

**LINCOLN SQUARE DISTRICT MANAGEMENT
ASSOCIATION, INC.**

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORT**

JUNE 30, 2022 AND 2021

LINCOLN SQUARE DISTRICT MANAGEMENT ASSOCIATION, INC.

Index

	<u>Page</u>
Independent Auditors' Report	1 - 2
Statements of financial position as of June 30, 2022 and 2021	3
Statements of activities for the years ended June 30, 2022 and 2021	4
Statement of expenses for the year ended June 30, 2022	5
Statement of expenses for the year ended June 30, 2021	6
Statements of cash flows for the years ended June 30, 2022 and 2021	7
Notes to financial statements	8 - 13
 <u>Supplementary Financial Information</u>	
Independent Auditors' Report on Supplementary Information	14
Schedule of expenses and budget for the year ended June 30, 2022	15



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

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of Lincoln Square District Management Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, 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 Lincoln Square District Management Association, Inc. as of June 30, 2022 and 2021, 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 Lincoln Square 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 Lincoln Square 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 judgement 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 Lincoln Square 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 Lincoln Square District Management Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Skody Scot & Company, CPAS, P.C.

New York, NY
December 11, 2022

LINCOLN SQUARE DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 2,632,644	\$ 2,249,209
Government grants receivable	13,368	-
Prepaid expenses	23,379	7,570
Property and equipment, net	112,741	112,743
Security deposits	26,974	26,974
	<u> </u>	<u> </u>
Total assets	<u>\$ 2,809,106</u>	<u>\$ 2,396,496</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 301,013	\$ 254,697
Refundable advances	10,000	10,000
Total liabilities	<u>311,013</u>	<u>264,697</u>
Commitments and contingencies (see notes)		
Net Assets:		
Without donor restrictions	2,101,522	1,747,167
With donor restrictions	396,571	384,632
	<u> </u>	<u> </u>
Total net assets	<u>2,498,093</u>	<u>2,131,799</u>
Total liabilities and net assets	<u>\$ 2,809,106</u>	<u>\$ 2,396,496</u>

See accompanying notes to the financial statements.

LINCOLN SQUARE DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:						
Assessment revenue	\$ 2,850,000	\$ -	\$ 2,850,000	\$ 2,850,000	\$ -	\$ 2,850,000
Government grants	13,368	-	13,368	18,256	-	18,256
Contributions	218,619	11,939	230,558	186,370	7,113	193,483
Contributions in-kind	63,000	-	63,000	63,000	-	63,000
Interest income	352	-	352	411	-	411
Total support and revenues	<u>3,145,339</u>	<u>11,939</u>	<u>3,157,278</u>	<u>3,118,037</u>	<u>7,113</u>	<u>3,125,150</u>
Expenses:						
Program expenses:						
Marketing and promotion	432,146	-	432,146	334,197	-	334,197
Safety	536,509	-	536,509	639,172	-	639,172
Sanitation	899,456	-	899,456	795,705	-	795,705
Public improvements	320,873	-	320,873	342,412	-	342,412
Total program expenses	<u>2,188,984</u>	<u>-</u>	<u>2,188,984</u>	<u>2,111,486</u>	<u>-</u>	<u>2,111,486</u>
Management and general	503,236	-	503,236	399,786	-	399,786
Fundraising	98,764	-	98,764	131,473	-	131,473
Total expenses	<u>2,790,984</u>	<u>-</u>	<u>2,790,984</u>	<u>2,642,745</u>	<u>-</u>	<u>2,642,745</u>
Increase/(decrease) in net assets	<u>354,355</u>	<u>11,939</u>	<u>366,294</u>	<u>475,292</u>	<u>7,113</u>	<u>482,405</u>
Net assets, beginning of year	1,747,167	384,632	2,131,799	1,271,875	377,519	1,649,394
Net assets, end of year	<u>\$ 2,101,522</u>	<u>\$ 396,571</u>	<u>\$ 2,498,093</u>	<u>\$ 1,747,167</u>	<u>\$ 384,632</u>	<u>\$ 2,131,799</u>

See accompanying notes to the financial statements.

