

**HUDSON YARDS/HELL'S KITCHEN
BUSINESS IMPROVEMENT DISTRICT, INC.
(D/B/A HUDSON YARDS/HELL'S KITCHEN ALLIANCE)**

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORT**

JUNE 30, 2020 AND 2019

**HUDSON YARDS/HELL'S KITCHEN
BUSINESS IMPROVEMENT DISTRICT, INC.
(D/B/A HUDSON YARDS/HELL'S KITCHEN ALLIANCE)**

Index

	<u>Page</u>
Independent Auditors' Report	1
Statements of financial position as of June 30, 2020 and 2019	2
Statements of activities for the years ended June 30, 2020 and 2019	3
Statement of expenses for the year ended June 30, 2020	4
Statement of expenses for the year ended June 30, 2019	5
Statements of cash flows for the years ended June 30, 2020 and 2019	6
Notes to financial statements	7 - 12
 <u>Supplementary Financial Information</u>	
Independent Auditors' Report on Supplementary Information	13
Schedule of expenses and budget for the year ended June 30, 2020	14



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
Hudson Yards/Hell's Kitchen Business Improvement District, Inc.
(d/b/a Hudson Yards/Hell's Kitchen Alliance)

We have audited the accompanying financial statements of Hudson Yards/Hell's Kitchen Business Improvement District, Inc. (d/b/a Hudson Yards/Hell's Kitchen Alliance), a nonprofit organization, which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hudson Yards/Hell's Kitchen Business Improvement District, Inc. (d/b/a Hudson Yards/Hell's Kitchen Alliance) as of June 30, 2020 and 2019, 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.

New York, NY
December 21, 2020

Skody Scot & Company, CPAs, P.C.

**HUDSON YARDS/HELL'S KITCHEN
BUSINESS IMPROVEMENT DISTRICT, INC.
(D/B/A HUDSON YARDS/HELL'S KITCHEN ALLIANCE)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019**

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 1,222,454	\$ 532,635
Prepaid expenses	4,262	4,262
Property and equipment, net	4,980	7,868
Security deposits	10,131	9,967
	\$ 1,241,827	\$ 554,732

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ 429,156	\$ 220,680
Total liabilities	429,156	220,680
Commitments and contingencies (see notes)		
Net Assets:		
Without donor restrictions	801,171	289,448
With donor restrictions	11,500	44,604
Total net assets	812,671	334,052
Total liabilities and net assets	\$ 1,241,827	\$ 554,732

See accompanying notes to the financial statements.

**HUDSON YARDS/HELL'S KITCHEN
BUSINESS IMPROVEMENT DISTRICT, INC.
(D/B/A HUDSON YARDS/HELL'S KITCHEN ALLIANCE)
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:						
Assessment revenue	\$ 2,600,000	\$ -	\$2,600,000	\$ 1,400,000	\$ -	\$1,400,000
Contributions	63,423	-	63,423	50,742	-	50,742
Government grants	170,380	11,500	181,880	-	-	-
Program service revenue	137,404	-	137,404	35,505	-	35,505
Interest and other income	6,185	-	6,185	3,956	-	3,956
Net assets released from restriction:						
Satisfaction of purpose restrictions	44,604	(44,604)	-	122,612	(122,612)	-
Total support and revenues	<u>3,021,996</u>	<u>(33,104)</u>	<u>2,988,892</u>	<u>1,612,815</u>	<u>(122,612)</u>	<u>1,490,203</u>
Expenses:						
Program expenses:						
District-wide services & improvements	786,980	-	786,980	725,620	-	725,620
Hudson Park	1,432,618	-	1,432,618	823,115	-	823,115
Total program expenses	<u>2,219,598</u>	<u>-</u>	<u>2,219,598</u>	<u>1,548,735</u>	<u>-</u>	<u>1,548,735</u>
Management and general	290,675	-	290,675	265,119	-	265,119
Total expenses	<u>2,510,273</u>	<u>-</u>	<u>2,510,273</u>	<u>1,813,854</u>	<u>-</u>	<u>1,813,854</u>
Increase/(Decrease) in net assets	<u>511,723</u>	<u>(33,104)</u>	<u>478,619</u>	<u>(201,039)</u>	<u>(122,612)</u>	<u>(323,651)</u>
Net assets, beginning of year	289,448	44,604	334,052	490,487	167,216	657,703
Net assets, end of year	<u>\$ 801,171</u>	<u>\$ 11,500</u>	<u>\$ 812,671</u>	<u>\$ 289,448</u>	<u>\$ 44,604</u>	<u>\$ 334,052</u>

See accompanying notes to the financial statements.

