

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.**

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORT**

JUNE 30, 2021 AND 2020

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.**

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INDEPENDENT AUDITORS' REPORT

To: The Board of Directors of
Flatiron/23rd Street Partnership
District Management Association, Inc.

We have audited the accompanying financial statements of Flatiron/23rd Street Partnership District Management Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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 audits. 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 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 financial position of Flatiron/23rd Street Partnership District Management Association, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Skody Scot & Company, CPAs, P.C.

New York, NY
November 10, 2021

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 2,601,574	\$ 1,480,496
Contributions receivable	207,450	116,125
Prepaid expenses	19,680	13,704
Investments	-	820,918
Property and equipment	29,646	-
Security deposits receivable	45,738	11,587
	\$ 2,904,088	\$ 2,442,830
LIABILITIES AND NET ASSETS		
Liabilities:		
Accrued expenses	\$ 362,373	\$ 175,995
Refundable advances	-	99,119
Plaza security deposits payable	18,750	18,750
Total liabilities	381,123	293,864
Commitments and contingencies (see notes)		
Net Assets:		
Without donor restrictions	2,522,965	2,148,966
With donor restrictions	-	-
Total net assets	2,522,965	2,148,966
Total liabilities and net assets	\$ 2,904,088	\$ 2,442,830

See accompanying notes to the financial statements.

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Support and Revenues:		
Without donor restrictions:		
Assessment revenue	\$ 3,250,000	\$ 3,000,000
Program service income	228,649	416,382
Contributions	357,010	232,664
Contributions in-kind	26,000	16,586
Investment income	10,007	32,971
Total support and revenues	<u>3,871,666</u>	<u>3,698,603</u>
Expenses:		
Program expenses:		
Safety	437,733	478,125
Sanitation	1,131,238	1,136,449
Marketing	528,013	587,646
Social services	173,839	138,536
Public improvements	788,491	762,690
Total program expenses	<u>3,059,314</u>	<u>3,103,446</u>
Management and general	413,728	356,653
Fundraising	24,625	24,725
Total expenses	<u>3,497,667</u>	<u>3,484,824</u>
Increase/(Decrease) In Net Assets:		
Without donor restrictions	373,999	213,779
With donor restrictions	-	-
Increase/(decrease) in net assets	<u>373,999</u>	<u>213,779</u>
Net assets, beginning of year	<u>2,148,966</u>	<u>1,935,187</u>
Net assets, end of year	<u>\$ 2,522,965</u>	<u>\$ 2,148,966</u>

See accompanying notes to the financial statements.

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 2021**

	<u>Program Expenses</u>					<u>Supporting</u>			Total Expenses
	Safety	Sanitation	Marketing	Social Services	Public Improvements	Total Program	Management and General	Fundraising	
Personnel costs:									
Executive salaries	\$ 21,222	\$ 21,222	\$ 42,444	\$ 31,834	\$ 74,277	\$ 190,999	\$ 10,705	\$ 10,517	\$ 212,221
Program managers	53,551	47,542	94,231	23,771	103,472	322,567	22,488	10,896	355,951
Support salaries	2,871	2,871	63,866	2,871	43,269	115,748	18,461	-	134,209
Payroll taxes and benefits	8,984	8,361	30,286	6,990	32,487	87,108	19,899	3,212	110,219
Outside contractors	349,295	1,021,366	117,718	108,373	469,278	2,066,030	23,816	-	2,089,846
Total personnel costs	<u>435,923</u>	<u>1,101,362</u>	<u>348,545</u>	<u>173,839</u>	<u>722,783</u>	<u>2,782,452</u>	<u>95,369</u>	<u>24,625</u>	<u>2,902,446</u>
Direct expenses:									
Amortization	-	-	-	-	-	-	4,940	-	4,940
Insurance	-	-	-	-	-	-	47,405	-	47,405
Rent and maintenance	-	-	-	-	-	-	180,919	-	180,919
Office expense	-	-	-	-	-	-	43,351	-	43,351
Postage and delivery	-	-	-	-	-	-	177	-	177
Professional fees	-	-	-	-	-	-	32,778	-	32,778
Program equipment	260	27,033	-	-	23,372	50,665	-	-	50,665
Special projects and events	1,501	2,500	171,962	-	32,562	208,525	-	-	208,525
Supplies	49	343	7,506	-	9,774	17,672	3,303	-	20,975
Telephone	-	-	-	-	-	-	5,486	-	5,486
Total direct expenses	<u>1,810</u>	<u>29,876</u>	<u>179,468</u>	<u>-</u>	<u>65,708</u>	<u>276,862</u>	<u>318,359</u>	<u>-</u>	<u>595,221</u>
Total expenses	<u>\$ 437,733</u>	<u>\$ 1,131,238</u>	<u>\$ 528,013</u>	<u>\$ 173,839</u>	<u>\$ 788,491</u>	<u>\$ 3,059,314</u>	<u>\$ 413,728</u>	<u>\$ 24,625</u>	<u>\$ 3,497,667</u>

See accompanying notes to the financial statements.

