

AUDIT REPORT



CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BUREAU OF MANAGEMENT AUDIT
WILLIAM C. THOMPSON, JR., COMPTROLLER

Audit Report on the Financial and Operating Practices of the Jamaica Center Mall Special Assessment District

ME03-140A

MAY 28, 2003



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
1 CENTRE STREET
NEW YORK, N.Y. 10007-2341

WILLIAM C. THOMPSON, JR.
COMPTROLLER

To the Citizens of the City of New York

Ladies and Gentlemen:

In accordance with the Comptroller's responsibilities contained in Chapter 5, § 93, of the New York City Charter, my office has examined the financial and operating practices of the Jamaica Center Mall Special Assessment District.

The results of our audit, which are presented in this report, have been discussed with Special Assessment District officials, and their comments have been considered in the preparation of this report.

Audits such as this provide a means of ensuring that City resources are used effectively, efficiently, and in the best interest of the public.

I trust that this report contains information that is of interest to you. If you have any questions concerning this report, please e-mail my audit bureau at audit@comptroller.nyc.gov or telephone my office at 212-669-3747.

Very truly yours,

A handwritten signature in cursive script that reads "William C. Thompson, Jr.".

William C. Thompson, Jr.

Report: ME03-140A
Filed: May 27, 2003

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*The City of New York
Office of the Comptroller
Bureau of Management Audit*

**Audit Report on the Financial and
Operating Practices of the Jamaica Center Mall
Special Assessment District**

ME03-140A

AUDIT REPORT IN BRIEF

This audit of the Jamaica Center Mall Special Assessment District (SAD) covered the organization's provision of services, compliance with its City contract, and adequacy of internal controls over funds and operations. The Jamaica Center Mall SAD was created under State law in 1978. It is funded by special assessments levied against district property owners. Assessments are collected by the City and returned to the SAD. These moneys are used to enhance and promote the district by purchasing services and improvements supplemental to services already provided by the City. The City Department of Small Business Services (DBS) supervises and oversees the Jamaica Center Mall SAD.

Audit Findings and Conclusions

The Jamaica Center Mall SAD provides most of the supplemental services and special events proposed in its District Plan. The SAD maintains complete and accurate financial records, submits annual reports to DBS, and has its annual financial statements certified by an independent certified public accountant, as required by its contract with DBS. However, the SAD was unaware of a missing payment from DBS, had uninsured deposits, did not adequately safeguard assets, and lacked dual signatures on checks. Also, the SAD does not conduct frequent surveys of member satisfaction.

Audit Recommendations

To address these issues, we make seven recommendations, including recommendations that the Jamaica Center Mall SAD:

- Enroll in the Electronic Funds Transfer program offered by DBS.
- Place its deposits exceeding \$100,000 in collateralized accounts.
- Conduct more frequent (e.g., annual) surveys of member satisfaction.
- Consider providing supplemental security services.

Jamaica Center Mall SAD Response

The Jamaica Center Mall SAD agreed with the audit's recommendations and indicated that it will take steps to implement them.

INTRODUCTION

Background

New York City has three Special Assessment Districts (SADs) and 41 Business Improvement Districts (BIDs). All of these districts assess property owners and tenants in specific geographic areas and use the funds collected to improve the districts. SADs, established in the 1970s, preceded BIDs. The creation of each SAD required separate State legislation, whereas all BIDs are created under one State law. SADs are very similar in operation to BIDs and, like BIDs, generally offer supplemental sanitation, security, marketing, and promotion services as well as capital improvements.

The Jamaica Center Mall SAD, the focus of this audit, was created in 1978 by Chapter 665, which was amended in 1984 by Chapter 466 of the Laws of New York State. Chapter 665 as amended states that the supplemental services provided by the Jamaica Center Mall SAD may include cleaning, painting, and maintenance of street furniture; sweeping and cleaning of the mall; security; promotional activities; recreational and cultural activities; and any other services that will enhance the safety, convenience, cleanliness, or attractiveness of the mall.

