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**Return of Organization Exempt From Income Tax**

OMB No 1545-0047

**2011****Open to Public Inspection**Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

<b>A</b> For the 2011 calendar year, or tax year beginning July 1, 2011, and ending June 30, 2012	
<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input checked="" type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>CIVIC SAN DIEGO</b>
	Doing Business As
	Number and street (or P O box if mail is not delivered to street address) Room/suite <b>401 B STREET 400</b>
	City or town, state or country, and ZIP + 4 <b>SAN DIEGO, CA 92101-4298</b>
	<b>D</b> Employer identification number <b>95-3035557</b>
	<b>E</b> Telephone number <b>619-235-2200</b>
<b>G</b> Gross receipts \$ <b>6,180,404</b>	
<b>F</b> Name and address of principal officer <b>SAME AS "C" ABOVE</b>	
<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)	
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	
<b>J</b> Website: ▶ <b>www.civicsd.com</b>	
<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	
<b>L</b> Year of formation: <b>1975</b>	
<b>M</b> State of legal domicile: <b>CA</b>	

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>Civic San Diego, is a non-profit public benefit corporation wholly owned by the City of San Diego (City) with the mission of managing public improvements and public-private partnership projects of the City's former Redevelopment Agency. Civic San Diego performs planning and permitting functions, manages the downtown parking district, economic development and other projects authorized by the City.</b>
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) . . . . . <b>3</b> <b>9</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) . . . . . <b>4</b> <b>9</b>
	<b>5</b> Total number of individuals employed in calendar year 2011 (Part V, line 2a) . . . . . <b>5</b> <b>52</b>
	<b>6</b> Total number of volunteers (estimate if necessary) . . . . . <b>6</b> <b>0</b>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 . . . . . <b>7a</b> <b>0</b>
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34 . . . . . <b>7b</b> <b>0</b>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h) . . . . . <b>0</b> <b>0</b>
	<b>9</b> Program service revenue (Part VIII, line 2g) . . . . . <b>6,949,039</b> <b>6,168,501</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . . <b>3,920</b> <b>(9,650)</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) . . . . . <b>20,177</b> <b>21,553</b>
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . . <b>6,973,136</b> <b>6,180,404</b>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3) . . . . . <b>0</b> <b>0</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) . . . . . <b>0</b> <b>0</b>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) . . . . . <b>4,959,960</b> <b>4,715,072</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) . . . . . <b>0</b> <b>0</b>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) . . . . . <b>2,009,756</b> <b>1,464,001</b>
	<b>18</b> Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25) . . . . . <b>6,969,716</b> <b>6,179,073</b>
<b>19</b> Revenue less expenses. Subtract line 18 from line 12 . . . . . <b>3,420</b> <b>1,331</b>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16) . . . . . <b>1,535,226</b> <b>1,479,007</b>
	<b>21</b> Total liabilities (Part X, line 26) . . . . . <b>1,673,123</b> <b>1,475,668</b>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20 . . . . . <b>(137,897)</b> <b>3,339</b>

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer	Date <b>12/6/12</b>
	<b>ANDREW T. PHILLIPS, VICE PRESIDENT &amp; CFO</b>	
	Type or print name and title	

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no			

May the IRS discuss this return with the preparer shown above? (see instructions) . . . . . ☐ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No. 11282Y

Form **990** (2011)

SCANNED JAN 08 2013

J17-18

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**Part III Statement of Program Service Accomplishments**Check if Schedule O contains a response to any question in this Part III ☐

- 1** Briefly describe the organization's mission:  
**Civic San Diego, is a non-profit public benefit corporation wholly owned by the City of San Diego (City) with the mission of managing public improvements and public-private partnership projects of the City's former Redevelopment Agency. Civic San Diego performs planning and permitting functions, manages the downtown parking district, economic development and other projects authorized by the City.**
- 2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No  
 If "Yes," describe these new services on Schedule O.
- 3** Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No  
 If "Yes," describe these changes on Schedule O.
- 4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

**4a** (Code: ) (Expenses \$ 6,168,501 including grants of \$ ) (Revenue \$ 6,168,501 )  
**Administration of the Downtown San Diego Redevelopment project areas for the Redevelopment Agency of the City of San Diego, which consists of approximately 1,500 acres.**

**4b** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

**4c** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

**4d** Other program services (Describe in Schedule O.)  
 (Expenses \$ including grants of \$ ) (Revenue \$ )

**4e** Total program service expenses **6,168,501**

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A . . . . .	<b>1</b> ✓	
<b>2</b> Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? . . . . .	<b>2</b>	✓
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I . . . . .	<b>3</b>	✓
<b>4</b> <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II . . . . .	<b>4</b>	✓
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III . . . . .	<b>5</b>	✓
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I . . . . .	<b>6</b>	✓
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II . . . . .	<b>7</b>	✓
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III . . . . .	<b>8</b>	✓
<b>9</b> Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV . . . . .	<b>9</b>	✓
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V . . . . .	<b>10</b>	✓
<b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI . . . . .	<b>11a</b> ✓	
<b>b</b> Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII . . . . .	<b>11b</b> ✓	
<b>c</b> Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII . . . . .	<b>11c</b>	✓
<b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX . . . . .	<b>11d</b> ✓	
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X . . . . .	<b>11e</b> ✓	
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X . . . . .	<b>11f</b>	✓
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII . . . . .	<b>12a</b> ✓	
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional . . . . .	<b>12b</b>	✓
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E . . . . .	<b>13</b>	✓
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States? . . . . .	<b>14a</b>	✓
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV . . . . .	<b>14b</b>	✓
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV . . . . .	<b>15</b>	✓
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV . . . . .	<b>16</b>	✓
<b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions) . . . . .	<b>17</b>	✓
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II . . . . .	<b>18</b>	✓
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III . . . . .	<b>19</b>	✓
<b>20a</b> Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H . . . . .	<b>20a</b>	✓
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? . . . . .	<b>20b</b>	

**Part IV Checklist of Required Schedules (continued)**

	Yes	No
<b>21</b> Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II . . . . .</i>	<b>21</b>	✓
<b>22</b> Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III . . . . .</i>	<b>22</b>	✓
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J . . . . .</i>	<b>23</b> ✓	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25 . . . . .</i>	<b>24a</b>	✓
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .	<b>24b</b>	✓
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	<b>24c</b>	✓
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .	<b>24d</b>	✓
<b>25a</b> <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I . . . . .</i>	<b>25a</b>	✓
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I . . . . .</i>	<b>25b</b>	✓
<b>26</b> Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II . . . . .</i>	<b>26</b>	✓
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III . . . . .</i>	<b>27</b>	✓
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV . . . . .</i>	<b>28a</b>	✓
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV . . . . .</i>	<b>28b</b>	✓
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV . . . . .</i>	<b>28c</b>	✓
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M . . . . .</i>	<b>29</b>	✓
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M . . . . .</i>	<b>30</b>	✓
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I . . . . .</i>	<b>31</b>	✓
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II . . . . .</i>	<b>32</b>	✓
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I . . . . .</i>	<b>33</b>	✓
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1 . . . . .</i>	<b>34</b> ✓	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? . . . . .	<b>35a</b>	✓
<b>b</b> Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2 . . . . .</i>	<b>35b</b>	✓
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2 . . . . .</i>	<b>36</b>	✓
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI . . . . .</i>	<b>37</b>	✓
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	<b>38</b> ✓	

**Part V Statements Regarding Other IRS Filings and Tax Compliance**Check if Schedule O contains a response to any question in this Part V ☐

