

Brooklyn Heights Association, Inc.

Financial Statements

**Year Ended
December 31, 2024**

Brooklyn Heights Association, Inc.

Financial Statements

Table of Contents

Independent Auditor’s Report.....1-2

Financial Statements:

Statement of Financial Position 3

Statement of Activities 4

Statement of Cash Flows..... 5

Statement of Functional Expenses 6

Notes to Financial Statements7-13



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Independent Auditor's Report

**To the Board of Trustees of
Brooklyn Heights Association, Inc.
Brooklyn, New York**

Opinion

We have audited the financial statements of Brooklyn Heights Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 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 accompanying financial statements present fairly, in all material respects, the financial position of Brooklyn Heights Association, Inc. as of December 31, 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 (GAAS). 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 Brooklyn Heights Association, Inc. 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 the 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 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 Brooklyn Heights Association, Inc.'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 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 (GAAS), 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 Brooklyn Heights Association, Inc.'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 Brooklyn Heights Association, Inc.'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.

Cipriani & Bauer

Cipriani & Bauer Certified Public Accountants, LLC
Brooklyn, New York
August 28, 2025

Brooklyn Heights Association, Inc.
(a not-for-profit organization)
Statement of Financial Position
December 31, 2024

| <u>Assets</u> | |
|--|------------------------------|
| | <u>2024</u> |
| Current assets: | |
| Cash and cash equivalents | \$ 287,121 |
| Investments | 521,436 |
| Accounts receivable | 28,144 |
| Prepaid expenses | 3,544 |
| Total current assets | <u>840,245</u> |
| Non-current assets: | |
| Equipment, software and website | 55,039 |
| Accumulated depreciation and amortization | (54,583) |
| Net equipment, software and website | <u>456</u> |
| Total non-current assets | <u>456</u> |
| Total assets | <u><u>\$ 840,701</u></u> |
| <u>Liabilities and Net Assets</u> | |
| Liabilities | |
| Current liabilities: | |
| Accounts payable and accrued expenses | \$ 40,581 |
| Total current liabilities | <u>40,581</u> |
| Non-current liabilities: | |
| Security deposits | 9,821 |
| Total non-current liabilities | <u>9,821</u> |
| Total liabilities | <u>50,402</u> |
| Net assets: | |
| Net assets - without donor restrictions | 671,304 |
| Net assets - with donor restrictions | 118,995 |
| Total net assets | <u>790,299</u> |
| Total liabilities and net assets | <u><u>\$ 840,701</u></u> |

See accompanying notes to financial statements

Brooklyn Heights Association, Inc.
(a not-for-profit organization)
Statement of Activities
For the year ended December 31, 2024

| | <u>Without Donor</u> <u>Restrictions</u> | <u>With Donor</u> <u>Restrictions</u> | <u>2024</u> <u>Total</u> |
|---|---|--|---|
| Support and Revenue: | | | |
| Support: | | | |
| Contributions | \$ 11,122 | \$ 39,702 | \$ 50,824 |
| Contributions - in kind | 15,600 | - | 15,600 |
| Membership dues | 143,803 | - | 143,803 |
| Program activities | 11,464 | - | 11,464 |
| Grants | 25,198 | - | 25,198 |
| Total support | <u>207,187</u> | <u>39,702</u> | <u>246,889</u> |
| Revenue: | | | |
| Fundraising events: | | | |
| ShowHouse | 408,812 | - | 408,812 |
| Less: costs of direct benefit to donors | (163,656) | - | (163,656) |
| Party on the Promenade | 35,920 | - | 35,920 |
| Less: costs of direct benefit to donors | (5,569) | - | (5,569) |
| Interest income | 20,534 | - | 20,534 |
| Total revenue | <u>296,041</u> | <u>-</u> | <u>296,041</u> |
| Total support and revenue | <u>503,228</u> | <u>39,702</u> | <u>542,930</u> |
| Expenses: | | | |
| Program services | 310,231 | 7,431 | 317,662 |
| Management and general | 104,878 | - | 104,878 |
| Fundraising and special events | 24,075 | - | 24,075 |
| Total expenses | <u>439,184</u> | <u>7,431</u> | <u>446,615</u> |
| Changes in net assets | <u>64,044</u> | <u>32,271</u> | <u>96,315</u> |
| Net assets, beginning | 607,260 | 86,724 | 693,984 |
| Net assets, ending | <u>\$ 671,304</u> | <u>\$ 118,995</u> | <u>\$ 790,299</u> |