In 1981, the New York State Legislature passed legislation allowing cities to independently establish BIDs. In 1982 Local Law 2 was passed, which authorized the creation of BIDs in New York City. Since the passage of this legislation, no additional SADs have been created, and the original SADs have been grouped with the BIDs. Requirements relating to both SADs and BIDs will be referred to collectively as BID requirements throughout this report.

BIDs are funded by special assessments levied against properties within the district. BID assessments are collected by the City and returned to the BID. These moneys are used to enhance and promote the district by purchasing services and improvements supplemental to the services already provided by the City.

The Mayor's Office and the City Council approve the formation of all BIDs, and the Department of Small Business Services (DBS) supervises and oversees the BIDs. The BID must sign a renewable contract with DBS and submit budgets and audited financial reports to DBS each year.

All BIDs must also submit audited financial statements to the New York City Audit Committee for review each year. BIDs with budgets in excess of \$1 million a year are required to appear before the Committee every year. BIDs with budgets under \$1 million are required to appear only if requested by a Committee member.

BIDs have become increasingly important for raising funds for capital improvements and service enhancements. The majority of the districts have modest budgets: the annual operating budgets of 29 districts are each less than \$500,000 (16 of those are less than \$200,000). Six districts have annual budgets ranging between \$500,000 and \$1,000,000, and nine districts have

annual budgets exceeding \$1,000,000. Measured by revenue from assessments, the Jamaica Center Mall SAD was the 14th largest of the 44 districts in New York City in January 2002.

The Jamaica Center Mall is the retail center of Jamaica, Queens. It comprises Jamaica Avenue between Sutphin Boulevard and 169th Street, and Union Hall Street between Jamaica Avenue and Archer Avenue. The Jamaica Center Mall SAD has more than 250 stores and is considered one of the largest retail districts in New York City. The majority of the Jamaica Center Mall SAD Board of Directors consists of property owners and commercial tenants within the district. The Board of Directors also includes three appointed members: one each appointed by the Mayor, the Comptroller, and the Queens Borough President.

As required of all City BIDs, the Jamaica Center Mall SAD presented to the former Board of Estimate and the Office of the Mayor a District Plan detailing the proposed improvements for the district, how the improvements would be implemented and the total annual expenditures anticipated. To implement the District Plan, the Jamaica Center Mall SAD entered into a contract with DBS on August 16, 1979. This contract represents an agreement between the Jamaica Center Mall SAD and the City regarding requirements for supplemental services and capital improvements.

As shown in Table I following, in Fiscal Year 2002, the Jamaica Center Mall SAD had revenues of \$546,004 and expenditures of \$444,781.

Table I
Jamaica Center Mall SAD Revenues and Expenses for Fiscal Year 2002

Support and Revenue	
Assessment Revenue	\$519,998
User Rights for Public Telephones	38,114
Less: User Rights Distributions	(19,057)
Interest Income	6,949
Total Support and Revenues	\$546,004
Expenses	
Program Expenses:	
Program Salaries	58,554
Payroll Taxes/Benefits	6,675
Cleaning and Sweeping	232,010
Special Maintenance	17,204
Landscaping	750
Banners	6,196
Promotion & Public Relations	10,669
Christmas Promotion	31,605
Community Outreach	5,300
Storefront Façade	1,800
Tourism	1,060
Total Program Expenses	\$371,823
Management and General	72,958
Total Expenses	\$444,781

Objectives

The objectives of this audit were to:

- Determine whether the SAD has provided the services called for in its District Plan;
- Assess the SAD's compliance with key terms in its contract with the Department of Small Business Services; and
- Evaluate the adequacy of the SAD's internal controls over its funds and operations.