		Yes	No
<b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable . . . . .	<b>1a</b> 6		
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable . . . . .	<b>1b</b> 0		
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . .	<b>1c</b>		
<b>2a</b> Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	<b>2a</b> 52		
<b>b</b> If at least one is reported on line 2a, did the organization file all required federal employment tax returns? . . . . .	<b>2b</b> ✓		
<b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions) . . . . .			
<b>3a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year? . . . . .	<b>3a</b>		✓
<b>b</b> If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O . . . . .	<b>3b</b>		
<b>4a</b> At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . . . . .	<b>4a</b>		✓
<b>b</b> If "Yes," enter the name of the foreign country: ► See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
<b>5a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . . . .	<b>5a</b>		✓
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? . . . . .	<b>5b</b>		
<b>c</b> If "Yes" to line 5a or 5b, did the organization file Form 8886-T? . . . . .	<b>5c</b>		
<b>6a</b> Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible? . . . . .	<b>6a</b>		✓
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .	<b>6b</b>		
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>			
<b>a</b> Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? . . . . .	<b>7a</b>		✓
<b>b</b> If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . .	<b>7b</b>		
<b>c</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . .	<b>7c</b>		✓
<b>d</b> If "Yes," indicate the number of Forms 8282 filed during the year . . . . .	<b>7d</b>		
<b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . .	<b>7e</b>		✓
<b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . .	<b>7f</b>		✓
<b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? . . . . .	<b>7g</b>		
<b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? . . . . .	<b>7h</b>		
<b>8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? . . . . .	<b>8</b>		✓
<b>9 Sponsoring organizations maintaining donor advised funds.</b>			
<b>a</b> Did the organization make any taxable distributions under section 4966? . . . . .	<b>9a</b>		✓
<b>b</b> Did the organization make a distribution to a donor, donor advisor, or related person? . . . . .	<b>9b</b>		✓
<b>10 Section 501(c)(7) organizations. Enter:</b>			
<b>a</b> Initiation fees and capital contributions included on Part VIII, line 12 . . . . .	<b>10a</b>		
<b>b</b> Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities . . . . .	<b>10b</b>		
<b>11 Section 501(c)(12) organizations. Enter:</b>			
<b>a</b> Gross income from members or shareholders . . . . .	<b>11a</b>		
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) . . . . .	<b>11b</b>		
<b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041? . . . . .	<b>12a</b>		
<b>b</b> If "Yes," enter the amount of tax-exempt interest received or accrued during the year . . . . .	<b>12b</b>		
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>			
<b>a</b> Is the organization licensed to issue qualified health plans in more than one state? . . . . .	<b>13a</b>		
<b>Note.</b> See the instructions for additional information the organization must report on Schedule O.			
<b>b</b> Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans . . . . .	<b>13b</b>		
<b>c</b> Enter the amount of reserves on hand . . . . .	<b>13c</b>		
<b>14a</b> Did the organization receive any payments for indoor tanning services during the tax year? . . . . .	<b>14a</b>		✓
<b>b</b> If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O . . . . .	<b>14b</b>		

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions. Check if Schedule O contains a response to any question in this Part VI ☒

**Section A. Governing Body and Management**

	Yes	No
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year . . . . . <b>1a</b> 9		
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
<b>b</b> Enter the number of voting members included in line 1a, above, who are independent . . . . . <b>1b</b> 9		
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .	<b>2</b>	<input checked="" type="checkbox"/>
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . . . . .	<b>3</b>	<input checked="" type="checkbox"/>
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .	<b>4</b> <input checked="" type="checkbox"/>	
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .	<b>5</b>	<input checked="" type="checkbox"/>
<b>6</b> Did the organization have members or stockholders? . . . . .	<b>6</b> <input checked="" type="checkbox"/>	
<b>7a</b> Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . .	<b>7a</b> <input checked="" type="checkbox"/>	
<b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .	<b>7b</b> <input checked="" type="checkbox"/>	
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b> The governing body? . . . . .	<b>8a</b> <input checked="" type="checkbox"/>	
<b>b</b> Each committee with authority to act on behalf of the governing body? . . . . .	<b>8b</b> <input checked="" type="checkbox"/>	
<b>9</b> Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .	<b>9</b>	<input checked="" type="checkbox"/>

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
<b>10a</b> Did the organization have local chapters, branches, or affiliates? . . . . .	<b>10a</b>	<input checked="" type="checkbox"/>
<b>b</b> If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? . . . . .	<b>10b</b>	
<b>11a</b> Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . . . .	<b>11a</b> <input checked="" type="checkbox"/>	
<b>b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990. . . . .		
<b>12a</b> Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	<b>12a</b> <input checked="" type="checkbox"/>	
<b>b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	<b>12b</b> <input checked="" type="checkbox"/>	
<b>c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done . . . . .	<b>12c</b> <input checked="" type="checkbox"/>	
<b>13</b> Did the organization have a written whistleblower policy? . . . . .	<b>13</b> <input checked="" type="checkbox"/>	
<b>14</b> Did the organization have a written document retention and destruction policy? . . . . .	<b>14</b> <input checked="" type="checkbox"/>	
<b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b> The organization's CEO, Executive Director, or top management official . . . . .	<b>15a</b>	<input checked="" type="checkbox"/>
<b>b</b> Other officers or key employees of the organization . . . . .	<b>15b</b>	<input checked="" type="checkbox"/>
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	<b>16a</b>	<input checked="" type="checkbox"/>
<b>b</b> If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .	<b>16b</b>	

**Section C. Disclosure**

**17** List the states with which a copy of this Form 990 is required to be filed ► **CALIFORNIA**

**18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
☐ Own website ☐ Another's website ☒ Upon request

**19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

**20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► **ANDREW T. PHILLIPS, 401 B STREET, SUITE 400, SAN DIEGO, CA 92101**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Check if Schedule O contains a response to any question in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
  - List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
  - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
  - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
  - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Kim K. Kilkenny Chair	Part-time	✓						0	0	0
(2) William Shaw Vice-Chair	Part-time	✓						0	0	0
(3) Steven W. Relyea Secretary	Part-Time	✓						0	0	0
(4) Donna Jones Treasurer	Part-Time	✓						0	0	0
(5) Juan Manuel Oncina Director	Part-Time	✓						0	0	0
(6) Cynthia Morgan Director	Part-Time	✓						0	0	0
(7) Jeff Gattas Director	Part-Time	✓						0	0	0
(8) Frank J. Alessi Executive Vice President & CFO	40				✓			202,118	0	85,672
(9) Jeff Graham Vice President-Real Estate	40					✓		136,501	0	39,780
(10) Scott Johnson Senior Project Manager-Construction	40					✓		130,673	0	32,211
(11) Derek Danziger VP Marketing & Communications	40					✓		126,172	0	43,080
(12) Gary Bosse Assistant VP-Public Works	40					✓		123,776	0	52,975
(13) Elias Sanchez Senior Project Manager-Project Development	40					✓		114,995	0	56,835
(14) Robert McKneely Director	Part-Time	✓						0	0	0



**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) Laurie Black Director	Part-Time	<input checked="" type="checkbox"/>						0	0	0
(16)										
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
<b>1b Sub-total</b>								834,235	0	310,553
<b>c Total from continuation sheets to Part VII, Section A</b>								0	0	0
<b>d Total (add lines 1b and 1c)</b>								834,235	0	310,553

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **11**

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		<input checked="" type="checkbox"/>
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	<input checked="" type="checkbox"/>	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		<input checked="" type="checkbox"/>

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
Best, Best & Krieger LLP, PO Box 1028 Riverside, CA 92502	Legal	313,046
<b>2</b> Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization	<b>1</b>	

