

**MEATPACKING DISTRICT MANAGEMENT ASSOCIATION, INC.**

**FINANCIAL STATEMENTS  
AND  
AUDITORS' REPORT**

**JUNE 30, 2023 AND 2022**

**MEATPACKING DISTRICT MANAGEMENT ASSOCIATION, INC.**

Index

	<u>Page</u>
Independent Auditors' Report	1 - 2
Statements of financial position as of June 30, 2023 and 2022	3
Statements of activities for the years ended June 30, 2023 and 2022	4
Statement of expenses for the year ended June 30, 2023	5
Statement of expenses for the year ended June 30, 2022	6
Statements of cash flows for the years ended June 30, 2023 and 2022	7
Notes to financial statements	8 - 14
<u>Supplementary Financial Information</u>	
Independent Auditors' Report on Supplementary Information	15
Schedule of expenses and budget for the year ended June 30, 2023	16
Schedule of public plaza activities and budget for the year ended June 30, 2023	17



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

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

---

## 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, 2023 and 2022, and the related statements of activities, expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Meatpacking District Management Association, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 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 4, 2024

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

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

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Cash	\$ 2,686,687	\$ 3,021,784
Royalty and contributions receivable	75,500	8,327
Program revenue receivable	5,000	53,750
Government grant receivable	-	20,000
Prepaid expenses	34,870	20,500
Right of use asset - operating lease	398,378	501,623
Property, equipment and intangible asset, net	1,173,854	1,017,705
Total assets	\$ 4,374,289	\$ 4,643,689
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 332,960	\$ 467,426
Deferred revenue	10,000	-
Lease liability - operating lease	398,378	492,383
Total liabilities	741,338	959,809
Commitments and contingencies (see notes)		
Net Assets:		
Without donor restrictions	3,632,951	3,663,880
With donor restrictions	-	20,000
Total net assets	3,632,951	3,683,880
Total liabilities and net assets	\$ 4,374,289	\$ 4,643,689

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

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

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenues:</b>						
Assessment revenue	\$ 2,762,760	\$ -	\$ 2,762,760	\$ 2,511,600	\$ -	\$ 2,511,600
Program service revenue	550,745	-	550,745	763,966	-	763,966
Contributions	217,800	-	217,800	78,055	-	78,055
Government grant	-	-	-	-	20,000	20,000
Royalty revenue	2,802	-	2,802	9,205	-	9,205
Interest income	42,721	-	42,721	6,278	-	6,278
Net assets released from restriction:						
Satisfaction of purpose restrictions	20,000	(20,000)	-	-	-	-
Total support and revenues	<u>3,596,828</u>	<u>(20,000)</u>	<u>3,576,828</u>	<u>3,369,104</u>	<u>20,000</u>	<u>3,389,104</u>
<b>Expenses:</b>						
Program expenses:						
Sanitation	785,163	-	785,163	723,677	-	723,677
Public safety	342,970	-	342,970	369,024	-	369,024
Marketing and events	1,399,983	-	1,399,983	1,341,699	-	1,341,699
Public improvements	672,986	-	672,986	697,205	-	697,205
Total program expenses	<u>3,201,102</u>	<u>-</u>	<u>3,201,102</u>	<u>3,131,605</u>	<u>-</u>	<u>3,131,605</u>
Management and general	426,655	-	426,655	333,974	-	333,974
Total expenses	<u>3,627,757</u>	<u>-</u>	<u>3,627,757</u>	<u>3,465,579</u>	<u>-</u>	<u>3,465,579</u>
Increase/(decrease) in net assets	(30,929)	(20,000)	(50,929)	(96,475)	20,000	(76,475)
Net assets, beginning of year	3,663,880	20,000	3,683,880	3,760,355	-	3,760,355
Net assets, end of year	<u>\$ 3,632,951</u>	<u>\$ -</u>	<u>\$ 3,632,951</u>	<u>\$ 3,663,880</u>	<u>\$ 20,000</u>	<u>\$ 3,683,880</u>

See accompanying notes to the financial statements.

