

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

**AND**

**INDEPENDENT AUDITORS' REPORT**

**JUNE 30, 2017 AND 2016**

**INDEPENDENT AUDITORS' REPORT**

**To the Board of Directors  
82<sup>nd</sup> Street District Management Association, Inc.**

We have audited the accompanying financial statements of 82<sup>nd</sup> 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 82<sup>nd</sup> 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

## STATEMENTS OF FINANCIAL POSITION

JUNE 30,

## ASSETS

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

## LIABILITIES AND NET ASSETS

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

See independent auditors' report and notes to the financial statements

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

	<u>2017</u>	<u>2016</u>
<b>Revenue</b>		
Assessments	\$ 224,450	\$ 224,450
Interest income	1	10
Grant income	33,500	84,000
Sponsorships	<u>10,073</u>	<u>4,800</u>
<b>Total revenue</b>	<u>268,024</u>	<u>313,260</u>
 <b>Expenses</b>		
<b>Program services</b>		
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	<u>-</u>	<u>10,849</u>
<b>Total program services</b>	<u>115,557</u>	<u>133,747</u>
 <b>Supporting services</b>		
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	<u>1,010</u>	<u>3,119</u>
<b>Total supporting services</b>	<u>139,144</u>	<u>181,364</u>
 <b>Total expenses</b>	<u>254,701</u>	<u>315,111</u>
 <b>Change in net assets</b>	13,323	(1,851)
<b>Net assets - beginning of year</b>	<u>11,507</u>	<u>13,358</u>
<b>Net assets - end of year</b>	<u>\$ 24,830</u>	<u>\$ 11,507</u>

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,**

	<u>2017</u>	<u>2016</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 13,323	\$ (1,851)
<b>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities</b>		
Depreciation	594	2,057
<b>(Increase) decrease in assets</b>		
Accounts receivable	(9,527)	11,002
Purchase of fixed assets	-	(628)
Prepaid expenses	-	401
<b>Increase (decrease) in liabilities</b>		
Deposits payable	-	-
Accounts payable and payroll taxes	(14,104)	(4,198)
<b>Total adjustments</b>	<u>(23,037)</u>	<u>8,634</u>
<b>Net cash (used in) operating activities</b>	(9,714)	6,783
<b>Cash and cash equivalents - beginning of year</b>	<u>15,489</u>	<u>8,706</u>
<b>Cash and cash equivalents - end of year</b>	<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 82<sup>nd</sup> 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	<u>392</u>
<b>Total cash and cash equivalents</b>	<b><u>\$ 5,775</u></b>

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**

**NOTE 5      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:

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

**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