LINCOLN SQUARE DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 2022

	<u>Program Expenses</u>				<u>Supporting Services</u>			
	<u>Marketing & Promotion</u>	<u>Safety</u>	<u>Sanitation</u>	<u>Public Improvements</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Personnel costs:								
Management salaries	\$ 89,290	\$ 125,711	\$ 125,711	\$ 120,454	\$ 461,166	\$ 77,353	\$ 77,353	\$ 615,872
Staff salaries	96,790	-	-	-	96,790	33,104	8,194	138,088
Payroll taxes and benefits	33,132	22,660	22,660	23,608	102,060	17,833	12,977	132,870
Outside contractors	55,235	364,071	726,863	161,055	1,307,224	48,150	240	1,355,614
Total personnel costs	<u>274,447</u>	<u>512,442</u>	<u>875,234</u>	<u>305,117</u>	<u>1,967,240</u>	<u>176,440</u>	<u>98,764</u>	<u>2,242,444</u>
Direct expenses:								
Depreciation and amortization	18,576	-	-	-	18,576	11,804	-	30,380
Insurance	-	-	-	-	-	15,792	-	15,792
Rent and utilities	-	24,000	24,000	-	48,000	189,519	-	237,519
Office expenses	-	-	-	-	-	33,371	-	33,371
Postage and messengers	-	-	-	-	-	1,669	-	1,669
Professional fees	-	-	-	-	-	61,079	-	61,079
Project expenses	129,478	-	-	1,931	131,409	-	-	131,409
Supplies and equipment	9,645	67	222	13,825	23,759	4,681	-	28,440
Telephone	-	-	-	-	-	8,881	-	8,881
Total direct expenses	<u>157,699</u>	<u>24,067</u>	<u>24,222</u>	<u>15,756</u>	<u>221,744</u>	<u>326,796</u>	<u>-</u>	<u>548,540</u>
Total expenses	<u>\$ 432,146</u>	<u>\$ 536,509</u>	<u>\$ 899,456</u>	<u>\$ 320,873</u>	<u>\$ 2,188,984</u>	<u>\$ 503,236</u>	<u>\$ 98,764</u>	<u>\$ 2,790,984</u>

See accompanying notes to financial statements.

LINCOLN SQUARE DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 2021

	<u>Program Expenses</u>				<u>Supporting Services</u>			
	<u>Marketing & Promotion</u>	<u>Safety</u>	<u>Sanitation</u>	<u>Public Improvements</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Personnel costs:								
Management salaries	\$ 100,834	\$ 138,249	\$ 138,249	\$ 132,900	\$ 510,232	\$ 82,974	\$ 82,975	\$ 676,181
Staff salaries	70,831	-	-	12,379	83,210	24,046	30,055	137,311
Payroll taxes and benefits	28,965	24,754	24,737	28,775	107,231	18,415	18,038	143,684
Outside contractors	46,700	451,741	608,533	153,982	1,260,956	-	405	1,261,361
Total personnel costs	<u>247,330</u>	<u>614,744</u>	<u>771,519</u>	<u>328,036</u>	<u>1,961,629</u>	<u>125,435</u>	<u>131,473</u>	<u>2,218,537</u>
Direct expenses:								
Depreciation and amortization	12,500	-	-	-	12,500	11,804	-	24,304
Insurance	-	-	-	-	-	10,445	-	10,445
Rent and utilities	-	24,000	24,000	-	48,000	125,258	-	173,258
Office expenses	-	-	-	-	-	34,569	-	34,569
Postage and messengers	-	-	-	-	-	1,021	-	1,021
Professional fees	-	-	-	-	-	70,360	-	70,360
Project expenses	74,117	-	-	2,687	76,804	-	-	76,804
Supplies and equipment	250	428	186	11,689	12,553	7,609	-	20,162
Telephone	-	-	-	-	-	13,285	-	13,285
Total direct expenses	<u>86,867</u>	<u>24,428</u>	<u>24,186</u>	<u>14,376</u>	<u>149,857</u>	<u>274,351</u>	<u>-</u>	<u>424,208</u>
Total expenses	<u>\$ 334,197</u>	<u>\$ 639,172</u>	<u>\$ 795,705</u>	<u>\$ 342,412</u>	<u>\$ 2,111,486</u>	<u>\$ 399,786</u>	<u>\$ 131,473</u>	<u>\$ 2,642,745</u>

See accompanying notes to financial statements.