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 2020**

	<u>Program Expenses</u>					<u>Supporting</u>			<u>Total Expenses</u>
	<u>Safety</u>	<u>Sanitation</u>	<u>Marketing</u>	<u>Social Services</u>	<u>Public Improvements</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Fundraising</u>	
Personnel costs:									
Executive salaries	\$ 21,952	\$ 21,952	\$ 44,696	\$ 32,928	\$ 76,034	\$ 197,562	\$ 11,773	\$ 10,178	\$ 219,513
Program managers	52,675	46,775	91,262	23,388	101,675	315,775	21,975	10,600	348,350
Support salaries	3,025	3,025	64,359	3,025	42,721	116,155	18,913	-	135,068
Payroll taxes and benefits	8,534	7,898	24,904	6,413	27,856	75,605	13,676	3,947	93,228
Outside contractors	391,531	1,044,532	77,825	72,782	448,272	2,034,942	20,926	-	2,055,868
Total personnel costs	<u>477,717</u>	<u>1,124,182</u>	<u>303,046</u>	<u>138,536</u>	<u>696,558</u>	<u>2,740,039</u>	<u>87,263</u>	<u>24,725</u>	<u>2,852,027</u>
Direct expenses:									
Insurance	-	-	-	-	-	-	45,063	-	45,063
Rent and maintenance	-	-	-	-	-	-	140,124	-	140,124
Office expense	-	-	-	-	-	-	51,348	-	51,348
Postage and delivery	-	-	-	-	-	-	884	-	884
Printing	-	-	-	-	-	-	752	-	752
Professional fees	-	-	-	-	-	-	21,183	-	21,183
Program equipment	260	10,834	-	-	16,344	27,438	-	-	27,438
Special projects and events	-	-	268,184	-	41,093	309,277	-	-	309,277
Supplies	148	1,433	16,416	-	8,695	26,692	3,531	-	30,223
Telephone	-	-	-	-	-	-	6,505	-	6,505
Total direct expenses	<u>408</u>	<u>12,267</u>	<u>284,600</u>	<u>-</u>	<u>66,132</u>	<u>363,407</u>	<u>269,390</u>	<u>-</u>	<u>632,797</u>
Total expenses	<u>\$478,125</u>	<u>\$1,136,449</u>	<u>\$ 587,646</u>	<u>\$ 138,536</u>	<u>\$ 762,690</u>	<u>\$3,103,446</u>	<u>\$ 356,653</u>	<u>\$ 24,725</u>	<u>\$3,484,824</u>

See accompanying notes to the financial statements.

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ 373,999	\$ 213,779
Adjustments for non-cash items included in operating activities:		
Amortization	4,940	-
Investment (gains)/losses	-	4,186
Changes in assets and liabilities:		
Contributions receivable	(91,325)	(61,489)
Prepaid expenses	(5,976)	1,735
Security deposits receivable	(34,151)	-
Accrued expenses	186,378	(48,574)
Refundable advances	(99,119)	99,119
Plaza security deposits payable	-	6,500
Net cash provided/(used) by operating activities	<u>334,746</u>	<u>215,256</u>
Cash flows from investing activities:		
Purchase of property and equipment	(34,586)	-
Purchase of debt investments	-	(2,134,711)
Redemption of debt investments	820,918	1,819,590
Net cash provided/(used) by investing activities	<u>786,332</u>	<u>(315,121)</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	1,121,078	(99,865)
Cash and cash equivalents, at beginning of year	1,480,496	1,580,361
Cash and cash equivalents, at end of year	<u>\$ 2,601,574</u>	<u>\$ 1,480,496</u>
Supplemental information		
Asset retirement	\$ -	\$ 25,455

See accompanying notes to the financial statements.

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1 – Summary of Significant Accounting Policies

The Association

Flatiron/23rd Street Partnership District Management Association, Inc. (Association), a not-for-profit organization, was incorporated in the State of New York on April 11, 2006. The Association is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal, state or local income taxes has been recorded. The Association does not believe its financial statements contain any uncertain tax provisions. The Association primarily receives its support from a real estate special assessment levied by The City of New York (City) on properties located in the Flatiron/23rd Street Business Improvement District (BID). The BID's boundaries are approximately from 21st to 28th Streets and from Sixth Avenue up to, but not including, Third Avenue.

