

Columbus Avenue District Management Association, Inc.

Financial Statements

June 30, 2010

and

June 30, 2009

Columbus Avenue District Management Association, Inc.

June 30, 2010

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**Certified Public Accountants
Independent Auditor's Report**

**The Board of Directors
Columbus Avenue District Management Association, Inc.
New York, New York**

We have audited the accompanying Statement of Financial Position of the **Columbus Avenue District Management Association, Inc.** (a not-for-profit organization) as of June 30, 2010 and 2009, and the related statements of activities, cash flows, and functional expenses for the fiscal year then ended. These financial statements are the responsibility of the Organization's management. 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 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 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 **Columbus Avenue District Management Association, Inc.** as of June 30, 2010 and 2009, and the changes in nets assets and its cash flows for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The statements of functional expenses on page 5 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Colabella & Company

Colabella & Company, LLP
Brooklyn, New York
September 24, 2010

Columbus Avenue District Management Association, Inc.
(a not-for-profit organization)
Statements of Financial Position
June 30, 2010 and 2009

Assets

	<u>2010</u>	<u>2009</u>
Current Assets:		
Cash and cash equivalents	\$ 296,618	\$ 253,633
Accounts receivable	24,500	25,500
Prepaid expenses	<u>1,404</u>	<u>1,279</u>
Total Current Assets:	<u>322,522</u>	<u>280,412</u>
 Depreciable Property:		
Depreciable property (Note 2)	70,719	70,719
Less: Accumulated depreciation	<u>(69,254)</u>	<u>(68,277)</u>
Net Depreciable Property	<u>1,465</u>	<u>2,442</u>
 Total Assets	 <u><u>\$ 323,987</u></u>	 <u><u>\$ 282,854</u></u>

Liabilities and Net Assets

Current Liabilities:		
Accounts payable & accrued expenses	\$ 35,348	\$ 59,348
Total Current Liabilities	<u>35,348</u>	<u>59,348</u>
 Net Assets:		
Unrestricted	288,639	223,506
Temporarily restricted	-	-
Permanently restricted	<u>-</u>	<u>-</u>
Total Net Assets	<u>288,639</u>	<u>223,506</u>
 Total Liabilities and Net Assets	 <u><u>\$ 323,987</u></u>	 <u><u>\$ 282,854</u></u>

See accompanying notes to financial statements

Columbus Avenue District Management Association, Inc.
(a not-for-profit organization)
Statements of Activities and Changes in Net Assets
For the Year Ended June 30, 2010
(with comparative totals for 2009)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2010</u>	<u>Total 2009</u>
Support and Revenue:					
BID assessments-NYCDSBS	\$ 308,800	\$ -	\$ -	\$ 308,800	\$ 308,800
Special event (New Taste) sponsors	159,931	-	-	159,931	95,328
Special event (New Taste) ticket sales	134,475	-	-	134,475	62,250
Map ad revenue	27,500	-	-	27,500	32,250
Donated services (Note 6)	12,000	-	-	12,000	12,000
Donated storage facility (Note 6)	2,000	-	-	2,000	2,000
Contributions	513	-	-	513	250
Interest income	19	-	-	19	2,616
Total Support and Revenue	<u>645,238</u>	<u>-</u>	<u>-</u>	<u>645,238</u>	<u>515,494</u>
Expenses:					
Program services	172,181	-	-	172,181	114,969
Management & general	221,378	-	-	221,378	195,706
Fundraising	<u>186,546</u>	<u>-</u>	<u>-</u>	<u>186,546</u>	<u>167,450</u>
Total Expenses	<u>580,105</u>	<u>-</u>	<u>-</u>	<u>580,105</u>	<u>478,125</u>
Changes in Net Assets	65,133	-	-	65,133	37,369
Net Assets, Beginning	<u>223,506</u>	<u>-</u>	<u>-</u>	<u>223,506</u>	<u>186,137</u>
Net Assets, Ending	<u>\$ 288,639</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 288,639</u>	<u>\$ 223,506</u>

See accompanying notes to financial statements

Columbus Avenue District Management Association, Inc.
(a not-for-profit organization)
Statements of Cash Flows
For the Years Ended June 30, 2010 and 2009

	2010	2009
Operating Activities:		
Changes in net assets	\$ 65,133	\$ 37,369
Adjustments to reconcile increase (decrease) to cash provided (used) by operating activities		
Provision for amortization/depreciation	977	4,465
(Increase) decrease in operating assets:		
Accounts receivable	1,000	(6,250)
Prepaid expenses	(125)	15
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(24,000)	1,927
Net cash provided by operating activities:	<u>42,985</u>	<u>37,526</u>
Investing Activities:		
Increase (decrease) in depreciable property	<u>-</u>	<u>(2,931)</u>
Net cash (used in) investing activities:	<u>-</u>	<u>(2,931)</u>
Financing Activities:		
Principal payments on loan	<u>-</u>	<u>(11,200)</u>
Net cash (used in) financing activities:	<u>-</u>	<u>(11,200)</u>
Net increase (decrease) in cash and cash equivalents	42,985	23,395
Cash and cash equivalents - beginning of period	<u>253,633</u>	<u>230,238</u>
Cash and cash equivalents - end of period	<u>\$ 296,618</u>	<u>\$ 253,633</u>

