

**UNION SQUARE PARTNERSHIP, INC.**

**FINANCIAL STATEMENTS  
AND  
AUDITORS' REPORT**

**JUNE 30, 2021 AND 2020**

# UNION SQUARE PARTNERSHIP, INC.

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Union Square Partnership, 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, 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 14, 2021

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

	2021	2020
<b>ASSETS</b>		
Cash and cash equivalents	\$ 828,987	\$ 1,298,314
Total assets	\$ 828,987	\$ 1,298,314
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 15,091	\$ 62,828
Due to affiliate	7,500	216,211
Total liabilities	22,591	279,039
Commitments and contingencies (see notes)		
Net Assets:		
Without donor restrictions	806,396	1,019,275
With donor restrictions	-	-
Total net assets	806,396	1,019,275
Total liabilities and net assets	\$ 828,987	\$ 1,298,314

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

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

	<u>2021</u>	<u>2020</u>
<b>Support and Revenues:</b>		
Without donor restrictions:		
Contributions	\$ 126,250	\$ 390,481
Special events:		
Special event revenues	-	372,111
Less: special event expenses	-	(311,766)
Net special event income	-	60,345
Contributions in-kind	15,400	15,400
Program service revenue	-	4,236
Interest income	720	2,990
Total support and revenues	<u>142,370</u>	<u>473,452</u>
 <b>Expenses:</b>		
Program Expenses:		
Union Square Park - maintenance	143,123	459,038
Total program expenses	<u>143,123</u>	<u>459,038</u>
Management and general	212,126	165,583
Fundraising	-	42,564
Total expenses	<u>355,249</u>	<u>667,185</u>
 Increase/(Decrease) In Net Assets:		
Without donor restrictions	(212,879)	(193,733)
With donor restrictions	-	-
Increase/(Decrease) in net assets	<u>(212,879)</u>	<u>(193,733)</u>
Net assets, beginning of year	<u>1,019,275</u>	<u>1,213,008</u>
Net assets, end of year	<u><u>\$ 806,396</u></u>	<u><u>\$ 1,019,275</u></u>

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

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

	<u>Program Expenses</u>	<u>Supporting Services</u>	
	Union		
	Square Park Maintenance	Management & General	Total Expenses
Salaries	\$ 51,656	\$ 104,877	\$ 156,533
Payroll taxes	3,828	7,772	11,600
Employee benefits	12,920	26,233	39,153
Consultants	49,173	24,028	73,201
Equipment & supplies	6,000	-	6,000
Insurance	-	11,129	11,129
Office expenses	-	2,738	2,738
Professional fees	-	19,949	19,949
Rent and utilities	-	15,400	15,400
Repairs & maintenance	19,546	-	19,546
Total expenses	<u>\$ 143,123</u>	<u>\$ 212,126</u>	<u>\$ 355,249</u>

See accompanying notes to the financial statements.

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

	<b>Program</b>			
	<b>Expenses</b>	<b>Supporting Services</b>		
	Union			
	Square Park Maintenance	Management & General	Fundraising	Total Expenses
Salaries	\$ 84,976	\$ 66,191	\$ 37,913	\$ 189,080
Payroll taxes	7,724	3,965	3,514	15,203
Employee benefits	2,549	31,548	1,137	35,234
Consultants	276,591	19,605	-	296,196
Equipment & supplies	30,801	-	-	30,801
Insurance	-	8,779	-	8,779
Office expenses	-	3,705	-	3,705
Professional fees	-	11,890	-	11,890
Project expenses	-	4,500	-	4,500
Rent and utilities	-	15,400	-	15,400
Repairs & maintenance	56,397	-	-	56,397
Total expenses	<u>\$ 459,038</u>	<u>\$ 165,583</u>	<u>\$ 42,564</u>	<u>\$ 667,185</u>

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

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

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ (212,879)	\$ (193,733)
Adjustments for non-cash items included in operating activities	-	-
Changes in assets and liabilities:		
Prepaid expenses	-	50,976
Due to affiliate	(208,711)	201,896
Accounts payable and accrued expenses	(47,737)	(107,362)
Deferred revenue	-	(39,500)
Net cash provided/(used) by operating activities	<u>(469,327)</u>	<u>(87,723)</u>
Cash flows from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	(469,327)	(87,723)
Cash and cash equivalents, at beginning of year	<u>1,298,314</u>	<u>1,386,037</u>
Cash and cash equivalents, at end of year	<u><u>\$ 828,987</u></u>	<u><u>\$ 1,298,314</u></u>