The Association's programs include the following: Safety - providing increased public security through a combination of uniformed guards and a working relationship with the New York City Police Department; Sanitation - maintaining clean streets/curbs/sidewalks and graffiti removal; Marketing - promoting the district to residents and tourists and to retain and develop prospective businesses; Social Services - coordinating and interacting with other social service organizations, including homeless outreach, located in the district; and Public Improvements - developing and implementing improvements to the district such as neighborhood beautification and other capital projects.

Basis of Accounting

The financial statements of the Association have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Use of Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statements of financial position and the statements of cash flows, the Association considers as cash equivalents money market funds and all highly liquid resources, such as investments in certificates of deposits and treasury bills, with an original maturity to the Association of three months or less.

Investments

All investments are measured at fair value on a recurring basis and are reported at their fair values as of June 30, 2021 and 2020, in the statements of financial position.

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1 – Summary of Significant Accounting Policies (Continued)

Receivables

The Association records pledges receivable, net of allowances for estimated uncollectible amounts, if any, when there is sufficient evidence in the form of verifiable documentation that an unconditional promise was received.

Receivables that are expected to be collected within one year are recorded at their net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows. All receivables are expected to be received within one year and as such have been stated at their net realizable value with no allowance for uncollectable receivables.

Property and Equipment

The Association capitalizes certain property and equipment with estimated lives of three years or more. Property and equipment are stated at cost, less accumulated depreciation. Depreciation of furniture and equipment is computed by the straight-line method over estimated useful lives ranging from three to five years. Leasehold improvements are amortized by the straight-line method over the life of the improvement or the term of the lease, whichever is shorter. Expenditures for repairs and maintenance are expensed as incurred, and major renewals and betterments are capitalized.

Net Assets

Net assets, revenue, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. This classification includes net assets designated by the board or management for a specified purpose.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature (endowment), where the donor stipulates that resources be maintained in perpetuity.

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1 – Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The real estate assessment levied by the City is recorded by the Association when earned. The City remits these assessments to the Association in two installments. An allowance for doubtful accounts is not provided because all assessments are received in the current year. Assessment billing errors are recorded as a direct reduction of assessment revenue.

Program service revenue relates to fees received in exchange for program services and mainly includes payments related to public plaza events and sub-concession fees, and other marketing fees. Revenue is recognized when the program service is provided. Any revenue received which has not been earned is recorded as deferred revenue.

The Association recognizes contributions when cash, a noncash asset, or an unconditional promise to give is received. Conditional promises to give, which have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to the meeting of these conditions are reported as refundable advances in the statements of financial position. As of June 30, 2021 and 2020, the Association did not have any conditional pledges that were not recognized.

All contributions are considered available for the Association's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted for a purpose by the donor are reported as support with donor restrictions and increases in net assets with donor restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as support without donor restrictions and increases in net assets without donor restrictions. When a restriction expires (either a stipulated time period ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

During the year ended June 30, 2020, the Association received a \$99,119 Paycheck Protection Program grant from the U.S. Small Business Administration and has chosen to defer the recognition of this amount until the Association receives confirmation that it has successfully met the grant conditions. The amount is listed as a refundable advance on the statement of financial position for the year ended June 30, 2020. During the year ended June 30, 2021, the Association received confirmation that it has successfully met the grant conditions and has recognized the amount as a contribution.

Investment income (interest and dividends) is recognized as revenue in the period earned, and gains and losses (realized and unrealized) are recognized in the period they occur.

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1 – Summary of Significant Accounting Policies (Continued)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Association allocates salaries and related expenses based on estimated time and effort. The Association classifies expenses, which are not directly related to a specific program, as Management and General expenses.

Note 2 – Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Bank deposits and cash	\$ 1,601,305	\$ 799,534
Money market funds	<u>1,000,269</u>	<u>680,962</u>
	<u>\$ 2,601,574</u>	<u>\$ 1,480,496</u>

Note 3 – Investments

Investments in United States Treasury Bills include the following fair values and unrealized appreciation/(depreciation) at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Fair market value	\$ -	\$ 820,918
Less: Cost	<u>-</u>	<u>(814,880)</u>
Unrealized holding gains/(losses)	<u>\$ -</u>	<u>\$ 6,038</u>

Note 4 – Property and Equipment

Property and equipment by major class consisted of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Leasehold improvements	\$ 34,586	\$ -
Less: Accumulated amortization	<u>(4,940)</u>	<u>-</u>
	<u>\$ 29,646</u>	<u>\$ -</u>

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 5 – Fair Value Measurement of Investments

The Financial Accounting Standards Board (FASB) requires enhanced disclosures about investments that are measured and reported at fair value. FASB establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices, or for which fair value can be measured from actively quoted prices, generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1: Investments falling within Level 1 of the fair value hierarchy are valued using inputs based upon quoted prices in active markets for identical investments. Investments that are typically included in Level 1 are listed equity securities, publicly traded mutual funds, and exchange traded funds.