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

	<b>Program Expenses</b>				<b>Total Program</b>	<b>Supporting</b>	<b>Total Expenses</b>
	<b>Sanitation</b>	<b>Public Safety</b>	<b>Marketing and Events</b>	<b>Public Improvements</b>		<b>Management and General</b>	
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
Office supplies and expenses	-	-	21,308	-	21,308	60,663	81,971
Printing and design	-	-	85,806	-	85,806	-	85,806
Professional fees	-	-	34,522	3,000	37,522	26,223	63,745
Project expenses	-	-	628,375	43,872	672,247	-	672,247
Rent and utilities	25,179	16,786	75,536	33,572	151,073	16,785	167,858
Telephone	-	-	-	-	-	6,082	6,082
Travel, hotel and meetings	-	-	16,174	-	16,174	7,895	24,069
Website	-	-	15,458	-	15,458	28,036	43,494
Wifi	-	-	-	25,000	25,000	-	25,000
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.**  
**STATEMENT OF EXPENSES**  
**YEAR ENDED JUNE 30, 2022**

	<b>Program Expenses</b>				<b>Total Program</b>	<b>Supporting</b>	<b>Total Expenses</b>
	<b>Sanitation</b>	<b>Public Safety</b>	<b>Marketing and Events</b>	<b>Public Improvements</b>		<b>Management and General</b>	
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.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ (50,929)	\$ (76,475)
Adjustments for non-cash items included in operating activities:		
Bad debt	47,500	-
Depreciation and amortization	245,672	218,438
Amortization of right of use asset	103,245	7,781
Changes in assets and liabilities:		
Royalty and contributions receivable	(114,673)	(2,406)
Program revenue receivable	48,750	(45,000)
Government grant receivable	20,000	(20,000)
Due from related party	-	981,485
Prepaid expenses	(14,370)	(20,500)
Accounts payable and accrued expenses	(134,466)	41,987
Deferred revenue	10,000	-
Payment of operating lease liability	(94,005)	(17,021)
Net cash provided/(used) by operating activities	66,724	1,068,289
Cash flows from investing activities:		
Purchase of property, equipment, and intangible asset	(401,821)	(177,145)
Net cash provided/(used) by investing activities	(401,821)	(177,145)
Cash flows from financing activities	-	-
Net increase/(decrease) in cash	(335,097)	891,144
Cash at beginning of year	3,021,784	2,130,640
Cash at end of year	\$ 2,686,687	\$ 3,021,784
Supplemental information:		
Recognition of right of use asset and 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 17<sup>th</sup> 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.

Property and Equipment and Intangible Asset

The Association capitalizes certain property, equipment, and intangible assets 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. The intangible asset, which consists 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)

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.

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 at the lease commencement date. The lease payments are discounted using a rate determined when the lease is recognized. Since the Association's lease doesn't provide a stated rate, the Association uses its incremental borrowing rate based on the information available at the lease commencement date. 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 and other financial assets, nonfinancial assets/services, 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, 2023 and 2022, 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 by the Association when there is evidence of a sale, lease or transfer of the Chelsea NYC Bench, including any derivatives and improvements. 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 consisted of the following at June 30, 2023 and 2022:

	2023	2022
Equipment	\$ 14,836	\$ 14,836
Street improvements and fixtures	1,448,122	1,250,301
Leasehold improvements	73,038	73,038
Website development	204,000	-
	1,739,996	1,338,175
Less: Accumulated depreciation and amortization	( 566,142)	( 320,470)
	\$ 1,173,854	\$ 1,017,705

**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 the fair market value for the space and is set to expire at the end of April 2027. Total payments to this related party for the years ended June 30, 2023 and 2022, were \$120,592 and \$111,934, respectively. As of June 30, 2023, the maturities of the lease liability are as follows:

Year ended June 30, 2024	\$ 110,880
2025	110,880
2026	110,880
2027	92,400
Total lease payments	425,040
Less: imputed interest (3.5%)	( 26,662)
Total operating lease liability	\$ 398,378

