their estimated fair value at the date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire fixed assets are reported as increases in net assets with donor restrictions.

QUEENS ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with FASB ASC 820, the following summarizes the fair value hierarchy:

Level 1 Inputs – Unadjusted quoted market prices for identical assets and liabilities in an active market that the Organization has the ability to access.

Level 2 Inputs – Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs – Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

Carrying values of non-derivative financial instruments, including cash and cash equivalents, grants receivable, investment, prepaid expenses, security deposits, accounts payable and accrued expenses, and line of credits approximated their fair values due to the short-term nature of these financial instruments. There were no changes in methods or assumptions during the year ended June 30, 2024.

Income taxes

The Organization is exempt from federal income taxes under Sections 501(c)(3) and 501(c)(13) of the Internal Revenue Code. These IRC sections enable the Organization to accept donations which qualify as charitable contributions to the donor. The Organization has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Accordingly, no provision for income taxes has been made in the financial statements. In addition, the Organization has no unrelated business income which could be taxable. The Organization files with the Internal Revenue Service Form 990, “Return of Organization Exempt from Income Tax” and the related State and local exempt organization returns as required.

The Organization’s 2021, 2022 and 2023 tax years are open and subject to examination by the tax authorities. However, the Organization is not currently under examination, nor has it been contacted by any of the tax authorities.

QUEENS ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Administrative overhead, which represents a fixed amount paid by each contract to reimburse the Organization for its administration costs, is shown as a program expense in order to report the total reimbursement under the contract. It is then reversed for the purpose of functional reporting.

The financial statements report certain categories of expenses that are attributed to more than one program of supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include rent and utilities, depreciation which are allocated on a square footage basis, as well as salaries, payroll taxes and fringes, repairs and maintenance, equipment leases, meetings and events, travel, professional fees, postage and shipping, insurance, which are allocated on the basis of estimates and effort.

Recent Accounting Pronouncements

FASB ASU No. 2016-13 *Financial Instruments – Credit Losses (“Topic 326”) Measurement of Credit Losses on Financial Instruments* was adopted for the year ended December 31, 2023. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. CECL requires an estimate of credit losses for the remaining life of the financial asset using historical experience, current conditions and reasonable and supportable forecasts. Financial assets held by the House that are subject to the guidance in ASU 2016-03 include accounts receivable and loans receivable. The adoption of this ASU was not considered material to the consolidated financial statements.

3. CONCENTRATIONS OF CREDIT RISK AND REVENUE CONCENTRATION

The Organization maintains its cash in bank deposit accounts, which at times, may exceed the FDIC insured limits of \$250,000 per financial institution. At times cash balances held at financial institutions may be in excess of federally insured limits. The Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk related to cash.

The Organization receives government grants representing 57% of its revenues from various Departments of New York City. Should these grants be discontinued, The Organization would have to pursue alternative funding sources to continue its operations.

QUEENS ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

4. GRANTS RECEIVABLE

As of June 30, 2024, grants receivable consisted of reimbursable billings less advances received or adjusted for the following programs:

New York City Small Business Services	\$	416,120
US Small Business Administration		35,554
New York State Department of State		56,250
Department of Youth and Community Development		102,667
New York City Pass through		22,750
Empire State Economic Development Corporation		659,682
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Total	\$	1,374,023

5. FIXED ASSETS, NET

Fixed assets at June 30, 2024 are summarized as follows:

Leasehold improvement	\$	9,070
Equipment and fixtures		181,610
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		190,680
Less: accumulated depreciation		(124,697)
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Fixed assets, net	\$	65,983

Depreciation expense for the year ended June 30, 2024 was \$29,212.

6. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following represents the Organization's financial assets as of June 30, 2024:

Cash and cash equivalents	\$	906,057
Grants receivable		1,374,023
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Financial assets available to meet general expenditures over the next twelve months	\$	2,280,080

QUEENS ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

6. LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

As part of the Organization's strategy, management structures its financial assets, consisting of cash and cash equivalents and net accounts receivable to be available for its general expenditures and liabilities coming due within one year. The Organization receives cash flow from various government Agencies and foundation grants to fund its programs and activities.

7. SUBSEQUENT EVENTS

The Organization's management has performed subsequent events procedures through February 18, 2025, which is the date the financial statements were available to be issued. There were no subsequent events requiring adjustment to or disclosure in the financial statements.