

**PITKIN AVENUE DISTRICT MANAGEMENT
ASSOCIATION, INC.**

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORT**

JUNE 30, 2009 AND 2008

PITKIN AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.

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INDEPENDENT AUDITORS' REPORT

To: The Board of Directors of
Pitkin Avenue District Management
Association, Inc.

We have audited the accompanying statements of financial position of Pitkin Avenue District Management Association, Inc. 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 audits.

We conducted the audits in accordance with U.S. 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 misstatements. 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 audits provide 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 Pitkin Avenue District Management Association, Inc. at June 30, 2009 and 2008, and the results of its activities and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Skody Scot & Company, CPAs, PC

December 18, 2009

PITKIN AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2009 AND 2008

	2009	2008
ASSETS		
Cash	\$ 104,489	\$ 113,368
Prepaid expenses	-	522
Total assets	\$ 104,489	\$ 113,890

LIABILITIES AND NET ASSETS

Liabilities:		
Accrued expenses	\$ 10,895	\$ 9,781
Total liabilities	10,895	9,781
Commitments and contingencies (see notes)		
Net Assets:		
Unrestricted	93,594	104,109
Temporarily restricted	-	-
Permanently restricted	-	-
Total net assets	93,594	104,109
Total liabilities and net assets	\$ 104,489	\$ 113,890

See accompanying notes to financial statements.

PITKIN AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Support and Revenues:		
Assessment revenue	\$ 125,403	\$ 125,403
Grants and contributions	-	8,333
Interest and other income	-	1,603
Total support and revenues	<u>125,403</u>	<u>135,339</u>
 Expenses:		
Program Expenses:		
Sanitation	46,872	54,971
Marketing and promotion	53,408	58,403
Public improvements	9,221	15,511
Total program expenses	<u>109,501</u>	<u>128,885</u>
Management and general	26,417	29,679
Total expenses	<u>135,918</u>	<u>158,564</u>
 Increase/(Decrease) In Net Assets:		
Unrestricted	(10,515)	(23,225)
Temporarily restricted	-	-
Permanently restricted	-	-
Increase/(decrease) in net assets	<u>(10,515)</u>	<u>(23,225)</u>
 Net assets, beginning of year	<u>104,109</u>	<u>127,334</u>
Net assets, end of year	<u>\$ 93,594</u>	<u>\$ 104,109</u>

See accompanying notes to financial statements.

**PITKIN AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2009 AND 2008**

	2009	2008
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ (10,515)	\$ (23,225)
Changes in assets and liabilities:		
Accrued expenses	1,114	(719)
Prepaid expenses	522	3,535
Net cash provided/(used) by operating activities	(8,879)	(20,409)
Cash flows from investing activities:		
Net cash provided/(used) by investing activities	-	-
Cash flows from financing activities:		
Net cash provided/(used) by financing activities	-	-
Net increase/(decrease) in cash	(8,879)	(20,409)
Cash at beginning of year	113,368	133,777
Cash at end of year	\$ 104,489	\$ 113,368

See accompanying notes to financial statements.

**PITKIN AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies

The Association

Pitkin Avenue District Management Association, Inc. (Association), a not-for-profit organization, was incorporated in the State of New York on October 8, 1993. The Association is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Association primarily receives its support from a real estate special assessment levied by The City of New York (City) on properties located in the Pitkin Avenue Business District (BID). The BID's boundaries are approximately Pitkin Avenue from Howard Avenue to Mother Gaston Boulevard, and extending along Rockaway Boulevard between Glenmore Avenue and Belmont Avenue.

The Association's programs include the following: Sanitation - maintaining clean streets/curbs and garbage and graffiti removal; Marketing and Promotion - promoting the district to residents and tourists and retaining and developing prospective businesses; and Public Improvements - to develop and implement merchant services including facade enhancements and signage.

Basis of Financial Statements

In accordance with GAAP (formerly SFAS No.117, *Financial Statements of Not-For-Profit Organizations*) the Association 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. In addition, the Association is required to present a statement of cash flows.

Management uses estimates and assumptions in preparing 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.

