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

FINANCIAL STATEMENTS
AND
AUDITORS' REPORT

JUNE 30, 2024 AND 2023

Skody Scot & Company, CPAs, P.C.

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, 2024 and 2023, 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, 2024 and 2023, 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 available to be 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 judgment 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 10, 2024

FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash	$ 3,849,409	$ 3,852,900
Investments	1,443,415	1,375,706
Program service revenue receivables	8,926	38,158
Contributions, sponsorships, and grant receivables	112,502	31,347
Prepaid expenses	1,235	24,402
Property and equipment, net	15,255	20,302
Right of use assets - operating lease	659,727	843,274
Security deposits	34,151	45,738
Total assets	$ 6,124,620	$ 6,231,827
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 594,543	$ 449,816
Lease liabilities - operating lease	686,188	872,629
Plaza security deposits payable	18,750	18,750
Total liabilities	1,299,481	1,341,195
Net Assets:		
Without donor restrictions	4,825,139	4,540,670
With donor restrictions	-	349,962
Total net assets	4,825,139	4,890,632
Total liabilities and net assets	$ 6,124,620	$ 6,231,827

See accompanying notes to the financial statements.

FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:						
Assessment revenue	$ 6,000,000	$ -	$ 6,000,000	$ 6,000,000	$ -	$ 6,000,000
Program service revenue	598,341	-	598,341	522,602	-	522,602
Contributions and sponsorships	443,755	-	443,755	374,331	349,962	724,293
Government grants	77,801	-	77,801	40,000	-	40,000
Investment return	212,449	-	212,449	107,887	-	107,887
Net assets released from restriction:						
Satisfaction of purpose restrictions	349,962	(349,962)	-	-	-	-
Total support and revenues	7,682,308	(349,962)	7,332,346	7,044,820	349,962	7,394,782
Expenses:						
Program expenses:						
Safety	613,951	-	613,951	488,618	-	488,618
Sanitation	2,796,746	-	2,796,746	2,542,544	-	2,542,544
Marketing	908,237	-	908,237	720,107	-	720,107
Social services	309,897	-	309,897	272,604	-	272,604
Public improvements	2,157,045	-	2,157,045	1,517,239	-	1,517,239
Total program expenses	6,785,876	-	6,785,876	5,541,112	-	5,541,112
Management and general	586,967	-	586,967	590,804	-	590,804
Fundraising	24,996	-	24,996	22,598	-	22,598
Total expenses	7,397,839	-	7,397,839	6,154,514	-	6,154,514
Increase/(decrease) in net assets	284,469	(349,962)	(65,493)	890,306	349,962	1,240,268
Net assets, beginning of year	4,540,670	349,962	4,890,632	3,650,364	-	3,650,364
Net assets, end of year	$ 4,825,139	$ -	$ 4,825,139	$ 4,540,670	$ 349,962	$ 4,890,632

See accompanying notes to the financial statements.

FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Expenses						Supporting Services		
	Safety	Sanitation	Marketing	Social Services	Public Improvements	Total Program	Management and General	Fundraising	Total Expenses
Personnel costs:									
Executive salaries	$ 46,442	$ 46,442	$ 46,442	$ 46,442	$ 61,923	$ 247,691	$ 46,923	$ 15,000	$ 309,614
Program managers	99,587	81,465	114,895	72,591	126,512	495,050	107,086	6,736	608,872
Support salaries	8,362	967	202,926	12,052	134,793	359,100	23,838	-	382,938
Payroll taxes and benefits	21,560	18,526	79,128	19,344	61,997	200,555	24,727	3,260	228,542
Outside contractors	388,696	2,565,515	130,063	159,468	959,357	4,203,099	25,411	-	4,228,510
Total personnel costs	564,647	2,712,915	573,454	309,897	1,344,582	5,505,495	227,985	24,996	5,758,476
Direct expenses:									
Amortization	-	-	-	-	-	-	5,047	-	5,047
Bad debt	-	-	-	-	-	-	19,479	-	19,479
Insurance	-	-	-	-	-	-	56,393	-	56,393
Occupancy	25,206	56,003	-	-	-	81,209	188,056	-	269,265
Office expense	-	-	-	-	-	-	26,457	-	26,457
Professional fees	-	-	-	-	-	-	13,150	-	13,150
Program equipment	1,015	27,828	-	-	78,853	107,696	-	-	107,696
Special projects and events	20,188	-	298,400	-	724,830	1,043,418	-	-	1,043,418
Supplies	2,895	-	36,383	-	8,780	48,058	11,077	-	59,135
Telephone	-	-	-	-	-	-	6,316	-	6,316
Travel and meetings	-	-	-	-	-	-	33,007	-	33,007
Total direct expenses	49,304	83,831	334,783	-	812,463	1,280,381	358,982	-	1,639,363
Total expenses	$ 613,951	$ 2,796,746	$ 908,237	$ 309,897	$ 2,157,045	$ 6,785,876	$ 586,967	$ 24,996	$ 7,397,839

