

**BELMONT DISTRICT MANAGEMENT
ASSOCIATION, INC.**

**FINANCIAL STATEMENTS
JUNE 30, 2013**

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.
FINANCIAL STATEMENTS
JUNE 30, 2013

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STEPHEN FRANCIOSA CPA
ACCOUNTANTS + CONSULTANTS

213 FORDHAM STREET
CITY ISLAND, NEW YORK 10464

(718)885-9191
FAX: (718)885-3131
EMAIL: SFRANCIOSA@CPA.COM

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

Board of Directors
Belmont District Management Association, Inc.

Report on the Financial Statements

I have audited the accompanying financial statements of Belmont District Management Association, Inc., which comprise the statement of net assets as of June 30, 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

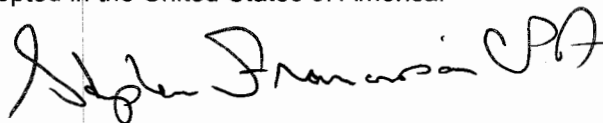
Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Belmont District Management Association, Inc., as of June 30, 2013, and the results of its activities and changes in net assets, of its functional expenses and of its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

City Island, New York
December 13, 2013



BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENT OF NET ASSETS
JUNE 30, 2013

ASSETS

	2013
CURRENT ASSETS	
Cash and cash equivalents	\$ 24,290
Prepaid rent	10,000
Prepaid insurance	3,726
TOTAL CURRENT ASSETS	38,016
FIXED ASSETS	
Equipment, net of accumulated depreciation of \$1,775	10,057
BID startup costs, net of accumulated amortization of \$7,197	10,797
L/H Improvements, net of accumulated amortization of \$641	1,496
Organization costs, net of accumulated amortization of \$1,131	282
TOTAL FIXED ASSETS	22,632
OTHER ASSETS	
Security Deposit	3,000
TOTAL OTHER ASSETS	3,000
TOTAL ASSETS	\$ 63,648

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 38,727
TOTAL CURRENT LIABILITIES	38,727
NET ASSETS - UNRESTRICTED	24,921
TOTAL NET ASSETS	24,921
TOTAL LIABILITIES AND NET ASSETS	\$ 63,648

See notes to financial statements.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.
 STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2013

	2013
REVENUE	
BID assessments	\$ 340,000
Interest	583
Events and other income	81,707
TOTAL REVENUE	422,290
EXPENSES	
Program services	536,269
Supporting services, management and general	70,908
TOTAL EXPENSE	607,177
CHANGE IN UNRESTRICTED NET ASSETS	(184,887)
NET ASSETS - UNRESTRICTED - JULY 1, 2012	209,808
NET ASSETS - UNRESTRICTED - JUNE 30, 2013	\$ 24,921

See notes to financial statements.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013

	2013		
	Program Services	Supporting Services, Management and General	Total
Administrative consultant	\$ 29,275	\$ 0	\$ 29,275
Holiday lights	38,475	0	38,475
Business promotion and advertising	338,933	0	338,933
Telephone	0	2,083	2,083
Office supplies and expenses	0	11,000	11,000
Audit and accounting	0	11,201	11,201
Insurance	0	5,629	5,629
Amortization	0	2,509	2,509
Depreciation	0	1,183	1,183
Sanitation	70,307	0	70,307
Security services	25,600	0	25,600
Bank charges	0	809	809
Dues and subscriptions	0	562	562
Rent expense	24,210	0	24,210
Entertainment	0	5,973	5,973
Party rentals	5,952	0	5,952
Streetscape, surveys and research	3,517	0	3,517
Website maintenance	0	27,960	27,960
Postage and mailing service	0	848	848
Utilities	0	1,151	1,151
TOTAL EXPENSES	\$ 536,269	\$ 70,908	\$ 607,177

See notes to financial statements.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

	2013
Cash Flows From Operating Activities:	
Change in unrestricted net assets	\$ (184,887)
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Amortization and depreciation	3,692
Decrease in prepaid expenses	6,000
(Increase) in prepaid insurance	(1,487)
Increase in accounts payable and accrued expenses	18,971
Net Cash Applied to Operating Activities	(157,711)
Net decrease in cash	(157,711)
Cash - July 1, 2012	182,001
Cash - June 30, 2013	\$ 24,290

See notes to financial statements.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Note 1- Organization and Significant Accounting Policies

Belmont District Management Association, Inc. ("Association") was formed December 1, 2008 under the New York Not-for-Profit Corporation Law for the purpose of promoting the general welfare of the people in the Business Improvement District ("BID"). The BID, located in the Bronx, New York, is known as the Belmont Business Improvement District. BID assessments collected by the City of New York are the Association's principal source of revenue.