**Part VIII Statement of Revenue**

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b>	Federated campaigns . . . . .	<b>1a</b>				
	<b>b</b>	Membership dues . . . . .	<b>1b</b>				
	<b>c</b>	Fundraising events . . . . .	<b>1c</b>				
	<b>d</b>	Related organizations . . . . .	<b>1d</b>				
	<b>e</b>	Government grants (contributions)	<b>1e</b>				
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>				
	<b>g</b>	Noncash contributions included in lines 1a-1f: \$					
	<b>h</b>	<b>Total.</b> Add lines 1a-1f . . . . . ▶					
<b>Program Service Revenue</b>	<b>2a</b>	Redevelopment Agency of the City of San Diego & City of San Diego	Business Code		6,148,572		
	<b>b</b>	Horton Plaza Theatres			19,929		
	<b>c</b>						
	<b>d</b>						
	<b>e</b>						
	<b>f</b>	All other program service revenue .					
	<b>g</b>	<b>Total.</b> Add lines 2a-2f . . . . . ▶		6,168,501			
	<b>Other Revenue</b>	<b>3</b>	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		(9,650)		
<b>4</b>		Income from investment of tax-exempt bond proceeds ▶					
<b>5</b>		Royalties . . . . . ▶					
			(i) Real	(ii) Personal			
<b>6a</b>		Gross rents . . . . .					
<b>b</b>		Less: rental expenses					
<b>c</b>		Rental income or (loss)					
<b>d</b>		Net rental income or (loss) . . . . . ▶					
<b>7a</b>		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
<b>b</b>		Less: cost or other basis and sales expenses . . . . .					
<b>c</b>		Gain or (loss) . . . . .					
<b>d</b>		Net gain or (loss) . . . . . ▶					
<b>8a</b>		Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18 . . . . . <b>a</b>					
<b>b</b>		Less: direct expenses . . . . . <b>b</b>					
<b>c</b>		Net income or (loss) from fundraising events . ▶					
<b>9a</b>		Gross income from gaming activities. See Part IV, line 19 . . . . . <b>a</b>					
<b>b</b>		Less: direct expenses . . . . . <b>b</b>					
<b>c</b>		Net income or (loss) from gaming activities . ▶					
<b>10a</b>		Gross sales of inventory, less returns and allowances . . . . . <b>a</b>					
<b>b</b>		Less: cost of goods sold . . . . . <b>b</b>					
<b>c</b>	Net income or (loss) from sales of inventory . ▶						
<b>Miscellaneous Revenue</b>		<b>Business Code</b>					
<b>11a</b>	Reproduction Revenue					234	
<b>b</b>	Miscellaneous Revenue					21,319	
<b>c</b>							
<b>d</b>	All other revenue . . . . .						
<b>e</b>	<b>Total.</b> Add lines 11a-11d . . . . . ▶		21,553				
<b>12</b>	<b>Total revenue.</b> See instructions. . . . . ▶		6,180,404	6,168,501		11,903	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX ☐

**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>1</b> Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
<b>2</b> Grants and other assistance to individuals in the United States. See Part IV, line 22				
<b>3</b> Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
<b>4</b> Benefits paid to or for members				
<b>5</b> Compensation of current officers, directors, trustees, and key employees	256,932	28,263	228,669	
<b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
<b>7</b> Other salaries and wages	2,779,814	2,362,842	416,972	
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	733,336	623,336	110,000	
<b>9</b> Other employee benefits	847,305	720,209	127,096	
<b>10</b> Payroll taxes	97,684	83,032	14,652	
<b>11</b> Fees for services (non-employees):				
<b>a</b> Management				
<b>b</b> Legal	278,715	278,715		
<b>c</b> Accounting	25,952		25,952	
<b>d</b> Lobbying				
<b>e</b> Professional fundraising services. See Part IV, line 17				
<b>f</b> Investment management fees				
<b>g</b> Other				
<b>12</b> Advertising and promotion	6,742	2,229	4,513	
<b>13</b> Office expenses	86,996	86,996		
<b>14</b> Information technology	47,172	47,172		
<b>15</b> Royalties				
<b>16</b> Occupancy	793,554	793,554		
<b>17</b> Travel	13,170	13,170		
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials				
<b>19</b> Conferences, conventions, and meetings	36,982	36,982		
<b>20</b> Interest				
<b>21</b> Payments to affiliates				
<b>22</b> Depreciation, depletion, and amortization				
<b>23</b> Insurance	39,488		39,488	
<b>24</b> Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
<b>a</b> Equipment Rental & Maintenance	14,936	14,936		
<b>b</b> Furniture & Equipment	13,899	13,899		
<b>c</b> Printing & Publications	79,830	79,830		
<b>d</b> Consultants	25,042	25,042		
<b>e</b> All other expenses <b>Equal Opportunity</b>	1,524	1,524		
<b>25</b> Total functional expenses. Add lines 1 through 24e	6,179,073	5,211,731	967,342	
<b>26</b> Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	500	<b>1</b>	500
	<b>2</b> Savings and temporary cash investments . . . . .	736,938	<b>2</b>	371,412
	<b>3</b> Pledges and grants receivable, net . . . . .		<b>3</b>	
	<b>4</b> Accounts receivable, net . . . . .		<b>4</b>	
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .		<b>5</b>	
	<b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) . . . . .		<b>6</b>	
	<b>7</b> Notes and loans receivable, net . . . . .		<b>7</b>	
	<b>8</b> Inventories for sale or use . . . . .		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges . . . . .	2,200	<b>9</b>	2,200
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	<b>10a</b> 443,213		
	<b>b</b> Less: accumulated depreciation . . . . .	<b>10b</b> 362,921	121,020	<b>10c</b> 80,292
	<b>11</b> Investments—publicly traded securities . . . . .		<b>11</b>	
	<b>12</b> Investments—other securities. See Part IV, line 11 . . . . .	87,418	<b>12</b>	76,996
	<b>13</b> Investments—program-related. See Part IV, line 11 . . . . .		<b>13</b>	
	<b>14</b> Intangible assets . . . . .		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 . . . . .	587,150	<b>15</b>	947,607
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	1,535,226	<b>16</b>	1,479,007	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	413,123	<b>17</b>	251,668
	<b>18</b> Grants payable . . . . .		<b>18</b>	
	<b>19</b> Deferred revenue . . . . .		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities . . . . .		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .		<b>21</b>	
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D . . . . .	1,260,000	<b>25</b>	1,224,000
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 . . . . .	1,673,123	<b>26</b>	1,475,668
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets . . . . .	(137,897)	<b>27</b>	3,339
	<b>28</b> Temporarily restricted net assets . . . . .		<b>28</b>	
	<b>29</b> Permanently restricted net assets . . . . .		<b>29</b>	
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund . . . . .	121,020	<b>31</b>	80,292
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .	(258,917)	<b>32</b>	(76,953)
<b>33</b> <b>Total net assets or fund balances</b> . . . . .	(137,897)	<b>33</b>	3,339	
<b>34</b> <b>Total liabilities and net assets/fund balances</b> . . . . .	1,535,226	<b>34</b>	1,479,007	

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response to any question in this Part XI ☒

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	<b>6,180,404</b>
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	<b>6,179,073</b>
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	<b>1,331</b>
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	<b>(137,897)</b>
<b>5</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>5</b>	<b>139,905</b>
<b>6</b>	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	<b>6</b>	<b>3,339</b>

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response to any question in this Part XII ☐

	Yes	No
<b>1</b> Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input checked="" type="checkbox"/> Other <u>Modified Accrual</u> If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
<b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant?	<input checked="" type="checkbox"/>	
<b>2b</b> Were the organization's financial statements audited by an independent accountant?	<input checked="" type="checkbox"/>	
<b>2c</b> If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	<input checked="" type="checkbox"/>	
<b>d</b> If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
<b>3a</b> As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		<input checked="" type="checkbox"/>
<b>b</b> If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

