

**BROADWAY MALL MAINTENANCE FUND, INC.**  
**(A NON-PROFIT ORGANIZATION)**  
**FINANCIAL STATEMENTS – CASH BASIS**  
**DECEMBER 31, 2012**

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements (comprised of the statement of assets, liabilities and net assets – cash basis as of December 31, 2012 and 2011, 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, and the related notes to the financial statements).

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### *Management's Responsibility 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.

### *Auditor's Responsibility*


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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

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, 2012 and 2011, and its support, revenue and expenses, functional expenses and its cash flows for the years then ended in accordance with the cash basis of accounting as described in Note 2.

  
Jericho, New York  
June 12, 2013

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

	<b>2012</b>	<b>2011</b>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 93,850	\$ 112,246
<b>Other Assets:</b>		
Security deposit	1,500	1,500
<b>TOTAL ASSETS</b>	<b>\$ 95,350</b>	<b>\$ 113,746</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Payroll taxes payable	\$ 112	\$ 112
<b>COMMITMENTS</b>		
Net Assets - Unrestricted	95,238	113,634
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 95,350</b>	<b>\$ 113,746</b>

See independent auditors' report and accompanying notes to financial statements.

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

	<b>2012</b>	<b>2011</b>
<b>Support and Revenue:</b>		
Contributions	\$ 397,418	\$ 410,347
Special events revenue	122,130	80,758
Interest and dividend income	9	237
<b>Total Support and Revenue</b>	<b>519,557</b>	<b>491,342</b>
<b>Expenses:</b>		
Program	363,939	356,110
Management and general	146,023	126,727
Fundraising	27,991	29,149
<b>Total Expenses</b>	<b>537,953</b>	<b>511,986</b>
<b>Change in Net Assets</b>	<b>(18,396)</b>	<b>(20,644)</b>
<b>NET ASSETS - UNRESTRICTED - BEGINNING OF YEAR</b>	<b>113,634</b>	<b>134,278</b>
<b>NET ASSETS - UNRESTRICTED - END OF YEAR</b>	<b>\$ 95,238</b>	<b>\$ 113,634</b>

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

	Management and			Total Expenses	
	Program	General	Fundraising	2012	2011
Maintenance and landscaping	\$ 311,141	\$ -	\$ -	\$ 311,141	\$ 297,376
Winter lighting	49,676	-	-	49,676	56,730
Outside services	-	1,826	-	1,826	3,293
Professional fees	-	33,576	-	33,576	34,348
Rent expense	-	17,400	-	17,400	17,400
Payroll expense	-	60,639	-	60,639	37,194
Payroll tax expense	-	9,051	-	9,051	4,353
Website and computer expenses	-	721	-	721	317
Printing and publications	-	2,322	-	2,322	5,988
Insurance	-	4,765	-	4,765	5,706
Telephone	-	2,344	-	2,344	2,189
Charitable Contributions	-	175	-	175	-
Office expense	-	3,940	-	3,940	6,064
Advertising	-	70	-	70	-
Postage and delivery	-	1,535	-	1,535	933
Bank fees and other fees	-	5,946	-	5,946	5,157
Dues and subscriptions	-	550	-	550	579
Office supplies	-	1,163	-	1,163	3,206
Program Services	3,122	-	-	3,122	2,004
Cost of direct benefit to donors	-	-	27,991	27,991	29,149
<b>TOTAL</b>	<b>\$ 363,939</b>	<b>\$ 146,023</b>	<b>\$ 27,991</b>	<b>\$ 537,953</b>	<b>\$ 511,986</b>

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

	<u>2012</u>	<u>2011</u>
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ (18,396)	\$ (20,644)
Changes in assets and liabilities:		
(Increase) in security deposits	-	-
Increase in payroll tax payable	-	-
<b>Net Cash (Used in) Operating Activities</b>	<u>(18,396)</u>	<u>(20,644)</u>
<b>Net (Decrease) in Cash and Cash equivalents</b>	<u>(18,396)</u>	<u>(20,644)</u>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>112,246</u>	<u>132,890</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 93,850</u></u>	<u><u>\$ 112,246</u></u>

**BROADWAY MALL MAINTENANCE FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

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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**

a. **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.

b. **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.

c. **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.



**BROADWAY MALL MAINTENANCE FUND, INC.**  
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**NOTE 2.**

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

**c. 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.

**d. 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.

**e. 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.

**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) 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 years ended December 31, 2012 and 2011, approximately 14% and 16% of contributions respectively, were received from one donor.

**BROADWAY MALL MAINTENANCE FUND, INC.**  
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**DECEMBER 31, 2012**

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**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:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2013	22,135
2014	24,042
2015	<u>6,055</u>
	<u>\$ 52,232</u>

Rent expense was \$17,400 and \$17,400 for the years ended December 31, 2012 and 2011, respectively.

**NOTE 5. RELATED PARTY TRANSACTIONS**

The Organization paid \$1,428 and \$3,711 to Menaker & Herrmann LLP for administrative services for the years ended December 31, 2012 and 2011, 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 June 12, 2013, 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.