NOHO NY DISTRICT MANAGEMENT ASSOCIATION, INC.

FINANCIAL STATEMENTS AND AUDITORS' REPORT

JUNE 30, 2025 AND 2024

Skody Scot & Company, CPAs, P.C.

NOHO NY DISTRICT MANAGEMENT ASSOCIATION, INC.

Index

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of NOHO NY District Management Association, 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 NOHO NY District Management Association, 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 NOHO NY 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 NOHO NY District Management Association, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NOHO NY 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 NOHO NY 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.

Skody Scot & Company, CPAS, P.C.

New York, NY
December 4, 2025

NOHO NY DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Cash	$ 125,478	$ 196,874
Certificates of deposit	326,013	311,986
Government grants receivable	69,651	16,250
Prepaid expenses	4,520	2,448
Right of use asset - operating lease	114,432	167,328
Security deposits	15,680	15,680
Total assets	$ 655,774	$ 710,566
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 29,470	$ 3,217
Deferred revenue	-	4,114
Lease liability - operating lease	121,521	170,379
Total liabilities	150,991	177,710
Net Assets:		
Without donor restrictions	504,783	532,856
With donor restrictions	-	-
Total net assets	504,783	532,856
Total liabilities and net assets	$ 655,774	$ 710,566

See accompanying notes to the financial statements.

NOHO NY DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Support and Revenues:		
Without donor restrictions:		
Assessment revenue	$ 600,000	$ 600,000
Program service revenue	4,114	3,086
Contributions	8,338	10,310
Government grants	74,990	65,000
Interest income	19,331	17,173
Total support and revenues	706,773	695,569
Expenses:		
Program Services:		
Sanitation	448,161	407,799
Marketing	59,098	56,617
New initiatives	44,240	62,293
Public improvements	49,970	40,823
Total program services	601,469	567,532
Management and general	133,377	126,525
Total expenses	734,846	694,057
Increase/(decrease) in net assets	(28,073)	1,512
Net assets, beginning of year	532,856	531,344
Net assets, end of year	$ 504,783	$ 532,856

See accompanying notes to the financial statements.

NOHO NY DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 2025

	Program Services					Supporting Services	
	Sanitation	Marketing	New Initiatives	Public Improvements	Total Program Expenses	Management and General	Total Expenses
Staff salaries	$ 55,604	$ 46,337	$ 37,071	$ 27,802	$ 166,814	$ 18,536	$ 185,350
Payroll taxes and benefits	10,153	8,460	6,769	5,076	30,458	3,386	33,844
Outside contractors	339,181	-	-	-	339,181	-	339,181
Equipment and supplies	32,875	2,025	-	-	34,900	-	34,900
Insurance	-	-	-	-	-	3,234	3,234
Occupancy	-	-	-	-	-	66,406	66,406
Office expenses	4,347	63	-	-	4,410	9,933	14,343
Professional fees	-	-	-	-	-	23,770	23,770
Project expenses	-	2,213	400	17,092	19,705	-	19,705
Storage	6,001	-	-	-	6,001	-	6,001
Telephone and communications	-	-	-	-	-	1,448	1,448
Travel and meetings	-	-	-	-	-	6,664	6,664
Total expenses	$ 448,161	$ 59,098	$ 44,240	$ 49,970	$ 601,469	$ 133,377	$ 734,846

See accompanying notes to the financial statements.

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

	Program Services					Supporting Services	
	Sanitation	Marketing	New Initiatives	Public Improvements	Total Program Expenses	Management and General	Total Expenses
Staff salaries	$ 33,928	$ 42,410	$ 50,892	$ 25,446	$ 152,676	$ 16,963	$ 169,639
Payroll taxes and benefits	7,600	9,501	11,401	5,701	34,203	4,594	38,797
Outside contractors	344,654	-	-	-	344,654	13,752	358,406
Equipment and supplies	17,147	2,500	-	-	19,647	-	19,647
Insurance	-	-	-	-	-	3,005	3,005
Occupancy	-	-	-	-	-	66,706	66,706
Office expenses	4,470	25	-	-	4,495	10,990	15,485
Professional fees	-	-	-	-	-	1,900	1,900
Project expenses	-	2,096	-	9,676	11,772	-	11,772
Telephone and communications	-	-	-	-	-	2,573	2,573
Travel and meetings	-	85	-	-	85	6,042	6,127
Total expenses	$ 407,799	$ 56,617	$ 62,293	$ 40,823	$ 567,532	$ 126,525	$ 694,057

Skody Scot & Company, CPAs, P.C.