LINCOLN SQUARE DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ 366,294	\$ 482,405
Adjustments for non-cash items included in operating activities:		
Depreciation and amortization	30,380	24,304
Changes in assets and liabilities:		
Government grants receivable	(13,368)	-
Prepaid expenses	(15,809)	-
Accounts payable and accrued expenses	46,316	98,973
Refundable advances	-	(15,000)
Net cash provided/(used) by operating activities	413,813	590,682
Cash flows from investing activities:		
Purchase of property and equipment	(30,378)	(62,500)
Net cash provided/(used) by investing activities	(30,378)	(62,500)
Cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	383,435	528,182
Cash and cash equivalents, at beginning of year	2,249,209	1,721,027
Cash and cash equivalents, at end of year	\$ 2,632,644	\$ 2,249,209

See accompanying notes to the financial statements.

LINCOLN SQUARE DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

The Association

Lincoln Square District Management Association, Inc. (Association), a not-for-profit organization, was incorporated in the State of New York on December 6, 1996. 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 Lincoln Square Business Improvement District (BID). The BID's boundaries are approximately Broadway from 58th Street to 70th Street, and Columbus Avenue from 60th Street to 68th Street, as well as two blocks on Central Park West and the east side of Amsterdam Avenue from 60th to 70th streets.

The Association's programs (as initially disclosed in the district plan) include the following: Safety - providing increased public security and general assistance through a combination of uniformed security officers/ambassadors and a working relationship with the New York City Police Department; Sanitation - maintaining clean streets/curbs/sidewalks and garbage removal; Marketing & Promotion - promoting the district to residents and tourists and to retain and develop prospective businesses; and Public Improvements - improving the overall appearance of the district through a combination of beautification and other projects.

As part of its commitment to social services, the BID's sanitation and area maintenance program includes utilizing the services of Goddard Riverside Community Center's Green Keepers, a training program for the formerly homeless, who are under contract with the BID to clean the malls five days a week.

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.

LINCOLN SQUARE DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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, revenue, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. This classification includes net assets designated by the board or management for a specified purpose.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature (endowment), where the donor stipulates that resources be maintained in perpetuity.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Association allocates salaries and related expenses based on estimated time and effort. The Association classifies expenses, which are not directly related to a specific program, as Management and General expenses.

LINCOLN SQUARE 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 adjustments are corrected in the next billing cycle.

The Association recognizes contributions when cash, noncash assets, or unconditional promises to give are received. Nonfinancial assets are valued based upon the type of asset that 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 refundable advances in the statements of financial position. At June 30, 2022 and 2021, contributions totaling \$27,000 and \$28,500, respectively, have not been recognized in the accompanying statements of activities because the conditions on which they depend have not been met. The recognition of these contributions is conditioned upon the Association completing certain program goals in the next fiscal year.

All contributions are considered available for the Association's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted for a purpose by the donor are reported as support with donor restrictions and increases in net assets with donor restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as support without donor restrictions and increases in net assets without donor restrictions. When a restriction expires (either a stipulated time period ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Association received grants from governmental agencies. Depending upon the terms of the grant, it can be either an exchange transaction or a contribution. In accordance with grant provisions, the grant can be an expense reimbursement grant which requires that approved expenses be incurred prior to reimbursement by the grantor. Other grants permit advances of grant funds or full payment of grant funds at the start of the grant. If the grant is an exchange type grant, all unreimbursed expenses, for approved purposes, as of year-end are recorded as receivables and any unexpended advances are recorded as deferred revenue. If the grant is a contribution, it is recognized in accordance with the contribution recognition policy described above.