**2011**

**Open to Public  
Inspection**

Name of the organization  
**CIVIC SAN DIEGO**

Employer identification number  
**95-3035557**

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 ☐ A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: \_\_\_\_\_
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
- a ☐ Type I      b ☐ Type II      c ☐ Type III—Functionally integrated      d ☐ Type III—Other
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**.
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? ☐
- (ii) A family member of a person described in (i) above? ☐
- (iii) A 35% controlled entity of a person described in (i) or (ii) above? ☐
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2011

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .	7,961,179	8,042,029	6,837,510	6,949,039	6,168,501	35,958,258
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
<b>4 Total.</b> Add lines 1 through 3 . . . . .	7,961,179	8,042,029	6,837,510	6,949,039	6,168,501	35,958,258
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) . . . . .						
<b>6 Public support.</b> Subtract line 5 from line 4.						35,958,258

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>7</b> Amounts from line 4 . . . . .	7,961,179	8,042,029	6,837,510	6,949,039	6,168,501	35,958,258
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .	578	364	240	501	771	2,454
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on . . . . .						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .	17,225	31,300	31,909	20,176	21,553	122,163
<b>11 Total support.</b> Add lines 7 through 10						36,082,875
<b>12</b> Gross receipts from related activities, etc. (see instructions) . . . . .					12	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> . . . . .						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)) . . . . .	<b>14</b>	99.7 %
<b>15</b> Public support percentage from 2010 Schedule A, Part II, line 14 . . . . .	<b>15</b>	99.7 %
<b>16a 33 1/3% support test—2011.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization . . . . .	<input checked="" type="checkbox"/>	
<b>b 33 1/3% support test—2010.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization . . . . .	<input type="checkbox"/>	
<b>17a 10%-facts-and-circumstances test—2011.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . .	<input type="checkbox"/>	
<b>b 10%-facts-and-circumstances test—2010.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . .	<input type="checkbox"/>	
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . .	<input type="checkbox"/>	

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II.  
If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose . . . .						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . .						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . .						
<b>6 Total.</b> Add lines 1 through 5 . . . .						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons . . . .						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year . . . .						
<b>c</b> Add lines 7a and 7b . . . .						
<b>8 Public support</b> (Subtract line 7c from line 6.) . . . .						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>9</b> Amounts from line 6 . . . .						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . .						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . .						
<b>c</b> Add lines 10a and 10b . . . .						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on . . . .						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . .						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.) . . . .						
<b>14 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> . . . . <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f)) . . . .	<b>15</b>	%
<b>16</b> Public support percentage from 2010 Schedule A, Part III, line 15 . . . .	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f)) . . . .	<b>17</b>	%
<b>18</b> Investment income percentage from 2010 Schedule A, Part III, line 17 . . . .	<b>18</b>	%

- 19a 33<sup>1</sup>/<sub>3</sub>% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33<sup>1</sup>/<sub>3</sub>%, and line 17 is not more than 33<sup>1</sup>/<sub>3</sub>%, check this box and **stop here**. The organization qualifies as a publicly supported organization . . . . ☐
- b 33<sup>1</sup>/<sub>3</sub>% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33<sup>1</sup>/<sub>3</sub>%, and line 18 is not more than 33<sup>1</sup>/<sub>3</sub>%, check this box and **stop here**. The organization qualifies as a publicly supported organization . . . . ☐
- 20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions . . . . ☐



**Part IV** **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

**Part II, Section B, Line 10 - Other Income includes miscellaneous income and reproduction income.**

Area with horizontal dashed lines for supplemental information.

**SCHEDULE D  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**Supplemental Financial Statements**

► Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.  
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

**2011**

**Open to Public  
Inspection**

Employer identification number

CIVIC SAN DIEGO

95-3035557

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year . . . . .		
2 Aggregate contributions to (during year) . . . . .		
3 Aggregate grants from (during year) . . . . .		
4 Aggregate value at end of year . . . . .		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).  
☐ Preservation of land for public use (e.g., recreation or education) ☐ Preservation of an historically important land area  
☐ Protection of natural habitat ☐ Preservation of a certified historic structure  
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements . . . . .	2a
b Total acreage restricted by conservation easements . . . . .	2b
c Number of conservation easements on a certified historic structure included in (a) . . . . .	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register . . . . .	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►

4 Number of states where property subject to conservation easement is located ►

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? . . . . . ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year  
►

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year  
► \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B) (i) and section 170(h)(4)(B)(ii)? . . . . . ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 . . . . . ► \$

(ii) Assets included in Form 990, Part X . . . . . ► \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 . . . . . ► \$

b Assets included in Form 990, Part X . . . . . ► \$

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a** ☐ Public exhibition **d** ☐ Loan or exchange programs
- b** ☐ Scholarly research **e** ☐ Other .....
- c** ☐ Preservation for future generations
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No
- b** If "Yes," explain the arrangement in Part XIV and complete the following table:
- |  | Amount    |
|--|-----------|
| <b>c</b> Beginning balance             | <b>1c</b> |
| <b>d</b> Additions during the year     | <b>1d</b> |
| <b>e</b> Distributions during the year | <b>1e</b> |
| <b>f</b> Ending balance                | <b>1f</b> |
- 2a** Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No
- b** If "Yes," explain the arrangement in Part XIV.

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

- |   | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|---|------------------|----------------|--------------------|----------------------|---------------------|
| <b>1a</b> Beginning of year balance                     |                  |                |                    |                      |                     |
| <b>b</b> Contributions                                  |                  |                |                    |                      |                     |
| <b>c</b> Net investment earnings, gains, and losses     |                  |                |                    |                      |                     |
| <b>d</b> Grants or scholarships                         |                  |                |                    |                      |                     |
| <b>e</b> Other expenditures for facilities and programs |                  |                |                    |                      |                     |
| <b>f</b> Administrative expenses                        |                  |                |                    |                      |                     |
| <b>g</b> End of year balance                            |                  |                |                    |                      |                     |
- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a** Board designated or quasi-endowment ▶ ..... %
- b** Permanent endowment ▶ ..... %
- c** Temporarily restricted endowment ▶ ..... %
- The percentages in lines 2a, 2b, and 2c should equal 100%.
- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- |  | Yes           | No |
|--|---------------|----|
| (i) unrelated organizations  | <b>3a(i)</b>  |    |
| (ii) related organizations   | <b>3a(ii)</b> |    |
| <b>b</b> If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? | <b>3b</b>     |    |
- 4** Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land				
<b>b</b> Buildings				
<b>c</b> Leasehold improvements				
<b>d</b> Equipment		443,213	362,921	80,292
<b>e</b> Other				
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				80,292

**Part VII Investments—Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives . . . . .		
(2) Closely-held equity interests . . . . .		
(3) Other <b>Stancorp Common Stock-2,072 shares</b>	<b>76,669</b>	<b>End of year Market Value</b>
(A) . . . . .		
(B) . . . . .		
(C) . . . . .		
(D) . . . . .		
(E) . . . . .		
(F) . . . . .		
(G) . . . . .		
(H) . . . . .		
(I) . . . . .		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 12.) ►	<b>76,669</b>	

**Part VIII Investments—Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 13.) ►		

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) <b>Due From the Redevelopment Agency of the City of San Diego</b>	<b>896,571</b>
(2) <b>Due From the City of San Diego</b>	<b>29,013</b>
(3) <b>Due From Horton Plaza Theatres Foundation</b>	<b>19,929</b>
(4) <b>Due From Other</b>	<b>2,094</b>
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) . . . . . ►	<b>947,607</b>

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) <b>Working Capital Advance from the</b>	<b>1,224,000</b>
(3) <b>Redevelopment Agency of the City of</b>	
(4) <b>San Diego</b>	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►	<b>1,224,000</b>

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

**Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	6,180,404
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	6,179,073
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	1,331
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	1,331

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	6,180,404
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	6,180,404
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	6,180,404

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	6,215,073
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	36,000
e	Add lines 2a through 2d	2e	36,000
3	Subtract line 2e from line 1	3	6,179,073
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	6,179,073

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Part XIII, Line 2d: The \$36,000 represents a partial repayment of the Advance from the Redevelopment Agency of the City of San Diego.

