

MEATPACKING DISTRICT MANAGEMENT ASSOCIATION, INC.

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORT**

JUNE 30, 2022 AND 2021

MEATPACKING 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

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, 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 Meatpacking 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 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 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 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 10, 2023

Skody Scot & Company, CPAs, P.C.

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

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 3,021,784	\$ 2,130,640
Royalty and contributions receivable	8,327	5,921
Program revenue receivable	53,750	8,750
Government grant receivable	20,000	-
Due from related party	-	981,485
Prepaid expenses	20,500	-
Right of use asset - operating lease	501,623	-
Property and equipment, net	1,017,705	1,058,998
Total assets	\$ 4,643,689	\$ 4,185,794

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ 467,426	\$ 425,439
Lease liability - operating lease	492,383	-
Total liabilities	959,809	425,439
Commitments and contingencies (see notes)		
Net Assets:		
Without donor restrictions	3,663,880	3,760,355
With donor restrictions	20,000	-
Total net assets	3,683,880	3,760,355
Total liabilities and net assets	\$ 4,643,689	\$ 4,185,794

See accompanying notes to the financial statements.

MEATPACKING 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	\$ 2,511,600	\$ -	\$ 2,511,600	\$ 2,392,000	\$ -	\$ 2,392,000
Program service revenue	763,966	-	763,966	184,171	-	184,171
Contributions	78,055	-	78,055	628,366	-	628,366
Contributions - nonfinancial	-	-	-	850,000	-	850,000
Contributions - in-kind	-	-	-	48,000	-	48,000
Government grant	-	20,000	20,000	-	-	-
Royalty revenue	9,205	-	9,205	8,758	-	8,758
Interest income	6,278	-	6,278	7,620	-	7,620
Total support and revenues	<u>3,369,104</u>	<u>20,000</u>	<u>3,389,104</u>	<u>4,118,915</u>	<u>-</u>	<u>4,118,915</u>
Expenses:						
Program expenses:						
Sanitation	723,677	-	723,677	604,300	-	604,300
Public safety	369,024	-	369,024	256,689	-	256,689
Marketing and events	1,341,699	-	1,341,699	1,020,979	-	1,020,979
Public improvements	697,205	-	697,205	495,961	-	495,961
Total program expenses	<u>3,131,605</u>	<u>-</u>	<u>3,131,605</u>	<u>2,377,929</u>	<u>-</u>	<u>2,377,929</u>
Management and general	333,974	-	333,974	231,193	-	231,193
Total expenses	<u>3,465,579</u>	<u>-</u>	<u>3,465,579</u>	<u>2,609,122</u>	<u>-</u>	<u>2,609,122</u>
Increase/(decrease) in net assets	(96,475)	20,000	(76,475)	1,509,793	-	1,509,793
Net assets, beginning of year	3,760,355	-	3,760,355	2,250,562	-	2,250,562
Net assets, end of year	<u>\$ 3,663,880</u>	<u>\$ 20,000</u>	<u>\$ 3,683,880</u>	<u>\$ 3,760,355</u>	<u>\$ -</u>	<u>\$ 3,760,355</u>

See accompanying notes to the financial statements.

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

	Program Expenses				Total Program	Supporting	Total Expenses
	Sanitation	Public Safety	Marketing and Events	Public Improvements		Management and General	
Personnel costs:							
Staff salaries	\$ 91,911	\$ 61,274	\$ 275,733	\$ 122,548	\$ 551,466	\$ 61,274	\$ 612,740
Payroll taxes and benefits	14,281	9,520	42,842	19,041	85,684	9,521	95,205
Outside contractors	600,517	286,918	128,255	72,146	1,087,836	-	1,087,836
Total personnel costs	<u>706,709</u>	<u>357,712</u>	<u>446,830</u>	<u>213,735</u>	<u>1,724,986</u>	<u>70,795</u>	<u>1,795,781</u>
Direct expenses:							
Depreciation and amortization	-	-	33,680	161,537	195,217	23,221	218,438
Insurance	-	-	-	21,111	21,111	12,447	33,558
Landscaping	-	-	-	244,560	244,560	-	244,560
Office supplies and expenses	-	-	20,450	-	20,450	50,554	71,004
Printing and design	-	-	66,709	-	66,709	-	66,709
Professional fees	-	-	69,526	8,005	77,531	52,559	130,090
Project expenses	-	-	642,176	9,307	651,483	-	651,483
Rent and utilities	16,968	11,312	50,904	22,625	101,809	11,312	113,121
Telephone	-	-	-	-	-	5,723	5,723
Travel, hotel and meetings	-	-	3,905	-	3,905	20,243	24,148
Website	-	-	7,519	-	7,519	87,120	94,639
Wifi	-	-	-	16,325	16,325	-	16,325
Total direct expenses	<u>16,968</u>	<u>11,312</u>	<u>894,869</u>	<u>483,470</u>	<u>1,406,619</u>	<u>263,179</u>	<u>1,669,798</u>
Total expenses	<u>\$ 723,677</u>	<u>\$ 369,024</u>	<u>\$ 1,341,699</u>	<u>\$ 697,205</u>	<u>\$ 3,131,605</u>	<u>\$ 333,974</u>	<u>\$ 3,465,579</u>

