

**BEL AIR HOMEOWNERS ALLIANCE**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**FARBER HASS HURLEY LLP  
CERTIFIED PUBLIC ACCOUNTANTS**

**BEL AIR HOMEOWNERS ALLIANCE  
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DECEMBER 31, 2014**

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## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors and Supporters of the  
Bel Air Homeowners Alliance

We have compiled the accompanying statement of financial position of Bel Air Homeowners Alliance, a California nonprofit organization (the "Alliance") as of December 31, 2014, and the related statements of activities and cash flows for the period from May 29, 2014 (Inception) to December 31, 2014. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The Board of Directors 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 and for the designing, implementing, and maintaining of internal control relevant to the preparation and fair presentation of financial statements.

Our responsibility is to conduct the compilation in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Farber Hass Hurley LLP  
Camarillo, California  
June 23, 2015

**BEL AIR HOMEOWNERS ALLIANCE**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2014**

ASSETS

Cash	<u>\$ 116,848</u>
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TOTAL ASSETS	<u><u>\$ 116,848</u></u>
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LIABILITIES & NET ASSETS

Net assets - Unrestricted	<u>\$ 116,848</u>
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TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 116,848</u></u>
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See accompanying notes to these financial statements.

**BEL AIR HOMEOWNERS ALLIANCE**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF ACTIVITIES**  
**MAY 29, 2014 (INCEPTION) TO DECEMBER 31, 2014**

Changes in Unrestricted Net Assets:

Supporter contributions	<u>\$ 464,750</u>
Expenses:	
Bel Air community support expenses:	
Legal and professional fees	310,109
Lobbying	<u>32,000</u>
Total Bel Air community support expenses	342,109
General expenses:	
Board of Directors' insurance	4,015
Other printing, bookkeeping and miscellaneous expenses	<u>1,778</u>
Total general expenses	5,793
Total expenses	<u>347,902</u>
Increase in unrestricted net assets	<u>116,848</u>
Increase in net assets	116,848
Net assets - beginning of year	<u>0</u>
Net assets - end of year	<u><u>\$ 116,848</u></u>

See accompanying notes to these financial statements.

**BEL AIR HOMEOWNERS ALLIANCE**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF CASH FLOWS**  
**MAY 29, 2014 (INCEPTION) TO DECEMBER 31, 2014**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in unrestricted net assets	<u>\$ 116,848</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>116,848</u>
NET INCREASE IN CASH	116,848
BEGINNING CASH	<u>0</u>
ENDING CASH	<u><u>\$ 116,848</u></u>

**SUPPLEMENTAL DISCLOSURES**

Cash paid for interest	0
Cash paid for taxes	0

See accompanying notes to these financial statements.

**BEL AIR HOMEOWNERS ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**NOTE 1. MISSION STATEMENT AND PROGRAM SERVICE ACCOMPLISHMENTS**

The mission of the Bel Air Homeowners Alliance (the "Alliance") is to ensure the safety and security of Bel Air residents by advocating responsible land use development, and protecting the enjoyment of home ownership and property values. The Alliance is dedicated to the pursuit of this mission through proactive advocacy and communications with government officials, developers, homeowners, the media, and neighboring organizations.

Key examples of Alliance achievements in the first seven months of operation, directly through advocacy of Alliance officers and directors or indirectly via its retained lawyers, lobbyists, and land use/environmental experts, include:

(1) The recently adopted Interim Control Ordinance limiting earth export for each new construction project in Bel Air to 6,000 cubic yards (vis a vis no limits before);

(2) Focus by the LA Dept. of Building and Safety on the cumulative effect of granted haul routes, whereas before hauling permits were granted on a one-off basis with no regard for the overall cumulative effect of the thousands of truck trips permitted;

(3) The one truck at a time in Bel Air rule imposed on Somma Way, along with additional safety precautions such as multiple flag personnel and other conditions;

(4) Assistance in advocating for the recently issued stop work orders and ongoing intense investigation of the permit violations on the 901 Strada Vecchia project;

(5) The placement of two Alliance representatives on the Board of the Bel Air Beverly Crest Neighborhood Council and its Planning and Land Use Committee to be proactive in addressing the mission of the Alliance;

(6) The increased focus of law enforcement officials on building and trucking inspections and compliance;

(7) Creating a presence in the community leading to the motivation of many developers, such as the Tortuoso property project management (three large homes on a 10.5 acre tract requiring the removal of 50,000 cubic yards of dirt with each home expected to be marketed at a price exceeding \$85M), to work constructively with our Alliance to mitigate adverse impacts of their construction activities in our community;

**BEL AIR HOMEOWNERS ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**NOTE 1. MISSION STATEMENT AND PROGRAM SERVICE ACCOMPLISHMENTS  
(Continued)**

(8) Superb local and national media coverage of our Alliance concerns and the need for remedial action;

(9) Solving community problems by working with appropriate city agencies to solve specific street issues, traffic matters (such as Perugia Way) and obtaining appropriate signage for certain streets; and preventing hauling trucks from staging on Stone Canyon Road; and

(10) Supporting our neighbors in hearings and legal proceedings in their efforts to oppose the granting of egregious development variances including the use of Section 345 by Los Angeles City Council to overcome planning department opposition to the 360 Stone Canyon Road mansion.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The books and records for the Alliance are maintained on an accrual basis of accounting.

**Cash**

Cash consists of money held in bank accounts.

**Revenue Recognition**

Alliance revenue is recorded when received.

**Income Taxes**

The Alliance is exempt from federal income taxes under Internal Revenue Code Section 501(c)(4) and from franchise taxes under Section 23701f of the California Revenue Taxation Code.

**Subsequent Events**

The Alliance's Board has evaluated subsequent events through June 23, 2015, the date the financial statements were available to be issued and concluded that there are none that require disclosure.

**NOTE 3. SUPPORTER CONTRIBUTIONS**

The Alliance receives support from members of the Bel Air Community. The money contributed is entirely voluntary.