HUDSON YARDS/HELL'S KITCHEN BUSINESS IMPROVEMENT DISTRICT, INC.
(D/B/A HUDSON YARDS/HELL'S KITCHEN ALLIANCE)
STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 2020

	<u>Program Expenses</u>			<u>Supporting</u>	
	<u>District-wide Services & Improvements</u>	<u>Hudson Park</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Total Expenses</u>
Staff salaries	\$ 210,007	\$ 274,176	\$ 484,183	\$ 99,170	\$ 583,353
Payroll taxes and benefits	40,340	62,904	103,244	18,396	121,640
Consultants and contractors	22,361	25,573	47,934	-	47,934
Capital improvements	81,103	189,077	270,180	-	270,180
Depreciation & amortization	-	-	-	2,888	2,888
Horticulture	41,551	123,351	164,902	-	164,902
Insurance	10,293	14,299	24,592	5,373	29,965
Office expenses	-	-	-	63,811	63,811
Professional fees	-	-	-	12,276	12,276
Program expenses	62,158	92,151	154,309	-	154,309
Rent	-	-	-	73,829	73,829
Sanitation and maintenance	291,339	325,518	616,857	-	616,857
Security	17,724	279,024	296,748	-	296,748
Supplies	96	21,921	22,017	-	22,017
Telephone & communications	2,382	4,442	6,824	-	6,824
Travel and meetings	-	-	-	14,932	14,932
Website and branding	7,626	20,182	27,808	-	27,808
Total expenses	<u>\$ 786,980</u>	<u>\$ 1,432,618</u>	<u>\$ 2,219,598</u>	<u>\$ 290,675</u>	<u>\$ 2,510,273</u>

See accompanying notes to the financial statements.

HUDSON YARDS/HELL'S KITCHEN BUSINESS IMPROVEMENT DISTRICT, INC.
(D/B/A HUDSON YARDS/HELL'S KITCHEN ALLIANCE)
STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Expenses			Supporting	
	District-wide Services & Improvements	Hudson Park	Total Program	Management and General	Total Expenses
Staff salaries	\$ 134,842	\$ 176,479	\$ 311,321	\$ 66,002	\$ 377,323
Payroll taxes and benefits	31,249	41,532	72,781	17,592	90,373
Consultants and contractors	8,852	5,274	14,126	-	14,126
Capital improvements	122,612	24,596	147,208	-	147,208
Depreciation & amortization	-	-	-	2,888	2,888
Horticulture	132,310	24,554	156,864	-	156,864
Insurance	9,985	14,551	24,536	15,455	39,991
Office expenses	-	-	-	43,414	43,414
Professional fees	-	-	-	14,335	14,335
Program expenses	37,609	67,669	105,278	-	105,278
Rent	-	-	-	71,329	71,329
Sanitation and maintenance	197,363	233,650	431,013	-	431,013
Security	19,127	197,171	216,298	-	216,298
Supplies	814	20,504	21,318	-	21,318
Telephone & communications	-	2,224	2,224	-	2,224
Travel and meetings	-	-	-	34,104	34,104
Website and branding	30,857	14,911	45,768	-	45,768
Total expenses	\$ 725,620	\$ 823,115	\$ 1,548,735	\$ 265,119	\$ 1,813,854

See accompanying notes to the financial statements.

**HUDSON YARDS/HELL'S KITCHEN
BUSINESS IMPROVEMENT DISTRICT, INC.
(D/B/A HUDSON YARDS/HELL'S KITCHEN ALLIANCE)
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ 478,619	\$ (323,651)
Adjustments for non-cash items included in operating activities:		
Depreciation & amortization	2,888	2,888
Changes in assets and liabilities:		
Grants receivable	-	21,999
Prepaid expenses	-	1,896
Security deposits	(164)	-
Accounts payable and accrued expenses	208,476	122,806
Deferred revenue	-	(25,600)
Net cash provided/(used) by operating activities	<u>689,819</u>	<u>(199,662)</u>
Cash flows from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	689,819	(199,662)
Cash and cash equivalents at beginning of year	<u>532,635</u>	<u>732,297</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,222,454</u></u>	<u><u>\$ 532,635</u></u>

See accompanying notes to the financial statements.

