

**FORDHAM ROAD DISTRICT  
MANAGEMENT ASSOCIATION, INC.**

**FINANCIAL STATEMENTS  
AND  
AUDITORS' REPORT**

**JUNE 30, 2021 AND 2020**

**FORDHAM ROAD DISTRICT MANAGEMENT ASSOCIATION, INC.**

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## INDEPENDENT AUDITORS' REPORT

To: The Board of Directors of  
Fordham Road District Management Association, Inc.

We have audited the accompanying financial statements of Fordham Road 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 Fordham Road 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 6, 2021

**FORDHAM ROAD DISTRICT MANAGEMENT ASSOCIATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 289,260	\$ 138,061
Certificates of deposit	-	25,000
Government grants receivable	55,000	106,001
Prepaid expenses	685	558
Security deposits receivable and other assets	4,706	11,586
	\$ 349,651	\$ 281,206
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accrued expenses and other liabilities	\$ 74,172	\$ 87,787
Loans payable	-	6,035
Total liabilities	74,172	93,822
Commitments and contingencies (see notes)		
Net Assets:		
Without donor restrictions	275,479	187,384
With donor restrictions	-	-
Total net assets	275,479	187,384
Total liabilities and net assets	\$ 349,651	\$ 281,206

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

**FORDHAM ROAD DISTRICT MANAGEMENT ASSOCIATION, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>Support and Revenues:</b>		
Without donor restrictions:		
Assessment revenue	\$ 1,010,000	\$ 1,010,000
Contributions	19,000	45,256
Government grants	55,000	148,185
Interest income	5,345	1,468
Total support and revenues	1,089,345	1,204,909
<b>Expenses:</b>		
Program expenses:		
Marketing and promotion	176,376	222,157
Sanitation	510,413	515,176
Total program expenses	686,789	737,333
Management and general	229,013	200,880
Fundraising	85,448	79,278
Total expenses	1,001,250	1,017,491
Increase/(Decrease) In Net Assets:		
Without donor restrictions	88,095	187,418
With donor restrictions	-	-
Increase/(decrease) in net assets	88,095	187,418
Net assets/(deficit), beginning of year	187,384	(34)
Net assets, end of year	\$ 275,479	\$ 187,384

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

**FORDHAM ROAD DISTRICT MANAGEMENT ASSOCIATION, INC.**  
**STATEMENT OF EXPENSES**  
**YEAR ENDED JUNE 30, 2021**

	<u>Program Expenses</u>			<u>Supporting</u>		
	<u>Marketing &amp; Promotion</u>	<u>Sanitation</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Personnel costs:						
Staff salaries	\$ 51,218	\$ 64,024	\$ 115,242	\$ 76,537	\$ 64,023	\$ 255,802
Payroll taxes	3,743	4,678	8,421	5,614	4,678	18,713
Employee benefits	13,397	16,747	30,144	21,043	16,747	67,934
Outside contractors	85,246	407,976	493,222	13,200	-	506,422
Total personnel costs	<u>153,604</u>	<u>493,425</u>	<u>647,029</u>	<u>116,394</u>	<u>85,448</u>	<u>848,871</u>
Direct expenses:						
Insurance	-	-	-	5,813	-	5,813
Interest	-	-	-	54	-	54
Rent and utilities	-	-	-	55,163	-	55,163
Office supplies & expenses	-	-	-	14,912	-	14,912
Postage and messengers	-	-	-	2,353	-	2,353
Printing	1,450	-	1,450	333	-	1,783
Professional fees	-	-	-	17,827	-	17,827
Program supplies & expenses	21,322	-	21,322	-	-	21,322
Equipment & horticulture	-	16,988	16,988	10,186	-	27,174
Telephone	-	-	-	5,978	-	5,978
Total direct expenses	<u>22,772</u>	<u>16,988</u>	<u>39,760</u>	<u>112,619</u>	<u>-</u>	<u>152,379</u>
Total expenses	<u>\$ 176,376</u>	<u>\$ 510,413</u>	<u>\$ 686,789</u>	<u>\$ 229,013</u>	<u>\$ 85,448</u>	<u>\$ 1,001,250</u>

