

**BROADWAY MALL MAINTENANCE FUND, INC.**  
**(A NON-PROFIT ORGANIZATION)**  
**FINANCIAL STATEMENTS – CASH BASIS**  
**DECEMBER 31, 2011**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Broadway Mall Maintenance Fund, Inc.

We have audited the accompanying statements of assets, liabilities, and net assets - cash basis of Broadway Mall Maintenance Fund, Inc. (a nonprofit organization) as of December 31, 2011 and 2010, and the related statements of support, revenue, and expenses – cash basis, functional expenses – cash basis, and cash flows – cash basis for the years 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.

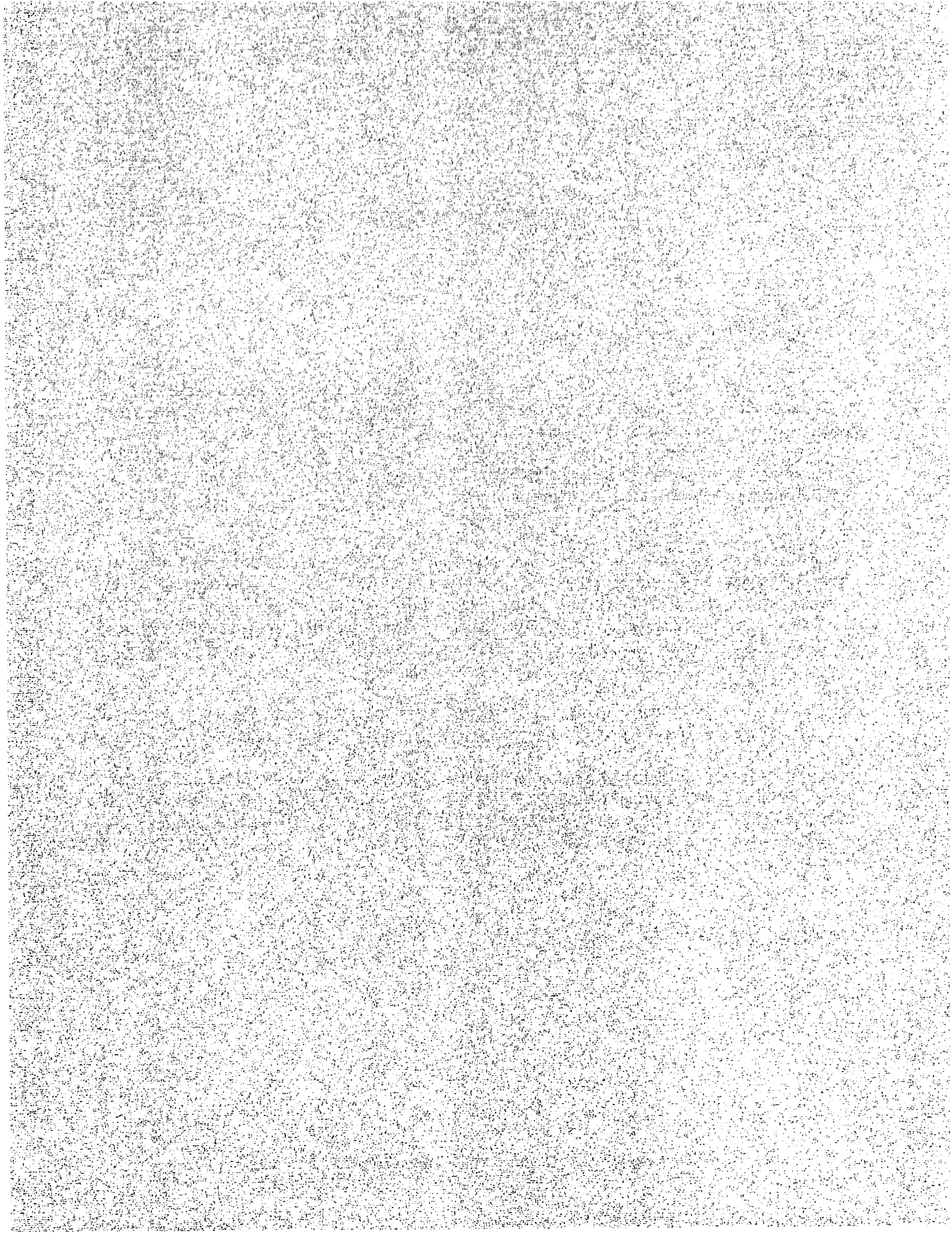
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, 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 audits provide a reasonable basis for our opinion.

