

**VILLAGE ALLIANCE DISTRICT MANAGEMENT  
ASSOCIATION, INC.**

**FINANCIAL STATEMENTS  
AND  
AUDITORS' REPORT**

**JUNE 30, 2023 AND 2022**

**VILLAGE ALLIANCE DISTRICT MANAGEMENT ASSOCIATION, INC.**

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

520 Eighth Avenue, Suite 2200, New York, NY 10018 • (T) 212-967-1100 • (F) 212-967-2002  
[www.skodyscot.com](http://www.skodyscot.com)

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## INDEPENDENT AUDITORS' REPORT

To: The Board of Directors of  
Village Alliance District Management Association, Inc.

### ***Opinion***

We have audited the financial statements of Village Alliance District Management Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, 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 Village Alliance District Management Association, Inc. as of June 30, 2023 and 2022, 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 Village Alliance 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 Village Alliance District Management Association, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they could reasonably be expected to influence the 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 Village Alliance 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 Village Alliance 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  
November 30, 2023

**VILLAGE ALLIANCE DISTRICT MANAGEMENT ASSOCIATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,062,960	\$ 991,613
Program revenue receivable	9,691	16,365
Prepaid expenses	5,315	4,212
Property and equipment, net	4,442	-
Right-of-use asset - operating lease	143,151	-
Security deposits receivable	7,428	7,428
	\$ 1,232,987	\$ 1,019,618
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 115,821	\$ 61,860
Deferred revenue	-	32,667
Lease liability - operating lease	145,455	-
Security deposits payable	13,880	11,880
Total liabilities	275,156	106,407
Commitments and contingencies (see notes)		
Net Assets:		
Without donor restrictions	949,631	905,011
With donor restrictions	8,200	8,200
Total net assets	957,831	913,211
Total liabilities and net assets	\$ 1,232,987	\$ 1,019,618

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

**VILLAGE ALLIANCE DISTRICT MANAGEMENT ASSOCIATION, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenues:</b>						
Assessment revenue	\$ 1,400,000	\$ -	\$ 1,400,000	\$ 1,400,000	\$ -	\$ 1,400,000
Contributions	9,704	-	9,704	13,750	-	13,750
Program service revenue	160,956	-	160,956	172,273	-	172,273
Interest income	10,702	-	10,702	1,281	-	1,281
Net assets released from restriction:						
Satisfaction of purpose restriction	-	-	-	104,300	(104,300)	-
Total support and revenues	<u>1,581,362</u>	<u>-</u>	<u>1,581,362</u>	<u>1,691,604</u>	<u>(104,300)</u>	<u>1,587,304</u>
<b>Expenses:</b>						
Program expenses:						
Security	262,131	-	262,131	274,796	-	274,796
Sanitation	633,053	-	633,053	627,169	-	627,169
Marketing and promotion	235,358	-	235,358	250,028	-	250,028
Social services	-	-	-	104,300	-	104,300
Streetscape projects	221,658	-	221,658	255,027	-	255,027
Total program expenses	<u>1,352,200</u>	<u>-</u>	<u>1,352,200</u>	<u>1,511,320</u>	<u>-</u>	<u>1,511,320</u>
Supporting services:						
Management and general	161,912	-	161,912	146,590	-	146,590
Fundraising	22,630	-	22,630	25,407	-	25,407
Total expenses	<u>1,536,742</u>	<u>-</u>	<u>1,536,742</u>	<u>1,683,317</u>	<u>-</u>	<u>1,683,317</u>
Increase/(decrease) in net assets	44,620	-	44,620	8,287	(104,300)	(96,013)
Net assets, beginning of year	905,011	8,200	913,211	896,724	112,500	1,009,224
Net assets, end of year	<u>\$ 949,631</u>	<u>\$ 8,200</u>	<u>\$ 957,831</u>	<u>\$ 905,011</u>	<u>\$ 8,200</u>	<u>\$ 913,211</u>

See accompanying notes to the financial statements.

