

**UNION SQUARE PARTNERSHIP  
DISTRICT MANAGEMENT ASSOCIATION, INC.**

**FINANCIAL STATEMENTS  
AND  
AUDITORS' REPORT**

**JUNE 30, 2021 AND 2020**

**UNION SQUARE PARTNERSHIP  
DISTRICT MANAGEMENT ASSOCIATION, INC.**

Index

	<u>Page</u>
Independent Auditors' Report	1
Statements of financial position as of June 30, 2021 and 2020	2
Statements of activities for the years ended June 30, 2021 and 2020	3
Statement of expenses for the year ended June 30, 2021	4
Statement of expenses for the year ended June 30, 2020	5
Statements of cash flows for the years ended June 30, 2021 and 2020	6
Notes to financial statements	7 - 11
 <u>Supplementary Financial Information</u>	
Independent Auditors' Report on Supplementary Information	12
Schedule of expenses and budget for the year ended June 30, 2021	13



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## INDEPENDENT AUDITORS' REPORT

To: The Board of Directors of  
Union Square Partnership  
District Management Association, Inc.

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

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Union Square Partnership District Management Association, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Skody Scot & Company, CPAs, P.C.*

New York, NY  
December 9, 2021

**UNION SQUARE PARTNERSHIP  
DISTRICT MANAGEMENT ASSOCIATION, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,581,490	\$ 892,286
Due from affiliate	7,500	216,211
Prepaid expenses and other assets	10,533	5,999
Total assets	<u>\$ 1,599,523</u>	<u>\$ 1,114,496</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 249,178	\$ 364,677
Total liabilities	<u>249,178</u>	<u>364,677</u>
Commitments and contingencies (see notes)		
Net Assets:		
Without donor restrictions	1,350,345	749,819
With donor restrictions	-	-
Total net assets	<u>1,350,345</u>	<u>749,819</u>
Total liabilities and net assets	<u>\$ 1,599,523</u>	<u>\$ 1,114,496</u>

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

**UNION SQUARE PARTNERSHIP  
DISTRICT MANAGEMENT ASSOCIATION, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
Support and Revenues:		
Without Donor Restrictions:		
Assessment revenue	\$ 3,400,000	\$ 2,600,000
Government grants & contributions	-	134,400
Contributions in-kind	15,400	15,400
Program service income	7,500	11,250
Interest income	1,174	9,038
Total support and revenues	3,424,074	2,770,088
Expenses:		
Program Expenses:		
Operations	1,449,185	1,524,442
Community improvements	615,358	434,588
Promotion	423,420	373,424
Total program expenses	2,487,963	2,332,454
Supporting Services:		
Management and general	335,585	353,334
Total expenses	2,823,548	2,685,788
Increase/(Decrease) In Net Assets:		
Without donor restrictions	600,526	84,300
With donor restrictions	-	-
Increase/(decrease) in net assets	600,526	84,300
Net assets, beginning of year	749,819	665,519
Net assets, end of year	\$ 1,350,345	\$ 749,819

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

**UNION SQUARE PARTNERSHIP  
DISTRICT MANAGEMENT ASSOCIATION, INC.  
STATEMENT OF EXPENSES  
YEAR ENDED JUNE 30, 2021**

	<u>Program Expenses</u>			<u>Total Program Expenses</u>	<u>Supporting</u>	
	<u>Operations</u>	<u>Community Improvements</u>	<u>Promotion</u>		<u>Management and General</u>	<u>Total Expenses</u>
Salaries	\$ 255,526	\$ 149,870	\$ 149,348	\$ 554,744	\$ 147,588	\$ 702,332
Payroll taxes	20,168	11,292	11,392	42,852	13,599	56,451
Employee benefits	42,844	41,935	19,525	104,304	22,856	127,160
Outside contractors - sanitation	1,072,616	-	-	1,072,616	-	1,072,616
Outside contractors - other	-	-	120,000	120,000	-	120,000
Insurance	-	-	-	-	57,991	57,991
Office supplies & expenses	1,950	-	-	1,950	40,152	42,102
Printing	-	418	13,860	14,278	215	14,493
Professional fees	-	-	-	-	32,411	32,411
Program expenses - other	-	411,843	56,594	468,437	-	468,437
Program supplies	26,487	-	-	26,487	-	26,487
Promotion	-	-	31,379	31,379	-	31,379
Rent	3,080	-	-	3,080	18,933	22,013
Repairs and maintenance	26,514	-	-	26,514	-	26,514
Travel and meetings	-	-	-	-	1,840	1,840
Website design & hosting	-	-	21,322	21,322	-	21,322
Total expenses	<u>\$ 1,449,185</u>	<u>\$ 615,358</u>	<u>\$ 423,420</u>	<u>\$2,487,963</u>	<u>\$ 335,585</u>	<u>\$2,823,548</u>

See accompanying notes to the financial statements.

