

**FIFTH AVENUE ASSOCIATION BUSINESS IMPROVEMENT
DISTRICT, INC.**

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORT**

JUNE 30, 2025 AND 2024

FIFTH AVENUE ASSOCIATION BUSINESS IMPROVEMENT DISTRICT, 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
Fifth Avenue Association Business Improvement District, Inc.

Opinion

We have audited the financial statements of Fifth Avenue Association Business Improvement District, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, 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 Fifth Avenue Association Business Improvement District, Inc. as of June 30, 2025 and 2024, 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 Fifth Avenue Association Business Improvement District, 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 Fifth Avenue Association Business Improvement District, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user based on these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fifth Avenue Association Business Improvement District, 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 Fifth Avenue Association Business Improvement District, 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
November 11, 2025

Skody Scot & Company, CPAs, P.C.

FIFTH AVENUE ASSOCIATION BUSINESS IMPROVEMENT DISTRICT, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 2,382,582	\$ 1,765,316
Program service revenue receivables	-	199,082
Prepaid expenses	147,485	146,579
Right of use assets - operating leases	938,750	1,278,653
Property and equipment, net	93,581	118,716
Intangible asset, net	73,509	-
Security deposit	38,775	38,775
Total assets	<u><u>\$ 3,674,682</u></u>	<u><u>\$ 3,547,121</u></u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 307,695	\$ 292,266
Deferred revenue	170,000	-
Lease liabilities - operating leases	1,080,557	1,454,625
Total liabilities	<u>1,558,252</u>	<u>1,746,891</u>
Net Assets:		
Without donor restrictions	2,116,430	1,800,230
With donor restrictions	-	-
Total net assets	<u>2,116,430</u>	<u>1,800,230</u>
Total liabilities and net assets	<u><u>\$ 3,674,682</u></u>	<u><u>\$ 3,547,121</u></u>

See accompanying notes to the financial statements.

FIFTH AVENUE ASSOCIATION BUSINESS IMPROVEMENT DISTRICT, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:						
Assessment revenue	\$ 8,054,663	\$ -	\$ 8,054,663	\$ 8,054,663	\$ -	\$ 8,054,663
Program service revenue	399,738	-	399,738	719,177	-	719,177
Government grants	14,000	-	14,000	20,000	-	20,000
Interest and other income	9,401	-	9,401	9,633	-	9,633
Net assets released from restriction:						
Satisfaction of purpose restrictions	-	-	-	50,000	(50,000)	-
Total support and revenues	<u>8,477,802</u>	<u>-</u>	<u>8,477,802</u>	<u>8,853,473</u>	<u>(50,000)</u>	<u>8,803,473</u>
Expenses:						
Program Services:						
Sanitation	1,393,146	-	1,393,146	1,216,251	-	1,216,251
Security	2,436,468	-	2,436,468	2,247,500	-	2,247,500
Landscaping	55,690	-	55,690	435,982	-	435,982
Marketing and communications	1,860,243	-	1,860,243	2,469,811	-	2,469,811
Capital and development projects	1,225,968	-	1,225,968	2,008,103	-	2,008,103
Total program services	<u>6,971,515</u>	<u>-</u>	<u>6,971,515</u>	<u>8,377,647</u>	<u>-</u>	<u>8,377,647</u>
Management and general	1,190,087	-	1,190,087	1,399,496	-	1,399,496
Total expenses	<u>8,161,602</u>	<u>-</u>	<u>8,161,602</u>	<u>9,777,143</u>	<u>-</u>	<u>9,777,143</u>
Increase/(decrease) in net assets	316,200	-	316,200	(923,670)	(50,000)	(973,670)
Net assets, beginning of year	<u>1,800,230</u>	<u>-</u>	<u>1,800,230</u>	<u>2,723,900</u>	<u>50,000</u>	<u>2,773,900</u>
Net assets, end of year	<u>\$ 2,116,430</u>	<u>\$ -</u>	<u>\$ 2,116,430</u>	<u>\$ 1,800,230</u>	<u>\$ -</u>	<u>\$ 1,800,230</u>

See accompanying notes to the financial statements.

