

PARTNERSHIP FOR HADDONFIELD, INC.

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2009 AND 2008

NEAL CURRY

CERTIFIED PUBLIC ACCOUNTANT

517 WHITE HORSE PIKE
HADDON HEIGHTS, NJ 08035

Table of Contents:

	<u>Page</u>
Independent Auditor's Report.....	2
 Partnership for Haddonfield, Inc.:	
Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Functional Expenses.....	5
Statement of Cash Flows.....	6
Notes to Financial Statements.....	7

NEAL CURRY
CERTIFIED PUBLIC ACCOUNTANT

517 White Horse Pike
Haddon Heights, NJ 08035
(856) 546-4683

Independent Auditor's Report

Board of Trustees
Partnership for Haddonfield, Inc.:

I have audited the accompanying statement of financial position of Partnership for Haddonfield, Inc. (a non-profit organization) as of December 31, 2009 and 2008, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization'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 Partnership for Haddonfield, Inc. as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Neal Curry, P.C.

June 25, 2010

PARTNERSHIP FOR HADDONFIELD, INC.
 STATEMENT OF FINANCIAL POSITION
 DECEMBER 31, 2009 AND 2008

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
Cash and cash equivalents.....	\$ 167,277	\$149,305
Prepaid expenses and other.....	<u>1,137</u>	<u>1,210</u>
Total Assets.....	\$ <u>168,414</u>	\$ <u>150,515</u>

LIABILITIES AND NET ASSETS

Liabilities:

Incentive subsidies payable.....	\$ 0	\$ 25,123
Payroll taxes payable.....	1,706	1,521
Liability for gift certificates.....	<u>43,347</u>	<u>28,666</u>
Total Liabilities.....	<u>45,053</u>	<u>55,310</u>

Net Assets:

Unrestricted net assets.....	<u>123,361</u>	<u>95,205</u>
Total Net Assets.....	<u>123,361</u>	<u>95,205</u>
Total Liabilities and Net Assets.....	\$ <u>168,414</u>	\$ <u>150,515</u>

See accompanying notes to financial statements.

PARTNERSHIP FOR HADDONFIELD, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
UNRESTRICTED NET ASSETS		
SUPPORT AND REVENUES:		
Property assessments received.....	\$250,000	\$250,000
Event proceeds.....	44,842	44,887
Directory and website revenues.....	1,525	1,525
Interest income.....	758	2,588
Miscellaneous.....	<u>15,625</u>	<u>5,030</u>
Total support and revenue.....	<u>312,750</u>	<u>304,030</u>
EXPENSES:		
Program services.....	249,382	227,752
General supporting expenses.....	<u>35,212</u>	<u>39,488</u>
Total expenses.....	<u>284,594</u>	<u>267,240</u>
INCREASE (DECREASE) IN UNRESTRICTED NET	28,156	36,790
UNRESTRICTED NET ASSETS - beginning.....	<u>95,205</u>	<u>58,415</u>
UNRESTRICTED NET ASSETS - ending.....	<u>\$123,361</u>	<u>\$95,205</u>

See accompanying notes to financial statements.

PARTNERSHIP FOR HADDONFIELD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries.....	\$44,867		\$44,867
Payroll taxes.....	4,038		4,038
Marketing.....	141,438		141,438
Administrative services.....		\$26,651	26,651
Professional fees..		2,700	2,700
Insurance.....		894	894
Travel.....	6,318		6,318
Web page costs.....		519	519
Retailer support...	22,458		22,458
Committee support..	17,598		17,598
Information center.	5,647		5,647
Streetscapes.....	7,018		7,018
Administrative expense.....		927	927
Other.....	_____	<u>3,521</u>	<u>3,521</u>
Total.....	<u>\$249,382</u>	<u>\$35,212</u>	<u>\$284,594</u>

See accompanying notes to financial statements.

