

**BELMONT DISTRICT MANAGEMENT  
ASSOCIATION, INC.**

**FINANCIAL STATEMENTS  
JUNE 30, 2015**

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.  
FINANCIAL STATEMENTS  
JUNE 30, 2015

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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, 2015, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

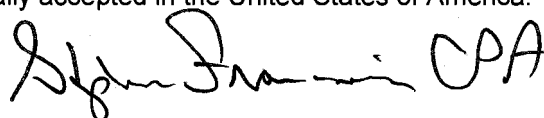
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and 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, 2015, and the results of its activities and changes in net assets, of its functional expenses and of its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



City Island, New York  
November 3, 2015

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.  
STATEMENT OF NET ASSETS  
JUNE 30, 2015

ASSETS

	2015
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 49,329
Accounts receivable	8,539
Prepaid expenses	3,063
Prepaid insurance	2,770
<b>TOTAL CURRENT ASSETS</b>	<b>63,701</b>
<b>FIXED ASSETS</b>	
Equipment, net of accumulated depreciation of \$5,324	6,508
BID startup costs, net of accumulated amortization of \$10,796	7,198
L/H Improvements, net of accumulated amortization of \$1,602	534
<b>TOTAL FIXED ASSETS</b>	<b>14,240</b>
<b>OTHER ASSETS</b>	
Security deposit	3,000
<b>TOTAL OTHER ASSETS</b>	<b>3,000</b>
<b>TOTAL ASSETS</b>	<b>\$ 80,941</b>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 21,037
<b>TOTAL CURRENT LIABILITIES</b>	<b>21,037</b>
<b>NET ASSETS - UNRESTRICTED</b>	<b>59,904</b>
<b>TOTAL NET ASSETS</b>	<b>59,904</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 80,941</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, 2015

	2014
REVENUE	
BID assessments	\$ 340,000
NYC grants	50,000
Grants	1,157
Interest	408
Events and other income	97,583
TOTAL REVENUE	489,148
EXPENSES	
Program services	407,878
Supporting services, management and general	74,090
Pass-thru expense to BSOAC	20,000
TOTAL EXPENSE	501,968
CHANGE IN UNRESTRICTED NET ASSETS	(12,820)
NET ASSETS - UNRESTRICTED - JULY 1, 2014	72,724
NET ASSETS - UNRESTRICTED - JUNE 30, 2015	\$ 59,904

See notes to financial statements.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2015

	2015		
	Program Services	Supporting Services, Management and General	Total
Executive salary	\$ 82,449	\$ 0	\$ 82,449
Salaries	37,621	0	37,621
Payroll taxes	9,679	0	9,679
Business promotion and advertising	138,755	0	138,755
Website maintenance	0	16,871	16,871
Holiday lights	39,475	0	39,475
Banners	865	0	865
Telephone	0	6,485	6,485
Utilities	0	2,398	2,398
Office supplies and expenses	0	8,011	8,011
Parking	0	2,930	2,930
Accounting and professional fees	0	23,014	23,014
Insurance	0	4,454	4,454
Sanitation	47,106	0	47,106
Security services	18,006	0	18,006
Bank charges	0	30	30
Dues and subscriptions	0	1,407	1,407
Rent expense	24,000	0	24,000
Repairs	6,429	0	6,429
Landscaping	1,200	0	1,200
Meals and entertainment	0	3,790	3,790
Payroll service fee	1,393	0	1,393
Bad debt	900	0	900
Amortization	0	534	534
Depreciation	0	4,166	4,166
<b>TOTAL EXPENSES</b>	<b>\$ 407,878</b>	<b>\$ 74,090</b>	<b>\$ 481,968</b>

See notes to financial statements.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2015

	2015
Cash Flows From Operating Activities:	
Change in unrestricted net assets	\$ (12,820)
Adjustments to reconcile change in net assets to cash (used in) operating activities:	
Amortization and depreciation	4,700
(Increase) in prepaid expenses	(3,063)
Decrease in accounts receivable	21,660
Decrease in prepaid insurance	931
(Decrease) in deferred revenue	(1,500)
(Decrease) in accounts payable and accrued expenses	(13,664)
Net Cash (Used in) Operating Activities	(3,756)
Net decrease in cash	(3,756)
Cash - July 1, 2014	53,085
Cash - June 30, 2015	\$ 49,329

See notes to financial statements.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

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, 2015.

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, 2015.

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, 2015

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, 2015, 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, 2016. 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, 2015.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

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 December 1, 2014, the BID contracted for its annual sanitation at a cost of approximately \$4,167 per month.

Also, shortly after year-end, Belmont DMA received a line of credit for \$30,000 from NorthEast Community Bank.

Note 5- Compensated Absences

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

Note 6- Subsequent Event

Subsequent to year-end, Belmont DMA received a \$20,000 discretionary grant. The amount was immediately forwarded to Belmont Society of Arts and Culture, Inc. (BSOAC) in accordance with an agreement approved by the Board in earlier years.

Note 7- Date of Management's Review

In preparing the financial statements, the organization has evaluated events and transactions for potential recognition or disclosure through November 17, 2015, the date that the financial statements were approved for issuance.