FIFTH AVENUE ASSOCIATION BUSINESS IMPROVEMENT DISTRICT, INC.
STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 2025

	Program Services						Supporting Services	
	Sanitation	Security	Landscaping	Marketing and Communications	Capital and Development Projects	Total Program	Management and General	Total Expenses
Staff salaries	\$ 799,252	\$ 1,602,189	\$ 36,218	\$ 190,442	\$ 390,699	\$ 3,018,800	\$ 361,072	\$ 3,379,872
Payroll taxes and benefits	242,544	486,208	10,991	57,792	118,564	916,099	155,323	1,071,422
Outside contractors	152,703	93,223	3,765	591,001	615,500	1,456,192	161,996	1,618,188
Bank and payroll processing fees	54	-	-	-	-	54	144,872	144,926
Commissions	-	-	-	25,000	-	25,000	-	25,000
Depreciation and amortization	7,602	13,143	278	9,692	5,973	36,688	10,271	46,959
Dues and subscriptions	-	-	-	-	-	-	28,541	28,541
Equipment and supplies	69,476	33,600	-	-	-	103,076	59	103,135
Information technology and software	-	-	-	-	-	-	14,744	14,744
Insurance	31,898	55,142	1,168	40,666	25,063	153,937	43,088	197,025
Marketing, events and promotion	-	-	-	726,082	-	726,082	478	726,560
Occupancy	68,652	118,681	2,514	87,524	53,942	331,313	92,738	424,051
Office expenses	11,887	20,550	435	15,155	9,340	57,367	16,704	74,071
Printing, graphics, and design	-	-	-	87,784	-	87,784	-	87,784
Professional fees	-	-	-	-	-	-	135,316	135,316
Recruitment and training	313	65	-	455	-	833	9,295	10,128
Repairs and maintenance	-	-	-	-	-	-	3,750	3,750
Telephone and communications	4,737	8,189	173	6,039	3,722	22,860	6,399	29,259
Travel and meetings	4,028	5,478	148	6,622	3,165	19,441	5,441	24,882
Website	-	-	-	15,989	-	15,989	-	15,989
Total expenses	<u>\$ 1,393,146</u>	<u>\$ 2,436,468</u>	<u>\$ 55,690</u>	<u>\$ 1,860,243</u>	<u>\$ 1,225,968</u>	<u>\$ 6,971,515</u>	<u>\$ 1,190,087</u>	<u>\$ 8,161,602</u>

See accompanying notes to the financial statements.

FIFTH AVENUE ASSOCIATION BUSINESS IMPROVEMENT DISTRICT, INC.
STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services					Supporting Services		
	Sanitation	Security	Landscaping	Marketing and Communications	Capital and Development Projects	Total Program	Management and General	Total Expenses
Staff salaries	\$ 742,350	\$ 1,524,021	\$ 85,696	\$ 342,130	\$ 17,308	\$ 2,711,505	\$ 375,606	\$ 3,087,111
Payroll taxes and benefits	207,770	426,543	23,985	95,755	4,845	758,898	150,874	909,772
Outside contractors	135,983	94,498	280,402	365,804	1,830,100	2,706,787	178,380	2,885,167
Bank and payroll processing fees	-	-	-	-	-	-	121,183	121,183
Commissions	-	-	-	48,250	-	48,250	-	48,250
Depreciation and amortization	7,636	13,763	2,590	15,289	12,655	51,933	14,878	66,811
Donations to other organizations	-	-	14,000	-	-	14,000	-	14,000
Dues and subscriptions	-	-	-	189	-	189	39,644	39,833
Equipment and supplies	37,416	33,704	-	-	-	71,120	70	71,190
Insurance	20,232	36,465	6,863	40,508	33,530	137,598	39,419	177,017
Marketing, events and promotion	-	-	-	1,341,937	-	1,341,937	-	1,341,937
Occupancy	47,100	84,888	15,976	94,299	78,055	320,318	91,762	412,080
Office expenses	9,469	22,186	4,331	25,110	21,161	82,257	21,332	103,589
Printing, graphics, and design	-	-	-	87,461	-	87,461	1,182	88,643
Professional fees	-	-	-	-	-	-	349,335	349,335
Recruitment and training	-	68	-	455	-	523	3,548	4,071
Repairs and maintenance	1,990	-	-	-	-	1,990	-	1,990
Telephone and communications	3,366	6,066	1,142	6,739	5,578	22,891	6,556	29,447
Travel and meetings	2,939	5,298	997	5,885	4,871	19,990	5,727	25,717
Total expenses	<u>\$ 1,216,251</u>	<u>\$ 2,247,500</u>	<u>\$ 435,982</u>	<u>\$ 2,469,811</u>	<u>\$ 2,008,103</u>	<u>\$ 8,377,647</u>	<u>\$ 1,399,496</u>	<u>\$ 9,777,143</u>