**PITKIN AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies (Continued)

Assessment

The real estate assessment levied by the City is recorded by the Organization when earned. The City remits these assessments to the Association in two equal installments. An allowance for doubtful accounts is not provided because all assessments are received in the current year. Assessment billing errors were recorded as a direct reduction of assessment revenue.

Management and General Expenses

The Association classifies expenses, which are not directly related to a specific program, as management and general expenses.

Property and Equipment

Depreciation of furniture and equipment is computed by the straight-line method over estimated useful lives ranging from three to ten years. Leasehold improvements are amortized by the straight-line method over the life of the improvement or the term of the lease, whichever is shorter. Expenditures for repairs and maintenance are charged as an expense, and major renewals and betterments are capitalized.

Note 2 - Property and Equipment

Property and equipment consisted of the following at June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Furniture and fixtures	\$ 2,764	\$ 2,764
Equipment	<u>3,399</u>	<u>3,399</u>
	6,163	6,163
Less: Accumulated depreciation and amortization	(<u>6,163</u>)	(<u>6,163</u>)
	<u>\$ -</u>	<u>\$ -</u>

**PITKIN AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 3 - Commitments and Contingencies

The Association maintains its checking and money market accounts with financial institutions. Balances that exceed the Federal Deposit Insurance Corporation insurance coverage are summarized for the years ended June 30, 2009 and 2008 as follows:

	<u>2009</u>	<u>2008</u>
Institution balances	\$107,718	\$114,888
Less: Amounts covered	(107,718)	(100,000)
Uninsured amounts	<u>\$ -</u>	<u>\$ 14,888</u>



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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To: The Board of Directors of
Pitkin Avenue District Management
Association, Inc.

Our audits of the basic financial statements included in the preceding section of this report were performed for the purpose of forming an opinion on those statements taken as a whole. The supplemental material presented in the following section of this report is presented for purposes of additional analysis and is 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, the supplemental material is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Skody Scot & Company, CPAs, PC

December 18, 2009

PITKIN AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
 (Supplemental Financial Information)
YEAR ENDED JUNE 30, 2009 WITH COMPARATIVE TOTALS FOR 2008

	2009					2008
	Program Expenses					Total
	Sanitation	Marketing and Promotion	Public Improvement	Total Program Expenses	Management and General	Total Expenses
Staff salaries	\$ 6,824	\$ 17,060	\$ 3,412	\$ 27,296	\$ 6,875	\$ 53,942
Payroll taxes & benefits	547	1,367	273	2,187	547	4,436
Outside contractors	39,501	-	-	39,501	1,095	43,295
Advertising	-	3,520	-	3,520	-	6,410
Event costs	-	9,624	-	9,624	-	858
Supplies	-	-	-	-	203	240
Telephone	-	-	-	-	2,433	2,726
Insurance	-	-	-	-	1,959	1,504
Office expenses	-	-	-	-	5,805	4,445
Holiday lighting	-	21,000	-	21,000	-	21,000
Professional fees	-	-	-	-	7,500	9,060
Travel & meetings	-	-	-	-	-	29
Website	-	837	-	837	-	946
Project expenses	-	-	5,536	5,536	-	9,673
Total expenses	\$ 46,872	\$ 53,408	\$ 9,221	\$ 109,501	\$ 26,417	\$ 158,564

PITKIN AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.
SCHEDULE OF EXPENSES AND BUDGET
(Supplemental Financial Information)
YEAR ENDED JUNE 30, 2009

	<u>Total Expenses</u>	<u>Budget</u>
Staff salaries	\$ 34,171	\$ 55,000
Payroll taxes & benefits	2,734	10,000
Outside contractors	40,596	60,000
Advertising	3,520	7,000
Event costs	9,624	10,000
Supplies	203	200
Telephone	2,433	2,500
Insurance	1,959	3,000
Office expenses	5,805	7,000
Holiday lighting	21,000	22,000
Professional fees	7,500	12,000
Website	837	2,000
Project expenses	<u>5,536</u>	<u>35,000</u>
Total expenses	<u>\$ 135,918</u>	<u>\$ 225,700</u>