

41ST STREET BUSINESS IMPROVEMENT DISTRICT, INC.

Financial Statements

September 30, 2025

41ST STREET BUSINESS IMPROVEMENT DISTRICT, INC.
TABLE OF CONTENTS
SEPTEMBER 30, 2025

	<u>Pages</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis (Required Supplementary Information)	3-5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	6
Statement of Activities	7
Fund Financial Statements:	
Balance Sheet – Governmental Fund	8
Reconciliation of the Balance Sheet - Governmental Fund to the Statement of Net Position	9
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund	10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund to the Statement of Activities	11
Notes to Basic Financial Statements	12-15
Required Supplementary Information (Unaudited):	
Budgetary Comparison Schedule – General Fund	16
Note to Required Supplementary Information	17
Other Reports:	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	18-19
Management Letter in Accordance with the <i>Rules of the Auditor General</i> of the State of Florida	20-21



Richie Tandoc, P.A.

Certified Public Accountant & Consultant
13453 SW 105th Ave, Miami, Florida 33176 / T. (305) 720-2502

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
41st Street Business Improvement District, Inc.:

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the 41st Street Business Improvement District, Inc. (the "District") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of September 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 and *Government 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 the 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 and *Government 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 the District'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 the District'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2026 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting.

Richie Tandoc, P.A.

Miami, Florida
February 25, 2026

Our discussion and analysis of the 41st Street Business Improvement District, Inc.'s (the "District") financial performance provides a narrative overview of the District's financial activities for the period from October 1, 2024 through September 30, 2025. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

Financial Highlights

- The assets of the District exceeded its liabilities at September 30, 2025 resulting in a net position of \$52,751, all of which is unrestricted.
- The key components of the District's net position and change in net position are reflected in the government-wide financial analysis section.
- As of September 30, 2025, the District's governmental fund reported an ending fund balance of \$52,175, all of which is unassigned and available for spending at the District's discretion.

Overview of Financial Statements

This discussion and analysis is intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The statement of activities presents information showing how the government's net position changed during the period from October 1, 2024 through September 30, 2025. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include the general-government, management and other supplemental services not provided by the City of Miami Beach and provisions for amortization.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category, governmental funds. There are no proprietary or fiduciary funds maintained by the District. The fund financial statements present information in more detail than the government-wide financial statements.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statement, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one individual governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, which is considered to be a major fund.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Financial Analysis

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. Key components of the District's net position are reflected in the following table:

	Fiscal Year 2025	Fiscal Year 2024
Total current assets	\$ 310,951	\$ 156,808
Total assets	310,951	156,808
Total current liabilities	86,301	33,801
Total liabilities	86,301	33,801
Total net position	\$ 224,650	\$ 123,007

The District's current assets consists of cash AND accounts receivables. Current liabilities consist of trade accounts payable, which are liquidated early in the next fiscal year. The District's net position consists of unrestricted net position.

41ST STREET BUSINESS IMPROVEMENT DISTRICT, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
(REQUIRED SUPPLEMENTARY INFORMATION)
SEPTEMBER 30, 2025

Key elements of the change in net position are reflected in the following table:

	Fiscal Year 2025	Fiscal Year 2024
Revenues:		
General revenues:		
Assessments	\$ 195,246	\$ 195,246
Other	-	42,902
Total revenues	<u>195,246</u>	<u>238,148</u>
Expenses:		
General government	<u>93,603</u>	<u>115,141</u>
Total expenses	<u>93,603</u>	<u>115,141</u>
Change in net position	101,643	123,007
Net position, beginning of year	<u>123,007</u>	-
Net position, end of year	<u>\$ 224,650</u>	<u>\$ 123,007</u>

As noted above in the statement of activities, the cost of all governmental activities for the period from October 1, 2024 through September 30, 2025 was \$93,603. The costs of the District's activities were paid by tax assessments. Assessments due from property owners as of September 30, 2025 total \$172,475.

