

EAST VILLAGE ASSOCIATION, INC.
Financial Statements
For The Year Ended June 30, 2012
Independent Auditors' Report

EAST VILLAGE ASSOCIATION, INC.
Financial Statements
June 30, 2012

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**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, 2012, 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, 2012, 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
September 14, 2012

EAST VILLAGE ASSOCIATION, INC.
Statement of Financial Position
For the Year Ended June 30, 2012

ASSETS

Current Assets:

Cash	\$ 128,516
Accounts Receivable	1,100
Total Current Assets	<u><u>129,616</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities

BID Advances	\$ 5,584
	<u>5,584</u>
Total Liabilities	5,584

Net Assets

Unrestricted Net Assets	124,032
Total Net Assets	<u><u>124,032</u></u>

Total Liabilities and Net Assets	<u><u>\$ 129,616</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, 2012

Revenue:

Governmental Funding:

BID Assessments	\$ 116,395
Small Business Enhancement Program Grant	<u>19,652</u>
Total Governmental Funding	<u>136,047</u>

Other Revenue:

Special Events	44,178
Membership Dues	6,500
Miscellaneous Income	<u>227</u>
Total Other Revenue	<u>50,905</u>

Total Revenue 186,952

Total Revenue 186,952

Expenses:

Program	129,704
General and Administrative	<u>8,604</u>

Total Expenses 138,308

Increase/(Decrease) in Net Assets 48,644

Net Assets Beginning of Year 75,388

Net Assets End of Year \$ 124,032

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

EAST VILLAGE ASSOCIATION, INC.
Schedule of Expenses
For the Year Ended June 30, 2012

	<u>Program</u>	<u>General & Administrative</u>	<u>Total</u>
Accounting/Audit	6,224	692	6,915
Advertising	27,034	3,004	30,038
Bank Charges	-	735	735
Bad Debt	630	70	700
Consultants	58,880	-	58,880
Education	853	95	948
Insurance	1,564	174	1,738
License & Fees	386	43	429
Telephone	1,126	125	1,251
Special Projects/Events	31,703	3,523	35,226
Supplies	1,249	139	1,388
Tax	54	6	60
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	\$ <u>129,704</u>	\$ <u>8,604</u>	\$ <u>138,308</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, 2012

Cash Flows from Operating Activities:	
Increase in Net Assets	\$ 48,644
Adjustments to Reconcile Net Assets to Net Cash Provided by Operating Activities:	
Decrease in Accounts Receivable	48,917
Increase in BID Assessments	5,584
Total Adjustments	54,501
Net Cash Provided by Operating Activities	103,145
Cash Flows from Investing Activities	-
Cash Flows from Financing Activities	-
Net Increase/(Decrease) in Cash	103,145
Cash at Beginning of Period	25,371
Cash at End of Period	\$ 128,516

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

EAST VILLAGE ASSOCIATION, INC.
Notes to Financial Statements
June 30, 2012

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 maintenance expenses. The Association also receives revenue from the city for the Small Business Enhancement Program. In addition, the Association organizes annual and special events which are held within the East Village business district. Monies raised from these activities help fund improvement projects in the business district.

NOTE 3 – BID Advances

This fiscal year the City of San Diego began advancing funds to the Association prior to the reimbursement request. The \$5,584 BID advances represent funds received from the City of San Diego which have not been used as of June 30, 2012.