See accompanying notes to financial statements

Brooklyn Heights Association, Inc.
(a not-for-profit organization)
Statement of Cash Flows
For the year ended December 31, 2024

| | <u>Without Donor</u> <u>Restrictions</u> | <u>With Donor</u> <u>Restrictions</u> | <u>2024</u> <u>Total</u> |
|---|---|--|---|
| Cash flows from operating activities: | | | |
| Changes in net assets | \$ 64,044 | \$ 32,271 | \$ 96,315 |
| Adjustments to reconcile net income to net cash from operations: | | | |
| Depreciation and amortization | 734 | - | 734 |
| (Increase) decrease in assets: | | | |
| Accounts receivable | (18,359) | - | (18,359) |
| Prepaid expenses | 37 | - | 37 |
| Inventory | 428 | - | 428 |
| Increase (decrease) in liabilities: | | | |
| Accounts payable and accrued expenses | 18,861 | - | 18,861 |
| Security deposits | 9,821 | - | 9,821 |
| Net cash provided by operating activities | <u>75,566</u> | <u>32,271</u> | <u>107,837</u> |
| Cash flows from investing activities: | | | |
| Investments | <u>(17,774)</u> | <u>-</u> | <u>(17,774)</u> |
| Net cash (used in) investing activities | <u>(17,774)</u> | <u>-</u> | <u>(17,774)</u> |
| Net increase in cash | 57,792 | 32,271 | 90,063 |
| Cash and cash equivalents - beginning of year | <u>197,058</u> | <u>-</u> | <u>197,058</u> |
| Cash and cash equivalents - end of year | <u><u>\$ 254,850</u></u> | <u><u>\$ 32,271</u></u> | <u><u>\$ 287,121</u></u> |

See accompanying notes to financial statements

Brooklyn Heights Association, Inc.
(a not-for-profit organization)
Statement of Functional Expenses
For the year ended December 31, 2024

