

BELMONT DISTRICT MANAGEMENT  
ASSOCIATION, INC.

FINANCIAL STATEMENTS  
JUNE 30, 2014

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.  
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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, 2014, 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, 2014, 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  
October 29, 2014

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.  
STATEMENT OF NET ASSETS  
JUNE 30, 2014

ASSETS

	2014
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 53,085
Accounts receivable	30,199
Prepaid insurance	3,701
<b>TOTAL CURRENT ASSETS</b>	<b>86,985</b>
<b>FIXED ASSETS</b>	
Equipment, net of accumulated depreciation of \$2,958	8,874
BID startup costs, net of accumulated amortization of \$8,996	8,997
L/H Improvements, net of accumulated amortization of \$1,068	1,069
Organization costs, net of accumulated amortization of \$1,414	0
<b>TOTAL FIXED ASSETS</b>	<b>18,940</b>
<b>OTHER ASSETS</b>	
Security Deposit	3,000
<b>TOTAL OTHER ASSETS</b>	<b>3,000</b>
<b>TOTAL ASSETS</b>	<b>\$ 108,925</b>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 34,701
Deferred revenue	1,500
<b>TOTAL CURRENT LIABILITIES</b>	<b>36,201</b>
<b>NET ASSETS - UNRESTRICTED</b>	<b>72,724</b>
<b>TOTAL NET ASSETS</b>	<b>72,724</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 108,925</b>

See notes to financial statements.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.  
 STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2014

	2014
REVENUE	
BID assessments	\$ 340,000
NYC grants	70,191
Interest	332
Events and other income	113,891
TOTAL REVENUE	524,414
EXPENSES	
Program services	416,210
Supporting services, management and general	60,401
TOTAL EXPENSE	476,611
CHANGE IN UNRESTRICTED NET ASSETS	47,803
NET ASSETS - UNRESTRICTED - JULY 1, 2013	24,921
NET ASSETS - UNRESTRICTED - JUNE 30, 2014	\$ 72,724

See notes to financial statements.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2014

	2014		
	Program Services	Supporting Services, Management and General	Total
Executive salary	\$ 59,389	\$ 0	\$ 59,389
Salaries	26,384	0	26,384
Payroll taxes	8,254	0	8,254
Business promotion and advertising	167,870	0	167,870
Administrative consultant	8,100	0	8,100
Website maintenance	0	13,152	13,152
Holiday lights	37,475	0	37,475
Banners	15,315	0	15,315
Postage and mailing service	0	1,822	1,822
Telephone	0	5,438	5,438
Utilities	0	2,001	2,001
Office supplies and expenses	0	10,851	10,851
Accounting and professional fees	0	15,890	15,890
Insurance	0	3,515	3,515
Sanitation	56,303	0	56,303
Security services	12,065	0	12,065
Bank charges	0	236	236
Dues and subscriptions	0	1,801	1,801
Rent expense	24,000	0	24,000
Repairs	475	0	475
Meals and entertainment	0	2,003	2,003
Payroll service fee	580	0	580
Amortization	0	2,509	2,509
Depreciation	0	1,183	1,183
<b>TOTAL EXPENSES</b>	<b>\$ 416,210</b>	<b>\$ 60,401</b>	<b>\$ 476,611</b>

See notes to financial statements.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2014

	2014
Cash Flows From Operating Activities:	
Change in unrestricted net assets	\$ 47,803
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Amortization and depreciation	3,692
Decrease in prepaid expenses	10,000
(Increase) in accounts receivable	(30,199)
Decrease in prepaid insurance	25
Increase in deferred revenue	1,500
(Decrease) in accounts payable and accrued expenses	(4,026)
Net Cash Applied to Operating Activities	28,795
Net decrease in cash	28,795
Cash - July 1, 2013	24,290
Cash - June 30, 2014	\$ 53,085

See notes to financial statements.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

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, 2014.

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, 2014.

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, 2014

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, 2014, 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

Occasionally the Belmont DMA may expend 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 in the past 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 has been extended through June 30, 2015. 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, 2014.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

Note 3- Rent Commitment

Belmont DMA rents its office space at 602 East 187<sup>th</sup> Street, Bronx, New York on a month to month basis for \$2,000 per month. It is subletting from the Belmont Society for Arts and Culture, Inc. whose lease expires November 30, 2021. In conjunction with this arrangement the Belmont DMA made a security deposit payment of \$3,000.

Note 4- Other Commitments

As of November 2013, the BID contracted for its annual sanitation at a cost of approximately \$4,237 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 November 18, 2014, the date that the financial statements were approved for issuance.