See accompanying notes to the financial statements.

FIFTH AVENUE ASSOCIATION BUSINESS IMPROVEMENT DISTRICT, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ 316,200	\$ (973,670)
Adjustments for non-cash items included in operating activities:		
Amortization of right of use assets - operating leases	339,903	321,985
Accretion of operating lease liabilities	62,498	80,415
Depreciation and amortization	46,959	66,811
(Increases)/decreases in assets:		
Program service revenue receivables	199,082	(96,732)
Prepaid expenses	(906)	146,456
Increases/(decreases) in liabilities:		
Accounts payable and accrued expenses	15,429	62,936
Deferred revenue	170,000	-
Payment of operating lease liabilities	(436,566)	(423,852)
Net cash provided/(used) by operating activities	<u>712,599</u>	<u>(815,651)</u>
Cash flows from investing activities:		
Leasehold improvements purchases	(17,500)	-
Website development costs	(77,833)	-
Net cash provided/(used) by investing activities	<u>(95,333)</u>	<u>-</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash	617,266	(815,651)
Cash, beginning of year	<u>1,765,316</u>	<u>2,580,967</u>
Cash, end of year	<u><u>\$ 2,382,582</u></u>	<u><u>\$ 1,765,316</u></u>

See accompanying notes to the financial statements.

FIFTH AVENUE ASSOCIATION BUSINESS IMPROVEMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

The Association

Fifth Avenue Association Business Improvement District, Inc. (Association), a nonprofit organization, was incorporated in the State of New York on March 24, 1993. The Association is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal, state or local income taxes has been recorded. The Association does not believe its financial statements contain any uncertain tax positions. The Association primarily receives its support from a real estate special assessment levied by the City of New York (City) on properties located in the Fifth Avenue Business Improvement District (District) and from program service revenue. The District's boundaries are approximately Fifth Avenue from 46th Street to 61st Street, and from 57th Street between Madison Avenue and 6th Avenue.

The Association's programs include the following: Sanitation - maintaining clean streets/curbs and garbage removal; Security - providing increased public security through a combination of uniformed guards and a working relationship with the New York City Police Department; Landscaping - enhancing the District through plantings and decorations; Marketing and Communications - promoting the District to residents and tourists; and Capital and Development Projects - improving the overall appearance of the District by focusing on the pedestrian and shopping experience.

Basis of Accounting

The financial statements of the Association have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Use of Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Receivables

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

The Association has determined that no allowance for credit losses is necessary as of June 30, 2025 and 2024, based on historical collection rates, creditworthiness of the customers and economic conditions stability.

FIFTH AVENUE ASSOCIATION BUSINESS IMPROVEMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Property and Equipment and Intangible Asset

The Association capitalizes certain property and equipment and intangible assets with estimated lives of two years or more. Property and equipment and intangible assets 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 from five to seven 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. 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.

Leases

The Association entered into noncancellable operating lease agreements for office space to obtain right of use (ROU) assets. Each 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 leases do not provide an explicit rate, the Association uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The related operating lease ROU assets may differ from the operating lease liabilities due to deferred or prepaid lease payments and lease incentives. The ROU assets are amortized over the lease term. The Association has elected to apply the short-term lease exception to all leases with a term of one year or less.