Scope and Methodology

The scope of our audit for the Jamaica Center Mall SAD was Fiscal Year 2002. To assess compliance, we reviewed the current contract between the SAD and DBS, which was renewed on June 28, 1999. We interviewed members of the Board of Directors, including the President, Vice President, and Treasurer. We also interviewed the SAD Executive Director and

the Independent Accountant. We reviewed the District Plan to identify the objectives of the Jamaica Center SAD and the services and programs it proposed to accomplish those objectives. To gain an overview of its sanitation program, we toured the district and observed personnel on the job.

To familiarize ourselves with the operating and financial practices of the SAD and with various issues in the district, we reviewed the minutes of the Board of Directors meetings, assessment receipts, cash disbursements, bank statements, and the general ledger for Fiscal Year 2002. We examined all cash receipts and disbursements for Fiscal Year 2002, including related invoices, receipts, and other supporting documents. In addition, we reviewed the certified financial statements for Fiscal Year 2002. To determine whether the SAD received the products or services paid for, we reviewed contracts, invoices, and canceled checks.

To assess internal controls, we compared policies, procedures and practices to internal control standards set forth in the New York City Comptroller's Directives and the SAD contract with DBS. To assess the level of satisfaction with the services provided by the SAD, we conducted a door-to-door survey of 50 of the approximately 250 business and property owners in the district.

Independence Disclosure

The Comptroller is a member of the Board of Directors of the Jamaica Center Mall SAD. The Comptroller maintains this position pursuant to Chapter 665 of the Laws of New York (1978), which requires that the Comptroller, as the City's chief fiscal officer, be a member of the board of directors of all City BIDs. The Comptroller is represented on the Board of the Jamaica Center Mall SAD by a designee. The bylaws of the Jamaica Center Mall SAD specify that the Board have nineteen members, including the Comptroller. The Comptroller's designee was not involved in the planning or conducting of this audit, or in writing or reviewing the audit report.

Our audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) and included tests of the records and other auditing procedures considered necessary. This audit was performed in accordance with the City Comptroller's audit responsibility as set forth in Chapter 5, § 93, of the New York City Charter.

Discussion of Audit Results

The matters covered in this report were discussed with Jamaica Center Mall SAD officials during and at the conclusion of this audit. A preliminary draft report was sent to Jamaica Center Mall SAD officials on April 9, 2003, and was discussed at an exit conference on April 29, 2003. We submitted a draft report to Jamaica Center Mall SAD officials on May 2, 2003, with a request for comments. We received a written response from SAD officials on May 16, 2003. The Jamaica Center Mall SAD generally agreed with the audit's recommendations and indicated it will take steps to implement them. In its response, the Jamaica Center Mall SAD expressed its appreciation for the completion of the audit "in a most expeditious, courteous, and professional manner." The full text of the Jamaica Center Mall SAD's response is included as an addendum to this report.

FINDINGS AND RECOMMENDATIONS

The Jamaica Center Mall SAD provides most of the supplemental services and special events required by its District Plan. The SAD maintains complete and accurate records, submits annual reports to DBS, and has its annual financial statements certified by an independent certified public accountant, as required by its contract with DBS.

However, the SAD was unaware of a missing payment from DBS, had uninsured deposits, did not adequately safeguard assets, and lacked dual signatures on checks. Also, The SAD does not conduct frequent surveys of member satisfaction.

Survey Indicates General Satisfaction with Services Provided by the SAD

The Jamaica Center Mall SAD provides most of the services proposed in its District Plan. The SAD District Plan sets forth a series of services, including:

- Repair and maintenance of the sidewalks, signal structures, light standards and luminaries, information directories, and special furniture.
- Trash collection, sidewalk sweeping, and snow and graffiti removal.
- Security services to supplement New York City Police Department patrols on the mall.
- General management of the mall, including establishing and implementing rules for its day-to-day operations.