General Budgeting Highlights

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirement of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Directors. Actual general fund expenditures were below budget for the year ended September 30, 2025.

The majority of the variance between budgeted and actual general fund expenditures for the period from October 1, 2024 through September 30, 2025 is due to certain activities that were budgeted for in the current fiscal year, but had not yet occurred.

Economic Factors and Other Events

The District had \$172,475 in assessments due from property owners as of September 30, 2025. Unpaid assessments by property owners are subject to having a lien placed on their property until such outstanding assessments are paid-in-full. As such, all assessments receivable are deemed fully collectible, and accordingly, no allowance for doubtful accounts has been established.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, land owners, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the 41st Street Business Improvement District, Inc.'s management at 975 Arthur Godfrey Road, Suite 600, Miami Beach, Florida 33140.

41ST STREET BUSINESS IMPROVEMENT DISTRICT, INC.
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash	\$ 138,476
Accounts receivable	<u>172,475</u>
TOTAL ASSETS	<u>310,951</u>
LIABILITIES	
Current liabilities:	
Accounts payable	<u>86,301</u>
TOTAL LIABILITIES	<u>86,301</u>
NET POSITION	
Unrestricted	<u>224,650</u>
TOTAL NET POSITION	<u>\$ 224,650</u>

The accompanying notes are an integral part of the basic financial statements.

41ST STREET BUSINESS IMPROVEMENT DISTRICT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

		<u>Program Revenues</u>	
	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Net Revenue (Expense) and Changes in Net Position</u>
Functions/Programs			
Governmental Activities:			
General government	\$ 93,603	\$ -	\$ (93,603)
Total governmental activities	<u>\$ 93,603</u>	<u>\$ -</u>	<u>(93,603)</u>
General Revenues:			
Assessments			<u>195,246</u>
Total general revenues			<u>195,246</u>
Change in net position			101,643
Net position - beginning of year			<u>123,007</u>
Net position - end of year			<u><u>\$ 224,650</u></u>

The accompanying notes are an integral part of the basic financial statements.

41ST STREET BUSINESS IMPROVEMENT DISTRICT, INC.
BALANCE SHEET - GOVERNMENTAL FUND
SEPTEMBER 30, 2025

	<u>General Fund</u>
ASSETS	
Cash	\$ 138,476
Accounts receivable	<u>172,475</u>
TOTAL ASSETS	<u>\$ 310,951</u>
LIABILITIES	
Accounts payable	\$ 86,301
DEFERRED INFLOWS OF RESOURCES	
Unavailable assessments revenue	172,475
FUND BALANCE	
Unassigned	<u>52,175</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 310,951</u>

The accompanying notes are an integral part of the basic financial statements.

41ST STREET BUSINESS IMPROVEMENT DISTRICT, INC.
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Total fund balance - governmental fund	\$ 52,175
--	-----------

Amounts reported for governmental activities in the statement of net position consist of:

Assessments are reported as deferred inflows in the governmental fund due to amounts being unavailable; under full accrual accounting they are reported as revenues.

172,475

Total net position - governmental activities
--

<u>\$ 224,650</u>

The accompanying notes are an integral part of the basic financial statements.

41ST STREET BUSINESS IMPROVEMENT DISTRICT, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>General Fund</u>
Revenues	
Assessments	\$ 175,186
Total revenues	<u>175,186</u>
Expenditures	
Current:	
General government	<u>93,603</u>
Total expenditures	<u>93,603</u>
Excess of revenues over expenditures / net change in fund balance	81,583
Fund deficit - beginning of the year	<u>(29,408)</u>
Fund balance - end of the year	<u>\$ 52,175</u>

The accompanying notes are an integral part of the basic financial statements.

41ST STREET BUSINESS IMPROVEMENT DISTRICT, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balance - total governmental funds	\$ 81,583
---	-----------

Amounts reported for governmental activities in the statement of activities are different because:

Because some assessments will not be collected for several months after the fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds	<u>20,060</u>
---	---------------

Change in net position - governmental activities	<u>\$ 101,643</u>
--	-------------------

The accompanying notes are an integral part of the basic financial statements.