Net Assets

Net assets, revenue, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. This classification includes net assets designated by the board of directors 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.

Reclassifications

Certain amounts in the prior year financials have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

**FIFTH AVENUE ASSOCIATION BUSINESS IMPROVEMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition

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

The Association receives grants from a governmental agency. The grants are expense reimbursement grants which require that approved expenses be incurred prior to reimbursement by the government agency. The revenue is recognized in the period that the approved expenditures are incurred.

Program service revenue relates to fees received in exchange for banner promotions services and sponsorships. The Association's program service revenue is recognized as the contract obligations are fulfilled. Fees for the Association's program service revenue are based on the standalone prices, and payments are due upon the completion of the contract obligations. Any revenue received which has not been earned is recorded as deferred revenue.

Interest income is recognized in the period earned.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Association allocates salaries and related expenses based on estimated time and effort. Other expenses, such as depreciation and amortization, travel and meetings, occupancy, insurance, office expenses, and telephone and communications, are allocated based on usage. The Association classifies expenses which are not directly related to a specific program as management and general expenses.

Note 2 - Property and Equipment

Property and equipment by major class consist of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Leasehold improvements	\$ 260,346	\$ 242,846
Office equipment	15,420	15,420
Furniture and fixtures	<u>37,126</u>	<u>37,126</u>
	312,892	295,392
Less: accumulated depreciation and amortization	(219,311)	(176,676)
	<u>\$ 93,581</u>	<u>\$ 118,716</u>

FIFTH AVENUE ASSOCIATION BUSINESS IMPROVEMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS

Note 3 - Intangible Asset

The intangible asset consists of the following at June 30, 2025:

Website development	\$ 77,833
Less: accumulated amortization	(4,324)
	<u>\$ 73,509</u>

Note 4 - Lease Commitments

The Association leases office space under two noncancelable operating leases set to expire in December 2027. As of June 30, 2025, the minimum aggregate annual lease commitments are as follows:

Year ended June 30, 2026	\$ 449,664
2027	463,152
2028	<u>234,996</u>
Total lease payments	1,147,812
Less: imputed interest (5%)	(67,255)
Total operating lease liabilities	<u>\$ 1,080,557</u>

The components of the Association's noncancelable lease expenses for the years ended June 30, 2025 and 2024, are included in the statements of activities and expenses as follows:

	<u>2025</u>	<u>2024</u>
Sanitation	\$ 65,147	\$ 45,874
Security	112,622	82,895
Landscaping	2,386	15,694
Marketing and communications	83,055	92,148
Capital and development projects	51,188	76,054
Management and general	<u>88,003</u>	<u>89,735</u>
	<u>\$ 402,401</u>	<u>\$ 402,400</u>

Note 5 - Concentrations

The Association maintains its cash accounts with a major financial institution. The Federal Deposit Insurance Corporation (FDIC) insures bank deposits up to \$250,000 per financial institution. At times, the balances of the accounts have exceeded the insured limits during the years ended June 30, 2025 and 2024.

Note 6 - Government Grants

During the years ended June 30, 2025 and 2024, the Association received grants from the New York City Department of Transportation (NYC DOT) for \$14,000 and \$20,000, respectively. The amounts are reported as government grants in the statements of activities for the years then ended.

FIFTH AVENUE ASSOCIATION BUSINESS IMPROVEMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS

Note 7 - Revenue from Contracts with Customers

Detail of revenue from contracts with customers during the years ended June 30, 2025 and 2024, is as follows:

	<u>2025</u>	<u>2024</u>
Banner promotions and sponsorships	\$ 399,738	\$ 719,177

As of June 30, 2025, the deferred revenue balance of \$170,000 consists of an amount received for sponsorships which will be fulfilled by the Association in the following year.