**UNION SQUARE PARTNERSHIP  
DISTRICT MANAGEMENT ASSOCIATION, INC.  
STATEMENT OF EXPENSES  
YEAR ENDED JUNE 30, 2020**

	<u>Program Expenses</u>			<u>Supporting</u>		
	Operations	Community Improvements	Promotion	Total Program Expenses	Management and General	Total Expenses
Salaries	\$ 245,173	\$ 78,957	\$ 153,637	\$ 477,767	\$ 145,847	\$ 623,614
Payroll taxes	22,111	243	7,082	29,436	4,307	33,743
Employee benefits	31,294	11,292	13,152	55,738	51,545	107,283
Outside contractors - sanitation	1,130,687	-	-	1,130,687	-	1,130,687
Outside contractors - other	-	-	99,525	99,525	-	99,525
Insurance	-	-	-	-	47,118	47,118
Office supplies & expenses	1,650	-	-	1,650	30,166	31,816
Printing	-	570	14,294	14,864	-	14,864
Professional fees	-	-	-	-	49,938	49,938
Program expenses - other	-	343,526	60,954	404,480	-	404,480
Program supplies	62,076	-	-	62,076	-	62,076
Promotion	-	-	2,219	2,219	-	2,219
Rent	3,080	-	-	3,080	18,860	21,940
Repairs and maintenance	28,371	-	-	28,371	-	28,371
Travel and meetings	-	-	-	-	5,553	5,553
Website design & hosting	-	-	22,561	22,561	-	22,561
Total expenses	<u>\$ 1,524,442</u>	<u>\$ 434,588</u>	<u>\$ 373,424</u>	<u>\$ 2,332,454</u>	<u>\$ 353,334</u>	<u>\$ 2,685,788</u>

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

**UNION SQUARE PARTNERSHIP  
DISTRICT MANAGEMENT ASSOCIATION, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ 600,526	\$ 84,300
Adjustments for non-cash items included in operating activities	-	-
Changes in assets and liabilities:		
Accounts payable and accrued expenses	(115,499)	169,749
Due from affiliate	208,711	(201,896)
Prepaid expenses and other assets	(4,534)	(3,143)
Net cash provided/(used) by operating activities	689,204	49,010
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	689,204	49,010
Cash and cash equivalents, at beginning of year	892,286	843,276
Cash and cash equivalents, at end of year	\$ 1,581,490	\$ 892,286

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



**UNION SQUARE PARTNERSHIP  
DISTRICT MANAGEMENT ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies

The Association

14th Street-Union Square District Management Association, Inc. (Association), a not-for-profit organization, was incorporated in the State of New York on July 27, 1982. In September 2003, the Association changed its name to Union Square Partnership District Management Association, Inc. 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 positions. 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 Union Square Partnership Business Improvement District (BID). The BID's boundaries are approximately West 14<sup>th</sup> Street from Sixth Avenue to First Avenue, and properties surrounding Union Square Park.

The Association's programs include the following: Operations - maintaining clean streets/curbs, garbage and graffiti removal, and public safety coordination through connecting neighborhood partners to the relevant City and State agency contacts, including NYPD, Sanitation, Homeless Services, Transportation, and Consumer Affairs among others.; Community Improvements - increasing commercial activity, bolstering community spirit and ensuring the neighborhood's economic vitality; and Promotion - promoting the district to residents and tourists and retaining and developing prospective businesses.

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 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.

**UNION SQUARE PARTNERSHIP  
DISTRICT MANAGEMENT ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies (Continued)

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 ten years. Expenditures for repairs and maintenance are charged as an expense, and major renewals and betterments are capitalized.

Net Assets

Net assets, revenues, 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.

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 consists of banner sponsorships. Revenue is recognized when the program service is provided. Any revenue received which has not been earned is recorded as deferred income.

During the year ended June 30, 2020, the Association received a \$134,400 Paycheck Protection Program grant from the U.S. Small Business Administration. Management has determined that the conditions imposed on the grant were met by year-end and has chosen to recognize the full amount as revenue. The amount is listed as government grants and contributions in the statement of activities for the year ended June 30, 2020.

**UNION SQUARE 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 expenses that are allocated include salaries and related expenses based on estimated time and effort. The Association classifies expenses, which are not directly related to a specific program, as Management and General expenses.

