

EAST VILLAGE ASSOCIATION, INC.
Financial Statements
For The Year Ended June 30, 2013
Independent Auditors' Report

EAST VILLAGE ASSOCIATION, INC.
Financial Statements
June 30, 2013

TABLE OF CONTENTS

<u>Page</u>	
1	Independent Auditors' Report
2	Statement of Financial Position
3	Statement of Activity
4	Schedule of Expenses
5	Statement of Cash Flows
6-7	Notes to Financial Statements



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

A Certified Public Accounting Firm

Independent Auditors' Report

To the Board of Directors
EAST VILLAGE ASSOCIATION, INC.

We have audited the accompanying statement of financial position of East Village Association, Inc. (a Non-Profit Organization) as of June 30, 2013, and the related statement of activity, schedule of expenses, and statement of cash flows for the year then ended. These financial statements are the responsibility of the Association'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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of East Village Association, Inc. as of June 30, 2013, and the results of its operations and the changes in its net assets, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.


Guerrero, Jimenez, Diaz, & Co., LLP
Certified Public Accountants

San Diego, California
October 1, 2013

EAST VILLAGE ASSOCIATION, INC.
Statement of Financial Position
For the Year Ended June 30, 2013

ASSETS

Current Assets:

Cash	\$ 202,193
Accounts Receivable	16,302
Total Current Assets	<u>218,495</u>

218,495

Total Assets

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$ <u>6,056</u>
Total Liabilities	<u>6,056</u>

Net Assets

Unrestricted Net Assets	<u>212,439</u>
Total Net Assets	<u>212,439</u>

Total Liabilities and Net Assets	<u>\$ <u>218,495</u></u>
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The accompanying notes are an integral part of these financial statements.

EAST VILLAGE ASSOCIATION, INC.
Statement of Activity
For the Year Ended June 30, 2013

Revenue:	
Governmental Funding:	
BID Reimbursements	\$ 178,033
Small Business Enhancement Program Grant	19,212
Total Governmental Funding	<u>197,245</u>
Other Revenue:	
Special Events	103,704
Donations	1,125
Membership Dues	6,125
Miscellaneous Income	3,351
Total Other Revenue	<u>114,305</u>
Total Revenue	311,550
Expenses:	
Program	204,210
General and Administrative	18,933
Total Expenses	<u>223,143</u>
Increase in Net Assets	88,407
Net Assets Beginning of Year	124,032
Net Assets End of Year	<u><u>\$ 212,439</u></u>

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

EAST VILLAGE ASSOCIATION, INC.
Schedule of Expenses
For the Year Ended June 30, 2013

	<u>Program</u>	<u>General & Administrative</u>	<u>Total</u>
Accounting/Audit	9,558	1,062	10,620
Advertising	13,828	1,536	15,364
Bank Charges	-	1,388	1,388
Bad Debt	-	1,100	1,100
Consultants	31,005	-	31,005
Design	25,198	-	25,198
Insurance	1,620	180	1,800
License & Fees	1,201	133	1,334
Payroll Fees	625	69	694
Payroll Taxes	4,685	521	5,206
Telephone	1,593	177	1,770
Salary	54,000	6,000	60,000
Special Projects/Events	51,940	5,771	57,711
Printing, Postage, & Supplies	7,433	826	8,259
Tax	54	6	60
Worker's Comp.	1,471	163	1,634
	<u>1,471</u>	<u>163</u>	<u>1,634</u>
Total Expenses	\$ <u>204,210</u>	\$ <u>18,933</u>	\$ <u>223,143</u>

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

EAST VILLAGE ASSOCIATION, INC.
Statement of Cash Flows
For the Year Ended June 30, 2013

Cash Flows from Operating Activities:	
Increase in Net Assets	\$ 88,407
Adjustments to Reconcile Net Assets to Net Cash Provided by Operating Activities:	
Increase in Accounts Receivable	(15,202)
Decrease in BID Assessments Payable	(5,584)
Increase in Accounts Payable	6,056
Total Adjustments	(14,730)
Net Cash Provided by Operating Activities	73,677
Cash Flows from Investing Activities	-
Cash Flows from Financing Activities	-
Net Increase/(Decrease) in Cash	73,677
Cash at Beginning of Period	128,516
Cash at End of Period	\$ 202,193

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

EAST VILLAGE ASSOCIATION, INC.
Notes to Financial Statements
June 30, 2013

NOTE 1 - Summary of Significant Accounting Policies

Nature of Activities

East Village Association, Inc. ("the Association") is a non-profit organization incorporated in 2008 under the laws of the State of California. Its primary purposes are to be an advocate for businesses and promote a desirable destination to live, play, and work in the East Village area of San Diego.

Financial Statement Presentation

Financial statement presentation follows the FASB Accounting Standards Codification No. 958 (ASC 958), "Not-For-Profit Entities" (Formerly Statement of Financial Accounting Standards No. 116 and No. 117). Under ASC 958, the organization is required to record and report information regarding its financial position and activities according to three classes of net assets:

- * 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.

Income Taxes

The Association was organized as a non-profit organization and was granted exemption from Federal and State income taxes under sections 501(c)(3) of the Internal Revenue Code and 23701(e) of the State of California Revenue and Taxation Law.

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 Association is funded principally by the City of San Diego. City of San Diego receives the funds as a special assessment collected together with business licensing fees from businesses located within the East Village business district. Such funds are used to reimburse East Village Association, Inc. for approved business improvement district expenses. The Association also receives revenue from the city for the Small Business Enhancement Program. In addition, the Association organizes annual and special events that are held within the East Village business district. Monies raised from these activities help fund improvement projects in the business district.

NOTE 3 – Accounts Receivable

The balance in accounts receivable of \$16,302 represents unpaid claims submitted to the City of San Diego for expenditures incurred through June 30, 2013 and other receivables from businesses within and outside the district as follows:

City of San Diego	\$12,579
Other	<u>3,723</u>
	<u>\$16,302</u>

NOTE 4 – Assessments Collected and Available

The City of San Diego assesses and collects from business owners who file for a business license within the East Village boundary for business improvement and economic development. These funds are held by the City on behalf of the business owners to reimburse upon performance and approval of district activities under the contract. The amount of funds available as of June 30, 2013 is \$64,503.