

STEINWAY STREET DISTRICT
MANAGEMENT ASSOCIATION, INC.

AUDITED
FINANCIAL STATEMENTS

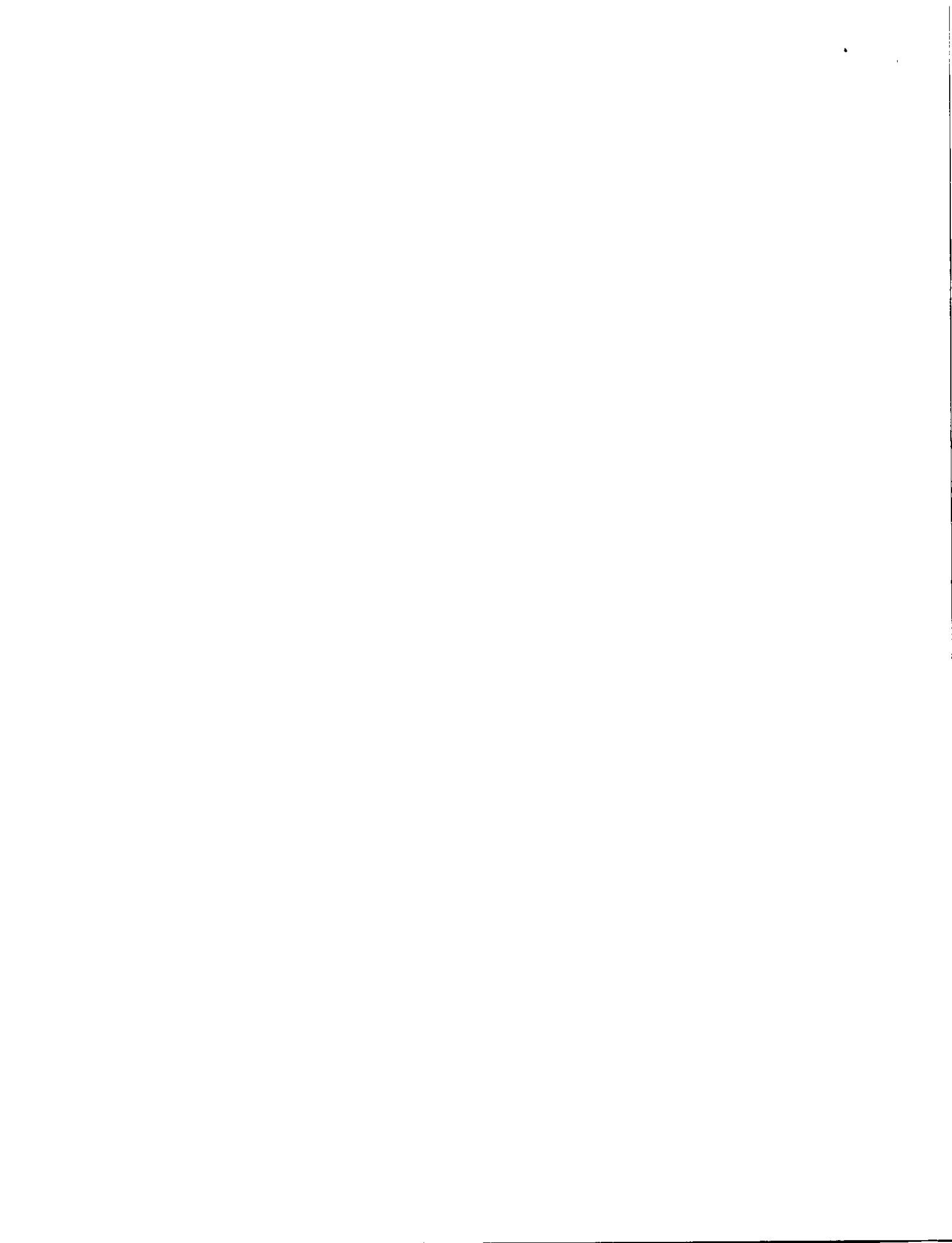
JUNE 30, 2009 AND 2008



STEINWAY STREET DISTRICT MANAGEMENT ASSOCIATION, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Steinway Street District Management Association, Inc.

