MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.

(A NOT-FOR-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

MYRTLE AVENUE DISTRICT
MANAGEMENT ASSOCIATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1 – 2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5 – 6
Statements of Cash Flows	7
Notes to Financial Statements	8 – 15

DePietto CPA
Accounting • Tax • Advisory

1000 Franklin Ave, Suite 201
Garden City, NY 11530
T:516-326-9200 | **F:** 516-326-1100
www.depiettocpas.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Myrtle Avenue District Management Association, Inc.

Opinion

We have audited the accompanying financial statements of Myrtle Avenue District Management Association, Inc. (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2025 and 2024 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Myrtle Avenue 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. 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 Myrtle Avenue 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 Myrtle Avenue District Management Association, Inc.'s ability to continue as a going concern within 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 generally accepted auditing standards 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Myrtle Avenue 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 Myrtle Avenue 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.

DePietto CPA P.C.

Garden City, New York
December 16, 2025

MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30,

ASSETS

	2025	2024
Assets:		
Cash and Equivalents	$ 221,853	$ 172,965
Grants Receivable	69,316	81,357
Prepaid Expenses	3,449	4,753
Security Deposits	1,800	1,800
Right of Use Asset - Operating Leases	15,760	39,217
Other Receivable	-	32,950
Total Assets	$ 312,178	$ 333,042

LIABILITIES AND NET ASSETS

	2025	2024
Liabilities:		
Accounts Payable	$ 7,099	$ 15,253
Accrued Expenses	3,575	3,575
Lease liability - Operating Leases	17,024	41,721
Total Liabilities	27,698	60,549
Net Assets:		
Without Donor Restrictions	284,480	272,493
Total Net Assets	284,480	272,493
Total Liabilities and Net Assets	$ 312,178	$ 333,042

The accompanying notes are an integral part of these financial statements.

MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	
Support and revenues:				
Assessments	$ 507,676	$ -	$ 507,676	$ 507,676
Grant income	100,406	-	100,406	100,107
Program income	8,950	-	8,950	-
Contributions	2,000	-	2,000	-
Other income	13,446	-	13,446	-
Interest Income	461	-	461	445
Total support and revenues	632,939	-	632,939	608,228
Expenses:				
Program services:				
Supplemental business services	395,278	-	395,278	366,825
Supportive services:				
Management and general	225,674	-	225,674	201,505
Fundraising	-	-	-	-
Total expenses	620,952	-	620,952	568,330
Chage in Net Assets	11,987	-	11,987	39,898
Net Assets - beginning of year	272,493	-	272,493	232,595
Net Assets - end of year	$ 284,480	$ -	$ 284,480	$ 272,493

The accompanying notes are an integral part of these financial statements.

MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Business Improvement Disctrict Program Services	Supporting Services Management and General	Fundraising	Total
Expenses:				
Accounting	$ -	$ 8,400	$ -	$ 8,400
Beautification	32,020	-	-	32,020
Computer/Website	-	7,699	-	7,699
Electric	-	1,980	-	1,980
Filing Fees	-	125	-	125
Garage Rental	6,300	-	-	6,300
GM Repairs and Maintenance	5,775	-	-	5,775
Green Market	15,750	-	-	15,750
Holiday Lights	41,388	-	-	41,388
Insurance	-	32,651	-	32,651
Legal Fees	-	650	-	650
Management Fees	-	130,270	-	130,270
Marketing and Promotions	68,998	-	-	68,998
Printing, Bulk Mailings, etc.	-	11,933	-	11,933
Publications / Memberships	-	1,774	-	1,774
Rent	-	25,858	-	25,858
Repairs and Maintenance	4,622	-	-	4,622
Sanitation	154,219	-	-	154,219
Streetscape	40,866	-	-	40,866
Special Events - Programs	25,340	-	-	25,340
Telephone	-	4,334	-	4,334
Total Expenses	$ 395,278	$ 225,674	$ -	$ 620,952

The accompanying notes are an integral part of these financial statements.

MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Business Improvement Disctrict Program Services	Supporting Services Management and General	Fundraising	Total
Expenses:				
Accounting	$ -	$ 6,750	$ -	$ 6,750
Beautification	25,435	-	-	25,435
Computer/Website	-	7,785	-	7,785
Electric	-	1,847	-	1,847
Filing Fees	-	75	-	75
Garage Rental	6,825	-	-	6,825
GM Repairs and Maintenance	4,104	-	-	4,104
Green Market	15,750	-	-	15,750
Holiday Lights	43,350	-	-	43,350
Insurance	-	25,283	-	25,283
Legal Fees	-	150	-	150
Management Fees	-	122,270	-	122,270
Marketing and Promotions	58,809	-	-	58,809
Office Expenses	-	209	-	209
Printing, Bulk Mailings, etc.	-	9,152	-	9,152
Publications / Memberships	-	1,401	-	1,401
Rent	-	23,144	-	23,144
Repairs and Maintenance	779	-	-	779
Sanitation	152,955	-	-	152,955
Streetscape	44,978	-	-	44,978
Special Events - Programs	13,840	-	-	13,840
Telephone	-	3,439	-	3,439
Total Expenses	$ 366,825	$ 201,505	$ -	$ 568,330

The accompanying notes are an integral part of these financial statements.

MYRTLE AVENUE DISTRICT MANAGEMENT ASSOCIATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2025	2024
Cash flow from operating activities:		
Changes in net assets	$ 11,987	$ 39,898
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Non-cash lease expense	23,457	22,669
Changes in operating assets and liabilities:		
Grants receivable	12,041	(49,161)
Prepaid expenses	1,304	429
Other receivables	32,950	-
Accounts payable	(8,154)	14,873
Accrued expenses	-	(21,051)
Lease liabilities - operating	(24,697)	(23,528)
Net cash (used) provided by operating activities	48,888	(15,871)
Cash flow from investing activities		
Net cash provided by investing activities	-	-
Cash flow from financing activities		
Net cash provided by financing activities	-	-
Net (decrease) increase in cash	48,888	(15,871)
Cash at the beginning of the year	172,965	188,836
Cash at the end of the year	$ 221,853	$ 172,965
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	$ -	$ -
Taxes	$ -	$ -

The accompanying notes are an integral part of these financial statements.

NOTE 1: ORGANIZATION AND TAX STATUS

Myrtle Avenue District Management Association, Inc., (the "Organization") was incorporated on May 4, 1983 under Section 402 of the Not-for-Profit Corporation Law of the State of New York. The Internal Revenue Service has determined that the Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. The corporation was formed for the public purpose of promoting the general welfare of the people in the area described in the Myrtle Avenue, Ridgewood District Plan as approved by the Board of Estimate of The City of New York.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Accounting and Basis of Presentation

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for Not-for-Profits. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that could affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Net Assets

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standard Update "FASB ASU No. 2016-14, "Not-for-Profit Entities (958), Presentation of Financial Statements of Not-for-Profit Entities. Under FASB ASU 2016-14, the Organization is required to present information regarding its financial position and activities according to two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets without Donor Restrictions – Net assets without restrictions are resources available to support activities. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate

Net Assets with Donor Restrictions – Net assets with donor restrictions are resources that are restricted by a donor for use of a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

The organization's unspent contributions are included in this class if the donor limited their use.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Income Tax Status

The Organization is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Prior to fiscal year 2024, the Organization was exempt from income taxes under Section 501(c)(6). The tax years 2022, 2023 and 2024 are still open to audit both federal and state purposes. Contributions to the organization are tax deductible to donors under Section 170 of the IRC. The Organization is not classified as a private foundation.

Equipment and Leasehold Improvements

The Organization capitalizes all expenditures for equipment and leasehold improvements more than $1,000. Equipment and leasehold improvements are recorded at cost or, if donated, at the estimated fair market value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the asset to a specific purpose. Depreciation and amortization are provided over the estimated useful lives of the equipment and leasehold improvements on a straight- line basis.

Functional Allocation of Expenses

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited. Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction to the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. Advertising costs are expensed as incurred.

Classification of Transactions

All revenues and net gains are reported as increases in net assets in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses are reported as decreases in unrestricted net assets unless those decreases or losses are related sources of temporary or permanent donor restrictions.

Leases

The Organization recognizes and measures its leases in accordance with FASB ASC 842, Leases. The Organization is a lessee in a noncancellable operating lease for office space. The Organization will recognize a lease liability and a right of use (ROU) asset effective December 15, 2019. The lease liability for the lease is initially and subsequently recognized based on the present value of its future lease payments. The discount rate is the implicit rate if it is readily determinable or otherwise the Organization uses its incremental borrowing rate.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT.

The implicit rate of the leases is not readily determinable and accordingly, the Organization uses its incremental borrowing rate based on the information available at the commencement date for all leases.