**Part XIV** Supplemental Information *(continued)*

**SCHEDULE J**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service  
Name of the organization

CIVIC SAN DIEGO

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest  
Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990,  
Part IV, line 23.**

▶ **Attach to Form 990. ▶ See separate instructions.**

OMB No 1545-0047

**2011**

**Open to Public  
Inspection**

Employer identification number

95-3035557

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III.

- |  |   |
|--|---|
| <input type="checkbox"/> Compensation committee              | <input checked="" type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- |  |           |   |
|--|-----------|---|
| <b>a</b> Receive a severance payment or change-of-control payment?                             | <b>4a</b> | ✓ |
| <b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan? | <b>4b</b> | ✓ |
| <b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement?    | <b>4c</b> | ✓ |
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- |                                    |           |   |
|------------------------------------|-----------|---|
| <b>a</b> The organization?         | <b>5a</b> | ✓ |
| <b>b</b> Any related organization? | <b>5b</b> | ✓ |
- If "Yes" to line 5a or 5b, describe in Part III.

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- |                                    |           |   |
|------------------------------------|-----------|---|
| <b>a</b> The organization?         | <b>6a</b> | ✓ |
| <b>b</b> Any related organization? | <b>6b</b> | ✓ |
- If "Yes" to line 6a or 6b, describe in Part III.

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Frank J. Alessi	202,118		85,672			202,118	200,349
1	(i)						
	(ii)						
2	(i)						
	(ii)						
3	(i)						
	(ii)						
4	(i)						
	(ii)						
5	(i)						
	(ii)						
6	(i)						
	(ii)						
7	(i)						
	(ii)						
8	(i)						
	(ii)						
9	(i)						
	(ii)						
10	(i)						
	(ii)						
11	(i)						
	(ii)						
12	(i)						
	(ii)						
13	(i)						
	(ii)						
14	(i)						
	(ii)						
15	(i)						
	(ii)						
16	(i)						
	(ii)						



**Part III** **Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Area with horizontal dashed lines for supplemental information.

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

► Attach to Form 990 or 990-EZ.

OMB No 1545-0047

**2011**

**Open to Public  
Inspection**

Name of the organization  
**CIVIC SAN DIEGO**

Employer identification number  
**95-3035557**

Part VI-Line 4: On June 25, 2012, The City of San Diego (City), as the designated Successor Agency to the Redevelopment Agency of the City, and the sole member of Civic San Diego, amended the Articles of Incorporation and Bylaws, restructuring and reorganizing Centre City Development Corporation (CCDC) and its sister Agency, Southeastern Development Corporation (SEDC). CCDC has been renamed Civic San Diego, a California nonprofit public benefit corporation and all the former employees of SEDC transferred to Civic San Diego and Civic San Diego became the sole member of SEDC. The Amendment of the Restated Articles of Incorporation for Centre City Development Corporation and SEDC were filed and accepted by the Secretary of State of California on June 28, 2012 and August 1, 2012, respectively. Attached is a copy of the Certified Restated Articles of Incorporation reflecting the name change to Civic San Diego.

Part VI-Lines 6, 7a and 7b: The City of San Diego, the sole member of the organization, has the power to elect and remove Civic San Diego's Board of Directors

Part VI-Line 11b: A draft copy of the IRS Form 990 is submitted to each Board Member for comment and review before it is filed with the Internal Revenue Service.

Part VI-Line 12c: Civic San Diego has a written policy regarding the Professional and Ethical conduct which addresses the Conflict of Interest Code. Additionally, Officers, Directors and employees are required to annually file a Statement of Economic Interest-Form 700 with the City of San Diego and attend an Ethics training course.

Part VI-Line 19: Civic San Diego's governing documents, conflict of interest policy and financial statements are available on the organization's website.

Part XI-Line 5: Other changes in net assets is comprised of the change in depreciation in the amount of (\$40,727.43) plus the change in Accrued vacation in the amount of \$180,633.01.

Name of the organization

Employer identification number

**SCHEDULE R**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

CIVIC SAN DIEGO

**Related Organizations and Unrelated Partnerships**

► Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.  
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

**2011**

**Open to Public  
Inspection**

Employer identification number  
95-3035557

**Part I Identification of Disregarded Entities** (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) .....					
(2) .....					
(3) .....					
(4) .....					
(5) .....					
(6) .....					

**Part II Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?
(1) The City of San Diego, EIN 95-6000776 202 C Street, San Diego, CA 92101	Government	California				Yes No
(2) .....						
(3) .....						
(4) .....						
(5) .....						
(6) .....						
(7) .....						

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 50135Y

Schedule R (Form 990) 2011

**Part III** Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) N/A												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

**Part IV** Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) N/A							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							

**Part V** Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		Yes	No
<b>a</b>	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity . . . . .		<input checked="" type="checkbox"/>
<b>b</b>	Gift, grant, or capital contribution to related organization(s) . . . . .		<input checked="" type="checkbox"/>
<b>c</b>	Gift, grant, or capital contribution from related organization(s) . . . . .		<input checked="" type="checkbox"/>
<b>d</b>	Loans or loan guarantees to or for related organization(s) . . . . .		<input checked="" type="checkbox"/>
<b>e</b>	Loans or loan guarantees by related organization(s) . . . . .		<input checked="" type="checkbox"/>
<b>f</b>	Sale of assets to related organization(s) . . . . .		<input checked="" type="checkbox"/>
<b>g</b>	Purchase of assets from related organization(s) . . . . .		<input checked="" type="checkbox"/>
<b>h</b>	Exchange of assets with related organization(s) . . . . .		<input checked="" type="checkbox"/>
<b>i</b>	Lease of facilities, equipment, or other assets to related organization(s) . . . . .		<input checked="" type="checkbox"/>
<b>j</b>	Lease of facilities, equipment, or other assets from related organization(s) . . . . .		<input checked="" type="checkbox"/>
<b>k</b>	Performance of services or membership or fundraising solicitations for related organization(s) . . . . .		<input checked="" type="checkbox"/>
<b>l</b>	Performance of services or membership or fundraising solicitations by related organization(s) . . . . .		<input checked="" type="checkbox"/>
<b>m</b>	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) . . . . .		<input checked="" type="checkbox"/>
<b>n</b>	Sharing of paid employees with related organization(s) . . . . .		<input checked="" type="checkbox"/>
<b>o</b>	Reimbursement paid to related organization(s) for expenses . . . . .		<input checked="" type="checkbox"/>
<b>p</b>	Reimbursement paid by related organization(s) for expenses . . . . .		<input checked="" type="checkbox"/>
<b>q</b>	Other transfer of cash or property to related organization(s) . . . . .		<input checked="" type="checkbox"/>
<b>r</b>	Other transfer of cash or property from related organization(s) . . . . .		<input checked="" type="checkbox"/>

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a-f)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

**Part VI** **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1) N/A													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

## Part VII Supplemental Information

**Supplemental information.** Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

This image shows a full page of a handwriting practice worksheet. It features multiple rows of horizontal dashed lines spaced evenly down the page, designed to help children learn letter height and placement. The background is plain white, and there are no other markings or text present.

