

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

**AND**

**INDEPENDENT AUDITORS' REPORT**

**JUNE 30, 2020 AND 2019**

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

**JUNE 30, 2020 AND 2019**

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**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, 2020 and 2019 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

***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.

***Basis of opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 82<sup>nd</sup> Street District Management Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management 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 for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the a

*Bruce Danoff CPA*

New York, New York  
December 1, 2020

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

**ASSETS**

	<b>2020</b>	<b>2019</b>
<b>Current assets</b>		
Cash and cash equivalents	104,135	\$ 45,158
Grants receivable	-	48,405
Prepaid expenses	6,231	2,186
<b>Total current assets</b>	110,366	95,749
Fixed assets - net	1,778	3,301
Security deposit - rent	1,200	1,200
	2,978	4,501
<b>Total assets</b>	<b>\$ 113,344</b>	<b>\$ 100,250</b>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities</b>		
Accounts payable	9,440	\$ 9,613
Accrued expenses	5,500	5,500
SBA PPP loan	24,795	-
Payroll taxes payable	-	1,066
<b>Total current liabilities</b>	39,735	16,179
<b>Net assets</b>		
Unrestricted	73,609	84,071
<b>Total liabilities and fund balance</b>	<b>\$ 113,344</b>	<b>\$ 100,250</b>

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,**

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	2020	2019
<b>Revenue</b>		
Assessments	\$ 254,450	\$ 254,450
Interest income	-	7
Grant income	11,000	45,400
Sponsorships	5,077	9,879
<b>Total revenue</b>	270,527	309,736
<b>Expenses</b>		
<b>Program services</b>		
Sanitation and graffiti removal	113,647	107,249
Marketing and public events	12,539	18,325
Holiday promotion	6,505	6,952
Streetscape beautification	-	1,036
<b>Total program services</b>	132,691	133,562
<b>Supporting services</b>		
Salaries	96,230	101,659
Payroll taxes and fringe benefits	16,066	17,141
Rent and real estate tax	18,940	19,122
Office expenses and supplies	2,502	2,996
Telephone	2,697	3,224
Professional fees	5,175	5,700
Meeting expenses	423	591
Insurance	3,922	4,116
Depreciation	1,523	1,269
Miscellaneous	820	1,150
<b>Total supporting services</b>	148,298	156,968
<b>Total expenses</b>	280,989	290,530
<b>Change in net assets</b>	(10,462)	19,206
<b>Net assets - beginning of year</b>	84,071	64,865
<b>Net assets - end of year</b>	\$ 73,609	\$ 84,071

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,**

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	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (10,462)	\$ 19,206
<b>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities</b>		
Depreciation	1,523	1,269
<b>(Increase) decrease in assets</b>		
Grants receivable	48,405	1,595
Purchase of fixed assets	-	(4,570)
Prepaid expenses	(1,092)	(53)
<b>Increase (decrease) in liabilities</b>		
SBA PPP loan	24,795	-
Accounts payable and payroll taxes	(4,192)	763
<b>Total adjustments</b>	<u>69,439</u>	<u>(996)</u>
<b>Net cash (used in) operating activities</b>	58,977	18,210
<b>Cash and cash equivalents - beginning of year</b>	<u>45,158</u>	<u>26,948</u>
<b>Cash and cash equivalents - end of year</b>	<u><u>\$ 104,135</u></u>	<u><u>\$ 45,158</u></u>

See independent auditors' report and notes to the financial statements

**82ND STREET DISTRICT MANAGEMENT ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**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 82 st. 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, 2020**

**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, 2020 are as follows:

General Funds - Checking account	\$ <u>104,135</u>
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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, 2020**

**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>2020</b>	<b>2019</b>
Equipment	\$ 8,834	\$ 8,834
Trash receptacles	13,980	13,980
	22,814	22,814
Less: Accumulated depreciation	21,036	19,513
<b>Total fixed assets</b>	<b>\$ 1,778</b>	<b>\$ 3,301</b>

**NOTE 6      GRANT INCOME**

During the year ended June 30, 2019, 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. The grants receivable at June 30, 2019 is as follows

NYC NDGI Grant FY 19	\$36,000 (Fully Paid in FY 20)
NYC NDGI Grant FY 18	<u>\$12,405</u> (Fully Paid in FY 20)
	<u>\$48,405</u>

**82ND STREET DISTRICT MANAGEMENT ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 7      COMMITMENTS AND CONTINGENCIES**

The Organization renewed their office space lease in January 2019 under an operating lease expiring on December 31, 2022. Minimum future rental under the lease is summarized as follows:

<u>Years Ending June 30</u>	<u>Minimum - Future Rental Payments</u>
2019-2020	<u>\$ 15,764</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, 2020 and 2019 were \$18,940 and \$19,122, respectively.

**SBA PPP loan**

On May 29, 2020, the company obtained a promissory note of \$24,095 from its bank under the Small Business Administration (SBA)'s Paycheck Protection Program (PPP) that is part of the CARES Act stimulus relief. The note bears interest at 1 percent and requires monthly payments of principal and interest on the outstanding principal balance, unless otherwise forgiven in whole or part by SBA under the CARES Act. The company will be pursuing maximum loan forgiveness. If the note is not forgiven, payments will begin 7 months from the date of the note until the maturity date of May 6, 2022, when the entire principal balance, along with all accrued and unpaid interest is due in full. Management feels that the full loan will be forgiven.

**NOTE 8      SUBSEQUENT EVENTS**

In preparing the accompanying financial statements, the Organization has reviewed events that have occurred after June 30, 2020, through the date of issuance of these financial statements on December 1, 2020. During this period, the Organization did not have any material subsequent events that are required to be disclosed in the financial statements.

December 1, 2020

**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, 2020 and 2019

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