LINCOLN SQUARE 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, 2022 and 2021:

	2022	2021
Bank deposits and cash	\$ 2,377,889	\$ 1,994,531
Money market funds	254,755	254,678
	\$ 2,632,644	\$ 2,249,209

Note 3 - Property and Equipment

Property and equipment by major class consisted of the following at June 30, 2022 and 2021:

	2022	2021
Equipment	\$ 103,944	\$ 73,566
Leasehold improvements	22,406	22,406
Furniture and fixtures	52,879	52,879
	179,229	148,851
Less: Accumulated depreciation and amortization	(66,488)	(36,108)
	\$ 112,741	\$ 112,743

Note 4 - Commitments and Contingencies

The Association leases office space under a non-cancelable operating lease set to expire January 31, 2030. As of June 30, 2022, minimum aggregate annual rentals are as follows:

Year ended June 30, 2023	\$ 187,581
2024	191,386
2025	200,033
2026	210,760
2027	215,032
2028 and thereafter	575,337

Note 5 - Net Assets With Donor Restrictions

As of June 30, 2022 and 2021, net assets with donor restrictions are available as follows:

	2022	2021
Streetscape and beautification	\$ 396,571	\$ 384,632

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

Note 6 - Government Grants

The Association was awarded various grants by the City of New York. Total revenue recognized under the grants amounted to \$13,368 and \$18,256 for the years ended June 30, 2022 and 2021, respectively.

Note 7 - Contributions In-Kind

The Association received contributions in-kind that meet the criteria for being recognized in accordance with GAAP. For the years ended June 30, 2022 and 2021, amounts recognized in the statements of activities are as follows:

	2022	2021
Free use of facilities – field office space used for programmatic activities	\$ 48,000	\$ 48,000
Landscape contracting – used for programmatic activities	15,000	15,000
Total contributions in-kind	\$ 63,000	\$ 63,000

The contributions in-kind received during the years ended June 30, 2022 and 2021, did not have any donor-imposed restrictions.

The valuation techniques used by the Association for each contribution in-kind received are as follows:

- Free use of facilities - the fair value is estimated based on rents for similar facilities in the same geographical area.
- Landscape contracting - the fair value is estimated using current rates for similar services.

Note 8 - Pension Plan

The Association adopted a simplified employee pension plan. The plan allows for the Association to make discretionary contributions based on the participant's salary. Association contributions to the plan amounted to \$36,725 and \$35,343 for the years ended June 30, 2022 and 2021, respectively.

Note 9 - Concentrations

The Association maintains its cash and cash equivalents in various 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 exceeded insured limits during the years ended June 30, 2022 and 2021.

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

Note 10 - 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, 2022 and 2021, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	2022	2021
Financial assets:		
Cash and cash equivalents	<u>\$ 2,632,644</u>	<u>\$ 2,249,209</u>
Total financial assets	2,632,644	2,249,209
Less those unavailable for general expenditures within one year	-	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,632,644</u>	<u>\$ 2,249,209</u>

Note 11 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through December 11, 2022, which is the date the financial statements were available to be issued.



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

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited the financial statements of Lincoln Square District Management Association, Inc. as of and for the years ended June 30, 2022 and 2021, and have issued our report thereon dated December 11, 2022, 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 is 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
December 11, 2022

Skody Scot & Company, CPAs, PC

LINCOLN SQUARE DISTRICT MANAGEMENT ASSOCIATION, INC.
SCHEDULE OF EXPENSES AND BUDGET
(Supplemental Financial Information)
YEAR ENDED JUNE 30, 2022

	Total Expenses	Budget
Personnel costs:		
Management salaries	\$ 615,872	\$ 657,990
Staff salaries	138,088	205,200
Payroll taxes and benefits	132,870	168,310
Outside contractors	1,355,614	1,523,500
Total personnel costs	2,242,444	2,555,000
Direct expenses:		
Depreciation and amortization	30,380	-
Insurance	15,792	17,000
Rent and utilities	237,519	189,900
Office expenses	33,371	47,600
Postage and messengers	1,669	-
Professional fees	61,079	50,000
Project expenses	131,409	182,500
Supplies and equipment	28,440	28,000
Telephone	8,881	9,000
Total direct expenses	548,540	524,000
Total expenses	\$ 2,790,984	\$ 3,079,000

Note: Budget does not include in-kind contributions of \$48,000 for rent and \$15,000 for outside contractors.