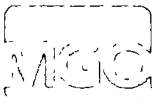


**CIVIC SAN DIEGO**  
**(formerly Centre City Development Corporation, Inc.)**

(A component unit of the City of San Diego, California)

Independent Auditor's Reports, Management's  
Discussion and Analysis, Basic Financial Statements  
and Required Supplementary Information

For the Years Ended June 30, 2012 and 2011



**Certified Public Accountants.**

**CIVIC SAN DIEGO**  
**(formerly Centre City Development Corporation, Inc.)**

**For the Years Ended June 30, 2012 and 2011**

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**Certified Public Accountants.**

San Diego  
225 Broadway, Suite 1750  
San Diego, CA 92101  
619 573 1112

Sacramento

Walnut Creek

Oakland

LA/Century City

Newport Beach

Seattle

To the Board of Directors  
Civic San Diego  
San Diego, California

### **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of the governmental activities and the general fund of Civic San Diego (Corporation), formerly Centre City Development Corporation, Inc., a component unit of the City of San Diego, California, as of and for the years ended June 30, 2012 and 2011, which collectively comprise the Corporation's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Corporation as of June 30, 2012 and 2011, and the respective changes in financial position thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2012, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the year ended June 30, 2012. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Macias Jini & O'Connell LLP*

San Diego, California  
November 16, 2012

**CIVIC SAN DIEGO**  
**(formerly Centre City Development Corporation, Inc.)**  
**Management's Discussion and Analysis**  
**(Unaudited)**

As management of Civic San Diego, formerly Centre City Development Corporation, Inc. (Corporation), a component unit of the City of San Diego (City), we offer readers of the Corporation's financial statements this narrative overview and analysis of the financial activities of the Corporation for the years ended June 30, 2012 and 2011. The information contained in the Management's Discussion and Analysis is unaudited and represents management's analysis for the years ended June 30, 2012 and 2011. The audited financial statements can be found beginning on page 11. The purpose of Management's Discussion and Analysis (MD&A) is to inform the reader on management's insights about the reporting entity and to increase the readers' understanding and the usefulness of the financial reports as well as providing accessible information about the entity and its operation, successes, challenges and the future. We encourage readers to consider the information presented here in conjunction with additional information that has been furnished.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Corporation's basic financial statements. The Corporation's basic financial statements are comprised of three components: (1) Government-Wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Basic Financial Statements. The basic financial statements are also accompanied by required supplementary information, which includes this Management's Discussion and Analysis and the Budgetary Comparison Schedule for the general fund.

Government-Wide Financial Statements The Government-Wide Financial Statements are designed to provide readers with a broad overview of the Corporation's finances, in a manner similar to a private-sector business.

The Statement of Net Assets (Deficit) presents information of all the Corporation's assets and liabilities, with the difference between the two reported as Net Assets (Deficit). Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating.

The Statement of Activities presents information showing changes in the Corporation's net assets during the most recent year and the preceding year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues, and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. depreciation and earned but unused compensated absences).

The Government-Wide Financial Statements can be found on pages 11 and 12 of this report.

Fund Financial Statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Corporation uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Corporation uses a general fund for recording its activities.

Governmental Funds Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the Corporation's general fund with similar information presented for governmental activities in the government-wide financial statements. By

**CIVIC SAN DIEGO**  
**(formerly Centre City Development Corporation, Inc.)**  
**Management's Discussion and Analysis (Continued)**  
**(Unaudited)**

doing so, readers may better understand the long-term impact of the Corporation's near-term financial decisions. Both the general fund balance sheet and statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between the general fund and governmental activities. The general fund financial statements can be found on pages 13 through 16 of this report.

Government-Wide Financial Analysis The Corporation is financially reliant on the Redevelopment Agency of the City of San Diego (Agency), now the Successor Agency to the Redevelopment Agency of the City of San Diego (Successor Agency). As of the year ended June 30, 2012, 2011 and 2010, respectively, the Corporation had the following assets, liabilities and net assets (deficit):

**CIVIC SAN DIEGO**  
**(formerly Centre City Development Corporation, Inc.)**  
**Comparative Statement of Net Assets (Deficit)**  
**June 30, 2012, 2011 and 2010**

	Governmental Activities		
	2012	2011	2010
<b>ASSETS</b>			
Cash and investments	\$ 448,908	\$ 824,856	\$ 1,011,190
Receivables for reimbursable expenses from the Redevelopment Agency of the City of San Diego	-	587,150	684,600
Receivables for reimbursable expenses from the successor agency to the former Redevelopment Agency of the City of San Diego	927,678	-	-
Receivables- other	19,929	-	-
Prepaid expenses	2,200	2,200	2,200
Capital assets, depreciable, net	80,292	121,020	218,140
Total assets	1,479,007	1,535,226	1,916,130
<b>LIABILITIES</b>			
Accounts payable	-	602	1,051
Accrued expenses	85,966	66,186	132,940
Compensated absences (current)	71,284	145,311	128,374
Compensated absences (non current)	94,418	201,024	186,481
Advance from the Redevelopment Agency of the City of San Diego	-	1,260,000	1,480,000
Advance from the successor agency to the former Redevelopment Agency Of the City of San Diego	1,224,000	-	-
Total Liabilities	1,475,668	1,673,123	1,928,846
<b>NET ASSETS (DEFICIT)</b>			
Investment in capital assets	80,292	121,020	218,140
Unrestricted (deficit)	(76,953)	(258,917)	(230,856)
Total net assets (deficit)	\$ 3,339	\$ (137,897)	\$ (12,716)

**CIVIC SAN DIEGO**  
**(formerly Centre City Development Corporation, Inc.)**  
**Management's Discussion and Analysis**  
**(Unaudited)**

The net assets of the Corporation's governmental activities increased in 2012 by \$141,236, producing net assets of \$3,339. The change in net assets is a result of an increase in program revenue resulting from the Corporation seeking reimbursement for expenses incurred during the year and the payout to former employees for their accrued compensated absences, which are expensed in the period earned, but the Corporation does not get reimbursed until the obligations are paid. With the elimination of the former Redevelopment Agency, the Corporation has gone through a 60% reduction in staffing levels. As employees were released from employment, any accrued compensated absences were paid out to the employee. The Corporation in turn, under its agreement with the former Redevelopment Agency, sought reimbursement for these expenditures as incurred, thus resulting in an increased net asset balance. Further, net assets increased by the change in the fair value of the Corporation's investment offset by depreciation of the Corporation's assets.

In 2012, cash balances decreased primarily as a result of increased accounts receivable balances for which the Corporation has expended cash but not yet collected for the expenditures from the Agency as of the end of the fiscal year, a partial repayment of the working capital advance from the Agency offset by an increase in accrued expenses. In 2011, the net deficit of the Corporation's governmental activities increased by \$125,181 producing a net deficit of (\$137,897) primarily due to depreciation of capital assets, an increase in compensated absences, and offset by interest income and the change in the fair value of the Corporation's investment. Cash decreased as a result of a repayment of a portion of the working capital advance from the Agency, a reduction in accounts payable resulting in an outflow of cash offset by a reduction in accounts receivable during the course of the year.