See accompanying notes to the financial statements.

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

	Program Expenses				Total Program	Supporting	Total Expenses
	Sanitation	Public Safety	Marketing and Events	Public Improvements		Management and General	
Personnel costs:							
Staff salaries	\$ 49,111	\$ 49,111	\$ 245,553	\$ 98,221	\$ 441,996	\$ 49,109	\$ 491,105
Payroll taxes and benefits	8,219	8,219	41,095	16,437	73,970	8,218	82,188
Outside contractors	536,493	188,882	117,049	50,609	893,033	-	893,033
Total personnel costs	<u>593,823</u>	<u>246,212</u>	<u>403,697</u>	<u>165,267</u>	<u>1,408,999</u>	<u>57,327</u>	<u>1,466,326</u>
Direct expenses:							
Depreciation and amortization	-	-	-	49,166	49,166	25,679	74,845
Insurance	-	-	-	20,498	20,498	11,713	32,211
Landscaping	-	-	-	170,987	170,987	-	170,987
Office supplies and expenses	-	-	14,484	-	14,484	32,850	47,334
Printing and design	-	-	77,033	-	77,033	-	77,033
Professional fees	-	-	15,000	27,000	42,000	73,862	115,862
Project expenses	-	-	395,110	10,867	405,977	-	405,977
Promotion	-	-	48,000	-	48,000	-	48,000
Rent and utilities	10,477	10,477	52,384	34,049	107,387	10,476	117,863
Telephone	-	-	-	-	-	7,743	7,743
Travel, hotel and meetings	-	-	3,265	-	3,265	11,543	14,808
Website	-	-	12,006	-	12,006	-	12,006
Wifi	-	-	-	18,127	18,127	-	18,127
Total direct expenses	<u>10,477</u>	<u>10,477</u>	<u>617,282</u>	<u>330,694</u>	<u>968,930</u>	<u>173,866</u>	<u>1,142,796</u>
Total expenses	<u>\$ 604,300</u>	<u>\$ 256,689</u>	<u>\$ 1,020,979</u>	<u>\$ 495,961</u>	<u>\$ 2,377,929</u>	<u>\$ 231,193</u>	<u>\$ 2,609,122</u>

See accompanying notes to the financial statements.

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

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ (76,475)	\$ 1,509,793
Adjustments for non-cash items included in operating activities:		
Depreciation and amortization	218,438	74,845
Donation of property and equipment	-	(850,000)
Amortization of right of use asset	7,781	-
Changes in assets and liabilities:		
Royalty and contributions receivable	(2,406)	(5,921)
Program revenue receivable	(45,000)	28,600
Government grant receivable	(20,000)	-
Due from related party	981,485	(508,780)
Prepaid expenses	(20,500)	-
Accounts payable and accrued expenses	41,987	176,060
Payment of operating lease liability	(17,021)	-
Net cash provided/(used) by operating activities	<u>1,068,289</u>	<u>424,597</u>
Cash flows from investing activities:		
Purchase of property and equipment	(177,145)	(234,237)
Net cash provided/(used) by investing activities	<u>(177,145)</u>	<u>(234,237)</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	891,144	190,360
Cash and cash equivalents at beginning of year	<u>2,130,640</u>	<u>1,940,280</u>
Cash and cash equivalents at end of year	<u><u>\$ 3,021,784</u></u>	<u><u>\$ 2,130,640</u></u>
Supplemental information:		
Recognition of right of use asset	\$ 509,404	\$ -
Operating lease liability	(509,404)	-

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 not-for-profit 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 (BID). The BID'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/curbs, garbage removal, 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 & 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 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 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 purpose 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 deposit, 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 receivables.