Accounting Policies

The accompanying financial statements have been prepared on the accrual basis of accounting whereby revenues are recorded as earned and expenses recorded as incurred.

Basis of Presentation

The Organization follows Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations. Under FAS No. 117, Organization's are required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted - represents all activity that has not been restricted by donors, even though its use may be limited in other respects, such as by City contract or by Board of Directors designation.

Temporarily restricted - represents donor restricted contributions whose restrictions have not been met at year end but whose restrictions are anticipated to be met in the future. The Organization did not have any temporarily restricted net assets during June 30, 2013.

Permanently restricted - represents donor restricted assets which must remain intact. These types of assets are commonly referred to as endowment. The Organization did not have any permanently restricted net assets during June 30, 2013.

Additionally, expenses are required to be classified by functional activities.

Revenue Recognition

BID assessment revenues and the related receivables are recorded when the Association is legally entitled to receive the assessments from the City of New York, pursuant to its contract with the City.

Contributions and Fundraising

In accordance with SFAS No. 116, Accounting for Contributions Received and Contributions Made, contributions received with donor stipulations that limit the use of the assets are reported as restricted support. When a restriction expires, that is, when a stipulation time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reports in the statement of activities as net assets released from restrictions. In addition, those contributions whose restrictions lapse in the same period the contribution is made are recorded as unrestricted.

Cash and Cash Equivalents

Cash and cash equivalents consists of all cash in bank accounts and any highly liquid financial instruments purchased with a maturity of three months or less.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Note 1- Organization and Significant Accounting Policies (continued)

Concentration of Revenue, Risk and Control

The Organization deposits money with credit worthy institutions that are insured with the Federal Deposit Insurance Corporation which limits the amount of coverage, currently, to \$250,000 in aggregate. During the year, it could have deposits which exceed this FDIC limit. At June 30, 2013, the Organization did not exceed the limit.

The Association operates in a limited geographical area. Its revenues are ultimately linked to property owners continuing to pay their BID assessments to the City of New York.

Likewise, the Association is dependent upon future contract renewals with the City of New York, in addition to the City's timely disbursements of BID assessments.

Fixed Assets

Fixed assets are stated at cost and are being depreciated and amortized over their estimated useful lives.

Consulting Expenses

The Belmont DMA has expended significant effort through studies and surveys of its district. While the related expenditures are expected to benefit the DMA well into the future, management has elected to recognize such expenses as incurred.

Tax Status

The Organization is exempt from federal income taxes as an organization described under Section 501(c)(3) of the Internal Revenue Code. As a result, no provision for income taxes has been made in these financial statements.

Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, results could differ from those estimates.

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Note 2- BID Assessment Receivable

The Association's new contract with the City of New York Department of Business Services commenced July 1, 2009 and expires June 30, 2014. NYC currently disburses annual assessments in two installments per fiscal year, half in July and the remaining half in January. As a result, there is no assessment receivable at June 30, 2013.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Note 3- Rent Commitment

Belmont DMA entered into a sublease with The Belmont Society for Arts and Culture, Inc. (BSAC) for office space at 602 East 187th Street, Bronx, New York. The term of the lease is from December 1, 2011 to November 30, 2021. The lease is for \$2,000 per month, with \$12,000 payable semi-annually, on December 1 and June 1. The sublease cannot be terminated before May 31, 2013 and is subject to the terms of the master lease between BSAC and Portia Properties III, LLC. In conjunction with this sublease the Belmont DMA made a security deposit payment of \$3,000 at inception.

Note 4- Other Commitments

As of August 2012, the BID contracted for its annual sanitation at a cost of approximately \$5,800 per month.

Note 5- Compensated Absences

Vacation and sick pay are concluded by year end. Accordingly, at year end there are no unpaid expenses.

Note 6- Date of Management's Review

In preparing the financial statements, the organization has evaluated events and transactions for potential recognition or disclosure through January, 14, 2014, the date that the financial statements were approved for issuance.