

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

**FINANCIAL STATEMENTS  
AND  
AUDITORS' REPORT**

**JUNE 30, 2019 AND 2018**

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

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Flatiron/23<sup>rd</sup> Street Partnership District Management Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, 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/23<sup>rd</sup> Street Partnership District Management Association, Inc. as of June 30, 2019 and 2018, 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  
October 9, 2019

**FLATIRON/23RD STREET PARTNERSHIP  
DISTRICT MANAGEMENT ASSOCIATION, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,580,361	\$ 445,722
Contributions receivable	54,636	12,300
Prepaid expenses	15,439	13,260
Investments	509,983	1,500,403
Security deposits receivable	11,587	11,587
	<b>\$ 2,172,006</b>	<b>\$ 1,983,272</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accrued expenses	\$ 224,569	\$ 197,040
Plaza security deposits payable	12,250	12,250
Total liabilities	236,819	209,290
Commitments and contingencies (see notes)		
Net Assets:		
Without donor restrictions	1,935,187	1,773,982
With donor restrictions	-	-
	1,935,187	1,773,982
Total liabilities and net assets	<b>\$ 2,172,006</b>	<b>\$ 1,983,272</b>

**See accompanying notes to the financial statements.**

**FLATIRON/23RD STREET PARTNERSHIP  
DISTRICT MANAGEMENT ASSOCIATION, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
Support and Revenues:		
Without donor restrictions:		
Assessment revenue	\$ 2,750,000	\$ 2,200,000
Program service income	349,009	399,963
Contributions	354,241	312,525
Contributions in-kind	39,576	40,976
Investment income	37,445	17,408
Total support and revenues	3,530,271	2,970,872
Expenses:		
Program Expenses:		
Safety	493,553	469,433
Sanitation	1,156,098	1,037,597
Marketing	530,478	558,688
Social services	148,764	140,146
Public improvements	656,869	735,378
Total program expenses	2,985,762	2,941,242
Management and general	362,913	341,421
Fundraising	20,391	24,135
Total expenses	3,369,066	3,306,798
Increase/(Decrease) In Net Assets:		
Without donor restrictions	161,205	(335,926)
With donor restrictions	-	-
Increase/(decrease) in net assets	161,205	(335,926)
Net assets, beginning of year	1,773,982	2,109,908
Net assets, end of year	\$ 1,935,187	\$ 1,773,982

**See accompanying notes to the financial statements.**

**FLATIRON/23RD STREET PARTNERSHIP  
DISTRICT MANAGEMENT ASSOCIATION, INC.  
STATEMENT OF EXPENSES  
YEAR ENDED JUNE 30, 2019**

	<u>Program Expenses</u>					<u>Supporting</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>	<u>Total Expenses</u>
Personnel Costs:									
Executive salaries	\$ 13,413	\$ 13,413	\$ 33,534	\$ 19,312	\$ 41,048	\$ 120,720	\$ 4,387	\$ 9,026	\$ 134,133
Program managers	51,100	45,350	80,794	22,675	95,684	295,603	20,067	8,906	324,576
Support salaries	2,463	2,463	32,068	2,463	12,031	51,488	6,112	-	57,600
Payroll taxes and benefits	6,598	6,042	14,424	4,326	15,862	47,252	5,193	2,459	54,904
Outside contractors	419,703	1,078,285	77,494	99,988	465,975	2,141,445	3,340	-	2,144,785
Total personnel costs	<u>493,277</u>	<u>1,145,553</u>	<u>238,314</u>	<u>148,764</u>	<u>630,600</u>	<u>2,656,508</u>	<u>39,099</u>	<u>20,391</u>	<u>2,715,998</u>
Direct expenses:									
Insurance	-	-	-	-	-	-	42,577	-	42,577
Rent and maintenance	-	-	-	-	-	-	134,768	-	134,768
Office expense	-	-	-	-	-	-	32,894	-	32,894
Postage and delivery	-	-	-	-	-	-	1,685	-	1,685
Printing	-	-	-	-	-	-	932	-	932
Professional fees	-	-	-	-	-	-	94,929	-	94,929
Program equipment	276	10,545	922	-	48	11,791	-	-	11,791
Special projects and events	-	-	242,659	-	16,376	259,035	-	-	259,035
Supplies	-	-	48,583	-	9,845	58,428	9,975	-	68,403
Telephone	-	-	-	-	-	-	6,054	-	6,054
Total direct expenses	<u>276</u>	<u>10,545</u>	<u>292,164</u>	<u>-</u>	<u>26,269</u>	<u>329,254</u>	<u>323,814</u>	<u>-</u>	<u>653,068</u>
Total expenses	<u>\$ 493,553</u>	<u>\$ 1,156,098</u>	<u>\$ 530,478</u>	<u>\$ 148,764</u>	<u>\$ 656,869</u>	<u>\$ 2,985,762</u>	<u>\$ 362,913</u>	<u>\$ 20,391</u>	<u>\$ 3,369,066</u>