**CIVIC SAN DIEGO**  
**(formerly Centre City Development Corporation, Inc.)**  
**Comparative Statements of Activities**  
**For the years ended June 30, 2012, 2011 and 2010**

<u>Functions/Programs</u>			
<u>Governmental Activities</u>			
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Program Revenues:			
Operating grants and contributions	\$ 6,168,501	\$ 6,949,039	\$ 6,837,510
Program Expenses:			
General government and support Expenses	<u>6,039,168</u>	<u>7,098,317</u>	<u>6,899,191</u>
Net Revenue (Expense) and Change in Net Assets	<u>129,333</u>	<u>(149,278)</u>	<u>(61,681)</u>
General Revenues:			
Interest and unrealized gain (loss) on investments	(9,650)	3,920	23,384
Miscellaneous	<u>21,583</u>	<u>20,177</u>	<u>31,909</u>
Total general revenues	<u>11,903</u>	<u>24,097</u>	<u>55,293</u>
Change in net assets	141,236	(125,181)	(6,388)
Net assets (deficit)– beginning of year, as restated	<u>(137,897)</u>	<u>(12,716)</u>	<u>(6,328)</u>
Net assets (deficit) – end of year	<u>\$ 3,339</u>	<u>\$ (137,897)</u>	<u>\$ (12,716)</u>

**CIVIC SAN DIEGO**  
**(formerly Centre City Development Corporation, Inc.)**  
**Management's Discussion and Analysis (Continued)**  
**(Unaudited)**

The net assets increased by \$141,236 in 2012 primarily due to a decrease in the Corporation's expenses due to a reduction in staffing during the fiscal year and by the change in the fair value of the Corporation's investment offset by depreciation of the Corporation's capital assets. In 2011, net assets decreased by \$125,181 primarily due to depreciation of capital assets offset by a reduction due to unreimbursed payroll expenses associated with compensated absences.

General Fund Financial Analysis The Corporation's general fund financial statements include only the current inflows and outflows of spendable resources and related balances at the end of the fiscal year ended June 30, 2012, 2011 and 2010, respectively.

**CIVIC SAN DIEGO**  
**(formerly Centre City Development Corporation, Inc.)**  
**Comparative Balance Sheets**  
**General Fund**  
**June 30, 2012, 2011 and 2010**

	2012	2011	2010
<b>ASSETS</b>			
Cash and investments	\$ 448,908	\$ 824,856	\$ 1,011,190
Receivables from the Redevelopment Agency of the City of San Diego and Other Assets	-	589,350	686,800
Receivables from the successor agency to the Former Redevelopment Agency of the City of San Diego	949,807	-	-
Total Assets	<u>\$ 1,398,715</u>	<u>\$ 1,414,206</u>	<u>\$ 1,697,990</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Accounts payable and other current liabilities	\$ 85,966	\$ 66,788	\$ 133,991
Fund balance	1,312,749	1,347,418	1,563,999
Total Liabilities and Fund Balance	<u>\$ 1,398,715</u>	<u>\$ 1,414,206</u>	<u>\$ 1,697,990</u>

The general fund excludes capital assets, the liability associated with compensated absences, and the long-term advance payable to the Agency, whereas the government-wide statement of net assets includes capital assets and such liabilities. Compared to 2011, the 2012 cash and investments balance decreased by \$375,948 or 46% while total liabilities of the general fund increased by \$19,178 or 29%. Cash decreased as a result of the repayment of \$36,000 against the outstanding advance received from the Agency and the payment of compensated absences of \$347,316 as a result of the reduction in force due to the restructuring and reorganization of the Corporation as well as attrition in personnel. Fund balance decreased due to the partial repayment of the Agency advance partially offset by unrealized gain on investments. Compared to 2010, the 2011 cash balance decreased by \$186,334 or 19% while total liabilities decreased by \$67,203 or 50%. Cash decreased primarily as a result of the repayment of \$220,000 against the outstanding advance received by the Agency. Liabilities increased primarily as a result of more expenses incurred closer to year-end than in the prior year.



**CIVIC SAN DIEGO**  
**(formerly Centre City Development Corporation, Inc.)**  
**Management's Discussion and Analysis**  
**(Unaudited)**

**CIVIC SAN DIEGO**  
**(formerly Centre City Development Corporation, Inc.)**  
**Comparative Statements of Revenues, Expenditures and Changes in Fund Balances**  
**General Fund**  
**For the years ended June 30, 2012, 2011 and 2010**

	2012	2011	2010
<b><u>REVENUES:</u></b>			
Contributions from the Redevelopment Agency of the City of San Diego	\$ 6,168,501	\$ 6,949,039	\$ 6,837,510
Miscellaneous	21,553	20,177	32,149
Interest and unrealized gain/(loss) on investments	(9,650)	3,920	23,144
Total revenues	<u>6,180,404</u>	<u>6,973,136</u>	<u>6,892,803</u>
<b><u>EXPENDITURES:</u></b>			
Salaries and benefits	4,715,072	4,959,961	5,084,853
Rent and leasehold improvements	798,536	784,923	760,633
Marketing, printing and reproduction	79,830	131,927	158,925
Legal, computer and auditing services	329,709	777,227	516,566
Furniture and equipment	23,853	42,806	105,517
Insurance	39,488	29,755	24,383
Travel	2,674	3,273	5,164
Recruitment	6,742	3,285	2,523
Other expenses	183,169	236,560	211,095
Payment on advance from the Redevelopment Agency	36,000	220,000	-
Total expenditures	<u>6,215,073</u>	<u>7,189,717</u>	<u>6,869,659</u>
Net change in fund balance	(34,669)	(216,581)	23,144
<b><u>FUND BALANCE:</u></b>			
Beginning of year	<u>1,347,418</u>	<u>1,563,999</u>	<u>1,540,855</u>
End of year	<u>\$ 1,312,749</u>	<u>\$ 1,347,418</u>	<u>\$ 1,563,999</u>

The Comparative Statements of Revenues, Expenditures and Changes in Fund Balance provide a "look back" for two years comparing the various expenditures of the Corporation. Overall, expenditures for the years ended June 30, 2012, 2011 and 2010 were \$6,215,073, \$7,189,717 and \$6,869,659, respectively. In Fiscal Year 2012, expenditures decreased by 14% or \$974,644 from 2011. Expenditures increased in 2011 compared to 2010 by 5% or \$320,058.

**CIVIC SAN DIEGO**  
**(formerly Centre City Development Corporation, Inc.)**  
**Management's Discussion and Analysis (Continued)**  
**(Unaudited)**

The most significant changes within the expenditures are as follows:

- The Salaries and Benefits decreased in 2012 by \$244,887, or 5%, to \$4,715,072 due to vacant positions and attrition in personnel. Similarly, 2011 decreased by \$124,892, or 2.5%, to \$4,959,961 due to similar reasons.
- Legal, Computer and Auditing Services decreased in 2012 by \$447,518 or 58%, from 2011 as a result of a decrease in legal services due to decreased legal activity. In 2011, it increased by \$260,661, or 50%, due to an increase in legal services resulting from potential claims and other legal activities.
- Furniture and Equipment expenditures decreased in 2012 by \$18,953, or 44%, from 2011 as a result of less furniture and equipment purchases during the year. In 2011, Furniture and Equipment decreased by \$62,711, or 59%, from 2010 due to similar reasons.
- Marketing, Printing and Reproduction decreased in 2012 by \$52,097, or 39%, from 2011 due to a decrease in the production of brochures and flyers and a decrease in reproduction costs. In 2011, Marketing, Printing and Reproduction decreased by \$26,998, or 17%, primarily due to a decrease in the production of brochures and flyers.
- Insurance expenditures increased by \$9,733, or 33% in 2012 due to an increase in property liability insurance and the Directors and Officers Liability insurance. In 2011, Insurance expenditures increased by \$5,372, or 22%, from 2010 due to an increase in property liability insurance.
- Recruitment increased by \$3,457 or 105% from 2011 due to an increase in advertising costs associated with public notice advertisements. Prior to 2012, public notice advertisements were paid from project related funding. In 2012, such costs were not included in the Agency's Enforceable Obligation Payment Schedule.
- Other Expenses in 2012 decreased by \$53,388, or 23%, from 2011 primarily due to cost cutting efforts associated with the restructuring of the Corporation. Equal opportunity expenses decreased by \$27,771, or 95%, as the Corporation did not hold the annual outreach event Subs for Subs. Auto and business expenses decreased by \$16,459, or 40%, due to cost reduction efforts. In 2011, Other Expenses increased by \$25,465, or 12%, from 2010 due primarily to an increase in equal opportunity, office supplies/computer software, postage, and auto and business expenses.
- Payment on advance from the Agency decreased by \$184,000 due a decrease in the Fiscal Year 2012 budget advance from the former Redevelopment Agency so that the advance equals 15% of the approved budget.