**HUDSON YARDS/HELL'S KITCHEN
BUSINESS IMPROVEMENT DISTRICT, INC.
(D/B/A HUDSON YARDS/HELL'S KITCHEN ALLIANCE)
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies

The Organization

Hudson Yards/Hell's Kitchen Business Improvement District, Inc. (Organization), a not-for-profit organization, was incorporated in the State of New York on May 23, 2014. The Organization did not begin operations until the year ended June 30, 2015. On October 21, 2014, the Organization filed a certificate of assumed name with the State of New York. In accordance with the certificate of assumed name, the Organization has been doing-business-as (d/b/a) Hudson Yards/Hell's Kitchen Alliance. The Organization 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 Organization does not believe its financial statements contain any uncertain tax positions. The Organization primarily receives its support from a real estate special assessment levied by The City of New York (City) on properties located in the Hudson Yards/Hell's Kitchen Business Improvement District (BID). The BID's boundaries are approximately from 30th Street to 42nd Street, between Eleventh Avenue and Ninth Avenue.

The Organization's programs include the following: District-wide Services and Improvements - improving the overall appearance of the district through a combination of projects; and Hudson Park - providing maintenance and supplemental public safety in Hudson Park according to the terms of a management agreement with the City's Department of Parks & Recreation.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Change in Accounting Principle

In fiscal year 2020, the Organization adopted FASB ASU 2014-09 *Revenue from Contracts with Customers* using the full retrospective approach. Analysis of various provisions of the standards resulted in no significant changes in the way the Organization recognized revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

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.

**HUDSON YARDS/HELL'S KITCHEN
BUSINESS IMPROVEMENT DISTRICT, INC.
(D/B/A HUDSON YARDS/HELL'S KITCHEN ALLIANCE)
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash Equivalents

For the purposes of the statements of financial position and the statements of cash flows, the Organization considers as cash equivalents money market funds and all highly liquid resources, such as investments in certificates of deposits and treasury bills, with an original maturity of three months or less.

Property and Equipment

The Organization capitalizes certain property and equipment with estimated lives of three years or more. Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation of furniture and equipment is computed by the straight-line method over estimated useful lives ranging from three to ten years. Leasehold improvements are amortized by the straight-line method over the life of the improvement or the term of the lease, whichever is shorter. Expenditures for repairs and maintenance are charged as an expense, and major renewals and betterments are capitalized.

Net Assets

Net assets, 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 Organization allocates salaries and related expenses based on estimated time and effort. Other expenses, such as telephone and communications, website and branding, and insurance are allocated based on usage. The Organization classifies expenses, which are not directly related to a specific program, as Management and General expenses.

**HUDSON YARDS/HELL'S KITCHEN
BUSINESS IMPROVEMENT DISTRICT, INC.
(D/B/A HUDSON YARDS/HELL'S KITCHEN ALLIANCE)
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 Organization when earned. The City remits these assessments to the Organization 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.

Program service revenue relates to fees received in exchange for program services and consists primarily of banner and event income, and payments received for supplemental security, improvement, and sanitation services. Revenue is recognized when the program service is provided. Any revenue received which has not been earned is recorded as deferred revenue.

The Organization recognizes contributions when cash, a noncash asset, or an unconditional promise to give is received. Conditional promises to give, which have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to the meeting of these conditions are reported as deferred revenue in the statements of financial position. As of June 30, 2020 and 2019, the Organization did not have any conditional pledges that were not recognized.

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

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

During the year ended June 30, 2020, the Organization received \$125,162 of Paycheck Protection Program funds from the U.S. Small Business Administration. Management has determined that the correct model to follow is the grant model and that the purpose-related conditions imposed on the grant were met by fiscal year-end. Therefore, the full amount has been recognized as revenue. The amount is included with government grants in the statement of activities for the year ended June 30, 2020.

**HUDSON YARDS/HELL'S KITCHEN
BUSINESS IMPROVEMENT DISTRICT, INC.
(D/B/A HUDSON YARDS/HELL'S KITCHEN ALLIANCE)
NOTES TO FINANCIAL STATEMENTS**

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Bank deposits and cash	\$ 847,729	\$ 174,182
Money market funds	<u>374,725</u>	<u>358,453</u>
	<u>\$ 1,222,454</u>	<u>\$ 532,635</u>

Note 3 - Property and Equipment

Property and equipment by major class consisted of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Leasehold improvements	\$ 8,609	\$ 8,609
Furniture and fixtures	<u>20,221</u>	<u>20,221</u>
	28,830	28,830
Less: Accumulated depreciation	<u>(23,850)</u>	<u>(20,962)</u>
	<u>\$ 4,980</u>	<u>\$ 7,868</u>

Note 4 - Net Assets With Donor Restrictions

As of June 30, 2020 and 2019, net assets with donor restrictions are available as follows:

	<u>2020</u>	<u>2019</u>
District-wide capital improvements	\$ -	\$ 44,604
Mural project	<u>11,500</u>	<u>-</u>
	<u>\$ 11,500</u>	<u>\$ 44,604</u>

Note 5 - Commitments and Contingencies

The Organization leases office space under a non-cancellable operating lease. As of June 30, 2020, the minimum aggregate annual rental commitments are as follows:

Year ended June 30, 2021	\$ 68,549
2022	34,947

Total rent and utilities expenses charged to operations for the years ended June 30, 2020 and 2019, was \$73,829 and \$71,329, respectively.