See accompanying notes to the financial statements.

**FLATIRON/23RD STREET PARTNERSHIP  
DISTRICT MANAGEMENT ASSOCIATION, INC.  
STATEMENT OF EXPENSES  
YEAR ENDED JUNE 30, 2018**

	<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>	
<b>Personnel Costs:</b>									
Executive salaries	\$ 25,177	\$ 25,177	\$ 60,692	\$ 22,927	\$ 90,370	\$ 224,343	\$ 14,839	\$ 12,588	\$ 251,770
Program managers	44,150	38,600	77,957	21,950	85,285	267,942	25,986	7,693	301,621
Support salaries	2,425	50	35,397	2,475	13,314	53,661	13,763	-	67,424
Payroll taxes and benefits	8,307	7,178	21,859	5,956	24,466	67,766	9,887	3,854	81,507
Outside contractors	389,098	956,512	72,202	86,838	494,497	1,999,147	6,284	-	2,005,431
Total personnel costs	<u>469,157</u>	<u>1,027,517</u>	<u>268,107</u>	<u>140,146</u>	<u>707,932</u>	<u>2,612,859</u>	<u>70,759</u>	<u>24,135</u>	<u>2,707,753</u>
<b>Direct expenses:</b>									
Insurance	-	-	-	-	-	-	43,456	-	43,456
Rent and maintenance	-	-	-	-	-	-	135,201	-	135,201
Office expense	-	-	-	-	-	-	36,020	-	36,020
Postage and delivery	-	-	-	-	-	-	1,907	-	1,907
Professional fees	-	-	-	-	-	-	38,550	-	38,550
Program equipment	276	10,080	-	-	985	11,341	-	-	11,341
Special projects and events	-	-	263,314	-	14,710	278,024	-	-	278,024
Supplies	-	-	27,267	-	11,751	39,018	9,622	-	48,640
Telephone	-	-	-	-	-	-	5,906	-	5,906
Total direct expenses	<u>276</u>	<u>10,080</u>	<u>290,581</u>	<u>-</u>	<u>27,446</u>	<u>328,383</u>	<u>270,662</u>	<u>-</u>	<u>599,045</u>
Total expenses	<u>\$ 469,433</u>	<u>\$ 1,037,597</u>	<u>\$ 558,688</u>	<u>\$ 140,146</u>	<u>\$ 735,378</u>	<u>\$ 2,941,242</u>	<u>\$ 341,421</u>	<u>\$ 24,135</u>	<u>\$ 3,306,798</u>

See accompanying notes to the financial statements.