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

**FORDHAM ROAD DISTRICT MANAGEMENT ASSOCIATION, INC.**  
**STATEMENT OF EXPENSES**  
**YEAR ENDED JUNE 30, 2020**

	<u>Program Expenses</u>			<u>Supporting</u>		
	<u>Marketing &amp; Promotion</u>	<u>Sanitation</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Personnel costs:						
Staff salaries	\$ 46,372	\$ 57,966	\$ 104,338	\$ 94,590	\$ 57,965	\$ 256,893
Payroll taxes	3,742	4,677	8,419	5,613	4,677	18,709
Employee benefits	13,308	16,636	29,944	19,962	16,636	66,542
Outside contractors	17,347	408,921	426,268	-	-	426,268
Total personnel costs	<u>80,769</u>	<u>488,200</u>	<u>568,969</u>	<u>120,165</u>	<u>79,278</u>	<u>768,412</u>
Direct expenses:						
Insurance	-	-	-	10,985	-	10,985
Interest	-	-	-	762	-	762
Rent and utilities	-	-	-	36,762	-	36,762
Office supplies & expenses	-	-	-	4,151	-	4,151
Postage and messengers	-	-	-	1,514	-	1,514
Printing	12,312	-	12,312	-	-	12,312
Professional fees	-	-	-	17,020	-	17,020
Program supplies & expenses	129,076	-	129,076	-	-	129,076
Equipment & horticulture	-	26,976	26,976	4,016	-	30,992
Telephone	-	-	-	5,505	-	5,505
Total direct expenses	<u>141,388</u>	<u>26,976</u>	<u>168,364</u>	<u>80,715</u>	<u>-</u>	<u>249,079</u>
Total expenses	<u>\$ 222,157</u>	<u>\$ 515,176</u>	<u>\$ 737,333</u>	<u>\$ 200,880</u>	<u>\$ 79,278</u>	<u>\$ 1,017,491</u>

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

**FORDHAM ROAD 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	\$ 88,095	\$ 187,418
Adjustments for non-cash items included in operating activities	-	-
Changes in assets and liabilities:		
Accrued expenses and other liabilities	(13,615)	(11,195)
Government grants receivable	51,001	(77,394)
Prepaid expenses	(127)	127
Security deposits receivable and other assets	6,880	(1,695)
Net cash provided/(used) by operating activities	132,234	97,261
Cash flows from investing activities:		
Redemption of certificate of deposit	25,000	25,000
Net cash provided/(used) by investing activities	25,000	25,000
Cash flows from financing activities:		
Loan proceeds	20,000	7,000
Repayment of loans	(26,035)	(43,150)
Net cash provided/(used) by financing activities	(6,035)	(36,150)
Net increase/(decrease) in cash and cash equivalents	151,199	86,111
Cash and cash equivalents, at beginning of year	138,061	51,950
Cash and cash equivalents, at end of year	\$ 289,260	\$ 138,061
Supplemental Information:		
Retirement of fully depreciated assets	\$ 3,597	\$ -
Interest paid	54	762

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



**FORDHAM ROAD DISTRICT MANAGEMENT ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies

The Association

Fordham Road District Management Association, Inc. (Association), a not-for-profit organization, was incorporated in the State of New York on May 24, 2005. 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 Fordham Road Business Improvement District (BID). The BID's boundaries are approximately from Washington Avenue to Jerome Avenue along Fordham Road and select side streets.

The Association's programs include the following: Sanitation - maintaining clean streets/curbs/sidewalks, garbage removal, and minor public improvements; and Marketing & Promotion - promoting the district to residents and tourists and to retain and develop 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.

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 grants.

**FORDHAM ROAD 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 expensed as incurred 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. Other expenses, such as printing and equipment and horticulture, are allocated based on usage. The Association classifies expenses, which are not directly related to a specific program, as Management and General expenses.

**FORDHAM ROAD 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. Any significant discrepancies due to changes in total amount assessed are recorded as a receivable in the statements of financial position.

The Association 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 refundable advances in the statements of financial position. As of June 30, 2021 and 2020, 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 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 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 refundable advances. If the grant is a contribution, it is recognized in accordance with the contribution recognition policy described above.