Since the Jamaica Center Mall SAD conducts a performance survey of its members only during the last year of its four-year contract, the SAD did not have a current survey of member satisfaction during the period of our audit. Therefore, we conducted a door-to-door survey of 50 of the approximately 250 property owners and merchants in the SAD to determine the level of satisfaction with the services in the district. (See Appendix I for a listing of questions we asked and a summary of the responses received.)

Recommendation

1. The Jamaica Center Mall SAD should conduct more frequent (e.g., annual) surveys of member satisfaction. This would give its members an opportunity to express any concerns that they have regarding SAD activities.

Jamaica Center Mall SAD Response: “The SAD will make every attempt to conduct more frequent surveys of its members.”

Sanitation Services

The Jamaica Center Mall SAD provides sanitation services seven days a week through its contract with Academic Stone Incorporated. Five street cleaning personnel patrol the district every day (except major holidays) in split shifts. From October through April they work Monday through Saturday from 7:00 a.m. to 6:00 p.m. and on Sunday from 7:00 a.m. to 4:00 p.m. From May through September they work Monday through Saturday from 7:00 a.m. to 7:00 p.m. and on Sunday from 7:00 a.m. to 5:00 p.m. The duties of the sanitation personnel include sweeping and cleaning of sidewalks and gutters, removing snow, bagging litter, emptying trash receptacles, and hauling the garbage to a designated sanitation site. For an additional fee, the sanitation contractor power washes the brick pavement and removes gum from the sidewalks. In Fiscal Year 2002, the SAD spent \$232,010 for sanitation services, which amounted to 52 percent of its total expenditures.

The Jamaica Center Mall SAD does not participate in the Mayor's Office of Operations "Project Scorecard" program that rates the level of street cleanliness in districts throughout the City. However, we conducted unannounced spot-checks of the district and observed sanitation personnel on their designated rounds. The streets and sidewalks all appeared to be satisfactorily clean.

Furthermore, the majority of the 50 participants who took part in our survey felt that the sanitation program has contributed to a cleaner district:

- 47 participants (94%) responded that the area within the Jamaica Center Mall is cleaner because of the SAD, and
- 44 participants (88%) responded that they are satisfied with the sanitation services provided by the SAD.

Security Services

Although proposed by the District Plan, the Jamaica Center Mall SAD does not provide supplemental security services. The SAD works closely with the 103rd Police Precinct to provide security to the area. According to SAD officials, the 103rd Precinct is very responsive and addresses its needs and concerns. Crime statistics provided by the precinct showed a 64 percent decrease in crime in the district between Fiscal Years 2001 and 2002. A majority of the participants in our survey felt that these efforts have resulted in a safer district:

- 36 participants (72%) responded that the area within the district was safer, and
- 37 participants (74%) responded that there was adequate police presence in the area.

However, there were 193 crimes reported in the SAD in Fiscal Year 2002. The participants in our survey felt the district was safer, but expressed a desire for further efforts to improve the safety and security of the district.

- 26 participants (52%) felt that the security could be improved,
- 27 participants (54%) were not satisfied with the security provided by the SAD, and
- 38 participants (76%) believed that the SAD should implement a public safety program.

The SAD has never provided supplemental security services even though both the District Plan and the contract with DBS allow the SAD to provide them. SAD officials maintained that security was not an issue, particularly in light of their close working relationship with the 103rd Precinct.

Additionally, SAD officials maintained that budget constraints have prevented the SAD from providing any supplemental security or enforcement services. However, during Fiscal Year 2002, the SAD made the final payment of \$118,750 to the Jamaica Chamber of Commerce to satisfy a \$486,443 judgment levied in 1998 for breach of contract with the Chamber. The satisfaction of the judgment now gives the SAD the financial leeway to enhance the services it provides to the district. Furthermore, the completion of a new theater complex within the district is expected to bring an additional \$70,000 of assessment revenue per year beginning in Fiscal Year 2004.

Currently the SAD is exploring the possibility of hiring an enforcement officer to patrol the district and enforce the City's Administrative Code provisions relating to sanitation and vending.