MEATPACKING 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 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. Expenditures for repairs and maintenance are charged as an expense, and major renewals and betterments are capitalized.

Lease Liability and Right-of-Use Asset

The Association entered into an 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 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 an implicit rate, the Association uses its incremental borrowing rate based on the information available at the time the lease is signed. The related operating lease ROU asset may differ from the operating lease liability due to deferred or prepaid lease payments. 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. The expenses that are allocated include salaries and related expenses based on estimated time and effort and insurance and rent and utilities 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 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, 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 meeting these conditions are reported as refundable advances in the statements of financial position. At June 30, 2022 and 2021, 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 events and other marketing fees. The Association recognizes program service revenue either ratably over the contract period or at a single point in time depending on when performance obligations are satisfied in accordance with the contract. Any revenue received which has not been earned is recorded as deferred revenue.

The Association received a grant from a governmental agency. 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.

Royalty revenue is recognized when earned. Any revenue received which has not been earned is recorded as deferred revenue.

**MEATPACKING 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:

	<u>2022</u>	<u>2021</u>
Bank deposits and cash	\$ 317,025	\$ 232,159
Money market funds	<u>2,704,759</u>	<u>1,898,481</u>
	<u>\$3,021,784</u>	<u>\$2,130,640</u>

Note 3 - Property and Equipment

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

	<u>2022</u>	<u>2021</u>
Equipment	\$ 14,836	\$ 8,840
Street improvements and fixtures	1,250,301	1,079,152
Leasehold improvements	<u>73,038</u>	<u>73,038</u>
	1,338,175	1,161,030
Less: Accumulated depreciation and amortization	<u>(320,470)</u>	<u>(102,032)</u>
	<u>\$ 1,017,705</u>	<u>\$ 1,058,998</u>

Note 4 - Related Organizations

The Association managed the operations of Meatpacking Improvement Association, Inc. (MPIA) and Chelsea Improvement Company, Inc. (CIC). During the year ended June 30, 2022, MPIA and CIC were both officially dissolved. Most of the remaining funds and assets were granted to the Association during the year ended June 30, 2021, with the last remaining portion being granted during the year ended June 30, 2022. The Association and these related organizations shared office facilities and employees, and had separate boards of directors, sources of income and operational activities. The Association allocated costs to MPIA through June 30, 2021. Amounts due from related party in the statements of financial position represent amounts due from this cost-sharing arrangement. During the years ended June 30, 2022 and 2021, the Association had the following related transactions:

	<u>2022</u>	<u>2021</u>
Grants from MPIA and CIC:		
Cash	\$ 55	\$ 615,166
Street improvements (book value)	<u>-</u>	<u>850,000</u>
Total grants from MPIA and CIC	<u>\$ 55</u>	<u>\$ 1,465,166</u>
Total costs allocated to MPIA	<u>\$ -</u>	<u>\$ 264,003</u>
Due from MPIA	<u>\$ -</u>	<u>\$ 981,485</u>

In November 2021, MPIA transferred \$981,540 to the Association to satisfy the \$981,485 liability due as of June 30, 2021, with the additional \$55 being recognized as a grant to the Association.

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

Note 5 - Lease Commitments and Related Party

The Association leases office space under a noncancellable operating lease from an entity related to a board member at fair market value, which is set to expire at the end of April 2027. Total rent and related expense charged to operations for the years ended June 30, 2022 and 2021, was \$113,121 and \$117,863, respectively. As of June 30, 2022, the maturities of the lease liability are as follows:

Year ended June 30, 2023	\$	110,880
2024		110,880
2025		110,880
2026		110,880
2027		92,400
Total lease payments		535,920
Less: imputed interest		(43,537)
Total operating lease liability		\$ 492,383

The current lease began in May 2022, and therefore there is no operating lease liability at June 30, 2021. At May 1, 2022, the Association recognized (a) a lease liability of \$509,404, which represents the present value of the remaining lease payments, discounted using the Associations incremental borrowing rate of 3.5%, and (b) a right-of-use asset.

Note 6 - Net Assets With Donor Restrictions

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

	2022	2021
Open streets	\$ 20,000	\$ -

Note 7 - Government Grant

The Association was awarded a grant by a government entity. Total revenue recognized under the grant for the years ended June 30, 2022 and 2021, is as follows:

	2022	2021
NYS – program restricted	\$ 20,000	\$ -

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, 2022 and 2021.