| | Program Services | | | | Supporting Services | | |
|---|---|---|-----------------------------------|---------------------|--|--|------------------------------|
| | <u>Community maintenance and improvement</u> | <u>Community planning and preservation</u> | <u>Public Outreach</u> | <u>Total</u> | <u>Management and General</u> | <u>Fundraising and Special Events</u> | <u>2024 Total</u> |
| Expenses: | | | | | | | |
| Salaries | \$ 48,379 | \$ 67,729 | \$ 77,404 | \$ 193,512 | \$ 17,252 | \$ 27,576 | \$ 238,340 |
| Payroll taxes and benefits | 5,557 | 7,780 | 8,890 | 22,227 | 1,981 | 3,168 | 27,376 |
| Professional fees | - | 2,000 | - | 2,000 | 72,392 | 46,400 | 120,792 |
| Supplies | 2,303 | - | 29,796 | 32,099 | 1,693 | 24,544 | 58,336 |
| Outside services | - | - | - | - | 1,668 | 38,658 | 40,326 |
| Insurance | 1,625 | 2,113 | 2,843 | 6,581 | 731 | 813 | 8,125 |
| Advertising and promotion | - | - | - | - | - | 7,223 | 7,223 |
| Printing and copying | - | 150 | - | 150 | 597 | 979 | 1,726 |
| Event catering expenses | - | - | 339 | 339 | - | 38,185 | 38,524 |
| Repairs and maintenance | 2,908 | 3,780 | 5,088 | 11,776 | 1,308 | 1,454 | 14,538 |
| Telephone and internet | 365 | 474 | 638 | 1,477 | 164 | 182 | 1,823 |
| Rent expense | 3,440 | 4,472 | 6,020 | 13,932 | 1,548 | 1,720 | 17,200 |
| Credit card and bank fees | 3,378 | 4,391 | 5,911 | 13,680 | 1,520 | 1,689 | 16,889 |
| Office expenses | 73 | 95 | 128 | 296 | 33 | 37 | 366 |
| Meeting and seminar expenses | - | 464 | 166 | 630 | 592 | - | 1,222 |
| Postage | 1,197 | 1,556 | 2,095 | 4,848 | 539 | 599 | 5,986 |
| Donations | 11,000 | - | 1,509 | 12,509 | - | - | 12,509 |
| Dues and subscriptions | - | - | 1,011 | 1,011 | 2,794 | - | 3,805 |
| Total expenses before depreciation | 80,228 | 95,004 | 141,838 | 317,067 | 104,812 | 193,227 | 615,106 |
| Depreciation and amortization expense | 147 | 191 | 257 | 595 | 66 | 73 | 734 |
| Total expenses | 80,375 | 95,195 | 142,095 | 317,662 | 104,878 | 193,300 | 615,840 |
| Less: direct benefits to donors | - | - | - | - | - | (169,225) | (169,225) |
| Total expenses per statement of activities | \$ 80,375 | \$ 95,195 | \$ 142,095 | \$ 317,662 | \$ 104,878 | \$ 24,075 | \$ 446,615 |

See accompanying notes to financial statements

Brooklyn Heights Association, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2024

Note 1 – Organization

Brooklyn Heights Association, Inc. (“BHA”) is a not-for-profit organization, founded in 1910 and later incorporated in the State of New York in 1948. BHA's primary purpose is the preservation, protection and enhancement of the quality of life in Brooklyn Heights. Such objectives are accomplished through stimulating an interest in and promoting the well being of Brooklyn Heights among its residents and businesses; maintaining the quality of life in Brooklyn Heights as a residential area; and furthering public policies and investments for its betterment.

BHA’s program activities are summarized as follows:

Community maintenance and improvement: BHA funds street tree and public gardens planting and maintenance.

Community planning and preservation: BHA plays an advisory role in historic preservation issues, and is an advocate for the neighborhood in land use, zoning and transportation issues.

Public outreach: BHA keeps residents informed, receives input on issues affecting the neighborhood, and acts as a liaison between government agencies and other civic organizations on behalf of the Brooklyn Heights neighborhood.

For Federal income tax purposes, BHA is classified as a 501(c)(3) organization and is exempt under section 501(a) of the Internal Revenue Code and a similar provision of the New York State income tax laws.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of BHA have been prepared on the accrual basis of accounting in accordance with accounting standards generally accepted in the United States of America.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions: These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

Net Assets with Donor Restrictions: These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

Brooklyn Heights Association, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (continued)

Grants and Contributions

BHA records contributions and grants, both cash and in-kind, when an unconditional promise to give such assets is received from a donor. Contributions and grants are recorded at the fair market value of the assets received and are classified as either net assets without donor restriction, or net assets with donor restriction, depending on whether the donor has imposed a restriction on the use of such assets. Contributions received are recorded as increases in net assets without donor restrictions or net asset with donor restrictions depending on the existence and/or nature of any donor restrictions.

When restrictions expire (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.

Contributions and grants receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using a risk-free interest rate determined in the year in which the contribution originates. Amortization of the discount is included in contribution revenue. BHA received no multiyear promises to give during the year ended December 31, 2024.

Membership Dues and Fundraising Event Revenues

Amounts collected from members consist of membership dues and charitable contributions to BHA. Members receive no tangible benefits in exchange for their dues. Amounts received in excess of the fair value of any benefits received by members are reported as charitable contributions to BHA. For the year ended December 31, 2024, management determined the accounting value allocable to such benefits to be de minimis, and, accordingly, all dues for these years were treated as contributions to BHA.