Recommendation

2. The Jamaica Center Mall SAD should consider providing supplemental security services

Jamaica Center Mall SAD Response: "The SAD has recently allocated funds for FY '04 to initiate a security pilot program utilizing the Queens Watch dispatch system."

Advertising, Marketing, and Promotion

The advertising and promotional activities of the Jamaica Center Mall SAD are designed to promote the area through special activities and events, marketing programs, and advertising opportunities. These activities include community outreach, storefront improvements,¹ decorative banners on light poles, various brochures promoting the area, and free parking initiatives to bring shoppers to the area.

The SAD sponsors various activities throughout the year. For example, they are joining with Cultural Collaborative Jamaica to host the seventh annual Jamaica Arts and Music Summer (JAMS) Festival in August—a two-day event starting with an evening concert in Rufus King

¹ A program by which the SAD partially reimburses merchants who upgrade storefront signs and awnings.

Park and culminating in an open street festival from Parsons Boulevard to 169th Street. The SAD also sponsors sidewalk sales events in which merchants are encouraged to market their merchandise and goods. The SAD places decorative lights and seasonal banners throughout the district during the holidays. The SAD sponsors walking tours to bring people to the neighborhood. Tours in the past have included discussions of historical sites and of architectural and geographical aspects of the district. As part of its community outreach, the SAD donates to the children's annual holiday party in December and is active in enhancing Rufus King Park, an 11-acre historic park abutting the district. In Fiscal Year 2002, the SAD spent \$56,630 for marketing and promotion, which amounted to 13 percent of its total expenditures.

The following responses were received from the 50 participants of our survey questionnaire:

- 45 participants (90%) responded that they are satisfied with the special activities and events sponsored by the SAD, and
- 38 participants (76%) responded that the SAD has been successful at promoting the district.

Internal Controls Can Be Improved

SAD Unaware that a Payment of \$7,098.60 was Missing

Our review of the Activity Reports for Fiscal Year 2002 and assessment checks for the Jamaica Center Mall SAD revealed that the SAD was missing a check in the amount of \$7,098.60 for the period October 1, 2001–October 15, 2001. The Executive Director of the SAD was unaware that this payment was missing, even though the SAD received an Activity Report from DBS showing that it should have received such payment. The Executive Director stated that often no assessment checks accompany the activity reports, and she therefore assumed there was no check for that period. DBS officials told us that a check for the missing payment was issued, but it was never cashed and was eventually cancelled automatically. Because the SAD was not aware that they were missing a payment and DBS does not track checks once they are issued, no one at the SAD or DBS was aware of the missing check until we discovered it during our audit. SAD officials told us that the check must have been lost in the mail. DBS has an Electronic Funds Transfer Program, which would eliminate the need to mail checks, but the SAD is not enrolled in it.

By verifying that all revenues due to the SAD have been received, SAD management can better maintain the services it provides to the district.

Recommendations

The Jamaica Center Mall SAD should:

3. More carefully reconcile the amounts received to the amounts recorded on the Activity Reports.

Jamaica Center Mall SAD Response: “The SAD will make every attempt to more carefully reconcile the amounts received to the amount recorded on the Activity Reports based upon the information provided by the NYC Department of Finance and the Department of Small Business Services.”

4. Enroll in the Electronic Funds Transfer program offered by DBS.

Jamaica Center Mall SAD Response: “The SAD has submitted its application for the EFT program.”

Uninsured Deposits

The financial statements reported that the Jamaica Center Mall SAD had funds on deposit in a bank that were not covered by the Federal Deposit Insurance Corporation (FDIC) insurance. FDIC insures an entity’s accounts in a bank for up to \$100,000. The SAD had a balance that exceeded \$100,000 and that was therefore partially uninsured. The portion of the SAD balance that was uninsured was \$134,316 in Fiscal Year 2001 and \$109,376 in Fiscal Year 2002. The amounts not covered by FDIC insurance were the equivalent of 57 percent and 52 percent of the SAD’s institutional bank deposits at the end of the Fiscal Years 2001 and 2002 respectively.

