

**BELMONT DISTRICT MANAGEMENT  
ASSOCIATION, INC.**

**FINANCIAL STATEMENTS  
JUNE 30, 2016**

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.  
FINANCIAL STATEMENTS  
JUNE 30, 2016

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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 financial position as of June 30, 2016, 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**

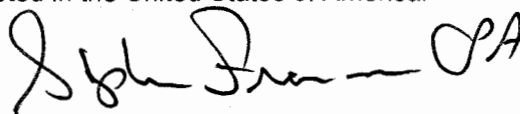
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and 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, 2016, 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  
October 11, 2016

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2016

ASSETS

	2016
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 172,788
Accounts receivable	7,450
Prepaid expenses	8,814
Prepaid insurance	2,590
<b>TOTAL CURRENT ASSETS</b>	<b>191,642</b>
<b>FIXED ASSETS</b>	
Equipment, net of accumulated depreciation of \$7,690	4,142
BID startup costs, net of accumulated amortization of \$12,595	5,398
L/H Improvements, net of accumulated amortization of \$2,136	0
<b>TOTAL FIXED ASSETS</b>	<b>9,540</b>
<b>OTHER ASSETS</b>	
Security deposit	3,000
Copyright of logo	6,866
<b>TOTAL OTHER ASSETS</b>	<b>9,866</b>
<b>TOTAL ASSETS</b>	<b>\$ 211,048</b>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 19,922
<b>TOTAL CURRENT LIABILITIES</b>	<b>19,922</b>
<b>NET ASSETS</b>	<b>191,126</b>
<b>TOTAL NET ASSETS</b>	<b>191,126</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 211,048</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, 2016

	2016
REVENUE	
BID assessments	\$ 440,000
NYC grants	30,000
Interest	514
Events and other income	124,800
TOTAL REVENUE	595,314
EXPENSES	
Program services	419,409
Supporting services, management and general	49,683
TOTAL EXPENSE	469,092
CHANGE IN UNRESTRICTED NET ASSETS	126,222
NET ASSETS - JUNE 30, 2015	59,904
Adjustment for purchase of copyright	5,000
ADJUSTED NET ASSETS - JULY 1, 2015	64,904
NET ASSETS - JUNE 30, 2016	\$ 191,126

See notes to financial statements.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2016

	2016		
	Program Services	Supporting Services, Management and General	Total
Executive salary	\$ 86,909	\$ 0	\$ 86,909
Office salary	42,976	0	42,976
Payroll taxes	10,433	0	10,433
Business promotion and advertising	100,576	0	100,576
Website maintenance	0	844	844
Holiday lights	32,800	0	32,800
Banners	15,510	0	15,510
Telephone	0	4,670	4,670
Utilities	0	1,946	1,946
Office supplies and expenses	0	8,410	8,410
Parking	0	1,988	1,988
Accounting and professional fees	0	19,325	19,325
Insurance	0	4,071	4,071
Sanitation	46,869	0	46,869
Security services	57,250	0	57,250
Bank charges	0	30	30
Donations	0	1,897	1,897
Rent expense	24,000	0	24,000
Repairs	360	0	360
Meals and entertainment	0	1,802	1,802
Payroll service fee	1,726	0	1,726
Amortization	0	534	534
Depreciation	0	4,166	4,166
<b>TOTAL EXPENSES</b>	<b>\$ 419,409</b>	<b>\$ 49,683</b>	<b>\$ 469,092</b>

See notes to financial statements.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2016

	2016
Cash Flows From Operating Activities:	
Change in net assets	\$ 126,222
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Amortization and depreciation	4,700
Decrease in accounts receivable	1,089
(Increase) in prepaid expenses	(5,751)
Decrease in prepaid insurance	180
(Decrease) in accounts payable and accrued expenses	(1,115)
Net Cash Provided by Operating Activities	125,325
Cash Flows From Investing Activities	
Purchase of copyright	(1,866)
Net Cash (Used in) Investing Activities	(1,866)
Net increase in cash	123,459
Cash - July 1, 2015	49,329
Cash - June 30, 2016	\$ 172,788

See notes to financial statements.

BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

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.

Net Assets

Net assets include solely net assets without donor restrictions as to use or purpose imposed by donors.

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.

Cash and Cash Equivalents

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

Concentration of Revenue, Risk and Control

The Association 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, 2016, the Association 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 Association may expend significant effort through studies and surveys of its district. While the related expenditures are expected to benefit the BID well into the future, management has elected in the past to recognize such expenses as incurred.

Tax Status

The Association 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.



BELMONT DISTRICT MANAGEMENT ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

Note 1- Organization and Significant Accounting Policies (continued)

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 Association.

Note 2- BID Assessment Receivable

The Association's 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, 2016.

Note 3- Rent Commitment

The Association 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 Association made a security deposit payment of \$3,000.

Note 4- Other Commitments

As of July 1, 2015, the BID contracted for its annual sanitation at a cost of approximately \$4,252 per month.

The Association has a line of credit for \$30,000 from NorthEast Community Bank. At June 30, 2016, it had no outstanding balance.

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 October 11, 2016, the date that the financial statements were approved for issuance.