PARTNERSHIP FOR HADDONFIELD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries.....	\$42,864		\$42,864
Payroll taxes.....	4,236		4,236
Marketing.....	128,423		128,423
Administrative services.....		\$25,812	25,812
Professional fees..		2,700	2,700
Insurance.....		2,226	2,226
Travel.....	6,468		6,468
Web page costs.....		413	413
Retailer support...	25,555		25,555
Committee support..	20,206		20,206
Adminstrative expense.....		568	568
Other.....	_____	<u>7,769</u>	<u>7,769</u>
Total.....	<u>\$227,752</u>	<u>\$39,488</u>	<u>\$267,240</u>

See accompanying notes to financial statements.

PARTNERSHIP FOR HADDONFIELD, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Operating Activities		
Change in net assets.....	\$ 28,125	\$ 36,790
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in:		
Cancellation of gift certificates.....	0	(4,985)
Incentive subsidy recaptured.....	(15,625)	(4,056)
Other assets.....	73	7,283
Increase (decrease) in:		
Incentive program payables.....	(9,498)	(59,721)
Other liabilities.....	<u>185</u>	<u>919</u>
Total Cash Provided by Operating Activities.....	<u>3,291</u>	<u>(23,770)</u>
Financing Activities		
Gift certificate proceeds.....	83,664	55,211
Gift certificate redemptions.....	<u>(68,983)</u>	<u>(49,713)</u>
Total Cash Provided by Financing Activities.....	<u>14,681</u>	<u>5,498</u>
Net increase (decrease) in cash and cash equivalents.....	17,972	(18,272)
Cash and cash equivalents- beginning.....	<u>149,305</u>	<u>167,577</u>
Cash and cash equivalents- end of year.....	\$ <u><u>167,277</u></u>	\$ <u><u>149,305</u></u>
Supplemental information:		
Interest paid.....	\$ <u>0</u>	\$ <u>0</u>
Income taxes paid.....	\$ <u>0</u>	\$ <u>0</u>

See accompanying notes to financial statements.

PARTNERSHIP FOR HADDONFIELD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Partnership for Haddonfield, Inc. (PFH) is a nonprofit corporation incorporated under the laws of the State of New Jersey in March, 2004. Also referred to as The District Management Corporation, PFH was established to assist the Borough of Haddonfield, New Jersey in promoting economic growth and employment within a Business Improvement District designated by the Borough. PFH also provides administrative and other services to benefit the businesses, employees, residents, and consumers in the District. PFH receives the proceeds of a property tax assessment from the Borough of Haddonfield and generates revenues from other activities designed to promote the business district. Eighty four (84) percent of total support and revenue is from the assessment proceeds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Basis of Presentation

The organization 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.

At December 31, 2009 and 2008, PFH had no temporarily or permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Income Taxes

PfH has been classified by the Internal Revenue Service as a tax-exempt organization under Section 501(C)(6) of the Internal Revenue Code and is not considered a private foundation within the meaning of Section 509(a).

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash is defined as unrestricted balances on deposits with commercial banks.

Donated Services

PfH receives significant services from various individuals in the management and operation of the organization. The value of the volunteers' services has not been included in revenues and expenses because they did not meet the criteria for recognition.

2. INCENTIVE SUBSIDIES

PfH maintains a Retail Incentive Program and a Fine Dining Incentive Program under which a business locating in the district can receive rent and tenant fit-out subsidies to defray relocation and start-up costs of operations. Rent subsidies are capped at two months rent. Tenant fit-out assistance is capped at the lesser of 25% of costs or \$20,000 for retail stores. The grants are payable over a two-year period.

3. RELATED PARTIES

The Borough of Haddonfield created the Business Improvement District by enacting an ordinance which also designated Partnership for Haddonfield, Inc. as the entity to receive funds collected by a special tax assessment. The Borough Commissioners appoint the Board of Trustees and Chairperson and have approval authority over the PfH operating budget.

The operating budget of PfH is funded by the Borough of Haddonfield through the collection of a property tax assessment levied on properties within the business improvement district. The Borough collects the taxes and pays them to PfH. During the years ended December 31, 2009 and 2008, the Borough collected \$250,000 each year and paid that amount to PfH.

A firm in which the Treasurer has an ownership interest provides accounting and bookkeeping services to the Partnership.

4. SUBSEQUENT EVENTS

Management has considered subsequent events through June 25, 2010, the date the financial statements were available for distribution.

Concluded