

MEATPACKING DISTRICT MANAGEMENT ASSOCIATION, INC.

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORT**

JUNE 30, 2024 AND 2023

MEATPACKING DISTRICT MANAGEMENT ASSOCIATION, INC.

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of Meatpacking District Management Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, 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 Meatpacking District Management Association, Inc. as of June 30, 2024 and 2023, 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 Meatpacking 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 Meatpacking District Management Association, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be 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 Meatpacking 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 Meatpacking 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.

New York, NY
January 13, 2025

Skoddy Scot & Company, CPAS, P.C.

MEATPACKING DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash	\$ 3,428,212	\$ 2,686,687
Contributions receivable	-	75,500
Program service revenue receivables	89,850	5,000
Prepaid expenses	1,103	34,870
Property, equipment and intangible asset, net	980,530	1,173,854
Right of use asset - operating lease	299,542	398,378
Total assets	\$ 4,799,237	\$ 4,374,289
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 336,300	\$ 332,960
Deferred revenue	-	10,000
Lease liability - operating lease	289,291	398,378
Total liabilities	625,591	741,338
Net Assets:		
Without donor restrictions	4,173,646	3,632,951
With donor restrictions	-	-
Total net assets	4,173,646	3,632,951
Total liabilities and net assets	\$ 4,799,237	\$ 4,374,289

See accompanying notes to the financial statements.

MEATPACKING DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:						
Assessment revenue	\$ 3,117,174	\$ -	\$ 3,117,174	\$ 2,762,760	\$ -	\$ 2,762,760
Program service revenue	1,084,498	-	1,084,498	550,745	-	550,745
Contributions	84,500	-	84,500	217,800	-	217,800
Government grant	15,000	-	15,000	-	-	-
Royalty revenue	52,878	-	52,878	2,802	-	2,802
Interest income	151,717	-	151,717	42,721	-	42,721
Net assets released from restriction:						
Satisfaction of purpose restrictions	-	-	-	20,000	(20,000)	-
Total support and revenues	<u>4,505,767</u>	<u>-</u>	<u>4,505,767</u>	<u>3,596,828</u>	<u>(20,000)</u>	<u>3,576,828</u>
Expenses:						
Program services:						
Sanitation	908,533	-	908,533	785,163	-	785,163
Public safety	357,495	-	357,495	342,970	-	342,970
Marketing and events	1,610,203	-	1,610,203	1,399,983	-	1,399,983
Public improvements	738,511	-	738,511	672,986	-	672,986
Total program expenses	<u>3,614,742</u>	<u>-</u>	<u>3,614,742</u>	<u>3,201,102</u>	<u>-</u>	<u>3,201,102</u>
Management and general	350,330	-	350,330	426,655	-	426,655
Total expenses	<u>3,965,072</u>	<u>-</u>	<u>3,965,072</u>	<u>3,627,757</u>	<u>-</u>	<u>3,627,757</u>
Increase/(decrease) in net assets	540,695	-	540,695	(30,929)	(20,000)	(50,929)
Net assets, beginning of year	3,632,951	-	3,632,951	3,663,880	20,000	3,683,880
Net assets, end of year	<u>\$ 4,173,646</u>	<u>\$ -</u>	<u>\$ 4,173,646</u>	<u>\$ 3,632,951</u>	<u>\$ -</u>	<u>\$ 3,632,951</u>

See accompanying notes to the financial statements.