I have audited the accompanying statements of financial position of Steinway Street District Management Association, Inc. as of June 30, 2009 and the related statements of activities and cash flows for the year ended June 30, 2009. These financial statements are the responsibility of Steinway Street District Management Association, Inc's management. My responsibility is to express an opinion on these financial statements based on my audit. -

I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Steinway Street District Management Association, Inc. at June 30, 2009 and the changes in its net assets and its cash flows for the year ended June 30, 2009 in conformity with accounting principles generally accepted in the United States of America.

New York, New York
October 16, 2009

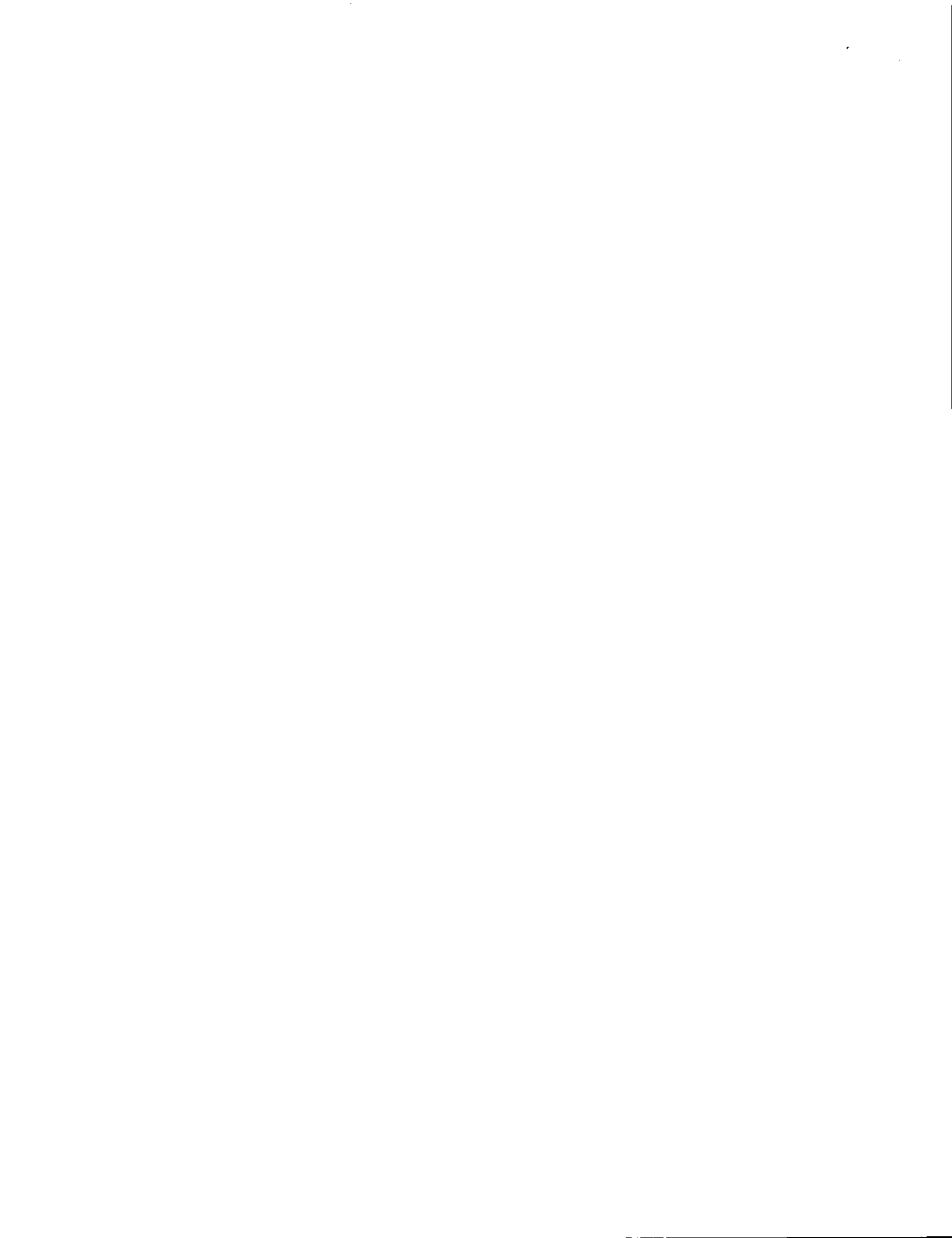




STEINWAY STREET DISTRICT MANAGEMENT ASSOCIATION, INC.
 STATEMENTS OF FINANCIAL POSITION
 AS OF JUNE 30,

	<u>Assets</u>	
<u>Assets</u>	<u>2009</u>	<u>2008</u>
Cash	\$ 146,044	59,341
Receivable	<u>6,370</u>	<u>8,920</u>
Total assets	<u>\$ 152,414</u>	<u>68,261</u>
<u>Liability and Net Assets</u>		
<u>Liability</u>		
Accounts payable	\$ 17,383	15,003
Contingency - note 4		
<u>Net Assets</u>		
Unrestricted	<u>135,031</u>	<u>53,258</u>
Total liability and net assets	<u>\$ 152,414</u>	<u>68,261</u>

See accompanying notes to financial statements.



STEINWAY STREET DISTRICT MANAGEMENT ASSOCIATION, INC.
 STATEMENTS OF ACTIVITIES
 FOR THE YEARS ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>Revenue</u>		
Property tax assessment	\$ 325,000	250,000
Street fair	10,676	10,252
Program service	-	10,000
Interest	2,284	1,888
Total revenue	<u>337,960</u>	<u>272,140</u>
<u>Expense</u>		
<u>Program</u>		
Sanitation	70,012	67,194
Security	55,690	54,062
Holiday decoration	28,902	26,400
Marketing and promotion	18,989	51,001
Streetcape and beautification	17,858	34,535
Total	<u>191,451</u>	<u>233,192</u>
<u>Administrative and general</u>		
Management fee	58,000	58,000
General and administrative expenses	6,736	7,090
Total	<u>64,736</u>	<u>65,090</u>
Total expenses	<u>256,187</u>	<u>298,282</u>
Change in net assets	81,773	(26,142)
Net assets at beginning of year	<u>53,258</u>	<u>79,400</u>
Net assets at end of year	<u>\$ 135,031</u>	<u>53,258</u>

See accompanying notes to financial statements.