Note 2 - Cash and Cash Equivalents

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

	<u>2021</u>	<u>2020</u>
Bank deposits and cash	\$ 180,439	\$ 91,117
Money market funds	<u>1,401,051</u>	<u>801,169</u>
	<u>\$ 1,581,490</u>	<u>\$ 892,286</u>

Note 3 - Property and Equipment

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

	<u>2021</u>	<u>2020</u>
Furniture & fixtures	\$ 3,650	\$ 3,650
Less: Accumulated depreciation	<u>( 3,650)</u>	<u>( 3,650)</u>
	<u>\$ -</u>	<u>\$ -</u>

Note 4 - Due to/from Affiliate

The Association shares office facilities and employees with the Union Square Partnership, Inc. (USP). USP is a corporation organized for the purpose of providing economic rehabilitation and preservation services to the 14th Street area. USP has a separate board of directors, sources of income and operational activities. USP services a larger area than the Association. The Association allocated costs to USP. Amounts due to/from USP represent amounts due to this cost-sharing arrangement. For the years ended June 30, 2021 and 2020, the Association had the following related transactions:

	<u>2021</u>	<u>2020</u>
Total costs allocated to USP	\$ <u>231,714</u>	\$ <u>404,847</u>
Due from/(to) USP	<u>\$ 7,500</u>	<u>\$ 216,211</u>

**UNION SQUARE PARTNERSHIP  
DISTRICT MANAGEMENT ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS**

Note 5 - Contributions In-Kind

Contributions in-kind received are in the form of services and use of facilities, in lieu of cash payments. The estimated fair value of these contributions is reported as support and expensed in the period in which the services are received. Consolidated Edison of New York provided free office space and utilities in fiscal years 2021 and 2020. The estimated fair market value of in-kind contributions was \$15,400 and \$15,400 during the years ended June 30, 2021 and 2020, respectively.

Note 6 - Revenue from Contracts with Customers

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

	<u>2021</u>	<u>2020</u>
Banner income	\$ 7,500	\$ 11,250

Note 7 - Pension Plans

Effective May 1, 2008, the Association adopted a qualified cash or deferred compensation plan (Plan) under section 403(b) of the Internal Revenue Code. Under the Plan, employees may elect to defer up to twenty percent (20%) of their salary, subject to Internal Revenue Service limits. In addition, the Plan calls for the Association to make matching contributions based on the participant's contributions to the plan. The maximum matching contribution is three percent (3%) of an employee's salary. Total Association contributions to the plan amounted to \$12,111 and \$12,004 for the years ended June 30, 2021 and 2020, respectively. During the years ended June 30, 2021 and 2020, the Association allocated \$5,056 and \$4,865 of the total pension expenses to its affiliate.

Note 8 - Concentrations

The Association maintains its cash and cash equivalents accounts with major financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures bank deposits up to \$250,000 per financial institution. At times, the balances of the accounts may have exceeded the limits during the years ended June 30, 2021 and 2020.

**UNION SQUARE PARTNERSHIP  
DISTRICT MANAGEMENT ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS**

Note 9 - Liquidity and Availability of Financial Assets

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

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

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 1,581,490	\$ 892,286
Due from affiliate	<u>7,500</u>	<u>216,211</u>
Total financial assets	1,588,990	1,108,497
Less those unavailable for general expenditures within one year	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,588,990</u>	<u>\$ 1,108,497</u>

Note 10 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures through December 9, 2021, 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  
Union Square Partnership  
District Management Association, Inc.

We have audited the financial statements of Union Square Partnership District Management Association, Inc. as of and for the years ended June 30, 2021 and 2020, and have issued our report thereon dated December 9, 2021, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenses 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 9, 2021

**UNION SQUARE PARTNERSHIP  
DISTRICT MANAGEMENT ASSOCIATION, INC.  
SCHEDULE OF EXPENSES AND BUDGET  
(Supplemental Financial Information)  
YEAR ENDED JUNE 30, 2021**

	Total Expenses	Less Contributions In-Kind	Net Expenses	Assessment Budget
Salaries	\$ 702,332	\$ -	\$ 702,332	\$ 679,537
Payroll taxes	56,451	-	56,451	72,822
Employee benefits	127,160	-	127,160	140,084
Outside contractors - sanitation	1,072,616	-	1,072,616	1,249,065
Outside contractors - other	120,000	-	120,000	120,000
Insurance	57,991	-	57,991	50,000
Office supplies & expenses	42,102	-	42,102	35,000
Printing	14,493	-	14,493	130,000
Professional fees	32,411	-	32,411	25,000
Program expenses - other	468,437	-	468,437	381,500
Program supplies	26,487	-	26,487	36,500
Promotion	31,379	-	31,379	-
Rent	22,013	(15,400)	6,613	6,500
Repairs and maintenance	26,514	-	26,514	30,000
Travel and meetings	1,840	-	1,840	-
Website design & hosting	21,322	-	21,322	25,000
Total expenses	<u>\$2,823,548</u>	<u>\$ (15,400)</u>	<u>\$2,808,148</u>	<u>\$ 2,981,008</u>