MEATPACKING DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services				Total Program	Supporting Services	Total Expenses
	Sanitation	Public Safety	Marketing and Events	Public Improvements		Management and General	
Personnel costs:							
Staff salaries	\$ 144,731	\$ 72,366	\$ 325,645	\$ 108,548	\$ 651,290	\$ 72,366	\$ 723,656
Payroll taxes and benefits	23,772	11,886	53,488	17,829	106,975	11,887	118,862
Outside contractors	709,623	258,039	242,152	32,438	1,242,252	35,518	1,277,770
Total personnel costs	<u>878,126</u>	<u>342,291</u>	<u>621,285</u>	<u>158,815</u>	<u>2,000,517</u>	<u>119,771</u>	<u>2,120,288</u>
Direct expenses:							
Depreciation and amortization	-	-	59,902	209,934	269,836	70,994	340,830
Insurance	-	-	-	33,698	33,698	3,744	37,442
Landscaping	-	-	-	260,290	260,290	-	260,290
Occupancy	30,407	15,204	68,416	22,805	136,832	15,203	152,035
Office supplies and expenses	-	-	1,221	-	1,221	46,243	47,464
Printing and design	-	-	72,523	-	72,523	-	72,523
Professional fees	-	-	-	15,110	15,110	34,235	49,345
Project and event expenses	-	-	725,222	7,146	732,368	-	732,368
Public wi-fi	-	-	-	30,713	30,713	-	30,713
Software and subscriptions	-	-	23,136	-	23,136	6,193	29,329
Staff development	-	-	-	-	-	14,435	14,435
Telephone	-	-	-	-	-	9,820	9,820
Travel and meetings	-	-	20,103	-	20,103	8,772	28,875
Website	-	-	18,395	-	18,395	20,920	39,315
Total direct expenses	<u>30,407</u>	<u>15,204</u>	<u>988,918</u>	<u>579,696</u>	<u>1,614,225</u>	<u>230,559</u>	<u>1,844,784</u>
Total expenses	<u>\$ 908,533</u>	<u>\$ 357,495</u>	<u>\$ 1,610,203</u>	<u>\$ 738,511</u>	<u>\$ 3,614,742</u>	<u>\$ 350,330</u>	<u>\$ 3,965,072</u>

See accompanying notes to the financial statements.

MEATPACKING DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services				Total Program	Supporting Services	Total Expenses
	Sanitation	Public Safety	Marketing and Events	Public Improvements		Management and General	
Personnel costs:							
Staff salaries	\$ 100,321	\$ 66,881	\$ 300,963	\$ 133,761	\$ 601,926	\$ 66,881	\$ 668,807
Payroll taxes and benefits	15,796	10,531	47,388	21,061	94,776	10,530	105,306
Outside contractors	635,862	245,188	128,100	10,049	1,019,199	115,148	1,134,347
Total personnel costs	<u>751,979</u>	<u>322,600</u>	<u>476,451</u>	<u>164,871</u>	<u>1,715,901</u>	<u>192,559</u>	<u>1,908,460</u>
Direct expenses:							
Bad debt	-	-	-	-	-	47,500	47,500
Depreciation and amortization	-	-	46,353	162,301	208,654	37,018	245,672
Equipment and supplies	8,005	3,584	-	6,000	17,589	-	17,589
Insurance	-	-	-	35,044	35,044	3,894	38,938
Landscaping	-	-	-	199,326	199,326	-	199,326
Occupancy	25,179	16,786	75,536	33,572	151,073	16,785	167,858
Office supplies and expenses	-	-	1,056	-	1,056	35,626	36,682
Printing and design	-	-	85,806	-	85,806	-	85,806
Professional fees	-	-	34,522	3,000	37,522	26,223	63,745
Project and event expenses	-	-	628,375	43,872	672,247	-	672,247
Public wi-fi	-	-	-	25,000	25,000	-	25,000
Software and subscriptions	-	-	20,252	-	20,252	17,166	37,418
Staff development	-	-	-	-	-	7,871	7,871
Telephone	-	-	-	-	-	6,082	6,082
Travel and meetings	-	-	16,174	-	16,174	7,895	24,069
Website	-	-	15,458	-	15,458	28,036	43,494
Total direct expenses	<u>33,184</u>	<u>20,370</u>	<u>923,532</u>	<u>508,115</u>	<u>1,485,201</u>	<u>234,096</u>	<u>1,719,297</u>
Total expenses	<u>\$ 785,163</u>	<u>\$ 342,970</u>	<u>\$ 1,399,983</u>	<u>\$ 672,986</u>	<u>\$ 3,201,102</u>	<u>\$ 426,655</u>	<u>\$ 3,627,757</u>

See accompanying notes to the financial statements.

MEATPACKING DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ 540,695	\$ (50,929)
Adjustments for non-cash items included in operating activities:		
Bad debt	-	47,500
Depreciation and amortization	340,830	245,672
Amortization of right of use asset	98,836	103,245
Accretion of lease liability	12,044	16,875
(Increases)/decreases in assets:		
Contributions receivable	75,500	(114,673)
Program service revenue receivables	(84,850)	48,750
Government grant receivable	-	20,000
Prepaid expenses	33,767	(14,370)
Increases/(decreases) in liabilities:		
Accounts payable and accrued expenses	3,340	(134,466)
Deferred revenue	(10,000)	10,000
Payment of operating lease liability	(121,131)	(110,880)
Net cash provided/(used) by operating activities	889,031	66,724
Cash flows from investing activities:		
Purchase of property and equipment	(147,506)	(401,821)
Net cash provided/(used) by investing activities	(147,506)	(401,821)
Cash flows from financing activities	-	-
Net increase/(decrease) in cash	741,525	(335,097)
Cash, beginning of year	2,686,687	3,021,784
Cash, end of year	\$ 3,428,212	\$ 2,686,687

See accompanying notes to the financial statements.