See accompanying notes to the financial statements.

FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Expenses						Supporting Services		
	Safety	Sanitation	Marketing	Social Services	Public Improvements	Total Program	Management and General	Fundraising	Total Expenses
Personnel costs:									
Executive salaries	$ 38,250	$ 38,250	$ 38,250	$ 38,250	$ 51,001	$ 204,001	$ 38,250	$ 12,750	$ 255,001
Program managers	74,554	74,904	117,564	48,354	123,476	438,852	46,417	6,900	492,169
Support salaries	9,030	3,550	155,832	12,580	112,221	293,213	53,763	-	346,976
Payroll taxes and benefits	15,540	14,654	48,432	13,579	49,244	141,449	15,651	2,948	160,048
Outside contractors	328,440	2,288,534	110,863	159,841	981,782	3,869,460	31,251	-	3,900,711
Total personnel costs	465,814	2,419,892	470,941	272,604	1,317,724	4,946,975	185,332	22,598	5,154,905
Direct expenses:									
Amortization	-	-	-	-	-	-	5,047	-	5,047
Bad debt	-	-	-	-	-	-	14,375	-	14,375
Insurance	-	-	-	-	-	-	50,268	-	50,268
Occupancy	22,804	52,708	-	-	-	75,512	193,957	-	269,469
Office expense	-	-	-	-	-	-	55,011	-	55,011
Professional fees	-	-	-	-	-	-	38,069	-	38,069
Program equipment	-	66,924	-	-	103,828	170,752	-	-	170,752
Special projects and events	-	199	196,458	-	83,709	280,366	-	-	280,366
Supplies	-	2,821	52,708	-	11,978	67,507	11,106	-	78,613
Telephone	-	-	-	-	-	-	6,005	-	6,005
Travel and conferences	-	-	-	-	-	-	31,634	-	31,634
Total direct expenses	22,804	122,652	249,166	-	199,515	594,137	405,472	-	999,609
Total expenses	$ 488,618	$ 2,542,544	$ 720,107	$ 272,604	$ 1,517,239	$ 5,541,112	$ 590,804	$ 22,598	$ 6,154,514

See accompanying notes to the financial statements.

FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Cash flows from operating activities:		
Increase/(decrease) in net assets	$ (65,493)	$ 1,240,268
Adjustments for non-cash items included in operating activities:		
Investment (gains)/losses	(68,418)	(11,239)
Bad debt	19,479	14,375
Amortization	5,047	5,047
Accretion of lease liabilities	38,668	61,725
Amortization of right of use assets	183,547	179,665
(Increases)/decreases in assets:		
Program service revenue receivables	18,003	(38,158)
Contributions, sponsorships, and grant receivables	(89,405)	55,429
Prepaid expenses	23,167	(7,695)
Security deposits	11,587	-
Increases/(decreases) in liabilities:		
Accounts payable and accrued expenses	144,727	27,012
Payment of operating lease liabilities	(225,109)	(212,035)
Net cash provided/(used) by operating activities	(4,200)	1,314,394
Cash flows from investing activities:		
Redemption of debt securities	2,098,000	1,326,459
Purchase of debt securities	(2,097,291)	(1,364,936)
Net cash provided/(used) by investing activities	709	(38,477)
Cash flows from financing activities	-	-
Net increase/(decrease) in cash	(3,491)	1,275,917
Cash, beginning of year	3,852,900	2,576,983
Cash, end of year	$ 3,849,409	$ 3,852,900

See accompanying notes to the 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 notprofit 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 (District), from program service revenue, and from contributions and sponsorships. The District'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 removing graffiti; Marketing - promoting the District to residents and tourists and retaining and developing 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 in accordance with accounting principles generally accepted in the United States of America (US GAAP) 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.