See accompanying notes to financial statements

Columbus Avenue District Management Association, Inc.
(a not-for-profit organization)
Statements of Functional Expenses
For the Year Ended June 30, 2010
(with comparative totals for 2009)

	<u>Program Services</u>				<u>Support Services</u>			<u>Total 2010</u>	<u>Total 2009</u>
	<u>Supplemental Sanitation Programs</u>	<u>Beautification Programs</u>	<u>Marketing and Promotion</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>		
Expenses:									
Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 157,500	\$ -	\$ 157,500	\$ 131,796
Payroll taxes	-	-	-	-	-	13,148	-	13,148	10,364
Payroll services	-	-	-	-	-	601	-	601	1,047
Professional fees	-	-	48,659	7,939	56,598	5,850	38,660	101,108	68,986
Street cleaning	51,125	-	-	-	51,125	-	-	51,125	50,000
Equipment rental and maintenance	-	-	-	-	-	-	66,456	66,456	63,440
Printing and publications	-	-	32,577	-	32,577	2,184	11,601	46,362	31,016
Tree maintenance and plantings	-	19,739	-	-	19,739	-	-	19,739	21,982
Pedestrian and holiday lights	-	-	12,142	-	12,142	-	-	12,142	12,142
Occupancy (in-kind)	-	-	-	-	-	12,000	-	12,000	12,000
Occupancy storage facility (in-kind)	-	-	-	-	-	2,000	-	2,000	2,000
Insurance	-	-	-	-	-	2,214	-	2,214	2,209
Health insurance	-	-	-	-	-	5,005	-	5,005	8,641
Outside services	-	-	-	-	-	-	40,051	40,051	10,952
Depreciation expense	-	-	-	-	-	977	-	977	4,465
Office expenses and supplies	-	-	-	-	-	11,715	29,778	41,493	31,430
Telephone	-	-	-	-	-	1,846	-	1,846	2,129
Dues, subscriptions and filing fees	-	-	-	-	-	1,999	-	1,999	1,855
Meetings, travel and conferences	-	-	-	-	-	4,339	-	4,339	11,671
Total Expenses:	<u>\$ 51,125</u>	<u>\$ 19,739</u>	<u>\$ 93,378</u>	<u>\$ 7,939</u>	<u>\$ 172,181</u>	<u>\$ 221,378</u>	<u>\$ 186,546</u>	<u>\$ 580,105</u>	<u>\$ 478,125</u>

See accompanying notes to financial statements

Columbus Avenue District Management Association, Inc.
(a not-for-profit organization)
Statements of Functional Expenses
For the Year Ended June 30, 2009

	<u>Program Services</u>				<u>Support Services</u>			<u>Total 2009</u>
	<u>Supplemental Sanitation Programs</u>	<u>Beautification Programs</u>	<u>Marketing and Promotion</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Expenses:								
Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 131,796	\$ -	\$ 131,796
Payroll taxes	-	-	-	-	-	10,364	-	10,364
Payroll services	-	-	-	-	-	1,047	-	1,047
Professional fees	-	-	6,000	4,500	10,500	6,943	51,543	68,986
Street cleaning	50,000	-	-	-	50,000	-	-	50,000
Equipment rental and maintenance	-	-	-	-	-	-	63,440	63,440
Printing and publications	-	-	20,345	-	20,345	844	9,827	31,016
Tree maintenance and plantings	-	21,982	-	-	21,982	-	-	21,982
Pedestrian and holiday lights	-	-	12,142	-	12,142	-	-	12,142
Occupancy (in-kind)	-	-	-	-	-	12,000	-	12,000
Occupancy storage facility (in-kind)	-	-	-	-	-	2,000	-	2,000
Insurance	-	-	-	-	-	2,209	-	2,209
Health insurance	-	-	-	-	-	8,641	-	8,641
Outside services	-	-	-	-	-	-	10,952	10,952
Depreciation expense	-	-	-	-	-	4,465	-	4,465
Office expenses and supplies	-	-	-	-	-	6,651	24,779	31,430
Telephone	-	-	-	-	-	2,129	-	2,129
Dues, subscriptions and filing fees	-	-	-	-	-	1,855	-	1,855
Meetings, travel and conferences	-	-	-	-	-	4,762	6,909	11,671
Total Expenses:	<u>\$ 50,000</u>	<u>\$ 21,982</u>	<u>\$ 38,487</u>	<u>\$ 4,500</u>	<u>\$ 114,969</u>	<u>\$ 195,706</u>	<u>\$ 167,450</u>	<u>\$ 478,125</u>

See accompanying notes to financial statements

Columbus Avenue District Management Association, Inc.
Notes to Financial Statements
June 30, 2010

Note 1 – Nature of Organization and Summary of Significant Accounting Policies

Organization and Nature of Activities

The Columbus Avenue District Management Association, Inc. (the BID) was incorporated under New York State and organized to promote commercial revitalization along Columbus Avenue from West 67th to West 82nd Streets in New York City by providing supplemental services such as increased sanitation, business promotion, neighborhood beautification and initiating capital improvements to make the neighborhood cleaner, safer and more attractive.