MEATPACKING DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

The Association

Meatpacking District Management Association, Inc. (Association), a nonprofit organization, was incorporated in the State of New York on November 25, 2015. 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 provisions. 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 Meatpacking Business Improvement District (District) and from program service revenue. The District's boundaries are approximately from Horatio Street to West 17th Street, between the West Side Highway and Eighth Avenue.

The Association's programs include the following: Sanitation - maintaining clean streets and curbs and providing garbage and graffiti removal; Public Safety - providing increased public security through a combination of uniformed guards and a working relationship with the New York City Police Department; Marketing and Events - promoting the District to residents and tourists and retaining and developing prospective businesses; and Public Improvements - improving the overall appearance of the District by developing and implementing improvements and maintenance.

Basis of Accounting

The financial statements of the Association have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) 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 financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

MEATPACKING DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Receivables

The Association records receivables from program service revenue and contributions. Program service revenue receivables are reported at their net realizable value. The Association evaluates the collectability of its program service revenue receivables at least annually using a current expected credit loss (CECL) model. Under this model, an allowance for credit losses is recorded for the expected lifetime losses on the receivables. This evaluation is based on historical loss experience, current economic conditions, and reasonable and supportable forecasts that affect the collectability of the outstanding balances. Receivables deemed uncollectable are written off against the allowance when it is determined that the receivable will not be collected.

The Association has determined that no allowance for credit losses is necessary as of June 30, 2024 and 2023, based on historical collection rates, creditworthiness of the customers and economic conditions stability.

Contributions receivable expected to be received within one year are reported at their net realizable value. Contributions receivable expected to be collected in future years are reported at the present value of estimated future cash flows. Uncollectable pledges are written off in the period in which the pledge is determined uncollectable. As of June 30, 2024 and 2023, all contributions receivable are expected to be collected within one year and have therefore been stated at their net realizable value with no allowance for uncollectable receivables.

Property and Equipment and Intangible Asset

The Association capitalizes certain property, equipment, and intangible assets with estimated lives of two years or more. Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation of furniture, equipment, and street improvements and fixtures is computed by the straight-line method over estimated useful lives ranging from three to ten years. When the Association holds the title to any street improvements and street fixtures, the amounts are capitalized and subsequently depreciated. All other street improvements and fixtures are charged as an expense. Leasehold improvements are amortized by the straight-line method over the life of the improvement or the term of the lease, whichever is shorter. The intangible asset, consisting of website development costs, is amortized over a three-year period. Expenditures for repairs and maintenance are charged as an expense, and major renewals and betterments are capitalized.

MEATPACKING DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Lease Liability and Right of Use Asset

The Association entered into a noncancelable operating lease agreement for its office space to obtain a right of use (ROU) asset. The lease liability and ROU asset represent its lease obligations and rights to use the leased asset over the period of the lease and are recognized at the lease commencement date. The lease payments are discounted using a rate determined when the lease is recognized. The related operating lease ROU asset may differ from the operating lease liability due to deferred or prepaid lease payments. The ROU asset is amortized over the lease term. The Association has elected to apply the short-term lease exception to all leases with a term of one year or less.

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.

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. Salaries and related expenses are allocated based on estimated time and effort. Other expenses such as depreciation and amortization, insurance, and occupancy, are allocated based on usage. The Association classifies expenses which are not directly related to a specific program as management and general expenses.

MEATPACKING 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 recognized by the Association ratably throughout the year. The City remits these assessments to the Association in two installments (July and January) during the fiscal year and each payment covers the successive six-month periods. Assessment billing errors are recorded as a direct reduction of assessment revenue. Any significant discrepancies due to changes in total amounts assessed are recorded as receivables in the statements of financial position.

The Association recognizes contributions when cash and other financial assets, nonfinancial assets/services, or 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. At June 30, 2024 and 2023, the Association did not have any conditional pledges that were not recognized.