Reclassifications

Certain amounts in the financial statements as of and for the year ended June 30, 2023 were reclassified to conform with changes in financial statement presentation as of and for the year ended June 30, 2024.

Note 1 – Summary of Significant Accounting Policies (Continued)

Investments

All investments are measured at fair value on a recurring basis and are reported at their fair values as of June 30, 2024 and 2023, in the statements of financial position. The Association initially records investments at cost on the date of purchase and thereafter carries such investments at the current fair market value.

Receivables

The Association records receivables from program service revenue and from contributions, sponsorships, and grants. Program service revenue receivables are reported at their net realizable value. The Association evaluates the collectability of its program service revenue receivables at least annually using a current expected credit loss (CECL) model. Under this model, an allowance for credit losses is recorded for the expected lifetime losses on the receivables. This evaluation is based on historical loss experience, current economic conditions, and reasonable and supportable forecasts that affect the collectability of the outstanding balances. Receivables deemed uncollectable are written off against the allowance when it is determined that the receivable will not be collected.

The Association has determined that no allowance for credit losses is necessary as of June 30, 2024 and 2023, based on historical collection rates, creditworthiness of the customers and economic conditions stability.

Contributions, sponsorships, and grant receivables are reported at their net realizable value. Contribution, sponsorships, and grant receivables expected to be collected in future years are recorded at the present value of estimated future cash flows. Uncollectable pledges are written off in the period in which the pledge is determined uncollectable. As of June 30, 2024 and 2023, all contributions, sponsorships, and grant 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.

Lease Liability and Right Of Use Asset

The Association entered into operating lease agreements for its office space to obtain right of use (ROU) assets. The lease liabilities and ROU assets represent its lease obligations and rights to use the leased assets over the period of the leases and are recognized at the lease commencement date. The lease payments are discounted using a rate determined when the lease is recognized. Since the Association's leases do not provide a stated rate, the Association uses its incremental borrowing rate based on the information available at the lease commencement date. The related operating lease ROU assets may differ from the operating lease liabilities due to deferred or prepaid lease payments. The ROU assets are amortized over the lease term. The Association has elected to apply the short-term lease exception to all leases with a term of one year or less.

Note 1 – Summary of Significant Accounting Policies (Continued)

Property and Equipment

The Association capitalizes certain property and equipment with estimated lives of two years or more. Leasehold improvements are stated at cost, less accumulated amortization. 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.

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 and occupancy based on usage. The Association classifies expenses which are not directly related to a specific program as management and general expenses.

Note 1 – Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The real estate assessment levied by the City is recognized by the Association ratably throughout the year. The City remits these assessments to the Association in two installments (July and January) during the fiscal year and each payment covers the successive six-month periods. Assessment billing errors are recorded as a direct reduction of assessment revenue. Any significant discrepancies due to changes in total amounts assessed are recorded as receivables in the statements of financial position.

Program service revenue relates to fees received in exchange for program services and consists of payments related to public plaza events and kiosk rentals. Public plaza event revenue generally contains a single delivery/service element and revenue is recognized at a single point in time when all performance obligations are considered to be satisfied. Kiosk rental revenue is recognized on a monthly basis in accordance with the rental agreements. Fees for the Association's program service revenue are based on the corresponding standalone prices and payments are either due prior to the service being provided/rental period or upon the completion of the contract obligations. Any revenue received which has not been earned is recorded as deferred revenue.

The Association recognizes contributions when cash and other financial assets, nonfinancial assets/services, or unconditional promises to give are 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, 2023, a contribution totaling $120,000 has not been recognized in the accompanying statement of activities due to unmet grant conditions. The recognition of this contribution is conditioned on the Association meeting certain project milestones.

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 receives grants from governmental agencies. The grants are expense reimbursement grants which require that approved expenses be incurred prior to reimbursement by the government agency. The revenue is recognized in the period that the approved expenditures are incurred.

