

**82ND STREET DISTRICT MANAGEMENT
ASSOCIATION, INC.**

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

JUNE 30, 2017 AND 2016

82ND STREET DISTRICT MANAGEMENT ASSOCIATION INC.

JUNE 30, 2017 AND 2016

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 - 2
Statements of Financial Position as of June 30, 2017 and 2016	3
Statements of Activities For the Years Ended June 30, 2017 and 2016	4
Statements of Cash Flow For the Years Ended June 30, 2017 and 2016	5
Notes to Financial Statements	6 - 9

INDEPENDENT AUDITORS' REPORT

**To the Board of Directors
82nd Street District Management Association, Inc.**

We have audited the accompanying financial statements of 82nd Street District Management Association, Inc., which comprise the statement of financial position as of June 30, 2017 and 2016 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 82nd Street District Management Association, Inc. and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Bruce Danoff CPA

New York, New York
December 7, 2017

82ND STREET DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

ASSETS

	2017	2016
Current assets		
Cash and cash equivalents	\$ 5,775	\$ 15,489
Accounts receivable	30,000	20,473
Prepaid expenses	1,436	1,436
Total current assets	37,211	37,398
Fixed assets - net	703	1,289
Security deposit - rent	1,200	1,200
Total assets	\$ 39,114	\$ 39,887

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 8,065	\$ 21,270
Accrued expenses	5,100	4,900
Deposits payable	-	-
Deferred income	-	-
Payroll taxes payable	1,119	2,210
Total current liabilities	14,284	28,380
Net assets		
Unrestricted	24,830	11,507
Total liabilities and fund balance	\$ 39,114	\$ 39,887

See independent auditors' report and notes to the financial statements

82ND STREET DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

Page 4

	2017	2016
Revenue		
Assessments	\$ 224,450	\$ 224,450
Interest income	1	10
Grant income	33,500	84,000
Sponsorships	10,073	4,800
Total revenue	268,024	313,260
 Expenses		
Program services		
Sanitation and graffiti removal	87,170	83,666
Marketing and public events	21,006	12,305
Holiday promotion	6,875	10,475
Streetscape beautification	506	16,452
Special projects	-	10,849
Total program services	115,557	133,747
 Supporting services		
Salaries	86,929	118,274
Payroll taxes and fringe benefits	19,489	25,040
Rent and real estate tax	18,268	18,931
Office expenses and supplies	3,085	2,975
Telephone	2,366	2,543
Professional fees	5,150	5,425
Meeting expenses	103	303
Insurance	2,150	2,697
Depreciation	594	2,057
Copy lease expense	1,010	3,119
Total supporting services	139,144	181,364
 Total expenses	254,701	315,111
 Change in net assets	13,323	(1,851)
 Net assets - beginning of year	11,507	13,358
 Net assets - end of year	\$ 24,830	\$ 11,507

See independent auditors' report and notes to the financial statements

**82ND STREET DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,**

Page 5

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Change in net assets	\$ 13,323	\$ (1,851)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	594	2,057
(Increase) decrease in assets		
Accounts receivable	(9,527)	11,002
Purchase of fixed assets	-	(628)
Prepaid expenses	-	401
Increase (decrease) in liabilities		
Deposits payable	-	-
Accounts payable and payroll taxes	<u>(14,104)</u>	<u>(4,198)</u>
Total adjustments	<u>(23,037)</u>	<u>8,634</u>
Net cash (used in) operating activities	(9,714)	6,783
Cash and cash equivalents - beginning of year	<u>15,489</u>	<u>8,706</u>
Cash and cash equivalents - end of year	<u>\$ 5,775</u>	<u>\$ 15,489</u>

See independent auditors' report and notes to the financial statements

82ND STREET DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 DESCRIPTION OF ORGANIZATION

The 82nd Street District Management Association, Inc. (the “Organization”) was incorporated in 1990 in the State of New York. The Organization obtained tax exempt status under section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal state or local income taxes has been recorded. The organization does not believe its financial statements contain any uncertain tax positons. The Organization was formed to engage in promotion of business activities and general welfare of the neighborhood. The Organization receives its support from a special real estate tax assessment levied by the City of New York on properties located in the 82st District boundaries.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are described as follows to enhance the usefulness of the financial statements to the reader:

Basis of Accounting

The financial statements for the Organization have been prepared on the accrual basis, and accordingly, reflect all significant receivables, payables, and other liabilities.

Use of Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates

Volunteers provide gratuitous service to the Organization. Due to the difficulty in measuring the fair market value of these services, they are not recorded as a contribution or expense.

Fair Value Measurement

The carrying amount of the Organization’s cash, accounts receivable, and accounts payable approximate their fair value due to the short-term nature of such instruments.

82ND STREET DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Liquidity

Management believes cash on hand, and an ability to control expenditures provides the Organization with sufficient liquidity to continue as a going concern.

Basis of Presentation

The Organization presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958. The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. There are no restricted funds applicable to this Organization.

Concentration of credit risk

The Organization maintains various accounts at commercial banks. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization has not experienced any losses in such accounts and does not believe it is exposed to significant credit risk on cash and cash equivalents.

NOTE 4 CASH AND CASH EQUIVALENTS

Cash in banks and on hand at June 30, 2017 are as follows:

General Funds - Checking account	\$ 5,383
General Funds - Money market account	392
Total cash and cash equivalents	<u>\$ 5,775</u>

Cash equivalent is defined as a highly liquid investment having a maturity value of three months or less.

82ND STREET DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE5 FIXED ASSETS

Property and equipment are recorded at cost of acquisition. Major additions and improvements are capitalized, and routine expenditures for repairs and maintenance are charged to expense as incurred. Fully depreciated assets are carried on the books until the date of disposal. Depreciation is computed using the straight-line method or the modified accelerated cost recovery system over the estimated useful life of five years.

Fixed assets after the related depreciation are comprised of:

	2017	2016
Equipment	\$ 4,264	\$ 4,264
Trash receptacles	13,980	13,980
	18,244	18,244
Less: Accumulated depreciation	17,541	16,955
Total fixed assets	\$ 703	\$ 2,718

NOTE 6 GRANT INCOME

During the year ended June 30, 2017, the Organization received grants from several departments of the City of New York. The grants are being used to fund special projects of the BID.

82ND STREET DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7 COMMITMENTS AND CONTINGENCIES

The Organization renewed their office space lease in January 2014 under an operating lease expiring on December 31, 2018. Minimum future rental under the lease is summarized as follows:

<u>Years Ending June 30</u>	<u>Minimum - Future Rental Payments</u>
2017 - 2018	<u>\$ 24,000</u>

Under the terms of lease, the Organization is obligated to pay the pro rata share of increase in real estate taxes and water and sewer rent over the base year.

Total rent and utilities expenses charged to operations for the years ended June 30, 2016 and 2015 were \$18,268 and \$18,931, respectively.

NOTE 8 SUBSEQUENT EVENTS

In preparing the accompanying financial statements, the Organization has reviewed events that have occurred after June 30, 2017, through the date of issuance of these financial statements on December 7, 2017. During this period, the Organization did not have any material subsequent events that are required to be disclosed in the financial statements.

December 7, 2017

Board of Directors of the 82 Street District Management Association Inc

To Whom It May Concern:

We have audited the financial statements of the above mentioned company for the fiscal years ended June 30, 2017 and 2016

As part of our audit, we have reviewed the systems of internal control and operating efficiency.

We feel that their internal controls are in place and their operations are functioning efficiently.

Very truly yours,

Bruce Danoff CPA

BRUCE DANOFF CPA