

**Northern Liberties
Business Improvement
District**

ANNUAL REPORT FY2019



TABLE OF CONTENTS

Contents

A letter from the Executive Director	1
Programmatic Summary	2
Financial Statements	4
Notes to Financial Statements	8
Independent Auditor's Report	9
Contact Information	10
Company Information	10

NLBID FY2019 ANNUAL REPORT

A letter from the Executive Director

Our second year, which concluded June 30th 2020, included the brunt of the COVID-19 shut down. Some of our spring activities, such as tree plantings and a robust events calendar, were delayed into FY2020 as we focused all of our capacity on supporting businesses during such a turbulent time. This support included dozens of time-critical dispatches sharing information on grant and loan programs, changes to regulations, and helpful webinars and meetings. We also hosted roundtables with our businesses to hear what they needed most from us.

Prior to the shut-down, we were well on track to finally show our colors throughout the district with the purchase of new bike racks and multi-colored banners. We also concluded vital planning steps to prepare for a district-wide re-envisioning. Although the fruits of our labors are not yet visible, we look forward to a burst of activity in 2020.

Here's what you will find inside this annual report:

PROGRAMMATIC SUMMARY

A re-cap of the work we conducted in FY2019

FINANCIAL STATEMENTS

A summary of our auditor's findings.

NOTES TO FINANCIAL STATEMENTS

Here we capture some detail that will help you to understand the financial statements.

LOOKING AHEAD

A brief summation of our 2020 priorities.

Sincerely,

Kristine Kennedy
Executive Director
September 30, 2020

NLBID FY2019 ANNUAL REPORT

Programmatic Summary

This is a recap of how the NLBID met its mission in fiscal year 2019:

ADMINISTRATIVE, STAFFING, AND VACANCY REDUCTION

- Secured a \$72k in grants from the Penn Treaty Special Services District, the Philadelphia Cultural Fund, and the 2nd Street Festival.
- Completed a retail market analysis that now provides a guide for our retail recruiter
- Hired a retail recruiter to fill vacancies with the right mix of businesses for our residents and visitors. Within the first few months she succeeded in placing a spa
- Assisted several property and business owners in applying for the City's Storefront Improvement Grant program and began granting under our internal Sidewalk and Beautification programs
- Hosted holiday pop up market in long-vacant storefront which was leased shortly after
- Hosted bagel pop up which launched a new business
- Joined the Philadelphia BID Alliance; ED serves on outdoor dining subcommittee
- Hosted two cohorts of college merchandizing classes to improve storefront designs
- Welcomed six new businesses

MARKETING AND EVENTS

- Hired a PR firm to raise the profile of Northern Liberties
- Hosted business support programs on insurance and business loans
- Planned a full-years slate of events (though they were paused because of COVID-19)
- Designed district brochure which will be printed when it feels appropriate

CAPITAL IMPROVEMENTS AND CLEANING

- Removed 75k pounds of litter from the sidewalks
- Planted four new mature trees and repaired two additional tree pits
- Added poster removal to our cleaning program
- Conducted street sweeping pilot program
- Completed a district signage plan which sets us up for signage design and grant writing to pay for implementation.
- 55 reports to 311

PLANNING

- Along with the PPA parking study, mapped our parking regulations in preparation for an overhaul of regulations in commercial areas.
- Worked with business owners to negotiate best possible detour for 2nd Street closure during the PWD sewer expansion project on Germantown

NLBID FY2019 ANNUAL REPORT

- Walked the district with PECO and Council President Clarke's office to show the need for better lighting in Northern Liberties
- Met with City officials about sidewalk repair and lighting and formed an understanding of how to move forward with both

