

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

INDEPENDENT AUDITOR'S REPORT

AND FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

82ND STREET DISTRICT MANAGEMENT ASSOCIATION INC.

TABLE OF CONTENTS

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



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, 2009 and 2008 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, 2009 and 2008 and the changes in net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Respectfully submitted,

Muhlstock and Associates CPA PLLC
MUHLSTOCK AND ASSOCIATES CPA PLLP
Certified Public Accountants

New York, New York
December 8, 2009

82ND STREET DISTRICT MANAGEMENT ASSOCIATION INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009
(WITH JUNE 30, 2008 COMPARATIVE TOTALS)

	<u>TOTAL</u> 2009	<u>TOTAL</u> 2008
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 40,107	\$ 21,448
Prepaid Expenses	6,548	10,408
Fixed Assets - Net	558	1,093
Payroll Taxes Receivable	-	-
Security Deposit - Rent	<u>1,200</u>	<u>1,200</u>
<u>TOTAL ASSETS</u>	<u>\$ 48,413</u>	<u>\$ 34,149</u>
<u>LIABILITIES AND NET ASSETS</u>		
Accounts Payable	\$ 4,237	\$ 2,638
Accrued Expenses	3,800	3,500
Deferred Income	<u>-</u>	<u>1,050</u>
<u>TOTAL LIABILITIES</u>	<u>8,037</u>	<u>7,188</u>
<u>NET ASSETS</u>		
Unrestricted	<u>40,376</u>	<u>26,961</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 48,413</u>	<u>\$ 34,149</u>

See Independent Auditor's Report on Page 3 and Notes to the Financial Statements on Pages 5 - 6

82ND STREET DISTRICT MANAGEMENT ASSOCIATION INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009
(WITH JUNE 30, 2008 COMPARATIVE TOTALS)

	TOTAL 2009	TOTAL 2008
<u>REVENUE</u>		
Assessments	\$ 224,450	\$ 194,900
Interest Income	608	1,536
Contributions	2,557	4,060
<u>TOTAL REVENUE</u>	227,615	200,496
<u>EXPENSES</u>		
<u>PROGRAM SERVICES</u>		
Cleaning and Sweeping	58,658	58,658
Promotions	14,615	16,821
Christmas Promotion	22,492	20,412
Street Security	14,006	10,221
<u>TOTAL PROGRAM EXPENSES</u>	109,771	106,112
<u>SUPPORTING SERVICES</u>		
Salaries	59,151	56,390
Payroll Taxes and Fringe Benefits	11,292	10,442
Rent and Real Estate Tax	14,540	18,062
Office Expenses and Supplies	1,498	914
Telephone	3,368	3,458
Professional Fees	3,800	3,400
Meeting Expenses	1,971	2,084
Insurance	2,967	3,781
Depreciation	535	759
Consulting Expenses	-	6,000
Computer and Website	1,239	1,440
Copy Lease Expense	4,068	4,035
<u>TOTAL SUPPORTING EXPENSES</u>	104,429	110,765
<u>TOTAL EXPENSES</u>	214,200	216,877
Net (Decrease) in Net Assets	13,415	(16,381)
Net Assets - Beginning of Year	26,961	43,342
Net Assets - End of Year	\$ 40,376	\$ 26,961

See Independent Auditor's Report on Page 3 and Notes to the Financial Statements on Pages 5 - 6

82ND STREET DISTRICT MANAGEMENT ASSOCIATION INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2009
(WITH JUNE 30, 2008 COMPARATIVE TOTALS)

	<u>TOTAL</u> 2009	<u>TOTAL</u> 2008
Cash Flows From Operating Activities		
Change in Net Assets	\$ 13,415	\$ (16,381)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used In) Operating Activities		
Depreciation	535	759
Change in Assets and Liabilities		
Increase (Decrease) - Accounts Payable	1,899	(1,045)
(Increase) - Prepaid Expenses	3,860	(4,750)
Decrease - Taxes Receivable	-	-
Increase (Decrease) in Deferred Income	<u>(1,050)</u>	<u>-</u>
Net Cash Used in Operating Activities	18,659	(21,417)
Cash and Cash Equivalents, Beginning of Year	<u>21,448</u>	<u>42,865</u>
Cash and Cash Equivalents, End of Year	<u>\$ 40,107</u>	<u>\$ 21,448</u>
 Supplementary Information:		
Non Cash Transactions		
Contribution Donated Services	\$ -	\$ -
Promotion Expenses	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report on Page 3 and Notes to the Financial Statements on Pages 5 - 6

**82ND STREET DISTRICT MANAGEMENT ASSOCIATION INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

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 27.5 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 YEARS ENDED JUNE 30, 2009 AND 2008**

NOTE 3 CASH AND CASH EQUIVALENTS

Cash in banks and on hand at June 30, 2009 is as follows:

General Funds - Checking Account	\$ 7,488
General Funds-Money market Account	32,569
Petty Cash	<u>50</u>
 Total Cash and Cash Equivalents	 <u>\$ 40,107</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:

	2009	2008
Equipment	\$ <u>558</u>	\$ <u>1,093</u>
	<u>\$ 558</u>	<u>\$ 1,093</u>

NOTE 5 DEFERRED INCOME

During the fiscal year ended June 30, 2008, the organization received contributions to be utilized in the following year.

NOTE 6 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.

Year Ending June 30	Minimum-Future Rental Payments
2009 – 2010	\$ 13,200
2010 – 2011	13,398
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.