1. ORGANIZATION AND REPORTING ENTITY

In March 2024 the City of Miami Beach, Florida (the "City") approved Resolution No. 2024-32544, pursuant to Chapter 170, Florida Statutes, to establish the 41st Street Business Improvement District (the "District"), subject to the approval by a majority of the affected commercial property owners. The District is bounded on the west by Alton Road, on the east by Indian Creek Canal, and consists of properties abutting west 41st Street / Arthur Godfrey Road. The District is supported by annual assessments paid by the affected commercial property owners within the boundaries of the District, for the purpose of supporting the growth and vitality of the 41st Street Corridor, including economic development, advocacy initiatives, and monitoring of the General Obligation Bond and master planning for the District. The assessments are collected by the City and remitted to the District.

The Board of the District, which exercises policy control over the operations of the District, consists of nine voting Directors made up of property owners and community stakeholders.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of the District's significant accounting policies is presented to assist the reader in interpreting the basic financial statements. The policies are considered essential and should be read in conjunction with the basic financial statements. The accounting policies of the District conform to accounting principles generally accepted in the United States of America applicable to governmental units. This report, the accounting systems and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

A. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the financial activities of the District. *Governmental activities*, which generally are supported by fees, assessments and other revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not have any *business-type activities* and has only one governmental activity.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues, if any, include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

The accounts of the District are reported as a general fund, which is a governmental fund. The general fund is the District's only fund and thus the District's only major fund. The governmental fund statements includes reconciliations, where applicable, with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental fund.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Assessments associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period when available. All other revenue items are considered to be measurable only when cash is received by the District.

C. Accounts Receivable

Accounts receivable represent assessments that have not been collected, and are reported at original amount. Unpaid assessments by property owners are subject to having a lien placed on their property until such outstanding assessments are paid-in-full. As such, all assessments receivable are deemed fully collectible, and accordingly, no allowance for doubtful accounts has been established.

D. Deferred Inflows of Resources

The statement of financial position reports a separate section of deferred inflows of resources which represents an acquisition of net position that applies to a future period and is not recognized an inflow of resources or revenue until that time. The District has one type of resource, which occurs under a modified accrual basis of accounting in this category, unavailable revenue, reported in the governmental fund balance sheet. The general fund reports unavailable revenue from assessments. These amounts are deferred and recognized as an inflow of revenue in the period that the amounts become available.

E. Fund Balance / Net Position

Fund balance

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types.

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent, as follows:

- Nonspendable fund balance - amounts that cannot be spent because they are either (a) not in spendable form, e.g., prepaid assets or (b) legally or contractually required to be maintained intact.
- Restricted fund balance - amounts that are restricted to specific purposes when constraints placed on the use of resources are either by (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Fund Balance / Net Position (Continued)

- Committed fund balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board - the government's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the District Board removes the specified use by taking the same action that imposed the commitment.
- Assigned fund balance - amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Assignments are made by the District's Executive Director based on the direction of the District Board.
- Unassigned fund balance - amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purpose within the general fund.

When both restricted and unrestricted amounts are available for use, it is the District's practice to use restricted resources first. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance.

Net position

The government-wide financial statements utilize a net position presentation. Net position can be categorized as net investment in capital assets, restricted, or unrestricted. The first category consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net position results when constraints placed on the use of the net position are either externally imposed by creditors, grantors, contributors and the like, or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of the remaining net position that does not meet the previously listed criteria.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

G. Income Taxes

The District is exempt from Federal income taxes under Section 501(c)(6) of the Internal Revenue Code. As a result, no income tax provision or liability has been provided in the accompanying financial statements. As of September 30, 2025, the District does not believe it has any uncertain tax positions that would result in the District having a liability to a taxing authority. The District is subject to federal and state income tax examinations for tax year 2024 (when filed), generally three years from the date of filing. However, the District is not aware of any on-going examinations. The District did not file a tax return for 2024, as it did not meet the gross receipts threshold of \$50,000 or less, excluding donated goods and services.

