



**Guerrero, Jimenez, Diaz
& Co. LLP**

A Certified Public Accounting Firm

June 9, 2010

Board of Directors
Central Commercial District Revitalization Corporation
3161 National Avenue
San Diego, CA 92113

In connection with our audit of your financial statements for the fiscal year ended June 30, 2009, we submit the following comments and recommendations for your consideration:

Grant – After School Strings

Central Commercial District Revitalization Corporation (CCDRC) has over the past few years acted as fiscal agent for "After school strings" program which generally has been funded by Grants, some of which come from the City of San Diego. We have noted in the applying our audit procedures that the grant income was \$18,039 for the fiscal year ended June 30, 2009 and that program expenses totaled \$20,590 for the same period. We submit the following comments regarding this program:

Bank Account - There is no separate bank account for this activity and all income and related expenses are deposited and paid from the CCDRC bank account which obviously means that such funds are commingled. We previously recommended that a separate bank account be established for this activity and again repeat our recommendation.

Program expenses - Program expenses exceeded program revenues by \$2,551 which were paid from CCDRC funds which principally come from property owner assessments which raises the issue of whether these are authorized expenditures. We recommend that the relationship between CCDRC and the "After school program" be clarified by the Board of Directors and such activity segregated and approved.

Revenues - City of San Diego

The City of San Diego has again ignored our request for confirmation of assessments receivable which results in us having qualify our audit report. There continues to be an obvious issue and we can only speculate whether it relates to your revenue recognition method or an internal communications problem within the City structure. We again recommend that an effort be made and/or continued to resolve this issue with the City of San Diego.

Risk of Fraud

Recent developments involving fraud within well-known companies have created a new and more expanded audit environment emphasizing the detection of fraud.

In this connection we feel it is worth repeating this comment regarding management's (including your Board of Directors) responsibilities in this area and submit the following comments and recommendations for your consideration.

Awareness

Management should have an awareness and understanding of fraud and its related risks.

Controls (Existence or Absence of)

Management should identify the control procedures in existence.

Control Procedures:

Small organizations generally exhibit an absence of control due to the lack of personnel. The following is a list of control procedures, which are practical and relatively easy to implement (Note - these procedures are general in nature and are not all-inclusive and you may already have such procedures in place).

1. Check signing - require two signatures (if practical).
2. Timely bank reconciliation and reviewed by a responsible officer.
3. Board of Directors - involvement by taking an active part in the operations.
4. Use of pre-numbered tickets (and controlled) at special events and accountability of all receipts and/or merchandise.
5. Timely and intact deposit of all receipts.
6. Approval of expenditures by a responsible person.
7. All expenses paid by check (within practical limits)

We wish to thank Mr. Marshall A. Lewis, your Secretary, and Mr. Don Shuckett, your Executive Director for their help in the conduct of our audit. We have also discussed the contents of this letter with them, and we are available to answer any questions regarding its contents.

Sincerely,


Leonel E. Guerrero