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 revenue with donor restrictions and increases in net assets with donor restrictions. Contributions received with restrictions that are met in the same reporting period are reported as revenue 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 payments related to public plaza and other events, and banner and marketing services. The Association's revenue recognition policies, fee structures, and payment details are as follows for program service revenue:

- Public plaza and other event revenue is recognized as the contract obligations are fulfilled. Fees are based on the standalone prices, and payments are typically made prior to the event, however, in certain instances, payments are made after the event is finished.
- Banner and marketing service revenue is recognized as the contract obligations are fulfilled. Fees are based on the standalone prices, and payments are typically due after the completion of the contract obligations, however, in certain instances, payments are made prior to the contract period.

Any program service revenue received which has not been earned is recorded as deferred revenue.

The Association received an expense reimbursement grant from a government entity, which requires that approved expenses be incurred prior to reimbursement by the government entity. The revenue is recognized in the period the approved expenditures are incurred.

Royalty revenue is recognized by the Association when there is evidence of a sale, lease or transfer of a Chelsea NYC Bench, including any derivatives and improvements. Fees are based on the standalone contract prices and payments are due in the period after the sale or transfer. Any revenue received which has not been earned is recorded as deferred revenue.

**MEATPACKING DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 2 - Property, Equipment, and Intangible Asset

Property, equipment, and intangible asset by major class consist of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Equipment	\$ 20,093	\$ 14,836
Street improvements and fixtures	1,590,371	1,448,122
Leasehold improvements	73,038	73,038
Website development	<u>204,000</u>	<u>204,000</u>
	1,887,502	1,739,996
Less: accumulated depreciation and amortization	<u>(906,972)</u>	<u>(566,142)</u>
	<u>\$ 980,530</u>	<u>\$ 1,173,854</u>

Note 3 - Lease Commitments and Related Party

During the year ended June 30, 2022, the Association entered into a noncancelable operating lease agreement for office space from an entity related to a board member. The lease agreement was signed at fair market value and is set to expire at the end of April 2027. Total payments to this related party for the years ended June 30, 2024 and 2023, totaled \$132,882 and \$120,592, respectively. As of June 30, 2024, the minimum aggregate annual lease commitments are as follows:

Year ended June 30, 2025	\$ 110,880
2026	110,880
2027	<u>92,400</u>
Total lease payments	314,160
Less: prepaid rent	(10,251)
Less: imputed interest (3.5%)	<u>(14,618)</u>
Total operating lease liability	<u>\$ 289,291</u>

The Association's noncancelable lease expenses for the years ended June 30, 2024 and 2023, are included in the statements of activities and expenses as follows:

	<u>2024</u>	<u>2023</u>
Sanitation	\$ 22,176	\$ 22,176
Public safety	11,088	11,088
Marketing and events	49,896	49,896
Public improvements	16,632	16,632
Management and general	<u>11,088</u>	<u>11,088</u>
	<u>\$ 110,880</u>	<u>\$ 110,880</u>

Note 4 - Board Reserve Fund

During the year ended June 30, 2024, the Association's executive committee of the board of directors established a \$3,000,000 reserve fund for future capital improvements and special projects within the District. The board of directors, finance committee, and executive committee can authorize the use of these funds when needed.

**MEATPACKING DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 5 - Government Grant

During the year ended June 30, 2024, the Association was awarded a grant by the New York City Department of Transportation for \$15,000. The amount is included as a government grant on the statement of activities for the year then ended.

Note 6 - Revenue from Contracts with Customers

Detail of revenue from contracts with customers during the years ended June 30, 2024 and 2023, is as follows:

	2024	2023
Public plaza and other event fees	\$ 796,239	\$ 485,375
Banner and marketing services	288,259	65,370
	\$ 1,084,498	\$ 550,745
Royalty revenue	\$ 52,878	\$ 2,802

As of June 30, 2023, a total of \$10,000 was received for banner and marketing services that were not completed by the Association as of year-end. The amount is reported as deferred revenue on the statement of financial position as of June 30, 2023.