See accompanying notes to the financial statements.

NOHO NY DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Increase/(decrease) in net assets	$ (28,073)	$ 1,512
Adjustments for non-cash items included in operating activities:		
Amortization of right of use asset - operating lease	52,896	50,417
Accretion of operating lease liability	7,291	9,771
Accrued interest on certificates of deposit	(14,027)	(11,125)
Loan write-off recognized as contribution	-	(3,500)
(Increases)/decreases in assets:		
Government grants receivable	(53,401)	-
Prepaid expenses	(2,072)	(531)
Security deposits	-	6,200
Increases/(decreases) in liabilities:		
Accounts payable and accrued expenses	26,253	(48,968)
Deferred revenue	(4,114)	4,114
Payment of operating lease	(56,149)	(59,485)
Net cash provided/(used) by operating activities	(71,396)	(51,595)
Cash flows from investing activities:		
Certificate of deposit purchase	-	(50,000)
Net cash provided/(used) by investing activities	-	(50,000)
Cash flows from financing activities	-	-
Net increase/(decrease) in cash	(71,396)	(101,595)
Cash, beginning of year	196,874	298,469
Cash, end of year	$ 125,478	$ 196,874
Supplemental information:		
Retirement of fully depreciated fixed assets	$ -	$ 3,310

See accompanying notes to the financial statements.

Note 1 - Summary of Significant Accounting Policies

The Association

NOHO NY District Management Association, Inc. (Association), a nonprofit organization, was incorporated in the State of New York on December 23, 1996. 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 NOHO NY Business Improvement District (District). The District's boundaries are approximately from Mercer Street to Lafayette Street, and Houston Street to Astor Place. The Association is considering expanding its boundaries. Expansion-related expenses will be reimbursed to the Association by the members located in the expansion area.

The Association's programs include the following: Sanitation - maintaining clean streets/curbs and removing garbage and graffiti; Marketing - promoting the District to residents and tourists and retaining and developing prospective businesses; New Initiatives - developing new programs and expanding the District; and Public Improvements - improving the overall appearance of the District through a combination of beautification and other projects.

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.

Certificates of Deposit

The Association reports investments in certificates of deposit with an original maturity to the Association at the date of purchase of greater than three months at cost, which approximates fair market value. Investments carried at cost are not required to be classified in one of the levels prescribed by the US GAAP fair value hierarchy. The certificates of deposit balances include accrued interest.

Note 1 - Summary of Significant Accounting Policies (Continued)

Receivables

Government grants receivables are reported at their net realizable value. Government grants receivables expected to be collected in future years are recorded at the present value of estimated future cash flows. Uncollectible pledges are written off in the period in which the pledge is determined uncollectible. As of June 30, 2025 and 2024, all government grants receivables are expected to be received within one year and as such, have been stated at their net realizable value with no allowance for uncollectible receivables.

Property and Equipment

The Association capitalizes certain property and equipment with estimated lives of two years or more. Property and equipment are stated at cost, less accumulated depreciation. Depreciation of equipment is computed by the straight-line method over estimated useful lives of five years. Expenditures for repairs and maintenance are charged as an expense, and major renewals and betterments are capitalized. During the year ended June 30, 2024, the Association wrote off $3,310 of fully depreciated office equipment no longer in service. As of June 30, 2025 and 2024, the Association held no depreciable property and equipment.

Lease Liability and Right of Use Asset

The Association entered into a noncancelable operating lease agreement for 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 did not provide a stated rate, the Association used its incremental borrowing rate based on the information available at the commencement date to determine the present value of lease payments. The related operating lease ROU asset may differ from the operating lease liability due to deferred or prepaid lease payments and lease incentives. The ROU asset is amortized over the lease term. The Association has elected to apply the short-term lease exception to all leases with a term of one year or less.