Level 2: Investments falling within Level 2 of the fair value hierarchy are valued using significant observable inputs other than prices quoted in active markets. Examples of Level 2 inputs are model-driven prices, quoted prices for similar investments in active markets, and quoted prices for identical or similar investments in inactive markets. Investments that are typically included in Level 2 are municipal bonds, corporate bonds, and government debt securities.

Level 3: Investments falling within Level 3 of the fair value hierarchy are valued using methodology that is unobservable and significant to the fair value measurement. Level 3 inputs require significant management judgment or estimation. Investments that are typically included in this category are investments in limited partnerships, and investments in private companies or unregistered securities.

The investment's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following summarizes the valuation of the Association's investments by the above fair value hierarchy levels as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Level 1	\$ -	\$ -
Level 2	-	820,918
Level 3	-	-
	<u>\$ -</u>	<u>\$ 820,918</u>

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 6 – Net Assets Without Donor Restrictions

All net assets of the Association are without donor restrictions, however, the Finance Committee of the Board of Directors created a capital reserve fund with \$650,000 for future Public Improvement projects. As of June 30, 2021 and 2020, net assets without donor restrictions consisted of the following:

	2021	2020
Undesignated	\$ 1,872,965	\$ 1,498,966
Board designated reserve fund	650,000	650,000
	\$ 2,522,965	\$ 2,148,966

Note 7 – Commitments, Contingencies and Related Party

The Association leases office space under a noncancelable operating lease from an entity whose principal is on the Association's Board of Directors. Total payments to this related party for fiscal years ended June 30, 2021 and 2020, were \$92,447 and \$0, respectively. Total rent and related expenses charged to operations for the years ended June 30, 2021 and 2020, was \$180,919 and \$140,124, respectively. As of June 30, 2021, minimum aggregate annual rentals are as follows:

Year ended June 30, 2022	\$ 140,019
2023	144,220
2024	148,546
2025	153,003
2026	157,593
2027 to 2028	189,506

Note 8 – Revenue from Contracts with Customers

All of the revenue derived from contracts with customers during fiscal years 2021 and 2020 was fully earned in the same annual reporting period. Detail of revenue from contracts with customers during the years ended June 30, 2021 and 2020, is as follows:

	2021	2020
Kiosk and plaza rentals	\$ 228,649	\$ 416,382

Note 9 – Donated Services and Facilities

Significant services and facilities were donated to the Association by various organizations and meet the criteria for being recognized as contributions in accordance with GAAP. Amounts are recorded at their estimated fair market values at the date of donation using published rates and prices.

For the years ended June 30, 2021 and 2020, \$26,000 and \$16,586, respectively, was received and reported as contributions in-kind on the accompanying statements of activities and consisted of donated legal fees, facilities, design, and production for marketing events and meetings.

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 10 – Public Plaza License

In October 2009, the Association initially signed a five year license agreement, which was subsequently renewed through 2017 and included a one year renewal option, with the New York City Department of Transportation (DOT) to manage and maintain multiple public pedestrian plazas located within the district. In 2019, the Association signed a license agreement extension which is valid until June 30, 2024, and also includes three additional five-year renewal options, exercisable at the sole discretion of DOT. The agreement allows the Association to collect special event concession fees, contributions and sponsorships which will be used to offset the cost of managing and maintaining the plazas. Any excess revenue derived from the plazas will be kept in an accrual fund. The accrual fund will be used for any future shortfall in revenue needed to provide the services set forth in the agreement. If at any time the accrual fund contains more than three times the public plaza budget, the excess amount of funds shall be used to provide any services and/or alterations in the public plaza. At the end of the term of the license agreement or at termination, the balance of the accrual fund shall be used to provide any services and/or alterations in the public plaza. The Association signed two sublicense agreements for kiosks in the public plazas. The revenue from these sublicense agreements goes towards the cost of managing and maintaining the plazas.

