

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

FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

82ND STREET DISTRICT MANAGEMENT ASSOCIATION INC.

JUNE 30, 2013 AND 2012

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MUHLSTOCK & ASSOCIATES, CPA'S, PLLC
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, 2013 and 2012 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.

Auditor's 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.



MUHLSTOCK & ASSOCIATES, CPAs, PLLC

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 year then ended in accordance with accounting principles generally accepted in the United States of America.

Muhlstock & Associates CPAs, PLLC

New York, New York
November 14, 2013

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

ASSETS

	<u>2013</u>	<u>2012</u>
Cash and cash equivalents	\$ 50,075	\$ 33,324
Accounts receivable	5,179	-
Prepaid expenses	2,856	4,313
Fixed assets - net	9,623	12,596
Security deposit - rent	<u>1,200</u>	<u>1,200</u>
Total assets	<u>\$ 68,933</u>	<u>\$ 51,433</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 8,798	\$ 6,769
Accrued expenses	4,400	4,150
Deposits payable	6,400	-
Payroll taxes payable	<u>761</u>	<u>1,301</u>
Total liabilities	20,359	12,220
Net assets		
Unrestricted	<u>48,574</u>	<u>39,213</u>
Total liabilities and fund balance	<u>\$ 68,933</u>	<u>\$ 51,433</u>

See independent auditor's report and notes to the financial statements

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,**

	<u>2013</u>	<u>2012</u>
Revenue		
Assessments	\$ 224,450	\$ 224,450
Interest income	124	124
Grant income	84,456	-
Sponsorships	<u>3,263</u>	<u>-</u>
Total revenue	<u>312,293</u>	<u>224,574</u>
Expenses		
Program services		
Sanitation and graffiti removal	77,489	61,852
Marketing and public events	12,232	15,912
Holiday promotion	4,463	14,501
Streetscape beautification	7,501	14,336
Special projects	58,866	-
Public safety	<u>-</u>	<u>10,200</u>
Total program services	<u>160,551</u>	<u>116,801</u>
Supporting services		
Salaries	90,888	79,803
Payroll taxes and fringe benefits	14,129	12,443
Rent and real estate tax	15,901	15,271
Office expenses and supplies	1,758	3,868
Telephone	2,460	3,400
Professional fees	6,250	8,902
Meeting expenses	885	704
Insurance	3,087	3,370
Depreciation	3,424	3,037
Computer and website	442	5,075
Copy lease expense	<u>3,157</u>	<u>3,104</u>
Total supporting services	<u>142,381</u>	<u>138,977</u>
Total expenses	<u>302,932</u>	<u>255,778</u>
Net increase (decrease) in net assets	9,361	(31,204)
Net assets - beginning of year	<u>39,213</u>	<u>70,417</u>
Net assets - end of year	<u>\$ 48,574</u>	<u>\$ 39,213</u>

See independent auditor's report and notes to the financial statements

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

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	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Change in net assets	\$ 9,361	\$ (31,204)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	3,424	3,037
(Increase) decrease in assets		
Increase in accounts receivable	(5,179)	-
Decrease - prepaid expenses	1,457	87
Purchase of fixed assets	(420)	(2,596)
Increase in liabilities		
Increase in deposits payable	6,400	-
Increase in accounts payable and payroll taxes	<u>1,708</u>	<u>7,135</u>
Total adjustments	<u>7,390</u>	<u>7,663</u>
Net cash provided by (used in) operating activities	16,751	(23,541)
Cash and cash equivalents - beginning of year	<u>33,324</u>	<u>56,865</u>
Cash and cash equivalents - end of year	<u>\$ 50,075</u>	<u>\$ 33,324</u>
 Supplementary information		
Non-cash transactions		
Contribution donated services	\$ -	\$ -
Promotion expenses	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report and notes to the financial statements

**82ND STREET DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 1 DESCRIPTION OF ORGANIZATION

82nd Street District Management Association, Inc. (the "Organization") was incorporated in 1990. The Organization obtained tax exempt status under section 501(c)(3) of the Internal Revenue Code. The Organization was formed to engage in promotion of business activities and general welfare of the neighborhood.

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 presentation

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

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, 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.

See independent auditor's report

**82ND STREET DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Liquidity

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

Financial Statement 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 3 INCOME TAXES

The Organization qualifies as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code of 1986 (IRC), and is not taxed on income derived from its exempt functions.

The Organization's management believes the organization is no longer subject to examination for the years prior to 2009. The Organization is not currently under audit nor has the Organization been contacted by any jurisdiction.

See independent auditor's report

**82ND STREET DISTRICT MANAGEMENT ASSOCIATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 4 CASH AND CASH EQUIVALENTS

Cash in banks and on hand at June 30, 2013 is as follows:

General Funds - Checking account	\$ 14,214
General Funds - Money market account	35,811
Petty cash	<u>50</u>
 Total cash and cash equivalents	 <u>\$ 50,075</u>

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

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:

	2013	2012
Equipment	\$ 3,636	\$ 3,216
Trash receptacles	<u>13,980</u>	<u>13,980</u>
	17,616	17,196
Less: Accumulated depreciation	<u>7,993</u>	<u>4,600</u>
 Total fixed assets	 <u>\$ 9,623</u>	 <u>\$ 12,596</u>

NOTE 6 GRANT INCOME

During the year ended June 30, 2013, 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.

See independent auditor's report

**82ND STREET DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 7 COMMITMENTS AND CONTINGENCIES

The Organization renewed their office space lease in January 2009 under an operating lease expiring on December 31, 2013. Minimum future rental under the lease is summarized as follows:

<u>Years Ending June 30</u>	<u>Minimum - Future Rental Payments</u>
2012 - 2013	\$ <u>14,214</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.

NOTE 8 SUBSEQUENT EVENTS

Management evaluated the activities of the Organization through November 14, 2013 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements as of June 30, 2013.

See independent auditor's report