The Association's receivables from contracts with customers consist of amounts due for banner promotions and sponsorships. The beginning and ending balances for contract receivables are as follows for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 199,082	\$ 102,350
Ending balance	\$ -	\$ 199,082

Note 8 - Joint Venture

During the year ended June 30, 2023, the Association entered into a joint venture agreement with the New York City Economic Development Corporation, the NYC DOT, and three other organizations. The agreement requires the organizations to contribute funds towards a Fifth Avenue Corridor Public Realm Project aimed at improving the pedestrian experience in the Fifth Avenue Corridor by incorporating seating, horticulture, gathering spaces, community interaction, and public space activations. The Association's share of the costs is expected to total \$2,000,000. The amounts are reported as expenses in the period that NYC DOT requests the funds from the Association. During the year ended June 30, 2024, the Association made payments and reported expenses totaling \$1,500,000. The remaining \$500,000 was paid in October 2024.

Note 9 - Litigation

During the years ended June 30, 2025 and 2024, the Association was the defendant in a lawsuit brought by a former employee. In August 2024, the parties signed a settlement agreement that required the Association to pay \$25,000 to the plaintiff. In return, the Association was released from any further liability under the claim, with no admission of fault by the Association or any of the other named defendants. This amount is reported in the statement of financial position at June 30, 2024, as an accrued expense and in the statements of activities and expenses for the year then ended as professional fees. The amount was paid in August 2024.

FIFTH AVENUE ASSOCIATION BUSINESS IMPROVEMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS

Note 10 - Retirement Plans

Effective July 1, 2018, the Association approved a retirement package for its former president who retired in 2018. Under this approved package, \$45,750 will be paid out annually to this former Association president for a maximum of ten years.

Effective January 1, 2019, the Association adopted a qualified deferred compensation plan (Plan) under section 401(k) of the Internal Revenue Code (IRC). All employees are eligible to participate in the Plan and can defer compensation subject to IRC limits. Under the Plan, the Association can make matching contributions for all participating employees and can make non-elective contributions for all employees who have completed at least one thousand hours of employment for the Association. For the years ended June 30, 2025 and 2024, the Association made contributions of \$109,478 and \$96,732, respectively, towards this Plan on behalf of its employees.

Note 11 - 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, 2025 and 2024, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash	\$ 2,382,582	\$ 1,765,316
Receivables	<u>-</u>	<u>199,082</u>
Total financial assets	2,382,582	1,964,398
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>\$ 2,382,582</u></u>	<u><u>\$ 1,964,398</u></u>

Note 12 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through November 11, 2025, 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
Fifth Avenue Association Business Improvement District, Inc.

We have audited the financial statements of Fifth Avenue Association Business Improvement District, Inc. as of and for the years ended June 30, 2025 and 2024, and have issued our report thereon dated November 11, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenses and budget is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Skody Scot & Company, CPAs, PC

New York, NY
November 11, 2025

FIFTH AVENUE ASSOCIATION BUSINESS IMPROVEMENT DISTRICT, INC.
SCHEDULE OF EXPENSES AND BUDGET
(Supplemental Financial Information)
YEAR ENDED JUNE 30, 2025

	Total Expenses	Operating Budget
Staff salaries	\$ 3,379,872	\$ 3,426,079
Payroll taxes and benefits	1,071,422	950,057
Outside contractors	1,618,188	1,732,319
Bank and payroll processing fees	144,926	139,002
Commissions	25,000	24,500
Depreciation and amortization	46,959	-
Dues and subscriptions	28,541	25,223
Equipment and supplies	103,135	130,951
Information technology and software	14,744	10,000
Insurance	197,025	197,461
Marketing, events and promotion	726,560	768,219
Occupancy	424,051	452,379
Office expenses	74,071	63,348
Printing, graphics, and design	87,784	141,000
Professional fees	135,316	219,654
Recruitment and training	10,128	10,483
Repairs and maintenance	3,750	32,255
Telephone and communications	29,259	24,827
Travel and meetings	24,882	27,810
Website	15,989	99,000
Total expenses	<u>\$ 8,161,602</u>	<u>\$ 8,474,567</u>