The BID receives its annual budget through a special assessment New York City places primarily on commercial property owners within the district's boundaries, which is then collected by the City of New York. A fixed amount based on the approved budget is turned over to the BID by the City on a bi-annual basis. The BID is designated a District Management Association ("DMA") and is made up of property owners and commercial and residential tenants.

Basis of Accounting

The financial statements of the organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) and reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) no. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted – represents activity which has not been restricted by donors.

Temporarily restricted – represents donor restricted contributions whose restrictions have not been met at year end but whose restrictions are anticipated to be met in the future. The organization did not have any temporarily restricted net assets at June 30, 2010 and 2009.

Permanently restricted – represents donor restricted assets which must remain intact. These types of assets are commonly referred to as endowment. The organization did not have any permanently restricted net assets at June 30, 2010 and 2009.

Cash and Cash Equivalents

The organization considers all highly liquid investments financial instruments purchased with a maturity of three months or less to be cash equivalents.

Columbus Avenue District Management Association, Inc.
Notes to Financial Statements
June 30, 2010

Note 1 – Nature of Organization and Summary of Significant Accounting Policies *(continued)*

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from the estimates.

Equipment and Improvements

Purchases of furniture, equipment and streetscape improvements which have a useful life of greater than one year and which exceed certain established dollar levels are capitalized and recorded at cost. Donations of the same, are valued at fair market at the time of the donation. Depreciation is provided for annually, based on the useful lives of the assets.

Functional Allocation of Expenses

The costs of providing the Columbus Avenue District Management Association's various programs and supporting services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the organization.

Tax Status

The Columbus Avenue District Management Association, Inc. has received a determination from the Internal Revenue Service that they are exempt from federal income taxes as an organization under section 501(c)(3) of the Internal Revenue Code and is a publicly supported charity as provided in Section 509(a)(1). The organization is also registered with the New York State Charities Bureau. As a result, no provision for income taxes has been made in these financial statements.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organizations financial statements for the year ended June 30, 2009, from which the summarized information as derived.

Columbus Avenue District Management Association, Inc.
Notes to Financial Statements
June 30, 2010

Note 1 – Nature of Organization and Summary of Significant Accounting Policies *(continued)*

Contributions

In accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions received with donor stipulations that limit the use of the assets are reported as restricted support. When a restriction expires, that is, when a stipulated time restrictions ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. In addition, those contributions whose restrictions lapse in the same period the contribution is made are recorded as unrestricted.

Note 2 – Contract with the City of New York

The City of New York, acting through its Department of Small Business Services, has entered into a contract with the Columbus Avenue District Management Association, Inc. to provide the Columbus Avenue area from West 67th to West 82nd Streets with community improvements, including improving environmental conditions, increasing public safety and supplementing social services. The City shall pay a set sum of assessments collected based on a formula related to the amount of real property owned within the District.

The City of New York, acting through its Department of Small Business Services, renewed its contract with the Columbus Avenue District Management Association, Inc. for a five-year term. The new contract began July 1, 2008 and extends until June 30, 2013. The total income awarded by the City of New York, for the fiscal years ended June 30, 2009 and June 30, 2010 was \$308,800 per year.

Note 3 – Contingency

The Columbus Avenue District Management Association is dependent on assessments against property in the district collected by the NYC Dept of Finance. Any change in this level of support could materially impact the ability of the Columbus Avenue District Management Association to continue to provide its services.

Note 4 – Depreciable Property

Depreciable property at June 30, 2010 and 2009 consists of:

	2010	2009
Office furniture, fixtures and equipment	\$ 10,269	\$ 10,269
Website	4,800	4,800
Tree Guards	<u>55,650</u>	<u>55,650</u>
Total depreciable property	<u>70,719</u>	<u>70,719</u>
Less accumulated depreciation	<u>(69,254)</u>	<u>(68,277)</u>
Net depreciable property	<u>\$ 1,465</u>	<u>\$ 2,442</u>

Depreciation expense for June 30, 2010 and 2009 was \$977 and \$4,465, respectively.

Columbus Avenue District Management Association, Inc.
Notes to Financial Statements
June 30, 2010

Note 5 – Street Maintenance Contract

The Columbus Avenue District Management Association has entered into a contract for supplemental street sanitation services with The Doe Fund, Inc. beginning on October 1, 2007 and ending September 30, 2009, at which time the contract may be renewed. The annual fee of \$50,000 will be made in equal monthly payments of \$4,166.67. Street cleaning fees for the period ended June 30, 2010 and 2009 were \$51,125 and \$50,000, respectively.

Note 6 – Donated Services

In accordance with SFAS No. 116, the BID records in-kind rent, in-kind storage costs, and related expenses for the administrative office, which is currently provided by the BID's executive director. For the years ended June 30, 2009 and 2010 the amount of in-kind rent per year is \$12,000 and the amount of in-kind storage facilities per year is \$2,000.