

**CENTRAL MARKET COMMUNITY  
BENEFIT CORPORATION**

**REVIEWED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2011**

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**CENTRAL MARKET COMMUNITY  
BENEFIT CORPORATION  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors  
Central Market Community Benefit Corporation  
San Francisco, California

We have reviewed the accompanying statement of financial position of Central Market Community Benefit Corporation (a California nonprofit benefit organization) as of December 31, 2011, and the related statements of activities, cash flows and functional expenses for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statement taken as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modification that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States.

Our review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles.

*Maze & Associates*

March 15, 2012

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**

**STATEMENT OF FINANCIAL POSITION**

**December 31, 2011**

**ASSETS**

Cash	\$31,953
Due from City and County of San Francisco (Note 2D)	<u>404,356</u>
Total Assets	<u><u>\$436,309</u></u>

**LIABILITIES**

Accounts Payable	<u>\$46,429</u>
Total Accounts Payable	<u>46,429</u>

**NET ASSETS (Note 2B)**

Unrestricted	290,995
Temporarily restricted	<u>145,314</u>
Total Net Assets	<u><u>\$436,309</u></u>

See accountant's review report and notes to financial statements.

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**

**STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenues:			
Local property assessments		\$626,292	\$626,292
Grants	\$195,282		195,282
Donations	20,700		20,700
Net assets released from restrictions:			
Satisfaction of purpose (Note 3)	<u>689,170</u>	<u>(689,170)</u>	<u>                    </u>
Total Support and Revenues	<u>905,152</u>	<u>(62,878)</u>	<u>842,274</u>
Expenses:			
Program	697,500		697,500
Support services:			
Management and general	<u>63,688</u>		<u>63,688</u>
Total Expenses	<u>761,188</u>		<u>761,188</u>
Change in Net Assets	143,964	(62,878)	81,086
Net Assets, Beginning of Year	<u>147,031</u>	<u>208,192</u>	<u>355,223</u>
Net Assets, End of Year	<u><u>\$290,995</u></u>	<u><u>\$145,314</u></u>	<u><u>\$436,309</u></u>

See accountant's review report and notes to financial statements.

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**

**STATEMENT OF CASH FLOWS**

**For the Year Ended December 31, 2011**

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$81,086
Adjustments to reconcile support and revenue over expenses to net cash provided (used) by operating activities:	
Increase/decrease in:	
Due from City and County of San Francisco	(152,574)
Total adjustments	<u>(152,574)</u>
Net cash used for operating activities	<u>(71,488)</u>
Net decrease in cash	(71,488)
Cash and cash equivalents, beginning of year	<u>103,441</u>
Cash and cash equivalents, end of year	<u><u>\$31,953</u></u>

See accountant's review report and notes to financial statements.



**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended December 31, 2011**

	Program Services			Totals	Management and General	Total
	Clean Streets	Community Guides	District Identity & Streetscape Improvements			
Salaries	\$32,200	\$25,760	\$6,440	\$64,400	\$16,100	\$80,500
Payroll taxes					6,543	6,543
Employee benefits					846	846
Dispatch services	53,170	150,000		203,170		203,170
Banners and artwork			2,240	2,240		2,240
Promotional items			8,530	8,530		8,530
Special events			40,704	40,704		40,704
Website and IT communication			4,178	4,178		4,178
Design and printing			7,699	7,699		7,699
Community relations			1,600	1,600		1,600
Advertising and sponsorship			9,306	9,306		9,306
Administrative services					6,019	6,019
Rent (Note 4)					5,400	5,400
Bank service charges					142	142
Outside services	154,673	199,800	1,200	355,673		355,673
Education, meetings and travel					180	180
Professional fees					21,126	21,126
Licenses and permits					1,642	1,642
Insurance					5,690	5,690
	<u>\$240,043</u>	<u>\$375,560</u>	<u>\$81,897</u>	<u>\$697,500</u>	<u>\$63,688</u>	<u>\$761,188</u>

See accountant's review report and notes to financial statements.

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**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2011**

**NOTE 1 – ORGANIZATION AND PROGRAMS**

**A. Reporting Entity**

Central Market Community Benefit Corporation (CMCBC) (the Organization) is a California nonprofit, community-based organization incorporated in February 2007, to provide programs and services to improve the overall cleanliness and safety of the Central Market district's public realm in San Francisco, California. The goal of CMCBC is to increase pedestrian activity, strengthen existing small businesses and cultural institutions, attract new investment and improve quality of life in the district's public realm.

Funding is provided primarily from special assessments collected from every property owner in the district through the City and County of San Francisco. The annual budget for CMCBC is allocated into the following spending categories: 65% public space beautification and safety, 5% district identity and streetscape improvement, 20% administrative and 10% contingency.

**B. Programs**

**Clean Streets** – enhances the attractiveness of San Francisco's Central Market district by providing daily cleaning services and responding to on-call maintenance issues in the neighborhood's public realm. The Clean Streets Program is provided through a contract with MJM Management Group.

**Community Guides** – provides a friendly and welcoming presence in the public realm of San Francisco's Central Market district. The Community Guides provide way-finding and customer service to visitors while supporting social service providers, residents, workers, merchants and property owners in creating a clean, safe and welcoming Central Market neighborhood. This service is provided through a contract with MJM Management Group.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Income Taxes**

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and State income taxes under Internal Revenue Code Section 501 (c) (3) and the California Revenue and Taxation Code Section 23701(d). In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2011**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

As required by the Income Taxes Topic of the Financial Accounting Standards Board Accounting Standards Codification, the Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. The Organization does not believe its financial statements include any uncertain tax positions.

**B. *Basis of Presentation***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows.

Unrestricted Net Assets - Unrestricted net assets consist of resources over which the Board of Directors has discretionary control and are available for daily operations of the Organization.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

**C. *Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**D. *Due from City and County of San Francisco***

No allowance for uncollectible accounts has been recorded as all amounts due from the City and County of San Francisco are deemed collectible by management as of December 31, 2011.

**E. *Statement of Cash Flows***

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2011**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. *Functional Expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted based on management's estimates.

**G. *Support and Revenue Recognition***

Support and revenue are recognized when the donor or grantee makes a promise to give to the Organization that is, in substance, unconditional. Support that is restricted by donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**H. *Advertising***

The Organization follows the policy of expensing advertising costs as incurred.

**NOTE 3 – TEMPORARILY RESTRICTED NET ASSETS**

During the year ended December 31, 2011, net assets of \$689,170 were released due to the fulfillment of the purpose restriction to provide improvement district services.

**NOTE 4 – LEASE COMMITMENT**

The Organization entered into a month to month lease agreement with CFRI/Urban 901 Market, LLC on December 10, 2008. Total rent is \$450 per month.

**NOTE 5 – RETIREMENT PLAN**

The Organization sponsors a defined contribution plan for its full-time employees. The Organization did not contribute to the plan during the year ended December 31, 2011.

**NOTE 6 – SUBSEQUENT EVENTS**

The Organization evaluated subsequent events for recognition and disclosure through March 15, 2012, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since March 15, 2012 that require recognition or disclosure in such financial statements.

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