The Organization’s incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term. The Organization has recognized a right of use asset for an office location and a corresponding lease liability.

The Organization has elected, for all underlying classes of assets, not to recognize the right of use (ROU) assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes the lease cost associated with its short-term leases on a straight-line basis over the lease term.

Receivables

The Organization records receivables from program service revenue and from contributions, grants and sponsorships. Grant receivables are reported at their net realizable value. The Organization evaluates the collectability of its 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 collectability of the outstanding balances. Receivables deemed uncollectable are written off against the allowance when it is determined that the receivable will not be collected.

The Organization 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.

Revenue Recognition

The Organization recognizes revenues through real estate assessments levied by the City of New York and are recorded when earned. The assessment revenue is recognized on a contract basis with the City of New York’s Department of Small Business Services (“NYC SBS”). The contract stipulates that the Organization shall perform “supplementary services” outlined within its contracted budget. NYC SBS remits the assessments in two installments. Since all the assessments are received in the current year there is no allowance for credit losses provided. Any assessment billing errors, or discrepancies are recorded as a direct reduction of the assessment revenue.

In addition, the Organization received grants from governmental agencies. Depending on the terms of the grant, it can either be an exchange transaction or a contribution. In accordance with the 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT.

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 below.

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor.

Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with payments due in the future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is until all conditions on which they depend are substantially met.

Program service fees and payment under cost-reimbursable contracts or grants received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

For any exchange transactions, the Company has adopted Accounting Standards Codification 606, *Revenue from Contracts with Customers*, which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles.

The Organization recognizes revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity received or expects to receive. The timing of satisfying performance obligation is at the point in time the service is provided. Revenue that is received prior to services performed is deferred until the future period when the work is completed. Based on the Company's evaluation of its contracts the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues because of the adoption.

The following table discloses the opening and closing balances for receivables in accordance with ASC 606:

	July 1, 2023	June 30, 2024	June 30, 2025
Grants Receivable	$ 32,196	81,357	69,316
Other Receivable	32,950	32,950	-

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT.

Adoption of New Accounting Standards

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*. The ASU introduces a new credit loss methodology, Current Expected Credit Loss (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. The CECL methodology uses a lifetime expected credit loss measurement objective for the recognition of credit losses at the time the financial asset is originated or acquired. This methodology replaces the multiple existing impairment methods in current GAAP, which generally required that a loss be incurred before it is recognized.

On July 1, 2023, the Organization adopted the ASU using the modified-retrospective approach. There was no adjustment to retained earnings upon adoption and resulted in new or enhanced disclosures only.

NOTE 3: ASSESSMENTS

The Organization has contracted with New York City Department of Small Business Services to receive funds specially assessed for the purpose of providing additional business services within the district. The contract commenced July 1, 2022, and expires June 30, 2024. As of June 30, 2025, and 2024, the assessments received were 507,676 and 507,676, respectively.

NOTE 4: GRANT INCOME / GRANT RECEIVABLE

The NYC Small Business Services has awarded the Organization with a FY2025 and FY2024 Business Improvement District Development Grant Agreement that provides grant funding to single district small BIDs to perform updates and new services related to placemaking and streetscape programs for their respective district. The Organization is required to perform two projects related to the grant, a streetscape / placemaking project and special event programs and provide expenses for reimbursement of up to $75,000 in fiscal year ending 2025 and 2024 for the completed deliverables. For the fiscal year ending June 30, 2025 and 2024, the Organization has performed the deliverables in full and has receivables of $18,804 and $56,250 related to the reimbursement, respectively.

The NYC Department of Transportation Plaza Program engages community partners to transform underutilized streets into pedestrian plazas to enhance public space (with tables, chairs, plantings and other amenities) and provide programs and events for the local community. The grants awarded are from the One NYC Plaza Equity Program reimbursement fund for which the BID could be reimbursed up to $20,000 per Plaza. For the fiscal years ended June 30, 2025 and 2024, the BID was awarded a total of $25,406 and $25,107, respectively. The awards are comprised of $19,825 and $20,000, respectively, for 71st Ave Plaza (now named Herman Hochberg Plaza) and $5,581 and $5,107, respectively for Venditti Square.

As of June 30, 2025, and 2024, the grants receivable were $69,316 and $81,357 respectively. The Organization did not have any credit loss expense nor any allowance for credit losses for the fiscal years ended June 30, 2025, and 2024.