**HUDSON YARDS/HELL'S KITCHEN
BUSINESS IMPROVEMENT DISTRICT, INC.
(D/B/A HUDSON YARDS/HELL'S KITCHEN ALLIANCE)
NOTES TO FINANCIAL STATEMENTS**

Note 6 - Hudson Park Management Agreement

The Organization signed a ten year management agreement, with renewal options, with the New York City Department of Parks & Recreation (Parks) to maintain, repair and operate Hudson Park. The agreement requires the Organization to provide cleaning, snow removal, landscape maintenance, and security within Hudson Park. Under the management agreement, the Organization has the authority to generate revenue from public programming and concessions. Any revenues received from activities within Hudson Park are to be used exclusively for carrying out the services in Hudson Park under the management agreement.

Beginning with the second year of the term of the management agreement with Parks, and during each year of the term thereafter, the Organization shall, unless otherwise agreed by Parks, allocate not less than \$445,000 to the management of the Park. The amount allocated to the management of the Park by the Organization shall be adjusted annually for inflation by the change in the Consumer Price Index.

Note 7 - Concentrations

The Organization maintains its bank accounts with major financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures bank deposits up to \$250,000 per financial institution. At times, the balances of the accounts exceeded the insured limits during the years ended June 30, 2020 and 2019.

Note 8 - Government Grants

During the year ended June 30, 2020, the Organization was awarded grants by the City of New York and the U.S. Small Business Administration. Total revenue recognized under the grants amount to \$181,880 during the year ended June 30, 2020.

Note 9 - Revenue from Contracts with Customers

All of the revenue derived from contracts with customers during fiscal years 2020 and 2019 was fully earned in the same annual reporting period. Detail of revenue from contracts with customers during the years ended June 30, 2020 and 2019, is as follows:

	<u>2020</u>	<u>2019</u>
Supplemental security, improvement & sanitation	\$ 111,500	\$ -
Banner income	12,594	26,563
Event income	13,310	8,942

**HUDSON YARDS/HELL'S KITCHEN
BUSINESS IMPROVEMENT DISTRICT, INC.
(D/B/A HUDSON YARDS/HELL'S KITCHEN ALLIANCE)
NOTES TO FINANCIAL STATEMENTS**

Note 10 - Liquidity and Availability of Financial Assets

The Organization 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 Organization 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 Organization's financial assets, as of June 30, 2020 and 2019, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ <u>1,222,454</u>	\$ <u>532,635</u>
Total financial assets	<u>1,222,454</u>	<u>532,635</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><u>1,222,454</u></u>	\$ <u><u>532,635</u></u>

Note 11 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through December 21, 2020, 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
Hudson Yards/Hell's Kitchen Business Improvement District, Inc.
(d/b/a Hudson Yards/Hell's Kitchen Alliance)

We have audited the financial statements of Hudson Yards/Hell's Kitchen Business Improvement District, Inc. (d/b/a Hudson Yards/Hell's Kitchen Alliance) as of and for the years ended June 30, 2020 and 2019, and have issued our report thereon dated December 21, 2020, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenses and budget is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

New York, NY
December 21, 2020

Skody Scot & Company, CPAs, PC

**HUDSON YARDS/HELL'S KITCHEN
BUSINESS IMPROVEMENT DISTRICT, INC.
(D/B/A HUDSON YARDS/HELL'S KITCHEN ALLIANCE)
SCHEDULE OF EXPENSES AND BUDGET
(Supplemental Financial Information)
YEAR ENDED JUNE 30, 2020**

	<u>Total Expenses</u>	<u>Budget</u>
Staff salaries	\$ 583,353	\$ 585,000
Payroll taxes and benefits	121,640	189,300
Consultants and contractors	47,934	49,000
Capital improvements	270,180	225,000
Depreciation & amortization	2,888	-
Horticulture	164,902	189,229
Insurance	29,965	33,000
Office expenses	63,811	37,600
Professional fees	12,276	23,750
Program expenses	154,309	148,620
Rent	73,829	72,816
Sanitation and maintenance	616,857	613,495
Security	296,748	303,752
Supplies	22,017	10,200
Telephone & communications	6,824	5,000
Travel and meetings	14,932	18,000
Website and branding	27,808	28,400
	<u>\$ 2,510,273</u>	<u>\$ 2,532,162</u>
Total expenses	<u>\$ 2,510,273</u>	<u>\$ 2,532,162</u>