

**PALMYRA BUSINESS IMPROVEMENT DISTRICT
MANAGEMENT CORPORATION**

FINANCIAL STATEMENTS

FOR THE YEAR 2011



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Palmyra Business Improvement District Management Corporation

We have audited the accompanying statement of financial position of Palmyra Business Improvement District Management Corporation as of December 31, 2011 and the related statements of activity and cash flows for the 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 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 Palmyra Business Improvement District Management Corporation as of December 31, 2011, and the change in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note 5 to the financial statements, the Organization lost its main funding source which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding these matters also are described in Note 5. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.



Bowman & Company LLP
Certified Public Accountants

Voorhees, New Jersey
July 30, 2012

42001

**PALMYRA BUSINESS IMPROVEMENT DISTRICT
MANAGEMENT CORPORATION**

**Statement of Financial Position
As of December 31, 2011**

ASSETS

Current assets

Cash	\$	53,463
Accounts receivable		<u>6,000</u>

Total assets	\$	<u><u>59,463</u></u>
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LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable	\$	3,256
Accrued expenses		<u>8,000</u>

11,256

Net assets

Unrestricted		<u>48,207</u>
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	\$	<u><u>59,463</u></u>
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The accompanying notes are an integral part of the financial statements.

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**PALMYRA BUSINESS IMPROVEMENT DISTRICT
MANAGEMENT CORPORATION**

**Statement of Activity
For the Year Ended December 31, 2011**

Revenue and support		
Government grants	\$	74,385
Program income		3,028
Miscellaneous		930
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Total revenue and support		78,343
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Expenses		
Management fees		19,800
Professional fees		8,000
Office expenses		6,266
Building maintenance and supplies		2,971
Advertising		1,544
Rent, parking and utilities		660
Insurance		252
Miscellaneous		201
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Total expenses		39,694
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Increase in unrestricted net assets		38,649
Net assets unrestricted - beginning		9,558
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Net assets unrestricted - ending	\$	<u>48,207</u>

The accompanying notes are an integral part of the financial statements.

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**PALMYRA BUSINESS IMPROVEMENT DISTRICT
MANAGEMENT CORPORATION**

**Statement of Cash Flows
For the Year Ended December 31, 2011**

Cash flows from operating activities		
Increase in net assets	\$	38,649
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Increase in cash resulting from changes in:		
Accounts receivable		954
Accounts payable		1,356
Accrued expenses		8,000
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Net cash provided by operating activities		48,958
Cash - beginning		<hr/> 4,505
Cash - ending	\$	<hr/> <hr/> 53,463

The accompanying notes are an integral part of the financial statements.

**PALMYRA BUSINESS IMPROVEMENT DISTRICT
MANAGEMENT CORPORATION**
Notes to Financial Statements

Note 1: ORGANIZATION AND ACTIVITY

The Palmyra Business Improvement District Management Corporation (the "Organization") is a nonprofit corporation created in 2010 to promote and assist the local business community.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of financial statement presentation – The financial statements have been prepared on the accrual basis of accounting and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its audit guide for certain nonprofit organizations. Financial statement presentation also follows the recommendations of relevant accounting standards which require the Organization to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization has no temporarily or permanently restricted net assets.

Net assets – Net assets and changes in net assets are classified as permanently restricted, temporarily restricted, or unrestricted based on the existence or absence of donor imposed restrictions. The Organization has no temporarily or permanently restricted net assets as of December 31, 2011.

Cash – Cash includes amounts held in checking accounts.

Income taxes – Subsequent to year end, the Organization has filed for tax exemption with the Internal Revenue Service. Management believes that tax exemption will be granted retroactive to the Organization's incorporation date. Any potential income taxes resulting from failing to acquire tax exempt status is indeterminable and therefore not recorded as of December 31, 2011.

Subsequent events – Subsequent events were evaluated through July 30, 2012, the date the financial statements were available to be issued.

Note 3: CLASSIFICATION OF EXPENSES

Expenses are classified as follows at December 31, 2011:

Program	\$ 30,137
General and administrative	9,557
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	\$ 39,694

Note 4: MAJOR FUNDING SOURCES AND CONCENTRATION OF CREDIT RISK

A significant portion of the operations is subsidized by the Borough of Palmyra. Any loss in these revenues could have a material effect on the Organization. (See Note 5 to the financial statements).

**PALMYRA BUSINESS IMPROVEMENT DISTRICT
MANAGEMENT CORPORATION**
Notes to Financial Statements

Note 5: CONTINGENCIES

Subsequent to year end, the Borough of Palmyra decided to withdraw from funding the Organization. Management of the Organization is developing a plan to obtain additional funding through grants and contributions. The ability of the Organization to continue as a going concern is dependent upon obtaining this additional funding. The financial statements do not include any adjustments that might be necessary if the Organization is unable to continue as a going concern.

