

**CENTRAL COMMERCIAL DISTRICT
REVITALIZATION CORPORATION**
Financial Statements
For The Year Ended June 30, 2006
And
Independent Auditors' Report

CENTRAL COMMERCIAL DISTRICT REVITALIZATION CORPORATION
Financial Statements
June 30, 2006

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INDEPENDENT AUDITORS' REPORT

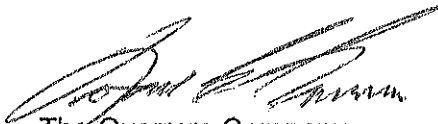
To the Board of Directors
Central Commercial District Revitalization Corporation

We have audited the accompanying statement of financial position of Central Commercial District Revitalization Corporation (a Non-Profit Organization) as of June 30, 2006, 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 audits provide a reasonable basis for our opinion.

We were unable to confirm the Assessments collected held by the City of San Diego totaling \$260,721 and were unable to satisfy ourselves by alternate procedures.

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 receivable 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, 2006, 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
June 29, 2007

CENTRAL COMMERCIAL DISTRICT REVITALIZATION CORPORATION

Statement of Financial Position

June 30, 2006

ASSETS

Current Assets:

Cash - Checking	\$ 604
Money Market Account	20,143
Receivable - City of San Diego	4,301
Grant Receivable	18,600
Assessments Collected and Available	162,496
Assessments - Past Due	98,225
Deposit - New City America	3,105
Prepaid Insurance	<u>2,272</u>
Total Current Assets	309,746

Fixed Assets

Tools & Equipment	4,123
Accumulated Depreciation	<u>(3,402)</u>
Net Fixed Assets	721

Total Assets \$ 310,467

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ <u>7,939</u>
Total Current Liabilities	7,939

Deferred Revenue 18,600

Unrestricted Net Assets 283,928

Total Liabilities and Net Assets \$ 310,467

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, 2006

CHANGES IN UNRESTRICTED NET ASSETS:

Revenue:

Tax Assessments	\$ 218,507
Grants	30,705
Other	6,810
Bank Interest	<u>275</u>
Total Revenue	256,297

Expenses:

Maintenance, Security, & Beautification Expenses	159,863
Event Expenses	800
Administrative Expenses	24,000
City Contract Fee	8,740
Accounting	2,740
Insurance	2,273
Office Expenses	1,848
Depreciation	<u>388</u>
Total Expenses	<u>200,652</u>

Increase in Net Assets - Current Year	55,645
Adjustment of Prior Year Investment with City of San Diego	<u>65,462</u>
Total Increase in Net Assets	121,107

Net Assets, Beginning of Year 162,821

Net Assets, End of Year \$ 283,928

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, 2006

Cash Flows From Operating Activities:

Increase in Net Assets	\$ 121,107
Adjustments to Reconcile the Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	388
Increase in Accounts Receivable	(136,080)
Increase in Prepaid Insurance	(1,407)
Increase in Payables	43
Increase in Deferred Revenue	18,600
Increase in Deposits	(1,098)
Total Adjustments	<u>(119,554)</u>
Net Cash Used by Operating Activities	<u>1,553</u>
Cash Flows From Investing Activities	<u>-</u>
Cash Flows From Financing Activities	<u>-</u>
Net Increase(Decrease) in Cash	1,553
Cash at Beginning of Period	<u>19,194</u>
Cash at End of Period	<u><u>\$ 20,747</u></u>

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

CENTRAL COMMERCIAL DISTRICT REVITALIZATION CORPORATION

Notes to Financial Statements

June 30, 2006

NOTE 1 - Summary of Significant Accounting Policies

The Organization 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 Avenue 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 shall provide the administration of contracts related to 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 represent the portion of expendable funds that are available for support of the operations of the organization
- * Temporarily restricted net assets consist 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 consist of contributions subject to donor-imposed stipulations that they be maintained permanently by the organization.

Fixed Assets

Equipment and furniture are recorded at cost, less accumulated depreciation, which is computed on a straight-line basis, over their estimated useful lives of 3 to 5 years.

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 records an increase in assets and related revenue in the amount of assessments by the County of San Diego to the property owners within the defined district.

NOTE 3 – Assessments Collected and Available and Past Due

These amounts represent assessments collected by the City of San Diego and are available to the Corporation to reimburse it for District maintenance services, beautification, lighting, security, and administration of contracts pursuant to the annual agreement, between the City of San Diego and the Corporation. These assessments are collected from the property owners and such collections will be used to reimburse the Corporation when their services are performed.

NOTE 4 – Deferred Revenue

These amounts represent a CDBG Grant of \$17,600 and a \$1,000 grant from the Arts Commission for services to be performed substantially in the next fiscal period.