MEATPACKING DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

Note 9 - Royalty Revenue

On April 11, 2011, Chelsea Improvement Company, Inc. entered into an agreement with a vendor to manufacture Chelsea NYC Benches. On February 25, 2016, this agreement was assigned to the Association. Royalty revenue is generated from the right to manufacture and sell the Chelsea NYC Bench. The Association recognizes revenue when there is evidence of a sale, lease or transfer of the Chelsea NYC Bench, including any derivatives and improvements. For the years ended June 30, 2022 and 2021, royalty revenue amounted to \$9,205 and \$8,758, respectively.

Note 10 - Revenue from Contracts with Customers

Detail of revenue from contracts with customers during the years ended June 30, 2022 and 2021, is as follows:

	<u>2022</u>	<u>2021</u>
Public plaza fees	\$ 508,500	\$ 89,000
Banner income	43,077	94,171
Sponsorships, event fees, and other	212,389	1,000

During the years ended June 30, 2022 and 2021, all revenue derived from contracts with customers was earned in the same year in which it was received.

Note 11 - Pension Plan

Effective March 1, 2016, the Association adopted a qualified cash or deferred compensation plan under section 403(b) of the Internal Revenue Code. The participant assets of MPIA's former plan were transferred to the Association. 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 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, 2022 and 2021, the Association made contributions of \$16,464 and \$14,395, respectively, to the plan.

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

Note 12 - 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 (DOT) 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. In December 2017, all plaza activities were temporarily suspended due to New York City's street reconstruction project. Activities resumed in August 2019.

Note 13 - Contributed Nonfinancial Assets and In-Kind Contributions

The Association received nonfinancial and in-kind contributions 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
In-Kind:		
Online promotional services – used for program activities	\$ -	\$ 48,000
Total in-kind	\$ -	\$ 48,000
Nonfinancial assets:		
Street improvements – used for program activities	\$ -	\$ 850,000
Total nonfinancial assets	\$ -	\$ 850,000

The contributed nonfinancial assets and in-kind contributions received during the year ended June 30, 2021, did not have any donor-imposed restrictions.

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

- Online promotional services - the fair value is estimated using current rates for similar services.
- Street improvements - the fair value is estimated based on the original cost to the donor, less any accumulated depreciation at the time of donation.

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

Note 14 - 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:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 3,021,784	\$ 2,130,640
Receivables	82,077	14,671
Due from related party	-	981,485
Total financial assets	<u>3,103,861</u>	<u>3,126,796</u>
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>\$ 3,103,861</u>	<u>\$ 3,126,796</u>

Note 15 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through January 10, 2023, 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
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, 2022 and 2021, and have issued our report thereon dated January 10, 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 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 10, 2023

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

	Total Expenses	Budget
Personnel costs:		
Staff salaries	\$ 612,740	\$ 680,723
Payroll taxes and benefits	95,205	101,717
Outside contractors	1,087,836	1,090,000
Total personnel costs	1,795,781	1,872,440
Direct expenses:		
Depreciation and amortization	218,438	-
Insurance	33,558	50,000
Landscaping	244,560	205,000
Office supplies and expenses	71,004	30,050
Printing and design	66,709	85,000
Professional fees	130,090	98,500
Project expenses	651,483	566,000
Rent and utilities	113,121	161,250
Telephone	5,723	7,000
Travel, hotel and meetings	24,148	15,500
Website	94,639	7,500
Wifi	16,325	25,000
Total direct expenses	1,669,798	1,250,800
Total expenses	\$ 3,465,579	\$ 3,123,240

MEATPACKING DISTRICT MANAGEMENT ASSOCIATION, INC.
SCHEDULE OF PUBLIC PLAZA
ACTIVITIES AND BUDGET
(Supplemental Financial Information)
YEAR ENDED JUNE 30, 2022

	Actual Activity	DOT Plaza Budget
Support and Revenues:		
Plaza related revenues	\$ 508,500	
Expenses:		
Direct expenses:		
Cleaning/trash/snow removal (Sanitation)	200,125	210,000
Landscape maintenance (Public Improvements)	39,683	36,680
Public safety (Public Safety)	78,233	70,000
Total direct expenses	318,041	316,680
Administrative costs:		
Administration allocation	122,592	122,000
Insurance	12,833	4,000
Total administrative costs	135,425	126,000
Total expenses	453,466	\$ 442,680
Excess/(deficit) revenues from plaza activities	\$ 55,034	
Balance of Accrual Fund, at end of year	\$ 55,034	

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.