

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

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORT**

JUNE 30, 2022 AND 2021

**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.

Opinion

We have audited the 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, 2022 and 2021, and the related statements of activities, expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying 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, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Flatiron/23rd Street Partnership District Management Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Flatiron/23rd Street Partnership District Management Association, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they could reasonably be expected to influence the judgement made by a reasonable user based on these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Flatiron/23rd Street Partnership District Management Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Flatiron/23rd Street Partnership District Management Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Skody Scot & Company, CPAs, P.C.

New York, NY
December 5, 2022

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 3,902,973	\$ 2,601,574
Contributions receivable	101,151	207,450
Prepaid expenses	16,707	19,680
Property and equipment, net	25,349	29,646
Security deposits receivable	45,738	45,738
	<u> </u>	<u> </u>
Total assets	<u>\$ 4,091,918</u>	<u>\$ 2,904,088</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 422,804	\$ 362,373
Plaza security deposits payable	18,750	18,750
	<u> </u>	<u> </u>
Total liabilities	<u>441,554</u>	<u>381,123</u>
Commitments and contingencies (see notes)		
Net Assets:		
Without donor restrictions	3,650,364	2,522,965
With donor restrictions	-	-
	<u> </u>	<u> </u>
Total net assets	<u>3,650,364</u>	<u>2,522,965</u>
Total liabilities and net assets	<u>\$ 4,091,918</u>	<u>\$ 2,904,088</u>

See accompanying notes to the financial statements.

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Support and Revenues:		
Without donor restrictions:		
Assessment revenue	\$ 5,269,178	\$ 3,250,000
Program service income	461,445	228,649
Contributions	445,686	357,010
Contributions in-kind	-	26,000
Government grants	62,500	-
Interest income	6,370	10,007
Total support and revenues	<u>6,245,179</u>	<u>3,871,666</u>
Expenses:		
Program expenses:		
Safety	400,351	437,733
Sanitation	2,025,172	1,131,238
Marketing	882,321	528,013
Social services	158,136	173,839
Public improvements	1,204,804	788,491
Total program expenses	<u>4,670,784</u>	<u>3,059,314</u>
Management and general	420,411	413,728
Fundraising	26,585	24,625
Total expenses	<u>5,117,780</u>	<u>3,497,667</u>
Increase/(Decrease) In Net Assets:		
Without donor restrictions	1,127,399	373,999
With donor restrictions	-	-
Increase/(decrease) in net assets	<u>1,127,399</u>	<u>373,999</u>
Net assets, beginning of year	<u>2,522,965</u>	<u>2,148,966</u>
Net assets, end of year	<u><u>\$ 3,650,364</u></u>	<u><u>\$ 2,522,965</u></u>

See accompanying notes to the financial statements.

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 2022**

	<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	\$ 24,055	\$ 24,055	\$ 48,110	\$ 36,083	\$ 84,192	\$ 216,495	\$ 12,277	\$ 11,778	\$ 240,550
Program managers	57,200	50,850	108,375	25,425	114,650	356,500	25,500	12,750	394,750
Support salaries	3,250	3,250	84,381	3,250	61,980	156,111	21,101	-	177,212
Payroll taxes and benefits	10,137	9,487	31,798	7,786	35,593	94,801	27,875	2,057	124,733
Outside contractors	304,397	1,775,255	249,993	85,314	807,423	3,222,382	6,548	-	3,228,930
Total personnel costs	<u>399,039</u>	<u>1,862,897</u>	<u>522,657</u>	<u>157,858</u>	<u>1,103,838</u>	<u>4,046,289</u>	<u>93,301</u>	<u>26,585</u>	<u>4,166,175</u>
Direct expenses:									
Amortization	-	-	-	-	-	-	5,047	-	5,047
Insurance	-	-	-	-	-	-	51,175	-	51,175
Rent and maintenance	-	-	-	-	-	-	163,348	-	163,348
Office expense	-	-	-	-	-	-	46,098	-	46,098
Professional fees	-	-	-	-	-	-	43,755	-	43,755
Program equipment	426	162,275	854	-	45,963	209,518	-	-	209,518
Special projects and events	886	-	316,291	-	50,367	367,544	-	-	367,544
Supplies	-	-	42,519	278	4,636	47,433	13,259	-	60,692
Telephone	-	-	-	-	-	-	4,428	-	4,428
Total direct expenses	<u>1,312</u>	<u>162,275</u>	<u>359,664</u>	<u>278</u>	<u>100,966</u>	<u>624,495</u>	<u>327,110</u>	<u>-</u>	<u>951,605</u>
Total expenses	<u>\$400,351</u>	<u>\$2,025,172</u>	<u>\$882,321</u>	<u>\$158,136</u>	<u>\$ 1,204,804</u>	<u>\$4,670,784</u>	<u>\$ 420,411</u>	<u>\$ 26,585</u>	<u>\$5,117,780</u>