NOTE 5: PROGRAM INCOME

The Organization generates program fees through sponsorships revenue for certain programs during the year. These sponsorships are used to promote the local businesses during these programs and generated income of $8,950 and $- as of fiscal years ending June 30, 2025, and 2024, respectively.

NOTE 6: AVAILABILITY AND LIQUIDITY

The following represents Myrtle Avenue District Management Association, Inc.'s financial assets at June 30, 2025 and 2024:

	2025	2024
Financial assets at period end:		
Cash and Equivalents	$ 221,853	172,965
Grants Receivable	69,316	81,357
Other Receivable	-	32,950
Total Financial Assets	291,169	287,272
Less amounts not available to be used within one year:		
Net Assets with Donor Restrictions	-	-
Financial assets available to meet general expenditures over the next twelve months	$ 291,169	$ 287,272

Myrtle Avenue District Management Association, Inc.'s goal is to generally maintain financial assets to meet 90 days of operating expenses. The organization may invest its excess cash in a money market account and certificate of deposits. As of June 30, 2025, there are no lines of credit for any short-term or long-term liquidity needs.

NOTE 7: PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consisted of the following on June 30,

	2025	2024
BID Equipment	$ 52,540	$ 52,540
	52,540	52,540
LESS: Accumulated Depreciation and Amortization	(52,540)	(52,540)
	$ -	$ -

Depreciation and amortization expense incurred on these assets totaled $0 and $0 for the years ended June 30, 2025 and 2024, respectively.

NOTE 8: SANITATION

The Organization has a month-to-month sanitation service agreement with Streetplus Company LLC in the amount of approximately $16,695. Additional services can be included and are paid at an agreed upon rate. Total sanitation charges for June 30, 2025, and 2024, amounted to $154,219 and $152,955 respectively.

NOTE 9: LEASES

In February 2016, the FASB issued guidance revising the accounting for leases. Under the new guidance, lessees will be required to recognize a right-of-use ("ROU") asset and lease liability for all leases other than those that are less than one year. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of activities.

The Organization entered into a lease for office space for a five-year term on March 1, 2021, which expires on February 28, 2026. The annual base rent for the first year is $21,890 and will increase by 4.00% each year after. Rent expense is recognized on a straight-line basis.

The Organization is subject to future commitments set forth in the rental lease agreement. Future minimum lease commitments under the operating lease are:

Year Ended June 30,	Future Lease Payments
2026	$ 17,080
Total lease payments	17,080
Less: Imputed interest	(56)
Present Value of Lease Liability	$ 17,024
Weighted Average Remaining Lease Term (years)	0.667
Weighted Average Discount Rate	0.870%

The Organization has elected to implement the practical expedient regarding the use of a risk-free rate as a discount rate for all leases. The Organization uses a risk-free rate comparable to the life of the lease as a substitute for the Organization's incremental borrowing rate. The weighted average discount rate associated with the operating leases as of June 30, 2025 and 2024 was 0.87% for both years.

Rent expense for the year ended June 30, 2025, and 2024 was $25,858 and $23,144, respectively.

NOTE 10: RELATED PARTY TRANSACTIONS

Myrtle Avenue District Management Association, Inc. and Ridgewood Local Development Corporation ("LDC"), Not-for-Profit Organizations, are operated as separate entities. Both entities have common board members. Ridgewood Local Development Corporation is responsible for supervising the management of the Organization and its legal responsibilities.

The Organization pays Ridgewood Local Development Corporation quarterly management fees for its services. The amounts of those fees are reviewed and approved annually. The fees for the fiscal year ended June 30, 2025, and 2024 amounted to $130,270 and $122,270 respectively. As of June 30, 2025, and 2024, the Organization has a receivable at year-end of $- and $32,950, respectively, from the related party.

NOTE 11: NET ASSETS

The balance of net assets is a result of unused monies from the previous year's budget allocations for sanitation, marketing & promotion, holiday lights and administrative expenses. The Organization may allocate the unused funds for future programs and administration.

NOTE 12: CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash-equivalent accounts in financial institutions, which from time to time exceed the Federal Depository Insurance Coverage limit. As of June 30, 2025, and 2024, the Organization had no accounts which exceeded insured limits.

NOTE 13: RECLASSIFICATIONS

Certain items were reclassified from the prior period to be in conformity with current presentation and had no material effect on reported earnings of those periods.

NOTE 14: SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 16, 2025, the date the financial statements are available for issuance for inclusion or disclosure in the financial statements.