**FLATIRON/23RD STREET PARTNERSHIP  
DISTRICT MANAGEMENT ASSOCIATION, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ 161,205	\$ (335,926)
Adjustments for non-cash items included in operating activities:		
Investment (gains)/losses	(11,334)	(5,435)
Changes in assets and liabilities:		
Contributions receivable	(42,336)	36,138
Prepaid expenses	(2,179)	1,528
Accrued expenses	27,529	53,752
Net cash provided/(used) by operating activities	<u>132,885</u>	<u>(249,943)</u>
Cash flows from investing activities:		
Purchase of debt investments	-	(2,095,078)
Redemption of debt investments	1,001,754	1,599,000
Net cash provided/(used) by investing activities	<u>1,001,754</u>	<u>(496,078)</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	1,134,639	(746,021)
Cash and cash equivalents, at beginning of year	445,722	1,191,743
Cash and cash equivalents, at end of year	<u>\$ 1,580,361</u>	<u>\$ 445,722</u>

**See accompanying notes to the financial statements.**



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

Note 1 – Summary of Significant Accounting Policies

The Association

Flatiron/23<sup>rd</sup> 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/23<sup>rd</sup> Street Business Improvement District (BID). The BID's boundaries are approximately from 21<sup>st</sup> to 28<sup>th</sup> 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.

Change in Accounting Principle

In 2018, the Association adopted all reporting changes required under FASB ASU 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities*. Accordingly, all amounts on the fiscal year 2019 and fiscal year 2018 financial statements have been reclassified to conform to the new presentation requirements. All required disclosures have been incorporated and included on the accompanying financial statements and in these notes.

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.

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

Note 1 – Summary of Significant Accounting Policies (Continued)

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 that are perpetual in nature (endowment), where the donor stipulates that resources be maintained in perpetuity.

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.

Investments

All investments are measured at fair value on a recurring basis and are reported at their fair values as of June 30, 2019 and 2018 in the statements of financial position.

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.

Board Restricted Assets

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. The Association anticipates spending the capital reserve over the next four years.

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 of three months or less.

**FLATIRON/23<sup>RD</sup> 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 based on estimated time and other expenses are allocated based on usage. The Association classifies expenses, which are not directly related to a specific program, as Management and General expenses.

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 income.

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as support with donor restrictions and increases in the respective class of net assets. Contributions received with donor restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

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.

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

Note 2 – 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 Organization's investments by the above fair value hierarchy levels as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Level 1	\$ -	\$ -
Level 2	509,983	1,500,403
Level 3	-	-
	<u>\$ 509,983</u>	<u>\$ 1,500,403</u>

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

**Note 3 – Cash and Cash Equivalents**

Cash and cash equivalents consisted of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Checking and savings	\$ 1,158,423	\$ 323,153
Money market funds	<u>421,938</u>	<u>122,569</u>
	<u>\$ 1,580,361</u>	<u>\$ 445,722</u>

**Note 4 – Investments**

Investments in United States Treasury Bills include the following fair values and unrealized appreciation/(depreciation) at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Fair market value	\$ 509,983	\$1,500,403
Less: Cost	<u>499,760</u>	<u>1,494,968</u>
Unrealized holding gains/(losses)	<u>\$ 10,223</u>	<u>\$ 5,435</u>

**Note 5 – 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, 2019 and 2018 amounted to \$6,000 and \$10,928, respectively.

**Note 6 – Commitments and Contingencies**

The Association leases office space under a noncancelable operating lease. Total rent and related expenses charged to operations for the years ended June 30, 2019 and 2018 was \$134,768 and \$135,201, respectively. As of June 30, 2019 minimum aggregate annual rentals are as follows:

Year ended June 30, 2020	\$ 115,900
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**FLATIRON/23<sup>RD</sup> STREET PARTNERSHIP  
DISTRICT MANAGEMENT ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS**

Note 7 – 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 will be 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. During the year ended June 30, 2012, the Association signed two short-term sublicense agreements for kiosks in the public plazas. The revenue from these sublicense agreements will go towards the cost of managing and maintaining the plazas.

Note 8 – Property and Equipment

Property and equipment by major class consisted of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Equipment	\$ 20,164	\$ 20,164
Furniture & Fixtures	1,066	1,066
Leasehold Improvements	<u>4,225</u>	<u>4,225</u>
	25,455	25,455
Less: Accumulated depreciation and amortization	( <u>25,455</u> )	( <u>25,455</u> )
	\$ <u>-</u>	\$ <u>-</u>

Note 9 – Concentrations

The Association maintains its cash 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, 2019 and 2018.