During the year ended June 30, 2020, the Association received \$47,185 of Paycheck Protection Program funds from the U.S. Small Business Administration. Management has determined that the correct model to follow is the grant model and that the purpose-related conditions imposed on the grant were met by year-end. Therefore, the full amount has been recognized as revenue. The amount is included with government grants in the statement of activities for the year ended June 30, 2020.

**FORDHAM ROAD 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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Bank deposits and cash	\$ 5,263	\$ 46,898
Money market funds	<u>283,997</u>	<u>91,163</u>
	<u>\$ 289,260</u>	<u>\$ 138,061</u>

**Note 3 - Property and Equipment**

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

	<u>2021</u>	<u>2020</u>
Equipment	\$ -	\$ 3,597
Less: Accumulated depreciation	<u>( - )</u>	<u>( 3,597 )</u>
	<u>\$ -</u>	<u>\$ -</u>

**Note 4 - Government Grants**

During the years ended June 30, 2021 and 2020, the Association was awarded various grants by governmental entities. Total revenue recognized under the grants amounted to \$55,000 and \$148,185 during fiscal years 2021 and 2020, respectively.

**Note 5 - Commitments, Contingencies and Related Party**

The Association leases office space under a non-cancelable operating lease from an entity whose principal is on the Association's Board of Directors. As of June 30, 2021, minimum aggregate annual rentals are as follows:

Year ended June 30, 2022	\$ 48,514
2023	52,596
2024	54,176
2025	18,236

Total rent and utilities expense charged to operations for the years ended June 30, 2021 and 2020 was \$55,163 and \$36,762, respectively.

In August 2012, the Association opened a \$50,000 line of credit with a financial institution. The line of credit is unsecured and charges interest on outstanding principal at an annual rate of 1.5 percentage points above the Wall Street Journal Prime rate. Outstanding principal on this line of credit was \$0 and \$83 as of June 30, 2021 and 2020, respectively.

In 2018, the Association opened a \$100,000 line of credit with a financial institution. The line of credit is secured by the Association's assets and charges interest on outstanding principal at a variable rate. Outstanding principal on this line of credit was \$0 and \$5,952 as of June 30, 2021 and 2020, respectively.

**FORDHAM ROAD DISTRICT MANAGEMENT ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS**

**Note 6 - Pension Plan**

Effective March 1, 2009 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. The plan does not allow for the Association to make contributions. All employees become eligible for participation in the plan on their first day of service to the Association.

**Note 7 - Concentrations**

The Association maintains its bank 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.

**Note 8 - Liquidity and Availability of Financial Assets**

The Association regularly monitors liquidity required to meet its operating needs and other obligations as they come due.

In the event of an unanticipated liquidity need, the Association also could draw upon available lines of credit (as further discussed in Note 5).

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	\$ 289,260	\$ 138,061
Certificates of deposit	-	25,000
Receivables	<u>55,000</u>	<u>106,001</u>
Total financial assets	344,260	269,062
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>\$ 344,260</u>	<u>\$ 269,062</u>

**FORDHAM ROAD DISTRICT MANAGEMENT ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS**

Note 9 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through December 6, 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  
Fordham Road District Management Association, Inc.

We have audited the financial statements of Fordham Road District Management Association, Inc. as of and for the years ended June 30, 2021 and 2020, and have issued our report thereon dated December 6, 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 is presented for the purpose of additional analysis and is 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 6, 2021

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

	<b>Total Expenses</b>	<b>Budget</b>
<b>Personnel costs:</b>		
Staff salaries	\$ 255,802	\$ 331,900
Payroll taxes	18,713	25,750
Employee benefits	67,934	70,729
Outside contractors	506,422	485,000
Total personnel costs	848,871	913,379
<b>Direct expenses:</b>		
Insurance	5,813	20,000
Interest	54	-
Rent and utilities	55,163	53,652
Office supplies & expenses	14,912	19,230
Postage and messengers	2,353	3,805
Printing	1,783	3,500
Professional fees	17,827	17,654
Program supplies & expenses	21,322	20,000
Equipment & horticulture	27,174	30,200
Telephone	5,978	5,956
Total direct expenses	152,379	173,997
Total expenses	\$ 1,001,250	\$ 1,087,376