**VILLAGE ALLIANCE DISTRICT MANAGEMENT ASSOCIATION, INC.**  
**STATEMENT OF EXPENSES**  
**YEAR ENDED JUNE 30, 2023**

	<b>Program Expenses</b>				<b>Supporting Services</b>			<b>Total Expenses</b>
	<b>Security</b>	<b>Sanitation</b>	<b>Marketing and Promotion</b>	<b>Streetscape Projects</b>	<b>Total Program Expenses</b>	<b>Management and General</b>	<b>Fundraising</b>	
Staff salaries	\$ 76,668	\$ 38,334	\$ 115,002	\$ 95,835	\$ 325,839	\$ 38,333	\$ 19,167	\$ 383,339
Payroll taxes and benefits	13,848	6,925	20,773	17,311	58,857	6,922	3,463	69,242
Outside contractors	171,615	564,253	3,475	-	739,343	6,987	-	746,330
Advertising and promotion	-	-	23,811	-	23,811	-	-	23,811
Depreciation and amortization	-	-	-	-	-	941	-	941
Holiday decorations	-	-	20,050	-	20,050	-	-	20,050
Insurance	-	-	-	-	-	23,673	-	23,673
Landscaping	-	-	-	52,322	52,322	-	-	52,322
Office supplies/expenses	-	-	340	-	340	21,678	-	22,018
Professional fees	-	-	-	-	-	14,750	-	14,750
Program supplies/expenses	-	6,841	39,347	56,190	102,378	-	-	102,378
Rent and utilities	-	16,700	-	-	16,700	48,628	-	65,328
Website and app	-	-	12,560	-	12,560	-	-	12,560
<b>Total expenses</b>	<b>\$ 262,131</b>	<b>\$ 633,053</b>	<b>\$ 235,358</b>	<b>\$ 221,658</b>	<b>\$ 1,352,200</b>	<b>\$ 161,912</b>	<b>\$ 22,630</b>	<b>\$ 1,536,742</b>

See accompanying notes to the financial statements.

**VILLAGE ALLIANCE DISTRICT MANAGEMENT ASSOCIATION, INC.**  
**STATEMENT OF EXPENSES**  
**YEAR ENDED JUNE 30, 2022**

	<b>Program Expenses</b>					<b>Supporting Services</b>			
	<u>Security</u>	<u>Sanitation</u>	<u>Marketing and Promotion</u>	<u>Social Services</u>	<u>Streetscape Projects</u>	<u>Total Program Expenses</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Staff salaries	\$ 84,018	\$ 42,009	\$ 126,027	\$ -	\$ 105,023	\$ 357,077	\$ 42,009	\$ 21,005	\$ 420,091
Payroll taxes and benefits	17,606	8,803	26,410	-	22,008	74,827	4,590	4,402	83,819
Outside contractors	173,172	558,229	14,857	-	-	746,258	918	-	747,176
Advertising and promotion	-	-	11,892	-	-	11,892	-	-	11,892
Holiday decorations	-	-	15,750	-	-	15,750	-	-	15,750
Insurance	-	-	-	-	-	-	6,905	-	6,905
Landscaping	-	-	-	-	56,291	56,291	-	-	56,291
Office supplies/expenses	-	-	-	-	246	246	23,743	-	23,989
Printing and postage	-	-	4,500	-	-	4,500	345	-	4,845
Professional fees	-	-	-	-	-	-	17,329	-	17,329
Program supplies/expenses	-	128	14,947	104,300	71,459	190,834	-	-	190,834
Rent and utilities	-	18,000	-	-	-	18,000	50,751	-	68,751
Website and app	-	-	35,645	-	-	35,645	-	-	35,645
<b>Total expenses</b>	<b>\$274,796</b>	<b>\$627,169</b>	<b>\$250,028</b>	<b>\$104,300</b>	<b>\$ 255,027</b>	<b>\$1,511,320</b>	<b>\$ 146,590</b>	<b>\$ 25,407</b>	<b>\$1,683,317</b>

See accompanying notes to the financial statements.



**VILLAGE ALLIANCE DISTRICT MANAGEMENT ASSOCIATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ 44,620	\$ (96,013)
Adjustments for non-cash items included in operating activities:		
Depreciation and amortization	941	-
Amortization of right-of-use asset	31,611	-
Changes in assets and liabilities:		
Program revenue receivable	6,674	(11,575)
Prepaid expenses	(1,103)	8,422
Accounts payable and accrued expenses	53,961	(30,476)
Deferred revenue	(32,667)	32,667
Payment of operating lease	(29,307)	-
Security deposit payable	2,000	-
Net cash provided/(used) by operating activities	76,730	(96,975)
Cash flows from investing activities:		
Purchase of property and equipment	(5,383)	-
Net cash provided/(used) by investing activities	(5,383)	-
Cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	71,347	(96,975)
Cash and cash equivalents at beginning of year	991,613	1,088,588
Cash and cash equivalents at end of year	\$ 1,062,960	\$ 991,613
Supplemental Information:		
Recognition of right-of-use asset and lease liability	\$ 174,762	\$ -

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

**VILLAGE ALLIANCE DISTRICT MANAGEMENT ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies

The Association

Village Alliance District Management Association, Inc. (Association), a not-for-profit organization, was incorporated in the State of New York on October 1, 1993. 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 Village Alliance Business Improvement District (BID). Effective January 1, 2007, the Association expanded its boundaries to include additional properties north of the original district. The BID's boundaries are approximately: 8<sup>th</sup> Street from Sixth Avenue to Second Avenue, St. Marks Place, Astor Place, Sixth Avenue from 4<sup>th</sup> Street to 12<sup>th</sup> Street, University Place from 8<sup>th</sup> Street to 13<sup>th</sup> Street, and Broadway from 8<sup>th</sup> Street to 10<sup>th</sup> Street.