NLBID FY2019 ANNUAL REPORT

Financial Statements

STATEMENT OF FINANCIAL POSITION

	ASSETS
Current assets	
Cash	\$148,254
Accounts receivable	\$68,514
Net allowance for doubtful accounts \$77,963	
Prepaid expenses	\$5,517
Total current assets	\$222,285
Fixed assets	
Fixed assets net of accumulated depreciation of \$19,292	\$34,133
Total assets	\$256,418
	LIABILITIES AND NET ASSETS
Current liabilities	
Accounts payable and accrued expenses	\$21,986
Grants payable to PTSSD	\$13,060
Total current liabilities	\$35,046
Net assets	
Net assets, without donor restrictions	\$221,372
TOTAL LIABILITIES AND NET ASSETS	\$256,418

NLBID FY2019 ANNUAL REPORT

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

SUPPORT AND REVENUE

Assessments	\$421,392
Finance charges	\$7,919
Grants	\$57,422
Contributions	\$585
Fee income	\$1,189
Event income	\$483
Other income	\$3,218
Interest income	\$180
Total support and revenue	\$493,960

EXPENSES

Program	\$365,600
Support	
• General and administrative	\$46,627
• Fundraising	\$0
Total support and revenue	\$412,227
Increase in net assets	\$81,733
Net assets at beginning of year	\$139,639
Net assets at end of year	\$221,372

NLBID FY2019 ANNUAL REPORT

STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$81,733
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation	\$17,808
Bad debt expense	\$26,963
(Increase) decrease in operating assets	
• Accounts receivable	(\$77,867)
• Prepaid expenses	(\$4,018)
(Increase) decrease in operating liabilities	
• Accounts payable and accrued expenses	\$5,016
• Grants payable to PTSSD	\$13,060
Net cash provided by operating activities	\$62,695
Cash at beginning of year	\$85,559
Cash at end of year	\$148,254
Interest paid	\$0
Taxes paid	\$0

STATEMENT OF FUNCTIONAL EXPENSES

Expenditures

Bad debt expense	\$26,963
Cleaning, maintenance and public spaces	\$98,266

NLBID FY2019 ANNUAL REPORT

Neighborhood improvements and parking	\$17,800
Marketing and promotion	\$57,372
Economic development	\$58,138
Payroll	\$85,297
Payroll taxes	\$7,717
Payroll fees	\$1,620
Contract labor	\$14,80
Rent and Utilities	\$22,394
Professional fees	\$6,672
Postage	\$553
Office supplies	\$6,522
Insurance	\$1,858
Board/staff development	\$1,723
Bank service	\$44
Depreciation	\$17,808
Total expenditures	\$412,227

NLBID FY2019 ANNUAL REPORT

Notes to Financial Statements

ACCOUNTS

Accounts receivable

The accounts receivable balances are for property assessments receivable. Liens have been filed on unpaid property assessments. Management reviews the accounts receivable aging report periodically. The Organization has authority to assess interest and liens on unpaid assessments. The Organization expected approximately a 94% collection rate for the fiscal year ended June 30, 2020.

Lease agreement

The Organization signed a three-year lease agreement of a suite at 1030 North 2nd St on August 27, 2018. The actual lease term started in mid-September, 2018 with two months free rent for the first year. Minimum lease obligations are:

2021	\$19,003
2022	\$3,983 (two months)
TOTAL	\$22,986

Fixed assets

The following is a summary of the fixed assets:

Solar trash cans	\$53,425
Accumulated depreciation	(\$19,292)
TOTAL	\$34,133

LOOKING AHEAD

Our FY19 priorities include

- Implement parking plan including regular street sweeping of main corridors
- Initiate district master vision planning process
- Increase Storefront Improvement applications
- Produce a design standards document to guide developers and remodelers
- Continue planting mature trees and renovating tree pits
- Add additional Big Belly trash cans and replace old ones
- Develop public safety plan

Independent Auditor's Report

The full auditor's report will be available on our website for review: www.explorenorthernliberties.org

OPINION FROM THE AUDITOR

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northern Liberties Business Improvement District as of June 30, 2020, and the changes in its net assets, its cash flows and its functional expenses for the year then ended in accordance with accounting principles generally accepted in the United States of America.

-September 29, 2020

NLBID FY2019 ANNUAL REPORT

Contact Information

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