

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

AND

INDEPENDENT AUDITORS' REPORT

JUNE 30, 2018 AND 2017

82ND STREET DISTRICT MANAGEMENT ASSOCIATION INC.

JUNE 30, 2018 AND 2017

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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, 2018 and 2017 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, 2018

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

ASSETS

	2018	2017
Current assets		
Cash and cash equivalents	\$ 26,948	\$ 5,775
Accounts receivable	50,000	30,000
Prepaid expenses	2,130	1,436
Total current assets	79,078	37,211
Fixed assets - net	-	703
Security deposit - rent	1,200	1,200
Total assets	\$ 80,278	\$ 39,114

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 8,448	\$ 8,065
Accrued expenses	5,100	5,100
Payroll taxes payable	1,865	1,119
Total current liabilities	15,413	14,284
Net assets		
Unrestricted	64,865	24,830
Total liabilities and fund balance	\$ 80,278	\$ 39,114

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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	<u>2018</u>	<u>2017</u>
Revenue		
Assessments	\$ 254,450	\$ 224,450
Interest income	1	1
Grant income	60,000	33,500
Sponsorships	<u>9,350</u>	<u>10,073</u>
Total revenue	<u>323,801</u>	<u>268,024</u>
 Expenses		
Program services		
Sanitation and graffiti removal	96,968	87,170
Marketing and public events	17,757	21,006
Holiday promotion	7,441	6,875
Streetscape beautification	8,733	506
Special projects	<u>-</u>	<u>-</u>
Total program services	<u>130,899</u>	<u>115,557</u>
 Supporting services		
Salaries	96,390	86,929
Payroll taxes and fringe benefits	16,518	19,489
Rent and real estate tax	19,879	18,268
Office expenses and supplies	3,248	3,085
Telephone	2,692	2,366
Professional fees	10,273	5,150
Meeting expenses	507	103
Insurance	2,657	2,150
Depreciation	703	594
Copy lease expense	<u>-</u>	<u>1,010</u>
Total supporting services	<u>152,867</u>	<u>139,144</u>
 Total expenses	<u>283,766</u>	<u>270,043</u>
 Change in net assets	40,035	13,323
Net assets - beginning of year	<u>24,830</u>	<u>11,507</u>
Net assets - end of year	<u>\$ 64,865</u>	<u>\$ 24,830</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,**

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	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Change in net assets	\$ 40,035	\$ 13,323
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	703	594
(Increase) decrease in assets		
Accounts receivable	(20,000)	(9,527)
Purchase of fixed assets	-	-
Prepaid expenses	(694)	-
Increase (decrease) in liabilities		
Deposits payable	-	-
Accounts payable and payroll taxes	<u>1,129</u>	<u>(14,104)</u>
Total adjustments	<u>(18,862)</u>	<u>(23,037)</u>
Net cash (used in) operating activities	21,173	(9,714)
Cash and cash equivalents - beginning of year	<u>5,775</u>	<u>15,489</u>
Cash and cash equivalents - end of year	<u>\$ 26,948</u>	<u>\$ 5,775</u>

See independent auditors' report and notes to the financial statements

82ND STREET DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018

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, 2018 are as follows:

General Funds - Checking account	\$ 26,556
General Funds - Money market account	<u>392</u>
Total cash and cash equivalents	<u>\$ 26,948</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, 2018

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	18,244	17,541
Total fixed assets	\$ -0-	\$ 203

NOTE 6 GRANT INCOME

During the year ended June 30, 2018, 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, 2018

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, 2018 and 2017 were \$ and \$18,268, respectively.

NOTE 8 SUBSEQUENT EVENTS

In preparing the accompanying financial statements, the Organization has reviewed events that have occurred after June 30, 2018, through the date of issuance of these financial statements on December 7, 2018. During this period, the Organization did not have any material subsequent events that are required to be disclosed in the financial statements.

December 7, 2018

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, 2018 and 2017

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