Investment return, which consists of interest and dividends, realized/unrealized gains/losses, and investment fees, is recognized in the period earned or in the period the transaction occurs, depending on the type of return.

Note 2 – Investments

Investments in United States Treasury Bills include the following fair market values and unrealized appreciation/(depreciation) at June 30, 2024 and 2023:

	2024	2023
Fair market value	$ 1,443,415	$ 1,375,706
Adjusted cost	1,428,227	1,364,467
Unrealized appreciation/(depreciation)	$ 15,188	$ 11,239

Note 3 – Property and Equipment

Property and equipment by major class consist of the following at June 30, 2024 and 2023:

	2024	2023
Leasehold improvements	$ 35,336	$ 35,336
Less: accumulated amortization	(20,081)	(15,034)
	$ 15,255	$ 20,302

Note 4 – Net Assets without Donor Restrictions

The Association's finance committee of the board of directors created a capital reserve fund for future public improvement projects. The board of directors and finance committee can authorize the use of these funds when needed. As of June 30, 2024 and 2023, net assets without donor restrictions consist of the following:

	2024	2023
Undesignated	$ 4,675,139	$ 4,390,670
Board designated reserve fund	150,000	150,000
	$ 4,825,139	$ 4,540,670

Note 5 – Net Assets with Donor Restrictions

As of June 30, 2024 and 2023, net assets with donor restrictions consist of the following:

	2024	2023
New York City public art	$ -	$ 349,962

Note 6 – 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.

Management determines the fair value measurement valuation policies and procedures, including those for Level 3 recurring and nonrecurring measurements. The Association's board of directors assesses and approves these policies and procedures. At least annually, management: (1) determines if the current valuation techniques used in fair value measurements are still appropriate, and (2) evaluates and adjusts the unobservable inputs used in the fair value measurements based on current market conditions and third-party information.

The following summarizes the valuation of the Association's investments by the above fair value hierarchy levels as of June 30, 2024 and 2023:

	2024	2023
Level 1	$ -	$ -
Level 2	1,443,415	1,375,706
Level 3	-	-
	$ 1,443,415	$ 1,375,706

Note 7 – Lease Commitments and Related Party

The Association leases office space under two separate noncancellable operating leases, which are set to expire at the end of June 2027 and October 2027. One of the leases is with any entity whose principal is on the Association's board of directors. Total payments to this related party for fiscal years ended June 30, 2024 and 2023, amount to $154,095 and $149,935, respectively. As of June 30, 2024, the minimum aggregate annual lease commitments are as follows:

Year ended June 30, 2025	$ 224,948
2026	231,697
2027	238,648
2028	54,371
Total lease payments	749,664
Less: prepaid rent	(6,713)
Less: imputed interest (5%)	(56,763)
Total operating lease liabilities	$ 686,188

The components of the Association's lease expenses for the years ended June 30, 2024 and 2023, are included in the statements of activities and expenses as follows:

	2024	2023
Safety	$ 22,532	$ 21,913
Sanitation	50,151	51,131
Management and general expenses	149,532	168,346
	$ 222,215	$ 241,390

Note 8 – Revenue from Contracts with Customers

All of the revenue derived from contracts with customers during the years ended June 30, 2024 and 2023, was fully earned in the same annual reporting period. Detail of revenue from contracts with customers during the years ended June 30, 2024 and 2023, is as follows:

	2024	2023
Kiosk rentals	$ 234,255	$ 242,335
Plaza rentals	364,086	280,267
	$ 598,341	$ 522,602

The Association's receivables from contracts with customers consist of amounts due for kiosk rentals. The beginning and ending balances for contract receivables are as follows for the years ended June 30, 2024 and 2023:

	2024	2023
Beginning balance	$ 38,158	$ -
Ending balance	$ 8,926	$ 38,158

Note 9 – Government Grants

During the years ended June 30, 2024 and 2023, the Association was awarded grants by governmental institutions. Total revenue recognized from the grants during the years ended June 30, 2024 and 2023, is as follows:

	2024	2023
New York City	$ 77,801	$ 40,000

Note 10 – Public Plaza License

In October 2009, the Association initially signed a five-year license agreement, which was subsequently renewed through June 2029, with the New York City Department of Transportation to manage and maintain multiple public pedestrian plazas located within the District. The license agreement provides for two additional five-year renewal options. The license 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 – Retirement Plan

During fiscal year 2008, the Association adopted a qualified cash or deferred compensation plan (Plan) under section 403(b) of the Internal Revenue Code (IRC). The Plan was updated in September 2019. All employees who normally work more than 20 hours per week are eligible to participate in the Plan and defer a portion of their salary, subject to IRC limits. Employees aged 18 and over who have completed one year of employment with the Association are eligible to receive discretionary matching contributions based on their salary. Association contributions to the Plan for the years ended June 30, 2024 and 2023, amounted to $33,374 and $18,708, respectively.

Note 12 – Contingencies

During the years ended June 30, 2024 and 2023, the Association was the defendant in liability claims. The outcome that may arise from these claims cannot be determined as of the date of the audit report, and any claims are likely to be covered by the Association's insurance policy coverage. No related liabilities were accrued as a result.

Note 13 – Concentrations

The Association maintains its cash and investments in various accounts with major financial institutions. 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, 2024 and 2023.

Note 14 – 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 12 months 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, 2024 and 2023, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	2024	2023
Financial assets:		
Cash	$ 3,849,409	$ 3,852,900
Investments	1,443,415	1,375,706
Receivables	121,428	69,505
Total financial assets	5,414,252	5,298,111
Less those unavailable for general expenditures within one year:		
Board designated net assets	(150,000)	(150,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 5,264,252	$ 5,148,111

Note 15 – Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through December 10, 2024, 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, 2024 and 2023, and have issued our report thereon dated December 10, 2024, 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 10, 2024

FLATIRON/23RD STREET PARTNERSHIP
DISTRICT MANAGEMENT ASSOCIATION, INC.
SCHEDULE OF EXPENSES AND BUDGET
(Supplemental Financial Information)
YEAR ENDED JUNE 30, 2024

	Total Expenses	Budget
Personnel costs:		
Executive salaries	$ 309,614	$ 348,514
Program managers	608,872	520,000
Support salaries	382,938	400,000
Payroll taxes and benefits	228,542	277,537
Outside contractors	4,228,510	4,272,267
Total personnel costs	5,758,476	5,818,318
Direct expenses:		
Amortization	5,047	-
Bad debt	19,479	-
Insurance	56,393	85,000
Occupancy	269,265	241,222
Office expense	26,457	40,000
Professional fees	13,150	55,000
Program equipment	107,696	108,500
Special projects and events	1,043,418	1,554,000
Supplies	59,135	151,500
Telephone	6,316	8,000
Travel and meetings	33,007	20,000
Total direct expenses	1,639,363	2,263,222
Total expenses	$ 7,397,839	$ 8,081,540

SCHEDULE OF PUBLIC PLAZA
ACTIVITIES AND BUDGET
(Supplemental Financial Information)
YEAR ENDED JUNE 30, 2024

	Actual Activity	DOT Plaza Budget
Support and Revenues:		
Concession and event fees	$ 591,277	$ 666,240
Sponsorships and gifts	11,200	114,048
	602,477	780,288
Expenses:		
Direct expenses:		
Cleaning contractor (Sanitation)	45,982	126,656
Horticulture planting and maintenance contractor (Public Improvements)	255,215	285,000
Programming and events (Marketing)	113,645	100,000
Equipment, furniture, supplies and other (Public Improvements and Marketing)	80,768	177,580
Total direct expenses	495,610	689,236
Administrative costs:		
Salaries (Public Improvements)	214,769	187,161
Fringe (Public Improvements)	16,165	14,087
Total administrative costs	230,934	201,248
Total expenses	726,544	$ 890,484
Excess/(deficit) revenues from activities of the operating account	(124,067)	
Interest earned on the fund during the fiscal year	3,511	
Balance of Accrual Fund, beginning of year	142,012	
Balance of Accrual Fund, end of year	$ 21,456	

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 subsequently renewed on September 14, 2010, April 3, 2019, and June 13, 2024. The above expenses are included on pages 4 and 5 in the (programs) noted above.