When deposits of public money exceed the deposit insurance limit, a request can be made that the depository pledge eligible collateral to secure the uninsured amount. The SAD should ensure that deposits exceeding \$100,000 are placed in collateralized accounts.

Recommendation

5. The Jamaica Center Mall SAD should place its deposits exceeding \$100,000 in collateralized accounts.

Jamaica Center Mall SAD Response: “The SAD will take appropriate measures to ensure the integrity of its assets.”

Inadequate Safeguarding of Assets

The Jamaica Center Mall SAD does not keep an inventory list of its property and equipment. The financial statement for Fiscal Year 2002 recorded \$25,543 in property and equipment. However, the SAD does not have a document listing all physical assets, such as computers, printers, copiers, telephones, office furniture, appliances, and street cleaning

equipment. When assets are not accounted for, the theft or loss of items can go undetected. Therefore, it is necessary for the SAD to account for all of its assets on an inventory list that shows identifying serial numbers.

Internal control standards require that inventory should be protected from unauthorized use or removal, and that property should be properly controlled. Additionally, Comptroller's Directive #1 states that accurate and complete inventory records should be maintained for all assets, and that physical inventories should be conducted periodically.

Recommendation

6. The Jamaica Center Mall SAD should maintain inventory records and perform physical inventories periodically.

Jamaica Center Mall SAD Response: "The SAD is a two person operation with extremely limited inventory. However, it will make every effort to inventory those items referred to in our audited financial statements submitted to the NYC DSBS [Department of Small Business Services]."

Checks Lack Dual Signatures

The Jamaica Center Mall SAD's bylaws require that "all checks shall be signed by two officers, and if under \$1,000 may be signed by the Executive Director and counter-signed by an officer." Of the 203 cancelled checks issued by the SAD in Fiscal Year 2002, eight had only one signature. Without dual signatures on checks, the SAD cannot show that all payments were reviewed by the appropriate parties, as required by the bylaws.

Recommendation

7. The Jamaica Center Mall SAD should ensure that all checks have the required two signatures before they are issued.

Jamaica Center Mall SAD Response: "The SAD will make every effort to ensure that each and every check has two signatures as required."

