

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

FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

82ND STREET DISTRICT MANAGEMENT ASSOCIATION INC.

JUNE 30, 2012 AND 2011

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flow	4
Notes to Financial Statements	5 - 6



MUHLSTOCK & ASSOCIATES, CPA'S, PLLC

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of 82nd Street District Management Association Inc., (a nonprofit organization) as of June 30, 2012 and 2011 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the 82nd Street District Management Association Inc., as of June 30, 2012 and 2011 and the changes in net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

New York, New York
August 24, 2012

Muhlstock & Associates CPAs LLC

MUHLSTOCK & ASSOCIATES, CPA'S, PLLC
Certified Public Accountants
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New York, NY 10001
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82ND STREET DISTRICT MANAGEMENT ASSOCIATION INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30,

Page 2

ASSETS

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	33,324	56,865
Prepaid expenses	4,313	4,430
Fixed assets - net	12,596	13,037
Security deposit - rent	<u>1,200</u>	<u>1,200</u>
Total assets	<u>\$ 51,433</u>	<u>\$ 75,532</u>

LIABILITIES AND NET ASSETS

Accounts payable	6,769	965
Accrued expenses	4,150	4,150
Payroll taxes payable	<u>1,331</u>	<u>-</u>
Total liabilities	12,250	5,115
Net assets		
Unrestricted	<u>39,183</u>	<u>70,417</u>
Total liabilities and fund balance	<u>\$ 51,433</u>	<u>\$ 75,532</u>

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

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

Page 4

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Change in net assets	\$ (31,203)	\$ 12,441
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	3,037	1,522
(Increase) decrease in assets		
(Increase) Decrease - prepaid expenses	86	6,247
Purchase of fixed assets	(2,596)	(13,980)
Increase (decrease) in liabilities		
Increase (decrease) - accounts payable and payroll taxes	7,135	(604)
Total adjustments	<u>7,662</u>	<u>(6,815)</u>
Net cash used in operating activities	(23,541)	5,626
Cash and cash equivalents - beginning of year	<u>56,865</u>	<u>51,239</u>
Cash and cash equivalents - end of year	<u>\$ 33,324</u>	<u>\$ 56,865</u>

Supplementary information:

Non-cash transactions

Contribution donated services	\$ -	\$ -
Promotion expenses	-	-
	<u>\$ -</u>	<u>\$ -</u>

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

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

Page 3

	2012	2011
Revenue		
Assessments	\$ 224,450	\$ 224,450
Interest income	124	280
Contributions	-	3,530
Total revenue	224,574	228,260
 Expenses		
Program services		
Cleaning and sweeping	61,852	60,418
Promotions	15,912	14,605
Christmas promotion	14,501	18,624
Street repairs	14,336	2,894
Street security	10,200	10,229
Total program expenses	116,801	106,770
 Supporting services		
Salaries	79,803	58,426
Payroll taxes and fringe benefits	12,473	14,211
Rent and real estate tax	15,271	15,737
Office expenses and supplies	3,868	3,142
Telephone	3,400	3,697
Professional fees	8,902	4,100
Meeting expenses	704	1,948
Insurance	3,370	1,432
Depreciation	3,037	1,522
Computer and website	5,075	750
Copy lease expense	3,104	4,084
Total supporting expenses	139,007	109,049
Total expenses	255,808	215,819
Net (decrease) in net assets	(31,234)	12,441
Net assets - beginning of year	70,417	57,976
Net assets - end of year	\$ 39,183	\$ 70,417

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, 2012**

NOTE 1 DESCRIPTION OF ORGANIZATION

The organization was incorporated in 1990. The organization obtained tax exempt status under section 501(c)(3) of the Internal Revenue Code. The Association 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 accounting

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

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.

Property and equipment

Property and equipment are recorded at cost and depreciated over their estimated useful service lives to 5 to 7 years using the straight-line method. Leasehold improvements are recorded at cost and amortized over 10 years using the straight-line method.

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.

**82ND STREET DISTRICT MANAGEMENT ASSOCIATION INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 3 CASH AND CASH EQUIVALENTS

Cash in banks and on hand at June 30, 2012 is as follows:

General Funds - Checking account	\$ 4,017.
General Funds - Money market account	29,257
Petty cash	<u>50</u>
 Total cash and cash equivalents	 <u>\$33,324</u>

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

NOTE 4 FIXED ASSETS

Fixed assets after related depreciation is comprised of:

	<u>2012</u>	<u>2011</u>
Equipment	\$2,890	\$ 579
Trash receptacles	<u>\$9,706</u>	<u>\$ 12,458</u>
	<u>\$12,596</u>	<u>\$13,037</u>

NOTE 5 COMMITMENTS AND CONTINGENCIES

The Association 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>Year Ending June 30</u>	<u>Minimum - Future Rental Payments</u>
2011 - 2012	13,800
2012 - 2013	14,214

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

NOTE 6 SUBSEQUENT EVENTS

Management evaluated the activities of the Company through August 24, 2012 (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, 2012