Amounts collected for certain fundraising events also consist partly of benefits in exchange for the event fee and partly of charitable contributions to BHA. The portion of event revenue exceeding the fair value of any goods or services given to the donor are charitable contributions to BHA.

Revenue Recognition

BHA recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Revenues from grants and contracts, including those from federal agencies, are generally reported as unrestricted contract revenue and are recognized as qualifying expenses are incurred under the agreement.

Designer Showhouse

BHA held its fourth Designer Showhouse event in 2024. The costs incurred to host the event included professional fees, printing and mailing, catering, cleaning, among others. Such costs were expensed as incurred in the accompanying financial statements and totaled \$163,656. All revenues received in connection with the event, which included ticket sales, event sponsor fees, advertising sales, and benefit contributions, were recognized in the period the event occurred, which totaled \$408,812.

Brooklyn Heights Association, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (continued)

Website

Website costs related to data hosting services, site configuration, and conceptual design are capitalized. Costs related to planning the project are expensed as incurred.

Equipment and Software

BHA capitalizes equipment and software with a cost or fair value exceeding \$100 and a useful life of more than one year. Depreciation and amortization of equipment and software is provided on the straight-line method over the expected useful lives of the assets as follows:

| | |
|------------------------|-----------|
| Equipment and software | 3-5 years |
|------------------------|-----------|

Functional Expense Allocations

The costs of program supporting service activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain costs are attributed to more than one program or supporting function and, therefore, require allocation among the programs and supporting services benefited. Management believes their allocations are done on a reasonable and consistent basis. Most personnel costs, office expenses, professional services, and other expenses are identified with a specific program or supporting function at the time they are incurred and are reported accordingly. However, some of these expenses require allocation, which is done on the basis of estimates of time and effort.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us 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 revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Income Taxes

Financial Accounting Standards Board Accounting Standards Codification 740 ("ASC 740") *Accounting for Uncertainty in Income Taxes*. ASC 740 requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. BHA does not believe its financial statements include any uncertain tax positions.

BHA has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; determine its filing and tax obligations in jurisdictions for which it has nexus; and to review other matters that may be considered tax positions.

BHA's Form 990, *Return of Organization Exempt from Income Tax*, for the year ended December 31, 2024, December 31, 2023 and August 31, 2023 are subject to examination by the IRS, generally for three years after they were filed.

Brooklyn Heights Association, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (continued)

In-kind Contributions

In-kind contributions of goods and office facilities are recognized as assets or expenses and revenues in the accompanying financial statements at their estimated fair market value at the time of donation. BHA recognizes in-kind services if the services as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically be purchased by BHA if not provided by donation.

GIK Valuation Techniques: Donated goods and services are valued using the fair market value as determined by the donor on the date of donation. Donated securities are valued using the market value that the securities are trading in the publicly traded securities market on the date of donation.

Donor Restrictions and GIK Use: No GIK was received. It is the organization's policy to sell donated securities as soon as possible to minimize loss in the value of securities.

BHA recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Note 3 - Investments

BHA applies the provisions of ASC 820, *Fair Value Measurements and Disclosures*, for fair value measurements of investments that are recognized and disclosed at fair value in the financial statements on a recurring basis. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy that requires BHA to maximize the use of observable inputs when measuring fair value. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the organization's market assumptions. The three levels of the fair value hierarchy are as follows:

- Level 1: Quoted prices for identical assets or liabilities in active markets for identical assets or liabilities as of the reporting date.
- Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; or market corroborated inputs.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Brooklyn Heights Association, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2024

Note 3 - Investments (continued)

The following table presents BHA's financial assets measured at fair value on a recurring basis as of December 31, 2024 classified by fair value hierarchy.

