

**CENTRAL COMMERCIAL DISTRICT
REVITALIZATION CORPORATION**
Financial Statements
For The Year Ended June 30, 2010
And
Independent Auditors' Report

CENTRAL COMMERCIAL DISTRICT REVITALIZATION CORPORATION
Financial Statements
June 30, 2010

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Central Commercial District Revitalization Corporation

We have audited the accompanying statement of financial position of Central Commercial District Revitalization Corporation (a Non-Profit Organization) as of June 30, 2010, and the related statements of activity, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based upon our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

We were unable to confirm the Assessments to property owners in the District made for the fiscal year 2010 totaling \$218,507, which are collected by the City of San Diego and related receivables totaling \$171,799 and were unable to satisfy ourselves by alternate procedures. The inability to obtain confirmation of the assessments and related receivables from the City of San Diego raises the issue as to the accuracy of the amount of such receivables created by the revenue recording method of the Corporation as outlined in Notes 2 and 3 to the financial statements.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to confirm the assessments and related receivables referred to in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Central Commercial District Revitalization Corporation as of June 30, 2010, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.



The Guerrero Company
Certified Public Accountants

San Diego, California
April 29, 2011

CENTRAL COMMERCIAL DISTRICT REVITALIZATION CORPORATION

Statement of Financial Position

June 30, 2010

ASSETS

Current Assets:

Cash in Bank	\$ 59,282
Grants Receivable	5,168
Receivable - City of San Diego	6,095
Assessments Collected and Available	107,219
Assessments - Past Due	58,485
Deposits	998
Prepaid expenses	2,946
Total Current Assets	<u>240,193</u>

Other Assets

Other Assets	100
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Total Assets	<u><u>\$ 240,293</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 2,209
Accrued Payroll	1,840
Total Current Liabilities	<u>4,049</u>

Deferred Revenue	5,168
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Unrestricted Net Assets	231,076
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Total Liabilities and Net Assets	<u><u>\$ 240,293</u></u>
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The accompanying notes are an integral part of these financial statements.

CENTRAL COMMERCIAL DISTRICT REVITALIZATION CORPORATION

Statement of Activities
For the Year Ended June 30, 2010

CHANGES IN UNRESTRICTED NET ASSETS:

Revenue:

Tax Assessments	\$ 218,507
Grants	21,942
Other	-
Bank Interest	160
Investment Income - City of San Diego	2,347
Total Revenue	<u>242,956</u>

Expenses:

Maintenance, Security, & Beautification Expenses	193,503
Event Expenses	36,856
Administrative Expenses	19,013
City Contract Fee	8,754
Insurance	4,623
Office Expenses	9,245
Total Expenses	<u>271,994</u>

Decrease in Unrestricted Net Assets - Current Year (29,038)

Prior year adjustment of assessments collected & available (Note) (41,522)

Decrease in Unrestricted Net Assets (70,560)

Net Assets at Beginning of Year 301,636

Net Assets at End of Year 231,076

The accompanying notes are an integral part of these financial statements.

CENTRAL COMMERCIAL DISTRICT REVITALIZATION CORPORATION

Statement of Cash Flows
For the Year Ended June 30, 2010

Cash Flows Used For Operating Activities:	
Decrease in Net Assets	\$ (29,038)
Adjustments to Reconcile the Change in Net Assets to Net Cash Provided by Operating Activities:	
Decrease in Accounts Receivable	110,775
Increase in Prepaid Expenses	(30)
Increase in Payables	587
Decrease in Deferred Revenue	(1,732)
Adjustment of Accounts Receivable	(41,522)
Total Adjustments	<u>68,078</u>
Net Cash Used by Operating Activities	<u>39,040</u>
Cash Flows From Investing Activities	<u>-</u>
Cash Flows From Financing Activities	<u>-</u>
Net Increase(Decrease) in Cash	39,040
Cash at Beginning of Period	<u>20,242</u>
Cash at End of Period	<u>\$ 59,282</u>

The accompanying notes are an integral part of these financial statements.

CENTRAL COMMERCIAL DISTRICT REVITALIZATION CORPORATION

Notes to Financial Statements

June 30, 2010

NOTE 1 - Summary of Significant Accounting Policies

The Corporation was incorporated under the name "Central Commercial District Revitalization Corporation" as a California Nonprofit Public Benefit Corporation on October 4, 2000. The purpose of the Corporation is to revitalize and provide maintenance, beautification improvements and security to the Central Commercial Maintenance Assessment District, a special district funded by taxpayers who own the properties within the District, the boundaries of which are defined as follows:

Both sides of Imperial Avenue from Interstate 5 to 32nd Street; both sides of Commercial street from Interstate 5 to 28th Street; both sides of the streets linking Imperial Avenue and Commercial Street between Interstate 5 and 28th Street; and both sides of National Avenue from 28th Street to 32nd Street.

There is an agreement between the Corporation and the City of San Diego whereby the City of San Diego will coordinate with the County of San Diego the collection of assessments and provide administrative services, general assistance and information to the Corporation. The Corporation provides the maintenance function as outlined in the agreement.

Financial Statement Presentation

The Corporation has adopted the provisions of Statement of Financial Accounting Standards No. 117, "Financial Statements for Not-for-Profit Organizations." Statement No 117 establishes standards for general-purpose external financial statements provided by nonprofit organizations, in order to enhance the relevance, understandability, and comparability of financial statements issued by those organizations. Statement No. 117 also requires that net assets and revenue, gains, expenses and losses be classified as unrestricted, temporarily restricted and permanently restricted, as follows:

- * Unrestricted Net Assets represents the portion of expendable funds that are available for support of the operations of the organization
- * Temporarily Restricted Net Assets consists of contributions that are subject to specific donor-imposed stipulations that can be fulfilled by actions of the organization pursuant to those stipulations or that expire by the passage of time.
- * Permanently Restricted Net Assets consists of contributions subject to donor-imposed stipulations that they be maintained permanently by the organization.

Deposits

Deposits include a water meter deposit with the City of San Diego for \$998.

Other Assets

Other assets are common stock gifted to the Corporation.

Note 1 – Continued:

Income Taxes

The Corporation was organized and is operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code and a similar California law, and is not subject to income taxes.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts. These estimates are based on information available as of the date of the financial statements; therefore, actual results could differ from these estimates.

NOTE 2 - Revenues

The Corporation recognizes income and a related asset from assessments to property owners in the District by the County of San Diego on behalf of the District. The assessments when collected by the County are held by the City of San Diego, which advances operating funds to the Corporation and then replenishes those funds as the Corporation expends such funds on District functions of maintenance, lighting, security and beautification of the public rights-of-way within the District. An annual contract between the City of San Diego and the Corporation sets forth the procedures and obligations of the Corporation and the City including termination procedures to assure continuance of services to property owners.

NOTE 3 – Assessments Collected and Available

The City of San Diego has not responded to requests for confirmation of the amount of assessments, nor of the related receivables due to pending completion of their own audit. The amount of assessments is reported by the City in its accounting reports, and the Corporation has calculated the receivables by aggregating all such reported assessments from inception, adding the earnings shown by the City accounting reports from investment of the assessments by the City, and reduced by the aggregate of all funds transferred to the Corporation from the City, together with the amount of the City's administrative charges to the District.

NOTE 4 – Deferred Revenue

These amounts represent grants aggregating \$5,168 received from donors and foundations on behalf of community groups for which the Corporation acts as fiscal agent.