

**BELMONT DISTRICT MANAGEMENT
ASSOCIATION, INC.**

**FINANCIAL STATEMENTS
JUNE 30, 2011**

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.
FINANCIAL STATEMENTS
JUNE 30, 2011

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

Board of Directors
Belmont District Management Association, Inc.

I have audited the accompanying statement of net assets of Belmont District Management Association, Inc. as of June 30, 2011 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my 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, 2011, 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 conformity with accounting principles generally accepted in the United States of America.

City Island, New York
April 4, 2012



BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENT OF NET ASSETS
JUNE 30, 2011

ASSETS

	2011
CURRENT ASSETS	
Cash and cash equivalents	\$ 277,533
Prepaid expenses	8,401
Prepaid insurance	1,769
TOTAL CURRENT ASSETS	287,703
OTHER ASSETS	
Organization costs, net of accumulated amortization of \$565	848
BID startup costs, net of accumulated amortization of \$3,599	14,395
TOTAL OTHER ASSETS	15,243
TOTAL ASSETS	\$ 302,946

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 16,397
TOTAL CURRENT LIABILITIES	16,397
NET ASSETS	
Unrestricted	286,549
TOTAL NET ASSETS	286,549
TOTAL LIABILITIES AND NET ASSETS	\$ 302,946

See notes to financial statements.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

	2011
REVENUE	
BID assessments	\$ 339,700
Contributions	5,000
Interest	4,123
Ferragosto activity - net	23,213
Other income	16,125
TOTAL REVENUE	388,161
EXPENSES	
BID program services	182,067
Supporting services, management and general	140,881
TOTAL EXPENSE	322,948
CHANGE IN UNRESTRICTED NET ASSETS	65,213
NET ASSETS - UNRESTRICTED - JULY 1, 2010	221,336
NET ASSETS - UNRESTRICTED - JUNE 30, 2011	\$ 286,549

See notes to financial statements.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011

	2011		
	Business Improvement District Program Services	Supporting Services, Management and General	Total
Salary-Executive Director	\$ 4,787	\$ 43,081	\$ 47,868
Payroll, taxes and fringes	309	2,780	3,089
MTA tax	26	229	255
Holiday lights	11,000	0	11,000
Business promotion and advertising	85,549	0	85,549
Telephone	0	946	946
Office supplies and expenses	0	3,411	3,411
Audit and accounting	0	9,125	9,125
Insurance	0	3,968	3,968
Miscellaneous	0	475	475
Amortization	0	2,082	2,082
Sanitation	41,077	0	41,077
Security services	5,103	0	5,103
Bank charges	0	264	264
Employee benefits	378	3,404	3,782
Consultant	0	41,359	41,359
Computer expense	0	14,239	14,239
Dues and subscriptions	0	5,620	5,620
Facilities and equipment	5,000	0	5,000
Outside contract services	5,300	0	5,300
Community improvements	11,511	0	11,511
Fees	0	75	75
Entertainment	0	2,500	2,500
Professional fees	0	2,438	2,438
Party rentals	1,027	0	1,027
Surveys and research	11,000	0	11,000
Website design	0	3,240	3,240
Postage and mailing service	0	1,645	1,645
	<u>182,067</u>	<u>140,881</u>	<u>322,948</u>
TOTAL EXPENSES	\$ <u>182,067</u>	\$ <u>140,881</u>	\$ <u>322,948</u>

See notes to financial statements.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

	2011
Cash Flows From Operating Activities:	
Change in net assets	\$ 65,213
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Amortization of organization and BID startup costs	2,082
(Increase) in prepaid expenses	(8,401)
Decrease in prepaid insurance	686
Increase in accounts payable and accrued expenses	5,647
(Decrease) in salaries payable	(3,075)
(Decrease) in payroll taxes payable	(4,257)
Net Cash Provided By Operating Activities	57,895
Net increase in cash	57,895
Cash - July 1, 2010	219,638
Cash - June 30, 2011	\$ 277,533

See notes to financial statements.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011.

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, 2011.

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.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1- Organization and Significant Accounting Policies (continued)

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.

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, 2011, the Organization had approximately \$41,000 in uninsured balances.

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.

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, 2011.

Note 3- Rent Commitment

There was no office rent expense for the year ended June 30, 2011.

Note 4- Other Commitments

As of August 2010, the BID contracted for its annual sanitation at a cost of approximately \$3,400 per month.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 April 10, 2012, the date that the financial statements were available to be issued.