As described in Note 2, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principals.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Broadway Mall Maintenance Fund, Inc. as of December 31, 2011 and 2010, and its support, revenue and expenses, functional expenses and its cash flows for the years then ended, on the basis of accounting described in Note 2.



Jericho, New York  
August 24, 2012



**BROADWAY MALL MAINTENANCE FUND, INC.**  
**STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - CASH BASIS**  
**DECEMBER 31,**

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 112,246	\$ 132,890
<b>Total Current Assets</b>	<u>112,246</u>	<u>132,890</u>
<b>Other Assets:</b>		
Security deposit	1,500	1,500
<b>TOTAL ASSETS</b>	<u><b>\$ 113,746</b></u>	<u><b>\$ 134,390</b></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Payroll taxes payable	\$ 112	\$ 112
<b>Total Current Liabilities</b>	<u>112</u>	<u>112</u>
<b>COMMITMENTS</b>		
Net Assets - Unrestricted	<u>113,634</u>	<u>134,278</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 113,746</b></u>	<u><b>\$ 134,390</b></u>

**BROADWAY MALL MAINTENANCE FUND, INC.**  
**STATEMENTS OF SUPPORT, REVENUE AND EXPENSES - CASH BASIS**  
**FOR THE YEARS ENDED DECEMBER 31,**

	<b>2011</b>	<b>2010</b>
<b>Support and Revenue:</b>		
Contributions	\$ 410,347	\$ 405,057
Special events revenue	80,758	109,075
Interest and dividend income	237	552
<b>Total Support and Revenue</b>	<b>491,342</b>	<b>514,684</b>
<b>Expenses:</b>		
Program	356,110	366,072
Management and general	126,727	98,558
Fundraising	29,149	39,331
<b>Total Expenses</b>	<b>511,986</b>	<b>503,961</b>
<b>Change in Net Assets</b>	<b>(20,644)</b>	<b>10,723</b>
<b>NET ASSETS - UNRESTRICTED - BEGINNING OF YEAR</b>	<b>134,278</b>	<b>123,555</b>
<b>NET ASSETS - UNRESTRICTED - END OF YEAR</b>	<b>\$ 113,634</b>	<b>\$ 134,278</b>

**BROADWAY MALL MAINTENANCE FUND, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES - CASH BASIS**  
**FOR THE YEARS ENDED DECEMBER 31,**

	Management and			2011	2010
	Program	General	Fundraising		
Maintenance and landscaping	\$ 297,376	\$ -	\$ -	\$ 297,376	\$ 306,369
Winter lighting	56,730	-	-	56,730	51,616
Outside services	-	3,293	-	3,293	15,659
Professional fees	-	34,348	-	34,348	22,588
Rent expense	-	17,400	-	17,400	11,600
Payroll expense	-	37,194	-	37,194	14,566
Payroll tax expense	-	4,353	-	4,353	1,569
Website and computer expenses	-	317	-	317	5,681
Printing and publications	-	5,988	-	5,988	4,356
Insurance	-	5,706	-	5,706	3,913
Telephone	-	2,189	-	2,189	2,570
Office expense	-	6,064	-	6,064	5,413
Advertising	-	-	-	-	150
Postage and delivery	-	933	-	933	3,460
Bank fees and other fees	-	5,157	-	5,157	3,663
Dues and subscriptions	-	579	-	579	550
Office supplies	-	3,206	-	3,206	2,820
Program Services	2,004	-	-	2,004	8,087
Cost of direct benefit to donors	-	-	29,149	29,149	39,331
<b>TOTAL</b>	<b>\$ 356,110</b>	<b>\$ 126,727</b>	<b>\$ 29,149</b>	<b>\$ 511,986</b>	<b>\$ 503,961</b>

**BROADWAY MALL MAINTENANCE FUND, INC.  
STATEMENTS OF CASH FLOWS - CASH BASIS  
FOR THE YEARS ENDED DECEMBER 31,**

	2011	2010
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ (20,644)	\$ 10,723
Adjustments to reconcile net increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Changes in assets and liabilities:		
(Increase) in security deposits	-	(1,500)
Increase in payroll tax payable	-	112
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(20,644)</b>	<b>9,335</b>
<b>Net Increase (Decrease) in Cash and Cash equivalents</b>	<b>(20,644)</b>	<b>9,335</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>132,890</b>	<b>123,555</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 112,246</b>	<b>\$ 132,890</b>



**Broadway Mall Maintenance Fund, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011**

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**NOTE 1.**

**ORGANIZATION AND BUSINESS ACTIVITIES**

Broadway Mall Maintenance Fund, Inc. (the "Organization") is a non-profit organization incorporated in the State of New York. The Organization was formed for the purpose of providing program services to maintain the malls and median strips on the street called Broadway, located in the Borough of Manhattan, for use by the general public. Broadway Mall Maintenance Fund, Inc. is an exempt organization for federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation. Income is generated primarily from contributions.