3. DEPOSITS

At September 30, 2025, the carrying amount and bank balance of the District's deposits total \$138,476.

Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. In addition to insurance provided by the Federal Deposit Insurance Corporation (FDIC), deposits are held in banking institutions approved by the State of Florida, State Treasurer to hold public funds. Under Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act", the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all cash held by banks are fully collateralized or insured.

4. SUBSEQUENT EVENTS

The District evaluated subsequent events through February 25, 2026, the date the financial statements were available to be issued, and does not believe that there are any events or transactions that require disclosure.

41ST STREET BUSINESS IMPROVEMENT DISTRICT, INC.
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
(REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted amounts			Variance - positive (negative)
	Original	Final	Actual	
Revenues				
Assessments	\$ 195,246	\$ 195,246	175,186	\$ (20,060)
Total revenues	195,246	195,246	175,186	(20,060)
Expenditures				
General government	195,246	195,246	93,603	101,643
Total expenditures	195,246	195,246	93,603	101,643
Excess of revenues over expenditures / net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	81,583	<u>\$ 81,583</u>
Fund balance - beginning of the year			(29,408)	
Fund balance - end of the year			<u>\$ 52,175</u>	

The note to the required supplementary information is an integral part of this schedule.

1. BUDGETARY POLICY

The District is required to establish a budgetary system and an approved annual budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. In accordance with generally accepted accounting principles, budgetary comparison information is disclosed for the general fund.

The budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board.

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate.



Richie Tandoc, P.A.

Certified Public Accountant & Consultant
13453 SW 105th Ave, Miami, Florida 33176 / T. (305) 720-2502

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors
41st Street Business Improvement District, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the 41st Street Business Improvement District, Inc. (the "District") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 25, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses and significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richie Tandoc, P.A.

Miami, Florida
February 25, 2026



Richie Tandoc, P.A.

Certified Public Accountant & Consultant
13453 SW 105th Ave, Miami, Florida 33176 / T. (305) 720-2502

MANAGEMENT LETTER IN ACCORDANCE WITH THE
RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

The Board of Directors
41st Street Business Improvement District, Inc.:

Report on the Financial Statements

We have audited the financial statements of the 41st Street Business Improvement District, Inc. (the "District"), as of and for the fiscal year ended September 30, 2025, and have issued our report dated February 25, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Reports on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated February 25, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations reported in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Such disclosures are made in note 1 to the District's financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires that we report the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures as of September 30, 2025. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Specific Information

As required by Section 218.39(3)(a), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the District reported:

- a. No employees were compensated in the last pay period of the District's fiscal year.
- b. One independent contractor to whom nonemployee compensation was paid in the last month of the District's fiscal year.
- c. No compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency for the fiscal year, inclusive of payroll taxes, insurances, workers compensation and payrolling fees.
- d. Compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency totaled \$90,000 for the fiscal year.
- e. There were no construction projects with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes – is not applicable, as the District did not amend a final adopted budget under Section 189.016(6), Florida Statutes.

As required by Section 218.32(1)(e)5, Florida Statutes, and Section 10.554(1)(i)9, Rules of the Auditor General, the District reported:

- a. The rates of non-ad valorem special assessments imposed by the District for the fiscal year are as follows: properties with 50% or more of Lot Size Ground Floor Retail Use are assessed at the rate of \$.50/SF of Lot Size; and properties with less than 50% of Lot Size Ground Floor Retail Use are assessed at the rate of \$.25/SF of Lot Size.
- b. Special assessments collected by or on behalf of the District totaled \$175,186 during the fiscal year.
- c. The District has no outstanding bonds at fiscal year-end.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Florida Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, and the Board of Directors and management of the District, and is not intended to be and should not be used by anyone other than these specified parties.

Richie Tandoc, P.A.

Miami, Florida
February 25, 2026