The Association's receivables from contracts with customers consist of amounts due for banner and marketing services and public plaza event fees. The beginning and ending balances for contract receivables are as follows for the years ended June 30, 2024 and 2023:

	2024	2023
Beginning balance	\$ 5,000	\$ 53,750
Ending balance	\$ 89,850	\$ 5,000

Note 7 - Retirement Plan

Effective March 1, 2016, the Association adopted a qualified cash or deferred compensation plan (Plan) under section 403(b) of the Internal Revenue Code (IRC). Under the Plan, employees may elect to defer up to 20% of their salary, subject to IRC limits. The Plan allows for the Association to make discretionary contributions based on the participant's salary. Employees are eligible to participate in the Plan on the first day of employment with the Association. Employees are eligible for discretionary contributions after three months of service to the Association. During the years ended June 30, 2024 and 2023, the Association made contributions of \$16,242 and \$15,502, respectively, to the Plan.

Note 8 - Concentrations

The Association maintains its bank accounts with 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 the insured limits during the years ended June 30, 2024 and 2023.

**MEATPACKING DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 9 - Public Plaza License

During 2016, the Association assumed all the plaza activities formerly operated by Meatpacking Improvement Association, Inc. and Chelsea Improvement Company, Inc. In July 2019, the Association established a new agreement with the New York City Department of Transportation under the name of the Association. The agreement allows the Association to collect special event fees, subconcession fees, 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 a segregated interest-bearing 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 budgets, the excess amount of funds shall be used to provide any services and/or alterations in the public plazas. 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 plazas.

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, 2024 and 2023, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	2024	2023
Financial assets:		
Cash	\$ 3,428,212	\$ 2,686,687
Receivables	89,850	80,500
Total financial assets	3,518,062	2,767,187
Less those unavailable for general expenditures within one year:		
Board reserve fund	(3,000,000)	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 518,062	\$ 2,767,187

Note 11 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through January 13, 2025, which is the date the financial statements were available to be issued.



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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited the financial statements of Meatpacking District Management Association, Inc. as of and for the years ended June 30, 2024 and 2023, and have issued our report thereon dated January 13, 2025, 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 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.

Skody Scot & Company, CPAs, PC

New York, NY
January 13, 2025

MEATPACKING DISTRICT MANAGEMENT ASSOCIATION, INC.
SCHEDULE OF EXPENSES AND BUDGET
(Supplemental Financial Information)
YEAR ENDED JUNE 30, 2024

	<u>Total Expenses</u>	<u>Budget</u>
Personnel costs:		
Staff salaries	\$ 723,656	\$ 850,000
Payroll taxes and benefits	118,862	201,700
Outside contractors	1,277,770	1,474,500
Total personnel costs	<u>2,120,288</u>	<u>2,526,200</u>
Direct expenses:		
Depreciation and amortization	340,830	-
Insurance	37,442	59,000
Landscaping	260,290	260,000
Occupancy	152,035	161,500
Office supplies and expenses	47,464	46,500
Printing and design	72,523	85,000
Professional fees	49,345	75,000
Project and event expenses	732,368	778,000
Public wi-fi	30,713	25,000
Software and subscriptions	29,329	-
Staff development	14,435	15,000
Telephone	9,820	8,500
Travel and meetings	28,875	30,500
Website	39,315	40,000
Total direct expenses	<u>1,844,784</u>	<u>1,584,000</u>
Total expenses	<u>\$ 3,965,072</u>	<u>\$ 4,110,200</u>

MEATPACKING DISTRICT MANAGEMENT ASSOCIATION, INC.
SCHEDULE OF PUBLIC PLAZA
ACTIVITIES AND BUDGET
(Supplemental Financial Information)
YEAR ENDED JUNE 30, 2024

	Actual Activity	DOT Plaza Budget
Support and Revenues:		
Plaza related revenues	\$ 715,000	\$ 600,000
Expenses:		
Direct expenses:		
Cleaning/trash/snow removal (Sanitation)	229,361	266,667
Landscape maintenance (Public Improvements)	51,000	48,333
Public safety (Public Safety)	62,964	75,000
Total direct expenses	343,325	390,000
Administrative costs:		
Administration allocation	179,381	148,000
Insurance	14,425	40,000
Total administrative costs	193,806	188,000
Total expenses	537,131	\$ 578,000
Excess/(deficit) revenues from plaza activities	177,869	
Balance of accrual fund, beginning of year	18,166	
Balance of accrual fund, end of year	\$ 196,035	

Note - The above information is prepared in accordance with agreement #RCT1 841 20208200091 with New York City Department of Transportation dated July 3, 2019. The above expenses are included on Page 5 in the (program) noted above.