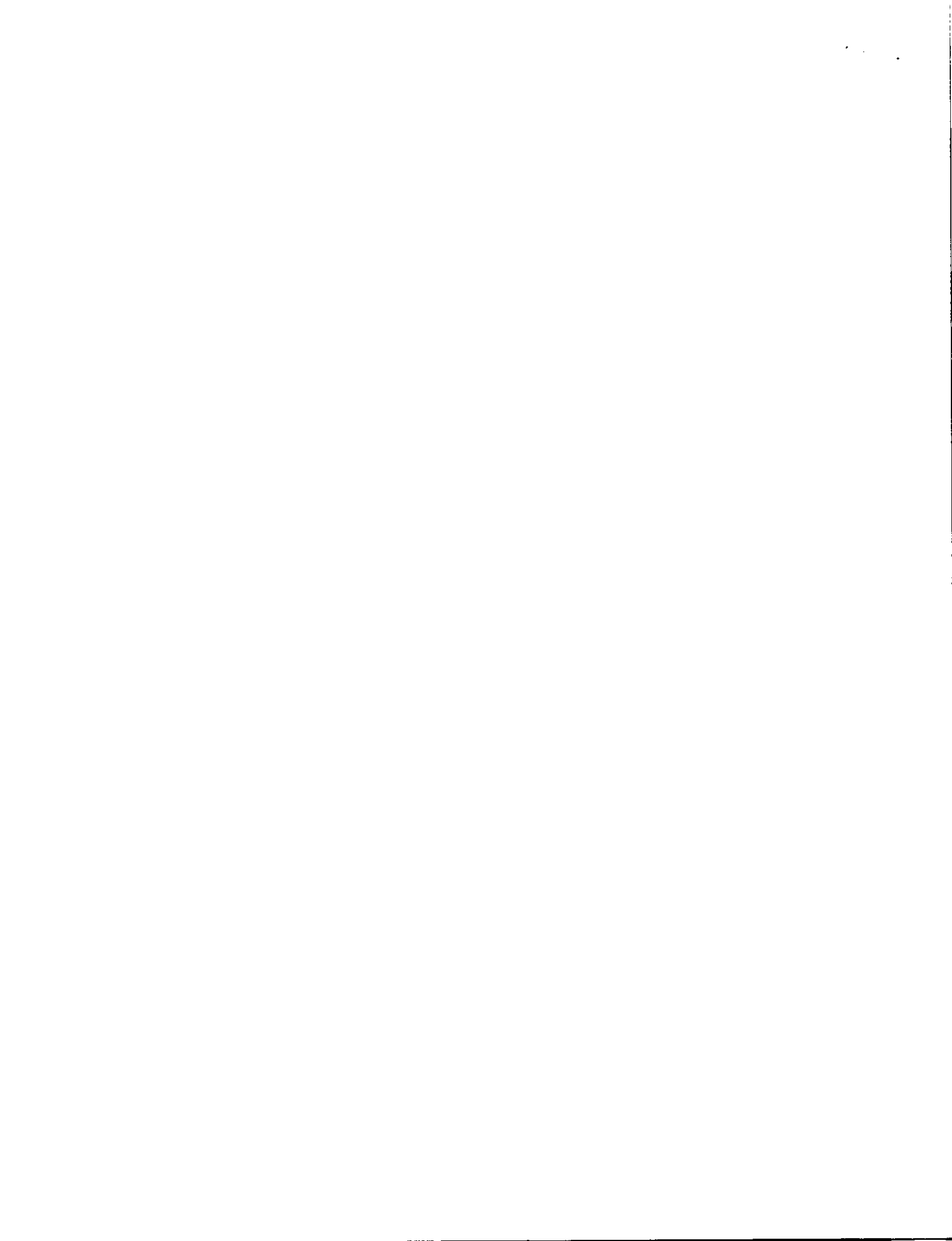


STEINWAY STREET DISTRICT MANAGEMENT ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ 81,773	(26,142)
<u>Adjustments to reconcile change in net assets to cash flows</u>		
Decrease / (Increase) in accounts receivable	2,550	(8,920)
Increase / (Decrease) in accounts payable	2,380	(1,209)
Increase in prepaid expense	-	14,500
Total adjustments	<u>4,930</u>	<u>4,371</u>
Net cash provided by / used in operating activities represented net increase / (decrease) in cash	86,703	(21,771)
Cash at beginning of year	<u>59,341</u>	<u>81,112</u>
Cash at end of year	<u>\$ 146,044</u>	<u>59,341</u>

See accompanying notes to financial statements.



STEINWAY STREET DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

Note 1 Organization

Steinway Street District Management Association, Inc., (the "Association"), a not-for-profit organization, was incorporated in the State of New York in 1983. The purpose of the Association was to provide supplemental services in the Steinway Street Business Improvement District (the "SBID") in which it was created. The Association primarily receives its support from a special assessment on commercial properties located in the SBID, levied by the City of New York.

The Association is tax-exempt from federal income tax under Internal Revenue Code 501(c)(3) and similar provision of the State code.

Note 2 Significant accounting policies

The accompanying financial statements have been prepared on the accrual basis of accounting.

Support

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received and unconditional promises to give are measured at their fair value and are reported as an increase in net assets. The Association reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are transferred to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash

Cash is primarily consisted of cash held in checking and saving accounts. Management believes the Association is not exposed to any significant credit risk on cash.

Activities and revenue recognition

The Association entered into contract with New York City Department of Small Business Services to provide supplemental municipal service to the SBID as defined in the contract. The Association recognizes its revenue when assessments were received from the City allotted for the fiscal year.

General and administrative expenses

The Association classifies expenses not directly related to the provision of the program services as general and administrative expenses.



STEINWAY STREET DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

Note 2 Significant accounting policies (continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 3 Management fee and related party transaction

The Association shares common office space and certain support staffs with Central Astoria Local Development Coalition, Inc. ("CALDC"), a non-profit organization. Those costs, along with other management services provided by CALDC to the Association, were included as management fee under the six -year contract (ended June 30, 2010) entered between the Association and CALDC. Management fee paid to CALDC for the years ended June 30, 2009 and 2008 amounted to \$58,000 each year under the agreement.

Note 4 Contingency

The contract of the Association with the City of New York is subject to audit by the City. No provision has been made for any liabilities which may arise from such audits since the amounts, if any, can not be determined at this date. Disallowance or adjustments, if any, will be reflected in the financial statements in the year of settlement.