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

Note 10 – 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, 2019 and 2018, \$39,576 and \$40,976, respectively, was received and reported as contributions in-kind on the accompanying statements of activities and consisted of donated legal fees, facilities, products, design, and production for marketing events and meetings.

Note 11 – Liquidity and Availability of Financial Assets

The Organization 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 Organization 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 Organization's financial assets, as of June 30, 2019 and 2018, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	<u>2019</u>	<u>2018</u>
Financial assets:		
Cash and cash equivalents	\$ 1,580,361	\$ 445,722
Contributions receivable	54,636	12,300
Investments	<u>509,983</u>	<u>1,500,403</u>
Total financial assets	2,144,980	1,958,425
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>\$ 1,494,980</u>	<u>\$ 1,308,425</u>

Note 12 – Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through October 9, 2019, 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/23<sup>rd</sup> Street Partnership  
District Management Association, Inc.

We have audited the financial statements of Flatiron/23<sup>rd</sup> Street Partnership District Management Association, Inc. as of and for the years ended June 30, 2019 and 2018, and have issued our report thereon dated October 9, 2019, 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  
October 9, 2019



**FLATIRON/23RD STREET PARTNERSHIP  
DISTRICT MANAGEMENT ASSOCIATION, INC.  
SCHEDULE OF EXPENSES AND BUDGET  
(Supplemental Financial Information)  
YEAR ENDED JUNE 30, 2019**

	<b>Total Expenses</b>	<b>Budget</b>
<b>Personnel Costs:</b>		
Executive salaries	\$ 134,133	\$ 240,200
Program managers	324,576	288,240
Support salaries	57,600	72,060
Payroll taxes and benefits	54,904	100,430
Outside contractors	2,144,785	2,267,500
Total personnel costs	2,715,998	2,968,430
<b>Direct expenses:</b>		
Insurance	42,577	47,500
Rent and maintenance	134,768	131,000
Office expense	32,894	33,000
Postage and delivery	1,685	2,000
Printing	932	1,000
Professional fees	94,929	35,000
Program equipment	11,791	14,270
Special projects and events	259,035	243,800
Supplies	68,403	72,500
Telephone	6,054	6,500
Total direct expenses	653,068	586,570
Total expenses	\$ 3,369,066	\$ 3,555,000

**FLATIRON/23RD STREET PARTNERSHIP  
DISTRICT MANAGEMENT ASSOCIATION, INC.  
SCHEDULE OF PUBLIC PLAZA  
ACTIVITIES AND BUDGET  
(Supplemental Financial Information)  
YEAR ENDED JUNE 30, 2019**

	<u>Actual Activity</u>	<u>DOT Plaza Budget</u>
<b>Support and Revenues:</b>		
Concession fees	\$ 64,092	
Sponsorships and gifts	372,618	
	<u>436,710</u>	
<b>Expenses:</b>		
Direct expenses:		
Cleaning contractor (Sanitation)	64,430	106,227
Security contractor (Safety)	67,447	90,073
Horticulture planting & maintenance contractor (Pub Imp)	123,908	118,463
Wifi (Pub Imp)	2,768	16,500
Programming and events (Mark)	94,978	92,500
Equipment, furniture, supplies and other (Pub Imp & Mark)	18,932	22,500
Total direct expenses	<u>372,463</u>	<u>446,263</u>
Administrative costs:		
Salaries (Pub Imp)	100,230	125,406
Fringe (Pub Imp)	13,030	16,303
Professional fees (M&G)		-
Rent & Utilities (M&G)		-
Total administrative costs	<u>113,260</u>	<u>141,709</u>
Total expenses	<u>485,723</u>	<u>\$ 587,972</u>
Excess/(deficit) revenues from activities of the operating account	(49,013)	
Interest earned on the fund during the fiscal year	1,528	
Balance of Accrual Fund, at beginning of year	<u>138,167</u>	
Balance of Accrual Fund, at end of year	<u>\$ 90,682</u>	

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.