

BEL AIR DOWNTOWN ALLIANCE, INC.

FINANCIAL STATEMENTS
(Compiled)

December 31, 2019

BEL AIR DOWNTOWN ALLIANCE, INC.

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
Bel Air Downtown Alliance, Inc.
Bel Air, Maryland

Management is responsible for the accompanying financial statements of the Bel Air Downtown Alliance, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – federal income tax basis as of December 31, 2019, and the related statements of revenues, expenses, and changes in net assets – federal income tax basis; functional expenses – federal income tax basis, and cash flows – federal income tax basis for the year then ended in accordance with the federal income tax basis of accounting, and for determining that the federal income tax basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The financial statements are prepared in accordance with the federal income tax basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all disclosures ordinarily included with the federal income tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusion about the Organization's financial position, changes in net assets, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

December 18, 2020

BEL AIR DOWNTOWN ALLIANCE, INC.

STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - FEDERAL INCOME TAX BASIS
December 31, 2019

ASSETS	
CURRENT ASSETS	
Cash	\$ 267,475
Accounts receivable	<u>3,200</u>
Total current assets	<u>270,675</u>
PROPERTY AND EQUIPMENT	
Office equipment	5,426
Other fixed assets	<u>7,582</u>
	13,008
Less accumulated depreciation	<u>3,873</u>
Total property and equipment	<u>9,135</u>
OTHER ASSETS	
Intangible assets, net of accumulated amortization	<u>0</u>
Total assets	<u>\$ 279,810</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Program service fees received in advance	\$ <u>1,162</u>
Total current liabilities	<u>1,162</u>
NET ASSETS	
Without donor restrictions	256,112
With donor restrictions	<u>22,536</u>
Total net assets	<u>278,648</u>
Total liabilities and net assets	<u>\$ 279,810</u>

BEL AIR DOWNTOWN ALLIANCE, INC.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - FEDERAL
INCOME TAX BASIS

For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Program service fees	\$ 220,421	\$ 0	\$ 220,421
Contributions, grants, sponsorships	205,626	13,000	218,626
Membership dues	15,875	0	15,875
Interest income and other income	124	0	124
Net assets released from restrictions	<u>5,464</u>	<u>(5,464)</u>	<u>0</u>
Total revenue and support	<u>447,510</u>	<u>7,536</u>	<u>455,046</u>
EXPENSES			
Program	336,102	0	336,102
Administrative and general	90,540	0	90,540
Fund raising	<u>21,841</u>	<u>0</u>	<u>21,841</u>
Total expenses	<u>448,483</u>	<u>0</u>	<u>448,483</u>
Increase (decrease) in net assets	<u>(973)</u>	<u>7,536</u>	<u>6,563</u>
Net assets, beginning of year, as previously reported	271,280	0	271,280
Prior period adjustment	<u>(14,195)</u>	<u>15,000</u>	<u>805</u>
Net assets, beginning of year, as restated	<u>257,085</u>	<u>15,000</u>	<u>272,085</u>
Net assets, end of year	<u>\$ 256,112</u>	<u>\$ 22,536</u>	<u>\$ 278,648</u>

BEL AIR DOWNTOWN ALLIANCE, INC.

STATEMENT OF FUNCTIONAL EXPENSES - FEDERAL INCOME TAX BASIS
For the Year Ended December 31, 2019

	<u>Program</u>	<u>Administrative & General</u>	<u>Fund Raising</u>	<u>Total</u>
Event expense	\$ 180,336	\$ 0	\$ 0	\$ 180,336
Salaries and wages	59,300	50,102	18,059	127,461
Project expense	34,025	0	0	34,025
Advertising	23,786	150	0	23,936
Legal and professional	7,911	14,081	272	22,264
Insurance	9,747	2,651	93	12,491
Payroll taxes	4,139	3,649	1,319	9,107
Donation	8,456	0	0	8,456
Information technology	3,599	1,403	448	5,450
Bank fees	1,518	1,518	1,518	4,554
Office	261	3,326	0	3,587
Dues & subscriptions	0	3,326	0	3,326
Meals & entertainment	495	2,670	24	3,189
Conferences, conventions, meeting, training	0	3,019	0	3,019
Hospitality	795	1,437	0	2,232
Depreciation	865	257	0	1,122
Telephone	869	108	108	1,085
Membership costs	0	1,025	0	1,025
Penalties	0	834	0	834
Interest	0	371	0	371
Storage rental	0	300	0	300
Filing fee	0	200	0	200
Postage and shipping	0	113	0	113
	<u>\$ 336,102</u>	<u>\$ 90,540</u>	<u>\$ 21,841</u>	<u>\$ 448,483</u>

BEL AIR DOWNTOWN ALLIANCE, INC.

STATEMENT OF CASH FLOWS - FEDERAL INCOME TAX BASIS

For the Year Ended December 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 6,563
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	1,122
Changes in operating assets and liabilities:	
Accounts receivable	(3,200)
Program service fees received in advance	198
	<u>4,683</u>
Net cash provided by operating activities	<u>4,683</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Cash paid for purchase of property and equipment	<u>(8,114)</u>
Net cash used in investing activities	<u>(8,114)</u>
Net decrease in cash	(3,431)
Cash, beginning of year	<u>270,906</u>
Cash, end of year	<u>\$ 267,475</u>