The components of the Association's lease expenses for the years ended June 30, 2023 and 2022, are included in the statements of activities and expenses as follows:

	2023	2022
Sanitation	\$ 25,179	\$ 16,968
Public safety	16,786	11,312
Marketing and events	75,536	50,904
Public improvements	33,572	22,625
Management and general	16,785	11,312
	\$ 167,858	\$ 113,121

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

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

	2023	2022
Open streets	\$ -	\$ 20,000

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

**Note 5 - 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.

**Note 6 - Government Grant**

During the year ended June 30, 2022, the Association was awarded a grant by the New York City Department of Transportation for \$20,000. The amount is included as a government grant on the statement of activities for the year then ended.

**Note 7 - 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, 2023 and 2022.

**Note 8 - Revenue from Contracts with Customers**

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

	<u>2023</u>	<u>2022</u>
Public plaza fees	\$ 460,375	\$ 508,500
Banner income	65,370	43,077
Sponsorships, event fees, and other	25,000	212,389
Royalty income	2,802	9,205

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.

As of June 30, 2023, a total of \$10,000 was received for contract 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 did not have any deferred revenue as of June 30, 2022.

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

Note 10 - 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, 2023 and 2022, the Association made contributions of \$15,502 and \$16,464, respectively, to the plan.

Note 11 - 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.

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

Note 12 - Liquidity and Availability of Financial Assets

The Association regularly monitors liquidity required to meet its operating needs and other obligations as they come due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Association considers all expenditures related to its ongoing activities to be general expenditures. Amounts available for general expenditures over a 12-month period include donor-restricted amounts that are available for ongoing programmatic and support expenditures.

The following reflects the Association's financial assets, as of June 30, 2023 and 2022, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	2023	2022
Financial assets:		
Cash	\$ 2,686,687	\$ 3,021,784
Receivables	80,500	82,077
Total financial assets	2,767,187	3,103,861
Less those unavailable for general expenditures within one year	-	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,767,187	\$ 3,103,861

Note 13 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through January 4, 2024, 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](http://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, 2023 and 2022, and have issued our report thereon dated January 4, 2024, 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 4, 2024

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

	<b>Total Expenses</b>	<b>Budget</b>
Personnel costs:		
Staff salaries	\$ 668,807	\$ 800,000
Payroll taxes and benefits	105,306	155,200
Outside contractors	1,134,347	1,232,000
Total personnel costs	1,908,460	2,187,200
Direct expenses:		
Bad debt	47,500	-
Depreciation and amortization	245,672	-
Equipment and supplies	17,589	-
Insurance	38,938	57,500
Landscaping	199,326	235,000
Office supplies and expenses	81,971	70,250
Printing and design	85,806	90,000
Professional fees	63,745	105,000
Project expenses	672,247	860,500
Rent and utilities	167,858	161,000
Telephone	6,082	8,500
Travel, hotel and meetings	24,069	27,500
Website	43,494	30,000
Wifi	25,000	25,000
Total direct expenses	1,719,297	1,670,250
Total expenses	\$ 3,627,757	\$ 3,857,450

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

	Actual Activity	DOT Plaza Budget
<b>Support and Revenues:</b>		
Plaza related revenues	\$ 470,375	
<b>Expenses:</b>		
Direct expenses:		
Cleaning/trash/snow removal (Sanitation)	209,175	228,333
Landscape maintenance (Public Improvements)	37,833	43,333
Public safety (Public Safety)	56,826	85,000
Total direct expenses	303,834	356,666
Administrative costs:		
Administration allocation	203,409	148,000
Insurance	-	4,000
Total administrative costs	203,409	152,000
Total expenses	507,243	\$ 508,666
Excess/(deficit) revenues from plaza activities	\$ (36,868)	
Balance of Accrual Fund, at beginning of year	55,034	
Balance of Accrual Fund, at end of year	\$ 18,166	

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.