**NOTE 2.**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The Organization's financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles ("US GAAP). Under the cash basis of accounting, revenue is recognized when received rather than when earned, and expenses and purchases of assets are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statements are not intended to present the financial position and statement of activities in conformity with US GAAP.

Cash and Cash Equivalents

The Organization considers all money market accounts and all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Net Assets

The classification of the Organization's net assets and its support, revenue and expenses is based on the existence, or absence, of donor-imposed restrictions. It requires that the amounts for each of the three classes of net assets, permanently restricted, temporarily restricted, and unrestricted, be displayed in a statement of assets, liabilities and net assets – cash basis and that the amount of change in each of those classes of net assets be displayed in a statement of support, revenue and expenses – cash basis.

The three classes that comprise Net Assets are defined as follows:

- a. **Permanently Restricted** – Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

(CONTINUED)

**Broadway Mall Maintenance Fund, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011**

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**NOTE 2.**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Net Assets (Continued)

- b. **Temporarily Restricted** – Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities.
  
- c. **Unrestricted** – The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

Special Events

The direct costs of special events include expenses for the benefit of the donor. For example, meals and rental facilities are considered direct costs of special events.

Functional Allocation of Expenses

Expenses that can be directly identified with the program or supporting service to which they relate are charged accordingly. Other expenses by function have been allocated among program and supporting service classifications using the basis determined by management to be reasonable.

Comparative Information

The financial statements include certain prior-year summarized comparative information in total, but not in detail. As a result, the fiscal 2010 comparative information does not include sufficient detail to constitute a presentation in conformity with cash basis. Accordingly, such fiscal 2010 information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

**NOTE 3.**

**CONCENTRATIONS OF CREDIT RISK**

Financial instruments which potentially expose the Organization to concentrations of credit risk consist principally of cash and contributions.

- a. **Cash** - Financial instruments that potentially subject the Organization to a concentration of credit risk include cash deposits. The Organization maintains its cash balances at two financial institutions located in New York City, which at times, may exceed federally insured limits. Interest bearing accounts are insured by the Federal Deposit Insurance Corporation (FDIC)

(CONTINUED)

**Broadway Mall Maintenance Fund, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011**

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**NOTE 3.**

**CONCENTRATIONS OF CREDIT RISK (CONTINUED)**

up to \$250,000 in the aggregate. Non-interest bearing checking accounts have unlimited coverage through December 31, 2012. At December 31, 2011, the Organization had no uninsured balances.

- b. **Contributions** – For the year ended December 31, 2011, approximately 16% of contributions were received from one donor..

**NOTE 4.**

**LEASE COMMITMENTS**

The Organization has entered into a non-cancellable operating lease agreement with the landlord for a term of 60 months, expiring on March 31, 2015.

At December 31, 2011, the Organization's future minimum annual lease payments under the non-cancellable operating lease was as follows:

<b><u>Year Ending</u></b> <b><u>December 31,</u></b>	<b><u>Amount</u></b>
2012	\$ 18,000
2013	22,135
2014	24,042
2015	<u>6,055</u>
	<b><u>\$ 88,232</u></b>

Rent expense was \$17,400 and \$11,600 for the years ended December 31, 2011 and 2010, respectively.

**NOTE 5.**

**RELATED PARTY TRANSACTIONS**

The Organization paid \$3,711 and \$13,069 to Menaker & Herrmann LLP for administrative services for the years ended December 31, 2011 and 2010, respectively. Mr. Robert Herrmann, president of the Organization, is a partner in Menaker & Herrmann LLP.

**NOTE 6.**

**SUBSEQUENT EVENTS**

Management has evaluated subsequent events through August 24, 2012, the date the financial statements were available to be issued. The effects of those events and transactions that provided additional pertinent information about conditions that existed at the balance sheet date, have been recognized in the financial statements.