**JAMAICA CENTER MALL SPECIAL ASSESSMENT DISTRICT
Questionnaire to Determine Participant Satisfaction**

	YES	NO	NO OPINION
1. In your opinion, is the area within the Jamaica Center Mall cleaner since the formation of the SAD?	<u>47 (94%)</u>	<u>1 (2%)</u>	<u>2 (4%)</u>
2. Are you satisfied with the sanitation services provided by the SAD?	<u>44 (88%)</u>	<u>4 (8%)</u>	<u>2 (4%)</u>
3. Have you seen the sanitation crew cleaning during the day?	<u>41 (82%)</u>	<u>5 (10%)</u>	<u>4 (8%)</u>
4. The SAD removes posters that have been placed on the light poles on an as needed basis. Have you noticed this effort?	<u>23 (46%)</u>	<u>16 (32%)</u>	<u>11 (22%)</u>
5. The SAD steam cleans the bricks and has the gum deposits removed on an annual basis. Do you think this effort makes a difference in the perception of cleanliness?	<u>47 (94%)</u>	<u>1 (2%)</u>	<u>2 (4%)</u>
6. Would you like the SAD to provide increased sanitation services?	<u>32 (64%)</u>	<u>16 (32%)</u>	<u>2 (4%)</u>
7. In your opinion, has the SAD reduced graffiti and illegal posters from walls, street signs, and light poles?	<u>38 (76%)</u>	<u>6 (12%)</u>	<u>6 (12%)</u>
8. Have you called the SAD to remove graffiti from your place of business? If so, were you satisfied with the level of service?	<u>2 (4%)</u>	<u>47 (94%)</u>	<u>1 (2%)</u>
9. We remove graffiti and posters from the mailboxes and fireboxes throughout the District during the year and paint the boxes. Do you believe this adds to the overall cleanliness of the area?	<u>44 (88%)</u>	<u>2 (4%)</u>	<u>4 (8%)</u>
10. In your opinion, is the area within the Jamaica Center Mall SAD safer?	<u>36 (72%)</u>	<u>11 (22%)</u>	<u>3 (6%)</u>
11. How do you feel about security in the area?	<u>23 (46%)</u>	<u>26 (52%)</u>	<u>1 (2%)</u>
12. Have you noticed the disappearance of three card monte and other illegal operations?	<u>36 (72%)</u>	<u>10 (20%)</u>	<u>4 (8%)</u>
13. Jamaica Ave. is a 'restricted street', as such no vendors are permitted on the Avenue and merchandise is not allowed to be displayed beyond the building line. Do you believe that additional enforcement is needed to adhere to this regulation?	<u>22 (44%)</u>	<u>25 (50%)</u>	<u>3 (6%)</u>
14. Do you feel that there is adequate police presence in the area?	<u>37 (74%)</u>	<u>13 (26%)</u>	<u>0 (0%)</u>
15. Are you satisfied with the security provided by the SAD?	<u>20 (40%)</u>	<u>27 (54%)</u>	<u>3 (6%)</u>
16. Do you believe that a public safety program should be implemented through the SAD?	<u>38 (76%)</u>	<u>11 (22%)</u>	<u>1 (2%)</u>
17. Are you aware of any additional special activities or events sponsored by the SAD each year?	<u>18 (36%)</u>	<u>30 (60%)</u>	<u>2 (4%)</u>

APPENDIX I

Page 2 of 2

	YES	NO	NO OPINION
18. Do you think that the 'snowflake' motif addresses the cultural diversification of this community?	<u>48 (96%)</u>	<u>1 (2%)</u>	<u>1 (2%)</u>
19. Do you think the seasonal banners enhance the area and provide a sense of community?	<u>49 (98%)</u>	<u>1 (2%)</u>	<u>0 (0%)</u>
20. Do you participate in 'Sidewalk Sales Days', which the SAD sponsors several times per year?	<u>23 (46%)</u>	<u>24 (48%)</u>	<u>3 (6%)</u>
21. Would you join a merchants' discount shopping program (with a discount of at least 10%) similar to the Senior Discount program previously initiated?	<u>30 (60%)</u>	<u>4 (8%)</u>	<u>16 (32%)</u>
22. Are you satisfied with the special activities/events sponsored by the SAD?	<u>45 (90%)</u>	<u>1 (2%)</u>	<u>4 (8%)</u>
23. Are you satisfied with the SAD's attempts to provide additional parking?	<u>34 (68%)</u>	<u>15 (30%)</u>	<u>1 (2%)</u>
24. In your opinion, has the SAD been successful in attracting new businesses to the area?	<u>36 (72%)</u>	<u>9 (18%)</u>	<u>5 (10%)</u>
25. In your opinion, has the SAD been successful in retaining business in the district?	<u>36 (72%)</u>	<u>10 (20%)</u>	<u>4 (8%)</u>
26. Are you satisfied with the SAD's management?	<u>28 (56%)</u>	<u>2 (4%)</u>	<u>20 (40%)</u>
27. In your opinion, has the SAD been successful at promoting the district?	<u>38 (76%)</u>	<u>7 (14%)</u>	<u>5 (10%)</u>
28. Based on your contact with the SAD's management, has it always conducted itself with the appropriate level of professionalism?	<u>26 (52%)</u>	<u>3 (6%)</u>	<u>21 (42%)</u>
29. In your opinion, does the SAD provide you with sufficient information regarding its services?	<u>30 (60%)</u>	<u>18 (36%)</u>	<u>2 (4%)</u>
30. Are you satisfied with the services provided by the SAD?	<u>42 (84%)</u>	<u>3 (6%)</u>	<u>5 (10%)</u>
31. In your opinion, are there adequate opportunities to participate on the various committees formed by the SAD?	<u>26 (52%)</u>	<u>9 (18%)</u>	<u>15 (30%)</u>
32. Have you ever made a complaint to the SAD?	<u>10 (20%)</u>	<u>37 (74%)</u>	<u>3 (6%)</u>
Was the matter resolved?	<u>6 (60%)</u>	<u>4 (40%)</u>	<u>0 (0%)</u>
33. In your opinion, is the assessment amount reasonable with regards to the services provided?	<u>25 (50%)</u>	<u>7 (14%)</u>	<u>18 (36%)</u>
34. Did you receive any survey forms from the SAD in the past?	<u>9 (18%)</u>	<u>39 (78%)</u>	<u>2 (4%)</u>
35. Are there any problems/issues that you would like to bring to the SAD's attention?	<u>21 (42%)</u>	<u>27 (54%)</u>	<u>2 (4%)</u>
36. What suggestions do you have that you would like the SAD to consider implementing?	<u>25 (50%)</u>	<u>22 (44%)</u>	<u>3 (6%)</u>



