CENTRE SOUTH MAIN STREETS, INC.

FINANCIAL STATEMENTS

JUNE 30, 2020

CENTRE SOUTH MAIN STREETS, INC.

FINANCIAL STATEMENTS

Contents

Rick Bornstein, CPA

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Centre South Main Streets, Inc.
Jamaica Plain, Massachusetts

I have reviewed the accompanying statement of financial position of Centre South Main Streets, Inc. (a nonprofit organization) as of June 30, 2020, and the related statements of activities, functional expense and cash flows 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 statements as a whole. Accordingly, I 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 of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My 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 me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications 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 of America.

October 4, 2020
Asheville, NC

52 Edwin Place · Asheville, NC 28801 ·
Email: practicalaccountant@msn.com

CENTRE SOUTH MAIN STREETS, INC.
Statement of Financial Position
June 30, 2020

Assets		
Current Assets		
Cash and cash equivalents	$	3,803
Accounts receivable		23,958
Other current assets		225
Total Current Assets		27,986
Property and Equipment		
Equipment		16,950
Less accumulated depreciation		(1,211)
Property and equipment (net)		15,739
Total assets	**$**	**43,725**
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$	1,518
Funds held for distribution		1,848
Line of Credit		3,990
Equipment loan		4,137
Total Liabilities		11,493
Net assets without donor imposed restrictions		32,232
Total liabilities and net assets	**$**	**43,725**

SEE ACCOUNTANT'S REVIEW REPORT

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

CENTRE SOUTH MAIN STREETS, INC.
Statement of Activities
For the Year Ended June 30, 2020

Operating Revenue and Support		
Program service revenue - City of Boston	$	75,000
Corporate and foundation grants		29,276
Event income		3,289
Donations		9,124
Other Income		728
Total operating revenue and support		**117,417**
Operating Expenses		
Program Service Expenses		102,335
General and administrative expenses		5,775
Fund raising expenses		877
Total operating expenses		**108,987**
Change in net assets		**8,430**
Net assets, beginning of year		**23,802**
Net assets, end of year	**$**	**32,232**

SEE ACCOUNTANT'S REVIEW REPORT

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

CENTRE SOUTH MAIN STREETS, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2020

	Total Program Services	General and Administrative	Fund Raising	Total Expenses
Personnel and related costs				
Director's salary	47,000	2,500	500	50,000
Payroll taxes	5,158	287	287	5,731
Total personnel and related costs	52,158	2,787	787	55,731
Occupancy costs				
Rent	7,334	386	-	7,720
Telephone and internet	1,908	102	20	2,030
Utilities	935	50	10	995
	-	-	-	
Other operating costs				
Accounting and professional fees	-	2,150	-	2,150
Advertising	279	-	-	279
Depreciation	1,211	-	-	1,211
Event expenses	32,844	-		32,844
Insurance expense	2,344	125	25	2,494
Office and administrative expense	1,975	105	21	2,101
Payroll processing	1,346	72	14	1,432
	-		-	
Total Expense	$ 102,335	$ 5,775	$ 877	$ 108,987

SEE ACCOUNTANT'S REVIEW REPORT

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

CENTRE SOUTH MAIN STREETS, INC.

Statement of Cash Flows

For the Year Ended June 30, 2020

Cash flows from operating activities	
Change in net assets	$ 8,430
Adjustments to reconcile change in net assets to net cash provided by operations	
Depreciation expense	1,211
Changes in operating assets and liabilities	
Accounts receivable	(22,049)
Other current asset	(252)
Accounts payable	(658)
Funds held for distribution	1,848
Net Cash Used by Operating Activities	**(11,470)**
Cash flows from investing activities	
Purchase of equipment	(16,950)
Net Cash Used by Investing Activities	**(16,950)**
Cash flows from financing activities	
Proceeds from line of credit	3,990
Proceeds of equipment financing	8,274
Less principal payments	(4,136)
Net Cash Used by Financing Activities	**8,128**
Net Change in Cash	**(20,292)**
Beginning Cash	**24,095**
Ending Cash	**$ 3,803**

SEE ACCOUNTANT'S REVIEW REPORT

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

CENTRE SOUTH MAIN STREETS, INC.
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Operations, Non-Profit Status and Significant Accounting Policies

Operations
Centre South Main Streets, Inc. ("The Organization") was incorporated in Massachusetts in 2001 as a charitable organization to promote the Centre/South area and to support local businesses.

Tax Status
The Organization is exempt from Federal and Massachusetts income taxes, under Internal Revenue Code Section 501(c) (3) and has been determined to be an organization which is not a private foundation. Contributions to The Organization. are tax deductible to the full extent of the law.

Basis of Accounting
The financial statements are presented on the accrual basis of accounting.

Revenue Recognition
Grant revenue is recognized in the period in which it is intended to support.

Improvements, Equipment & Furnishings
Property and equipment are recorded at cost, if purchased or at fair market value at the time of donation. Expenditures for maintenance and repairs are charged to expense as incurred, whereas major betterments are capitalized as additions to property and equipment. Depreciation is computed using the straight-line method over the following estimated useful lives:

Furniture and fixtures	10 years
Equipment	3-10 years
Leasehold improvements	10 years

Financial Statement Presentation
Net assets and revenue, gains and losses are classified based on donor-imposed restrictions. Accordingly, net assets of The Organization and changes therein are classified and reported as:

Without Donor Restrictions – Those resources not subject to donor-imposed restrictions. The Board of Directors has discretionary control over these resources. Designated amounts represent those net assets that the Board has set aside for a particular purpose.

With Donor Restrictions – Those resources subject to donor-imposed restrictions that will be satisfied by action of The Organization, or by the passage of time.

The Organization has elected to present contributions with donor-imposed restrictions that are fulfilled in the same period within the same period as received within the net assets without donor restriction class. There are no net assets with donor-imposed restrictions as of June 30, 2020.

Accounting Estimates
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 1 - Operations, Non-Profit Status and Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Organization considers cash on hand, demand deposits, and highly liquid investments with original maturity dates of three months or less to be cash and cash equivalents for the purpose of the statements of cash flows.

Uncertain Tax Positions

The Organization accounts for the effect of any uncertain tax positions based on a “more likely than not” threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a “cumulative probability assessment” that aggregates the estimated tax liability for all uncertain tax positions. Interest and penalties assessed, if any, are accrued as income tax expense.

The Organization has identified its status as a tax exempt entity as it’s only significant position and has determined that such position does not result in an uncertainty requiring recognition. the Organization is not currently under examination by any taxing jurisdiction. Its federal and state income tax returns are generally open for examination for the three years after the date of filing of the related return.

Advertising

The Organization expenses advertising costs as incurred.

Subsequent Events

The Organization has evaluated subsequent events through October 4, 2020 the date the financial statements were authorized to be issued.

Note 2 - Improvements, Equipment and Furnishings

There are no investments in fixed assets as of June 30, 2020. All small office items have been charged to operations in the year in which acquired or donated.