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



## UNION SQUARE PARTNERSHIP, INC. NOTES TO FINANCIAL STATEMENTS

### Note 1 - Summary of Significant Accounting Policies

#### The Organization

Union Square Partnership, Inc. (Organization), a not-for-profit organization, was incorporated in the State of New York on March 12, 1979, for the purposes of providing economic rehabilitation and preservation services to the commercial entities and residents in the area. The Organization 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 Organization does not believe its financial statements contain any uncertain tax positions. The Organization primarily receives its support from local residents and businesses. The Organization's boundaries are 13<sup>th</sup> to 15<sup>th</sup> streets from river to river, the blocks around Union Square Park, and the park.

The Organization's programs include the following: Union Square Park Maintenance and Restoration - the contribution of supplemental maintenance and restoration, operating, and programming services in Union Square Park; and Marketing and Promotional - promoting the area to residents and tourists and retaining and developing prospective businesses. During fiscal years 2021 and 2020, Marketing and Promotional program was on hold due to pandemic.

#### Basis of Accounting

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

#### Change in Accounting Principle

In fiscal year 2021, the Organization adopted FASB ASU 2014-09 *Revenue from Contracts with Customers* using the full retrospective approach. Analysis of various provisions of the standards resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

#### 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 Organization 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 Organization, of three months or less.

**UNION SQUARE PARTNERSHIP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies (Continued)

Property and Equipment

The Organization 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 Organization 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 deferred income or refundable advances in the statements of financial position. As of June 30, 2021 and 2020, the Organization did not have any conditional pledges that were not recognized.

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 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, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization receives special events revenue which contains both an exchange component and a conditional contribution component. Both components are recognized when the event takes place. Any revenue received in advance of the event is recorded as deferred income.

**UNION SQUARE PARTNERSHIP, INC.  
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Program service revenue relates to fees received in exchange for program services. Revenue is recognized when the program service is provided. Any revenue received which has not been earned is recorded as deferred income.

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 Organization allocates salaries and related costs based on estimated time and effort. The Organization 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	\$ 68,931	\$ 124,528
Money market funds	<u>760,056</u>	<u>1,173,786</u>
	<u>\$ 828,987</u>	<u>\$1,298,314</u>

Note 3 - Property and Equipment

Property and equipment 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 - Concentrations

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

During the year ended June 30, 2021, approximately 79% of the Organization's total revenue was provided by one major contributor. It is always possible that benefactors, grantors or contributors might be lost or reduced in the near term. In the event funding ceases or significantly decreases, the Organization's ability to continue providing the current level of program services would be greatly diminished.

**UNION SQUARE PARTNERSHIP, INC.  
NOTES TO FINANCIAL STATEMENTS**

**Note 5 - Due to/from Affiliate**

The Organization shares office facilities and employees with the Union Square Partnership District Management Association, Inc. (Union Square Partnership-DMA). Union Square Partnership-DMA is a corporation organized for the purpose of providing supplemental security, sanitation and promotional services to the Union Square Partnership Business Improvement District. The Union Square Partnership-DMA has a separate board of directors, sources of income and operational activities. The Organization also services a larger area than the Union Square Partnership-DMA. Union Square Partnership-DMA allocated costs to the Organization. Amounts due to/from Union Square Partnership-DMA represent amounts due to this cost-sharing arrangement. For the years ended June 30, 2021 and 2020, the Organization had the following related transactions:

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

**Note 6 - 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 expense in the period in which the services are received. Consolidated Edison of New York provided free office space and utilities, with a fair market value of \$15,400 and \$15,400 in fiscal years 2021 and 2020, respectively.

**Note 7 - 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, 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	\$ <u>828,987</u>	\$ <u>1,298,314</u>
Total financial assets	828,987	1,298,314
Less those unavailable for general expenditures within one year:		
Due to affiliate	( <u>7,500</u> )	( <u>216,211</u> )
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>821,487</u>	\$ <u>1,082,103</u>

**UNION SQUARE PARTNERSHIP, INC.  
NOTES TO FINANCIAL STATEMENTS**

Note 8 - Revenue from Contracts with Customers

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>
Fitness class ticket sales	\$ -	\$ 4,236

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.

Note 9 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures through December 14, 2021, which is the date the financial statements were available to be issued.