Note 11 – Concentrations

The Association maintains its cash, cash equivalents, and investments in various accounts with one major financial institution. The Federal Deposit Insurance Corporation (FDIC) insures bank deposits up to \$250,000 per financial institution. The Securities Investor Protection Corporation insures cash and securities, including money market funds, up to \$500,000 per financial institution. At times, the balances of the accounts have exceeded the insured limits during the years ended June 30, 2021 and 2020.

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 12 – Liquidity and Availability of Financial Assets

The Association regularly monitors liquidity required to meet its operating needs and other obligations as they come due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Association considers all expenditures related to its ongoing activities to be general expenditures. Amounts available for general expenditures over a 12-month period include donor-restricted amounts that are available for ongoing programmatic and support expenditures.

The following reflects the Association's financial assets, as of June 30, 2021 and 2020, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 2,601,574	\$ 1,480,496
Contributions receivable	207,450	116,125
Investments	-	820,918
Total financial assets	<u>2,809,024</u>	<u>2,417,539</u>
Less those unavailable for general expenditures within one year:		
Board designated net assets	<u>(650,000)</u>	<u>(650,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,159,024</u>	<u>\$ 1,767,539</u>

Note 13 – Pension Plan

During fiscal year 2008, the Association adopted a qualified cash or deferred compensation plan under section 403(b) of the Internal Revenue Code. The plan allows for the Association to make discretionary contributions based on the participant's salary. Association contributions to the plan for the years ended June 30, 2021 and 2020, amounted to \$17,414 and \$9,927, respectively.

Note 14 – Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through November 10, 2021, which is the date the financial statements were available to be issued.



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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To: The Board of Directors of
Flatiron/23rd Street Partnership
District Management Association, Inc.

We have audited the financial statements of Flatiron/23rd Street Partnership District Management Association, Inc. as of and for the years ended June 30, 2021 and 2020, and have issued our report thereon dated November 10, 2021, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedules of expenses and budget and public plaza activities and budget are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Skody Scot & Company, CPAs, PC

New York, NY
November 10, 2021

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
SCHEDULE OF EXPENSES AND BUDGET
(Supplemental Financial Information)
YEAR ENDED JUNE 30, 2021**

	<u>Total Expenses</u>	<u>Budget</u>
Personnel costs:		
Executive salaries	\$ 212,221	\$ 265,791
Program managers	355,951	318,949
Support salaries	134,209	79,737
Payroll taxes and benefits	110,219	120,115
Outside contractors	2,089,846	2,098,000
Total personnel costs	<u>2,902,446</u>	<u>2,882,592</u>
Direct expenses:		
Amortization	4,940	-
Insurance	47,405	50,000
Rent and maintenance	180,919	150,500
Office expense	43,351	24,000
Postage and delivery	177	4,500
Printing	-	3,000
Professional fees	32,778	43,000
Program equipment	50,665	29,000
Special projects and events	208,525	185,700
Supplies	20,975	49,208
Telephone	5,486	8,500
Total direct expenses	<u>595,221</u>	<u>547,408</u>
Total expenses	<u>\$ 3,497,667</u>	<u>\$ 3,430,000</u>

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
SCHEDULE OF PUBLIC PLAZA
ACTIVITIES AND BUDGET
(Supplemental Financial Information)
YEAR ENDED JUNE 30, 2021**

	Actual Activity	DOT Plaza Budget
Support and Revenues:		
Concession and event fees	\$ 189,366	
Sponsorships and gifts	64,998	
	254,364	
Expenses:		
Direct expenses:		
Cleaning contractor (Sanitation)	45,965	114,840
Security contractor (Safety)	8,175	71,208
Horticulture planting & maintenance contractor (Pub Imp)	167,283	130,124
Wifi (Pub Imp)	4,694	10,000
Programming and events (Mark)	58,116	55,000
Equipment, furniture, supplies and other (Pub Imp & Mark)	19,714	22,000
Total direct expenses	303,947	403,172
Administrative costs:		
Salaries (Pub Imp)	147,661	144,968
Fringe (Pub Imp)	11,114	10,912
Total administrative costs	158,775	155,880
Total expenses	462,722	\$ 559,052
Excess/(deficit) revenues from activities of the operating account	(208,358)	
Interest earned on the fund during the fiscal year	624	
Balance of Accrual Fund, at beginning of year	-	
Balance of Accrual Fund, at end of year	\$ -	

Note-The above information is prepared in accordance with agreement #CT 841 20100011985 with New York City Department of Transportation dated October 7, 2009 and amended on September 14, 2010. The above expenses are included on Page 4 in the (program) noted above.