| <u>Asset Category</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Fair Value</u> |
|---------------------------|-------------------|----------------|----------------|-----------------------|
| U.S. Treasury Bonds | \$ 521,436 | \$ - | \$ - | \$ 521,436 |
| Totals | <u>\$ 521,436</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 521,436</u> |

Investment income for the year ended December 31, 2024 consisted of the following:

| | |
|-----------------|------------------|
| | 2024 |
| Interest income | <u>\$ 20,534</u> |

Note 4 – Equipment and Software

Equipment and software at cost with their depreciation and amortization at December 31, 2024 consists of:

| | |
|---|-----------------|
| | 2024 |
| Equipment and software | \$ 10,996 |
| Less: accumulated depreciation and amortization | <u>(10,540)</u> |
| Net equipment and software | <u>\$ 456</u> |

Depreciation expense for December 31, 2024 was \$650.

Note 5 – Website

Website costs and amortization at December 31, 2024 consists of:

| | |
|--------------------------------|-----------------|
| | 2024 |
| Website | \$ 44,043 |
| Less: accumulated amortization | <u>(44,043)</u> |
| | <u>-</u> |

Amortization expense for December 31, 2024 was \$83.

Note 6 – Concentrations

BHA maintains cash balances in checking accounts and money market accounts at two financial institutions. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to total of \$250,000 per bank or institution. BHA has not experienced, nor does anticipate, any losses in such accounts. Cash balances exceeded Federally insured limits by \$36,570 at December 31, 2024.

Brooklyn Heights Association, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2024

Note 7 – In-Kind Rent

BHA maintains office facilities located in Brooklyn Heights that are provided to the organization rent-free by the landlord, with another not-for-profit organization, pursuant to an informal, unwritten agreement on an annual basis. BHA has recognized the fair value rental of the office space in the amount of \$15,600 as both an expense and in-kind contribution in its Statements of Activities for the year ended December 31, 2024.

Note 8 – Net Assets with Donor Restrictions

BHA's assets released from donor purpose restrictions for the year ended December 31, 2024 are reflected below:

| | December 31, 2023 | Contributions | Net assets released from restrictions | December 31, 2024 |
|--|----------------------|------------------|--|----------------------|
| Tree fund and Landscaping/Beautification Funds | \$ 29,111 | \$ 2,882 | \$ - | \$ 31,993 |
| Promenade Gardens Public-Private Partnership | 57,613 | 36,820 | (7,431) | 87,002 |
| Total | <u>\$ 86,724</u> | <u>\$ 39,702</u> | <u>\$ (7,431)</u> | <u>\$ 118,995</u> |

Note 9 - Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date comprise the following:

| | December 31, 2024 |
|---|------------------------------|
| Cash and cash equivalents | \$ 287,121 |
| Investments | 521,436 |
| Accounts receivable | <u>28,144</u> |
| Total financial assets | 836,701 |
| Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions | <u>(118,995)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 717,706</u> |

Because a donor's restriction requires resources to be used in a particular manner or in a future period, BHA must maintain sufficient resources to meet these responsibilities to such donors. As part of BHA's liquidity management, the organization has structured its financial assets to be available as its general expenditures, liabilities and other obligations (including those relating to donor restricted activities) come due.

In total, BHA has financial assets on hand at December 31, 2024 to cover more than one year of operating expenses based on the 2024 monthly budgeted run rate for all program and support service expense.

Brooklyn Heights Association, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2024

Note 10 – Change in Fiscal Year

In 2023, the Board of Directors adopted a change in fiscal year end from August 31 to December 31. The primary purpose of the change is to better match the financial reporting cycle with grants and funding. BHA's new fiscal year 2024 began on January 1, 2024.

Note 11 – Subsequent Events

FASB issued guidance in ASC 855 (Subsequent Events). ASC 855 established general standards for accounting and disclosure of events occurring subsequent to the balance sheet date but prior to issuance of the financial statements. BHA has evaluated subsequent events through August 28, 2025, the date on which the financial statements were available to be issued.