90-50 Parsons Blvd
Jamaica, N.Y. 11432
(718) 526-2422
Fax: (718) 526-0215

May 16, 2003

Mr. Greg Brooks
Deputy Comptroller
The City of New York
Office of the Comptroller
One Centre Street
New York, NY 10007-2341


Re: ME03-140A

Dear Mr. Brooks:

Thank you for submitting the draft report on the Jamaica Center Improvement Association, Inc. (The Jamaica Center Business Improvement District) for our review. We are most appreciative in the way in which your team completed its audit in a most expeditious, courtesy and professional manner. Their presence in no way interfered in our ability to conduct business. In addition, we must comment on their untiring efforts in tracking down funds that were owed to the Special Assessment District in excess of \$7,000. The SAD was unaware of these missing monies and without the dication and commitment of the audit team would not have received these funds.

Attached please find our response to the recommendations made by your office and we will continue to do our utmost to provide the services mandated by our contract with The New York City Department of Small Business Services.

Sincerely yours,


Janet Barkan
Executive Director

Cc George Glatter, DSBS
Jamaica Center Board of Directors

Response to Findings & Recommendations

1. The Jamaica Center Mall SAD should conduct more frequent (e.g., annual) surveys of member satisfaction.

The SAD will make every attempt to conduct more frequent surveys of its members.

2. The Jamaica Center Mall SAD should consider providing supplemental security services.

The SAD has recently allocated funds for FY'04 to initiate a security pilot program utilizing the Queens Watch dispatch system

3. The Jamaica Center Mall SAD should more carefully reconcile the amounts received to the amounts recorded on the Activity Reports.

The SAD will make every attempt to more carefully reconcile the amounts received to the amounts recorded on the Activity Reports based upon the information provided by the NYC Department of Finance and the Department of Small Business Services.

4. The Jamaica Center Mall SAD should enroll in the Electronic Funds Transfer program offered by DBS.

The SAD has submitted its application for the EFT program.

5. The Jamaica Center Mall SAD should place its deposits exceeding \$100,000 in collateral accounts.

The SAD will take appropriate measures to ensure the integrity of its assets.

6. The Jamaica Center Mall SAD should maintain inventory records and perform physical inventories periodically.

The SAD is a two person operation with extremely limited inventory. However, it will make every effort to inventory those items referred to in our audited financial statements submitted to the NYC DSBS.

7. The Jamaica Center Mall SAD should ensure that all checks have the required two signatures before they are issued.

The SAD will make every effort to ensure that each and every check has two signatures as required.