

EAST VILLAGE ASSOCIATION, INC.
Financial Statements
For The Year Ended June 30, 2014
Independent Auditors' Report

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Financial Statements
June 30, 2014

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Independent Auditors' Report

To the Board of Directors
EAST VILLAGE ASSOCIATION, INC.

We have audited the accompanying financial statements of East Village Association, Inc. (a Non-Profit Organization), which comprise of the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for Financial Statements

Management 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2014 and 2013, and the changes in its net assets, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 5 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



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

San Diego, California
September 18, 2014

EAST VILLAGE ASSOCIATION, INC.
Statement of Financial Position
For the Year Ended June 30, 2014 and 2013

ASSETS

	2014	2013
Current Assets:		
Cash	\$ 291,990	202,193
Accounts Receivable	18,483	16,302
Total Current Assets	310,473	218,495
	310,473	218,495
Total Assets		

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable	\$ -	6,056
BID Advances	-	-
Total Liabilities	-	6,056
Net Assets		
Unrestricted Net Assets	310,473	212,439
Total Net Assets	310,473	212,439
Total Liabilities and Net Assets	\$ 310,473	218,495

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

EAST VILLAGE ASSOCIATION, INC.
Statement of Activity
For the Year Ended June 30, 2014 and 2013

	2014	2013
Revenue:		
Governmental Funding:		
BID Reimbursements	\$ 185,991	\$ 178,033
Small Business Enhancement Program Grant	20,844	19,212
Total Governmental Funding	206,835	197,245
Other Revenue:		
Special Events	96,797	103,704
Donations	3,330	1,125
Membership Dues	4,100	6,125
Miscellaneous Income	7,745	3,351
Total Other Revenue	111,972	114,305
Total Revenue	318,807	311,550
Expenses:		
Program	199,281	204,210
General and Administrative	21,492	18,933
Total Expenses	220,773	223,143
Increase in Net Assets	98,034	88,407
Net Assets Beginning of Year	212,439	124,032
Net Assets End of Year	\$ 310,473	\$ 212,439

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

EAST VILLAGE ASSOCIATION, INC.
Schedule of Expenses
For the Year Ended June 30, 2014 and 2013

	Program	General & Administrative	Total	2013
Accounting/Audit	10,080	1,120	11,200	10,620
Advertising	18,356	2,040	20,395	15,364
Bank Charges	-	1,551	1,551	1,388
Bad Debt	-	-	-	1,100
Consultants	5,949	-	5,949	31,005
Design	13,864	-	13,864	25,198
Education	40	4	44	-
Insurance	1,941	216	2,157	1,800
License & Fees	1,641	182	1,823	1,334
Legal & Professional Fees	952	106	1,058	-
Payroll Fees	914	102	1,015	694
Payroll Taxes	5,734	637	6,371	5,206
Telephone	1,721	191	1,912	1,770
Salary	71,325	7,925	79,250	60,000
Special Projects/Events	65,364	7,263	72,627	57,711
Printing, Postage, & Supplies	1,184	132	1,316	8,259
Tax	-	-	-	60
Worker's Comp.	217	24	241	1,634
Total Expenses	\$ 199,281	\$ 21,492	\$ 220,773	223,143

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, 2014 and 2013

	2014	2013
Cash Flows from Operating Activities:		
Increase in Net Assets	\$ 98,034	\$ 88,407
Adjustments to Reconcile Net Assets to Net Cash Provided by Operating Activities:		
Increase in Accounts Receivable	(2,181)	(15,202)
Decrease in BID Assessments Payable	-	(5,584)
Decrease in Accounts Payable	(6,056)	6,056
Total Adjustments	(8,237)	(14,730)
Net Cash Provided by Operating Activities	89,797	73,677
Cash Flows from Investing Activities	-	-
Cash Flows from Financing Activities	-	-
Net Increase/(Decrease) in Cash	89,797	73,677
Cash at Beginning of Period	202,193	128,516
Cash at End of Period	\$ 291,990	\$ 202,193

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

EAST VILLAGE ASSOCIATION, INC.
Notes to Financial Statements
June 30, 2014

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 \$18,483 and \$16,302 represent unpaid claims submitted to the City of San Diego for expenditures incurred through June 30, 2014 and 2013, respectively, and other receivables from businesses within and outside the district as follows:

	<u>2014</u>	<u>2013</u>
City of San Diego	\$14,721	\$12,579
Other	<u>3,762</u>	<u>3,723</u>
	<u>\$18,483</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, 2014 and 2013 are \$56,635 and \$64,503, respectively.