The Association's programs include the following: Security - 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 and garbage removal; Marketing and Promotion - promoting the district to residents and tourists and retaining and developing prospective businesses; Social Services (no activity in FY2023) - developing and implementing social programs and coordinating with other social service organizations located in the district; and Streetscape Projects - improving the overall appearance of the district through a combination of projects including facade improvements and public fixtures.

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.

Reclassifications

Certain amounts in the prior-year statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

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.

**VILLAGE ALLIANCE DISTRICT MANAGEMENT ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies (Continued)

Receivables

Receivables that are expected to be collected within one year are recorded at their net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows. All receivables are expected to be received within one year and as such have been stated at their net realizable value with no allowance for uncollectable receivables.

Property and Equipment

The Association capitalizes certain property and equipment with estimated lives of three years or more. Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation of furniture and equipment is computed by the straight-line method over estimated useful lives ranging from three to ten 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 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.

Leases

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

**VILLAGE ALLIANCE DISTRICT MANAGEMENT ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The real estate assessment levied by the City is recorded by the Association when earned. The City remits these assessments to the Association in two installments. An allowance for doubtful accounts is not provided because all assessments are received in the current year. Assessment billing errors are recorded as a direct reduction of assessment revenue.

The Association recognizes contributions when cash and other financial assets, nonfinancial assets/services, and 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 and 2022, the Association did not have any conditional pledges that were not recognized.

All contributions are considered available for the Association's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted for a purpose by the donor are reported as support with donor restrictions and increases in the respective net asset 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.

Program service revenue relates to fees received in exchange for program services and consists primarily of plaza event, sponsorships and rental fees. The event revenue generally contains a single delivery/service element and revenue is recognized at a single point in time when ownership, risk and rewards transfer, and all performance obligations are considered to be satisfied. Sponsorship and rental revenue are recognized over time as they are earned. Any revenue received which has not been earned is recorded as deferred revenue.

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 and consultants based on estimated time and effort. Other expenses such as rent and utilities, and program supplies/expenses are allocated based on usage. The Association classifies expenses, which are not directly related to a specific program, as Management and General expenses.

Advertising Costs

The Association uses advertising to promote its programs among the audience it serves. The production costs of advertising are expensed as incurred. During fiscal years 2023 and 2022, advertising costs totaled \$23,811 and \$11,892, respectively.

**VILLAGE ALLIANCE DISTRICT MANAGEMENT ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS**

**Note 2 - Cash and Cash Equivalents**

Cash and cash equivalents consisted of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Bank deposits and cash	\$ 647,063	\$ 497,434
Money market funds	415,897	494,179
	<u>\$ 1,062,960</u>	<u>\$ 991,613</u>

**Note 3 - Property and Equipment**

Property and equipment by major class consisted of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Furniture and fixtures	\$ 4,302	\$ 1,917
Equipment	2,998	-
Leasehold improvements	48,240	48,240
Less: Accumulated depreciation and amortization	( 51,098)	( 50,157)
	<u>\$ 4,442</u>	<u>\$ -</u>

**Note 4 - Net Assets With Donor Restrictions**

As of June 30, 2023 and 2022, net assets with donor restrictions are available as follows:

	<u>2023</u>	<u>2022</u>
Village Recovery Grant program	\$ 8,200	\$ 8,200

**Note 5 - Leases**

In September 2022, the Association entered into a lease for space under a noncancellable operating lease set to expire in July 2027. As of June 30, 2023, minimum annual rental payments are as follows:

Year ended June 30, 2024	\$ 38,430
2025	39,492
2026	40,680
2027	<u>41,904</u>
Total lease payments	160,506
Less: imputed interest (5%)	( 15,051)
Present value of lease liabilities	<u>\$ 145,455</u>

Operating lease expenses are included with rent and utilities - management and general in the statement of expenses for the year ended June 30, 2023.

**VILLAGE ALLIANCE DISTRICT MANAGEMENT ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

Note 6 - Pension Plans

Effective May 1, 2012, the Association adopted a qualified cash or deferred compensation 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 allows for the Association to make discretionary contributions based on the participant's salary. Employees who normally work more than 20 hours per week are eligible for discretionary contributions after 12 months of service to the Association. As of June 30, 2023 and 2022, the Association made and accrued contributions of \$4,631 and \$7,845, respectively, to the plan. The plan was amended on July 1, 2013. The amendment excluded employees who work less than 1,000 hours in a plan year and increased the time of service required for eligibility to participate in the plan to 24 months.