See accompanying notes to the financial statements.

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

	Program Expenses					Supporting			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	-	-	-	-	-	-	43,528	-	43,528
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.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ 1,127,399	\$ 373,999
Adjustments for non-cash items included in operating activities:		
Amortization	5,047	4,940
Changes in assets and liabilities:		
Contributions receivable	106,299	(91,325)
Prepaid expenses	2,973	(5,976)
Security deposits receivable	-	(34,151)
Accounts payable and accrued expenses	60,431	186,378
Refundable advances	-	(99,119)
Net cash provided/(used) by operating activities	<u>1,302,149</u>	<u>334,746</u>
Cash flows from investing activities:		
Purchase of property and equipment	(750)	(34,586)
Redemption of debt investments	-	820,918
Net cash provided/(used) by investing activities	<u>(750)</u>	<u>786,332</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	1,301,399	1,121,078
Cash and cash equivalents, at beginning of year	<u>2,601,574</u>	<u>1,480,496</u>
Cash and cash equivalents, at end of year	<u><u>\$ 3,902,973</u></u>	<u><u>\$ 2,601,574</u></u>

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) doing business under the assumed name Flatiron NoMad Partnership, 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 20th to 31st 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.

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

Note 1 – Summary of Significant Accounting Policies (Continued)

Receivables

The Association records contributions 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. 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. The Association's program service revenue generally contains a single delivery/service element and revenue is recognized at a single point in time when ownership, risk and rewards transfer, and all performance obligations are considered to be satisfied. 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, 2022 and 2021, 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.

The Association received grants from governmental agencies. Depending upon the terms of the grant, it can be either an exchange transaction or a contribution. In accordance with grant provisions, the grant can be an expense reimbursement grant which requires that approved expenses be incurred prior to reimbursement by the grantor. Other grants permit advances of grant funds or full payment of grant funds at the start of the grant. If the grant is an exchange type grant, all unreimbursed expenses for approved purposes, as of year-end, are recorded as receivables and any unexpended advances are recorded as refundable advances. If the grant is a contribution, it is recognized in accordance with the contribution recognition policy described above.

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 chose to defer the recognition of this amount until the Association receives confirmation that it has successfully met the grant conditions. During the year ended June 30, 2021, the Association received confirmation that it has successfully met the grant conditions and recognized the amount as a contribution during that fiscal year.

**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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Bank deposits and cash	\$ 269,538	\$ 1,601,305
Short-term US Treasury Bills	1,325,990	-
Money market funds	<u>2,307,445</u>	<u>1,000,269</u>
	<u>\$ 3,902,973</u>	<u>\$ 2,601,574</u>

Note 3 – Property and Equipment

Property and equipment by major class consisted of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Leasehold improvements	\$ 35,336	\$ 34,586
Less: Accumulated amortization	<u>(9,987)</u>	<u>(4,940)</u>
	<u>\$ 25,349</u>	<u>\$ 29,646</u>

Note 4 – 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, 2022 and 2021, net assets without donor restrictions consisted of the following:

	<u>2022</u>	<u>2021</u>
Undesignated	\$ 3,000,364	\$ 1,872,965
Board designated reserve fund	<u>650,000</u>	<u>650,000</u>
	<u>\$ 3,650,364</u>	<u>\$ 2,522,965</u>

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

Note 5 – 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, 2022 and 2021, were \$144,146 and \$92,447, respectively. Total rent and related expenses charged to operations for the years ended June 30, 2022 and 2021, was \$163,348 and \$180,919, respectively. As of June 30, 2022, minimum aggregate annual rentals are as follows:

Year ended June 30, 2023	\$ 144,220
2024	148,546
2025	153,003
2026	157,593
2027	162,320
2028	27,186

Note 6 – Revenue from Contracts with Customers

All of the revenue derived from contracts with customers during fiscal years 2022 and 2021 was fully earned in the same annual reporting period. Detail of revenue from contracts with customers during the years ended June 30, 2022 and 2021, is as follows:

	<u>2022</u>	<u>2021</u>
Kiosk and plaza rentals	\$ 461,445	\$ 228,649

Note 7 – Donated Services and Facilities

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 and do not have donor restrictions attached.

For the years ended June 30, 2022 and 2021, \$0 and \$26,000, 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.

Note 8 – Government Grants

During the years ended June 30, 2022 and 2021, the Association was awarded various government grants. Total revenue recognized from the grants during the years ended June 30, 2022 and 2021 are detailed as follows:

	<u>2022</u>	<u>2021</u>
Federal (included with contributions)	\$ -	\$ 99,119
The City of New York	62,500	-
	<u>\$ 62,500</u>	<u>\$ 99,119</u>

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

Note 9 – 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 10 – Concentrations

The Association maintains its cash and cash equivalents 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 and treasury bills, 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, 2022 and 2021.

Note 11 – 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, 2022 and 2021, amounted to \$19,831 and \$17,414, respectively.

**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, 2022 and 2021, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 3,902,973	\$ 2,601,574
Contributions receivable	<u>101,151</u>	<u>207,450</u>
Total financial assets	4,004,124	2,809,024
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>\$ 3,354,124</u>	<u>\$ 2,159,024</u>

Note 13 – Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through December 5, 2022, which is the date the financial statements were available to be issued.



Skody Scot & Company, CPAs, P.C.

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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, 2022 and 2021, and have issued our report thereon dated December 5, 2022, 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
December 5, 2022

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
SCHEDULE OF EXPENSES AND BUDGET
(Supplemental Financial Information)
YEAR ENDED JUNE 30, 2022**

	<u>Total Expenses</u>	<u>Budget</u>
Personnel costs:		
Executive salaries	\$ 240,550	\$ 307,620
Program managers	394,750	369,144
Support salaries	177,212	92,287
Payroll taxes and benefits	124,733	137,734
Outside contractors	3,228,930	3,673,000
Total personnel costs	<u>4,166,175</u>	<u>4,579,785</u>
Direct expenses:		
Amortization	5,047	-
Insurance	51,175	65,000
Rent and maintenance	163,348	151,000
Office expense	46,098	46,500
Professional fees	43,755	52,000
Program equipment	209,518	486,000
Special projects and events	367,544	336,500
Supplies	60,692	87,000
Telephone	4,428	8,500
Total direct expenses	<u>951,605</u>	<u>1,232,500</u>
Total expenses	<u>\$ 5,117,780</u>	<u>\$ 5,812,285</u>

**FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
SCHEDULE OF PUBLIC PLAZA
ACTIVITIES AND BUDGET
(Supplemental Financial Information)
YEAR ENDED JUNE 30, 2022**

	Actual Activity	DOT Plaza Budget
Support and Revenues:		
Concession and event fees	\$ 461,445	
Sponsorships and gifts	267,188	
	728,633	
Expenses:		
Direct expenses:		
Cleaning contractor (Sanitation)	34,474	117,164
Horticulture planting & maintenance contractor (Pub Imp)	131,390	181,732
Programming and events (Mark)	96,785	105,000
Equipment, furniture, supplies and other (Pub Imp & Mark)	68,144	37,000
Total direct expenses	330,793	440,896
Administrative costs:		
Salaries (Pub Imp)	184,891	140,917
Fringe (Pub Imp)	13,917	10,607
Total administrative costs	198,808	151,524
Total expenses	529,601	\$ 592,420
Excess/(deficit) revenues from activities of the operating account	199,032	
Interest earned on the fund during the fiscal year	3	
Balance of Accrual Fund, at beginning of year	-	
Balance of Accrual Fund, at end of year	\$ 199,035	

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.