

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

AND

INDEPENDENT AUDITORS' REPORT

JUNE 30, 2021 AND 2020

82ND STREET DISTRICT MANAGEMENT ASSOCIATION INC.

JUNE 30, 2021, AND 2020

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 - 2
Statements of Financial Position as of June 30, 2021, and 2020	3
Statements of Activities for the Years Ended June 30, 2021, and 2020	4
Statements of Cash Flow for the Years Ended June 30, 2021, and 2020	5
Notes to Financial Statements	6 - 9

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, 2021 and 2020 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 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.

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 82nd 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 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 audit

Bruce Danoff CPA

New York, New York
November 23 ,2021

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

ASSETS

	2021	2020
Current assets		
Cash and cash equivalents	251,804	104,135
Prepaid expenses	3,732	6,231
Total current assets	255,536	110,366
Fixed assets - net	255	1,778
Security deposit - rent	1,200	1,200
	1,455	2,978
Total assets	\$ 256,991	\$ 113,344

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	10,337	\$ 9,440
Accrued expenses	5,100	5,500
SBA PPP loan	-	24,795
Deferred revenue	127,225	-
Total current liabilities	142,662	39,735
Net assets		
Unrestricted	114,329	73,609
Total liabilities and fund balance	\$ 256,991	\$ 113,344

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,

Page 4

	2021	2020
Revenue		
Assessments	\$ 254,450	\$ 254,450
Neighborhood now income	35,636	-
Grant income	-	11,000
Donation	500	
Sponsorships	12,500	5,077
Total revenue	303,086	270,527
Expenses		
Program services		
Sanitation and graffiti removal	113,647	113,647
Marketing and public events	373	12,539
Holiday promotion	6,125	6,505
Neighbor now expenses	7,625	-
Streetscape beautification	604	-
Total program services	128,374	132,691
Supporting services		
Salaries	98,291	96,230
Payroll taxes and fringe benefits	16,156	16,066
Rent and real estate tax	19,318	18,940
Office expenses and supplies	2,775	2,502
Telephone	2,912	2,697
Professional fees	12,102	5,175
Meeting expenses	194	423
Insurance	5,516	3,922
Depreciation	1,523	1,523
Miscellaneous	-	820
Total supporting services	158,787	148,298
Total expenses	287,161	280,989
Net income (loss) before Extraordinary income	15,925	(10,462)
Extraordinary income		
PPP debt forgiveness	24,795	-
Change in net assets	40,720	(10,462)
Net assets - beginning of year	73,609	64,865
Net assets - end of year	\$ 114,329	\$ 54,403

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,

Page 5

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 40,720	\$ (10,462)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	1,523	1,523
(Increase) decrease in assets		
Prepaid expenses	2,499	(1,092)
Increase (decrease) in liabilities		
SBA PPP loan	(24,795)	24,795
Deferred revenue	127,225	
Accounts payable and payroll taxes	497	(4,192)
Total adjustments	<u>106,949</u>	<u>69,439</u>
Net cash provided (used in) operating activities	147,669	58,977
Cash and cash equivalents - beginning of year	<u>104,135</u>	<u>45,158</u>
Cash and cash equivalents - end of year	<u><u>\$ 251,804</u></u>	<u><u>\$ 104,135</u></u>

See independent auditors' report and notes to the financial statements

82ND STREET DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 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, 2021

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 at June 30, 2021 are as follows:

General Funds- Ponce Bank	\$ 35,895
General Funds- Signature bank	<u>\$215,909</u>
	<u>\$ 251,804</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, 2021

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:

	2021	2020
Equipment	\$ 8,834	\$ 8,834
Trash receptacles	13,980	13,980
	22,814	22,814
Less: Accumulated depreciation	22,559	21,036
Total fixed assets	\$ 255	\$ 1,778

NOTE 6 DEFERRED REVENUE

The company received their July 2021 assessment of \$127,225 in June 2021. Therefore, the amount received is deferred until the following year.

NOTE 7 NEIGHBORHOOD NOW

Neighborhood Now is a collaboration among the Van Allen Institute, Urban Design Forum, volunteer architecture firms, and community organizations to provide free technical assistance to small businesses impacted by COVID19.

82ND STREET DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 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>
2021-2021	<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, 2021 and 2020 were \$19,318 and \$18,940, respectively.

SBA PPP loan

On May 29, 2020, the company obtained a promissory note of \$24,795 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. On September 9, 2021, the loan was forgiven in full and is reflected as extraordinary income in the fiscal year ended June 30, 2021

NOTE 9 SUBSEQUENT EVENTS

In preparing the accompanying financial statements, the Organization has reviewed events that have occurred after June 30, 2021, through the date of issuance of these financial statements on November, 2021. During this period, the Organization did not have any material subsequent events that are required to be disclosed in the financial statements.

November 2021

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, 2021 and 2020

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