Net Assets

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition

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

The Association recognizes contributions when cash and other financial assets, nonfinancial assets/services, or unconditional promises to give are received. Conditional promises to give, which have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to meeting these conditions are reported as refundable advances in the statements of financial position. At June 30, 2025 and 2024, the Association did not have any conditional pledges that were not recognized.

All 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 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, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Association receives grants from a government 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 the approved expenditures are incurred.

Program service revenue relates to fees received in exchange for banner marketing services. 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 prior to services being provided. 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 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. The Association classifies expenses which are not directly related to a specific program as management and general expenses.

Note 2 - Loan Payable

In December 2010, Cooper Square Associates LP agreed to lend the Association $3,500 for District expansion. The loan is unsecured and is not interest-bearing. The loan, which has no set maturity date, is payable upon demand. During the year ended June 30, 2024, the loan balance was written off and recognized as contribution revenue.

Note 3 - Lease Commitments and Related Party

The Association leases office space under a noncancelable operating lease from an entity that has representation on the Association's board of directors. The lease is set to expire on June 30, 2027. As of June 30, 2025, the minimum aggregate annual rental commitments are as follows:

Year ended June 30, 2026	$ 62,847
2027	64,617
Total lease payments	127,464
Less: imputed interest (5%)	(5,943)
Total operating lease liability	$ 121,521

Total payments to the related party during the years ended June 30, 2025 and 2024, amount to $62,367 and $64,018, respectively. The Association's rent expense under this lease amounts to $60,187 and $60,188 for the years ended June 30, 2025 and 2024, respectively. The rent expense differs from the cash payments made for rent due to the rent expense being recognized on a straight-line basis over the term of the lease. The components of the Association's lease expenses for the years ended June 30, 2025 and 2024, are included in the statements of activities and expenses as occupancy under the management and general function.

Note 4 - Revenue from Contracts with Customers

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

	2025	2024
Banner marketing	$ 4,114	$ 3,086

As of June 30, 2025, there were no contract liabilities for revenue from contracts with customers. As of June 30, 2024, the contract liability balance of $4,114 consists of an amount received for banner marketing, which was fulfilled by the Association in October 2024. As of June 30, 2025 and 2024, there are no receivable balances for revenue from contracts with customers.

Note 5 - Concentrations

The Association maintains its cash and certificates of deposit 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 was awarded grants by a government agency. Total revenue recognized from the grants during the years ended June 30, 2025 and 2024, is as follows:

	2025	2024
New York City	$ 74,990	$ 65,000

Note 7 - 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:

	2025	2024
Financial assets:		
Cash	$ 125,478	$ 196,874
Certificates of deposit	326,013	311,986
Receivables	69,651	16,250
Total financial assets	521,142	525,110
Less those unavailable for general expenditures within one year	-	-
Financial assets available to meet cash needs for general expenditures within one year	$ 521,142	$ 525,110

Note 8 - Fundraising Activities

The Association does not engage in any organized fundraising activity internally but does solicit funds in an informal manner. The costs associated with the fundraising component of these joint activities are deemed negligible and, as such, have not been identified on the accompanying financial statements.

Note 9 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures through December 4, 2025, which is the date the financial statements were available to be issued.

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited the financial statements of NOHO NY District Management Association, Inc. as of and for the years ended June 30, 2025 and 2024, and have issued our report thereon dated December 4, 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
December 4, 2025

NOHO NY DISTRICT MANAGEMENT ASSOCIATION, INC.
SCHEDULE OF EXPENSES AND BUDGET
(Supplemental Financial Information)
YEAR ENDED JUNE 30, 2025

	Total Expenses	Budget
Staff salaries	$ 185,350	$ 187,008
Payroll taxes and benefits	33,844	33,169
Outside contractors	339,181	316,150
Equipment and supplies	34,900	-
Insurance	3,234	3,500
Occupancy	66,406	67,669
Office expenses	14,343	12,497
Professional fees	23,770	26,000
Project expenses	19,705	21,600
Storage	6,001	6,000
Telephone and communications	1,448	2,160
Travel and meetings	6,664	10,950
Total expenses	$ 734,846	$ 686,702