Note 7 - Revenue from Contracts with Customers

Detail of revenue from contracts with customers during the years ended June 30, 2023 and 2022, is as follows:

	<u>2023</u>	<u>2022</u>
Plaza events and rentals	\$ 102,871	\$ 150,159
Marketing activities	58,085	21,493

The following table provides information about significant changes in the contract liabilities for the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Deferred revenue, beginning of the year	\$ 32,667	\$ -
Recognition of prior year deferred revenue	( 32,667)	-
Increase in deferred sponsorship revenue due to cash received during the period	<u>-</u>	<u>32,667</u>
Deferred revenue, end of the year	<u>\$ -</u>	<u>\$ 32,667</u>

Note 8 - Donated Services

Directors and officers have made a significant contribution of their time to develop the Association and its programs. No amounts have been recognized in the accompanying statements of activities because the criteria for recognition of such efforts under GAAP have not been satisfied. Due to the lack of objective criteria, management did not estimate the total value of these services for fiscal years 2023 and 2022.

Note 9 - 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, 2023 and 2022.

**VILLAGE ALLIANCE DISTRICT MANAGEMENT ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS**

Note 10 - Related Party

The Association rents office space from an entity that has representation on the Association's board of directors. Total payments amounted to \$35,454 in fiscal year 2023 and \$35,464 in fiscal year 2022.

Note 11 - 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, 2023 and 2022, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 1,062,960	\$ 991,613
Receivables	9,691	16,365
Total financial assets	1,072,651	1,007,978
Less those unavailable for general expenditures within one year	-	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,072,651	\$ 1,007,978

Note 12 - Public Plaza License

The Association signed a five-year license agreement, with renewal options, with the New York City Department of Transportation (DOT) to manage and maintain multiple public pedestrian plazas located within the district. 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.

**VILLAGE ALLIANCE DISTRICT MANAGEMENT ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

Note 13 - Commitments and Contingencies

The Association, the New York City Economic Development Corporation, and the New York City Department of Transportation jointly entered into various agreements with contractors for enhanced sidewalks, tree guards, and the installation of lighting fixtures related to a capital project. Construction commenced in fiscal year 2001, and was completed during fiscal year 2003. The Association is required to provide regular maintenance to certain improvements.

Note 14 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures through November 30, 2023, 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  
Village Alliance District Management Association, Inc.

We have audited the financial statements of Village Alliance District Management Association, Inc. as of and for the years ended June 30, 2023 and 2022, and have issued our report thereon dated November 30, 2023, 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 - Astor Place 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.

New York, NY  
November 30, 2023

*Skody Scot & Company, CPAs, PC*

**VILLAGE ALLIANCE DISTRICT MANAGEMENT ASSOCIATION, INC.**  
**SCHEDULE OF EXPENSES AND BUDGET**  
**(Supplemental Financial Information)**  
**YEAR ENDED JUNE 30, 2023**

	<u>Total Expenses</u>	<u>Budget</u>
Staff salaries	\$ 383,339	\$ 441,000
Payroll taxes and benefits	69,242	96,200
Outside contractors	746,330	755,500
Advertising and promotion	23,811	21,000
Depreciation and amortization	941	-
Holiday decorations	20,050	20,000
Insurance	23,673	21,000
Landscaping	52,322	48,000
Office supplies/expenses	22,018	25,000
Professional fees	14,750	15,000
Program supplies/expenses	102,378	103,250
Rent and utilities	65,328	65,612
Website and app	12,560	10,000
Total expenses	<u>\$ 1,536,742</u>	<u>\$ 1,621,562</u>

**VILLAGE ALLIANCE DISTRICT MANAGEMENT ASSOCIATION, INC.**  
**SCHEDULE OF PUBLIC PLAZA - ASTOR PLACE**  
**ACTIVITIES AND BUDGET**  
**(Supplemental Financial Information)**  
**YEAR ENDED JUNE 30, 2023**

	Actual Activity	DOT Plaza Budget
<b>Support and Revenues:</b>		
Concession fees, sponsorships, and special events	\$ 160,956	\$ 102,500
<b>Expenses:</b>		
Direct expenses:		
Cleaning/trash removal (San)	\$ 76,219	\$ 70,624
Public Safety (Sec)	68,618	70,000
Events (Cap Proj)	18,471	25,000
Landscape maintenance (Street Proj)	13,702	10,000
Equipment/Supplies/Other (Cap Proj)	33,030	30,000
Total direct expenses	210,040	205,624
Administrative costs:		
Administrative allocation	134,006	128,064
Total administrative costs	134,006	128,064
Total expenses	344,046	333,688
Excess/(deficit) revenues from plaza activities	\$ (183,090)	\$ (231,188)
Balance of Accrual Fund, at beginning of year	-	
Balance of Accrual Fund, at end of year	\$ -	

Note - The above information is prepared in accordance with agreement #RCT1 841 20148203616 with New York City Department of Transportation dated December 23, 2013. The above expenses are included on Page 4 in the (program) noted above.