**Budget Comparisons**

The Budgetary Comparison Schedules can be found on pages 27 and 28 of this report. The Fiscal Year 2012 expenditures were under budget by \$1,946,927 or 24%. The most significant budget to actual variances were savings in Salaries and Benefits in the amount of \$1,266,928, or 21%, which was primarily due to unfilled positions, attrition in personnel and reduction in force due to the reorganization of the Corporation. Significant savings were also in Legal, Computer and Auditing Services in the amount of \$270,291, or 45%, primarily due to savings in legal and computer web services.

The Fiscal Year 2011 expenditures were under budget by \$1,177,283 or 14%. The most significant budget to actual variances were savings in Salaries and Benefits in the amount of \$1,078,039, or 18%, which was primarily due to unfilled positions and attrition in personnel.

**CIVIC SAN DIEGO**  
**(formerly Centre City Development Corporation, Inc.)**  
**Management's Discussion and Analysis**  
**(Unaudited)**

The Corporation may from time to time make budgetary line item adjustments for a net budget change of zero dollars to accommodate the Corporation's administrative operating activities. Budget adjustments are presented to the Board for review and approval. In Fiscal Year 2012, the Corporation's Board approved budget adjustments at the June 20, 2012 Board Meeting, Agenda 725, Item 10.

**Next Year's Budget**

In response to the California Supreme Court's decision to uphold the constitutionality of AB x1 26, the legislation eliminating redevelopment, the Office of the Mayor reorganized and formed a new corporate structure for the City's two non-profit corporations that provided redevelopment and economic development services in downtown and southeastern San Diego. On June 25, 2012, the City, as the designated Successor Agency to the Redevelopment Agency of the City of San Diego (Successor Agency), and the sole member of the Corporation, amended both the Corporation's and Southeastern Economic Development Corporation's (SEDC) Articles of Incorporation and Bylaws, restructuring and reorganizing the two non-profit corporations into a single corporation named Civic San Diego, a California nonprofit public benefit corporation. As a result, SEDC has become a subsidiary corporation of Civic San Diego, effective August 1, 2012.

The Corporation and Successor Agency recently adopted the Fiscal Year 2013 Budgets. The Fiscal Year 2013 administrative portion of the budget for Civic San Diego is \$5,895,000, representing a decrease of \$3,988,000 or 40.5% from the combined SEDC and the Corporation's Fiscal Year 2012 Budget. The decrease reflects:

- A decrease of \$3,126,000 or 44% for salaries as a result of the elimination of 26.8 positions and in the FY 2013 Budget.

A decrease of \$862,000 or 31% for non-personnel expenses primarily a result of reductions associated with the consolidation of the two entities and reduced staffing levels and activities.

The Fiscal Year 2013 Budget is broken down by function and will primarily be funded through permit application fees, parking meter revenues, and revenues from administrative and project management fees performed for the City solely in its capacity as the designated successor agency to the Redevelopment Agency of the City of San Diego in the wind-down process underway pursuant to AB x1 26.

The Successor Agency to the former Redevelopment Agency of the City of San Diego is the primary funding source for the Corporation; therefore, any reduction in the former Redevelopment Agency's funding could substantially alter the services provided by the Corporation.

On behalf of the City, the Corporation carries out certain municipal functions such as planning and design review within the Centre City area. The City Council created the Corporation originally to administer redevelopment, but subsequently has added the administration of the design review process and planning functions, consistent with the community plan and planned district ordinances, within the Centre City area. Additionally, the City has designated the Corporation as the Downtown Community Parking District Advisory Board (Downtown CPD), whose boundaries are concurrent with those of the Centre City area, to oversee, implement and manage parking within the Centre City area.

The Corporation has recently explored the imposition of permit processing fees to applicants in connection with the Corporation's activities, as it relates to the design review and planning, similar to fees that other jurisdictions assess. Additionally, the Corporation, acting as the Downtown CPD, oversees and implements a budget of approximately \$2.5 million to \$3 million annually to carry out the functions of the Downtown CPD.

**CIVIC SAN DIEGO**  
**(formerly Centre City Development Corporation, Inc.)**  
**Management's Discussion and Analysis (Continued)**  
**(Unaudited)**

Forward Looking Statements

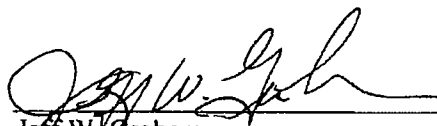
This MD&A may contain "forward looking" information. Forward looking statements can be identified by use of such words as "plans", "anticipates", "expects", "is expected", "in the event", "approximately" "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. These forward looking statements relate to, among other things, the Corporation's assumptions regarding future results of operations. These forward-looking statements are based on current expectations and various assumptions and analyses made by us in light of our experience and our perceptions of historical trends, current conditions and expected future developments and other factors that we believe are appropriate in the circumstances. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in our forward-looking statements.

Request for Information

This financial report is designed to provide a general overview of the Corporation's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Vice President and Chief Financial Officer at Civic San Diego, formerly Centre City Development Corporation, Inc., 401 B Street, Suite 400, San Diego, CA 92101.



Andrew T. Philips  
Vice President/Chief Financial Officer



Jeff W. Graham  
President

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CIVIC SAN DIEGO**  
**(formerly Centre Center Development Corporaton, Inc.)**  
**Statements of Net Assets (Deficit)**  
**June 30, 2012 and 2011**

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 448,908	\$ 824,856
Receivables for reimbursable expenses from the Redevelopment Agency of the City of San Diego	-	587,150
Receivables for reimbursable expenses from the successor agency to the former Redevelopment Agency of the City of San Diego	927,678	-
Accounts receivable	19,929	-
Prepaid expenses	2,200	2,200
Capital assets, depreciable, net	<u>80,293</u>	<u>121,020</u>
Total assets	<u>1,479,008</u>	<u>1,535,226</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	-	602
Accrued expenses	85,966	66,186
Compensated absences - due in one year	71,284	145,311
Long-term liabilities:		
Compensated absences - due after one year	94,418	201,024
Advance from the Redevelopment Agency of the City of San Diego	-	1,260,000
Advance from the successor agency to the former Redevelopment Agency of the City of San Diego	<u>1,224,000</u>	<u>-</u>
Total liabilities	<u>1,475,668</u>	<u>1,673,123</u>
<b>NET ASSETS (DEFICIT)</b>		
Invested in capital assets	80,293	121,020
Unrestricted (deficit)	<u>(76,953)</u>	<u>(258,917)</u>
Total net assets (deficit)	<u>\$ 3,340</u>	<u>\$ (137,897)</u>

See accompanying notes to the basic financial statements.

**CIVIC SAN DIEGO**  
**(formerly Centre City Development Corporation, Inc.)**  
**Statements of Activities**  
**For the Years Ended June 30, 2012 and 2011**

2012			
Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net Revenue (Expense) and Change in Net Assets
Governmental Activities - General government and support	<u>\$ 6,039,167</u>	<u>\$ 6,168,501</u>	<u>\$ 129,334</u>
	General Revenues.		
	Interest and unrealized gain on investments		(9,650)
	Miscellaneous		<u>21,553</u>
	Total general revenues		<u>11,903</u>
	Change in net assets		141,237
	Net deficit - beginning of year		<u>(137,897)</u>
	Net deficit - end of year		<u>\$ 3,340</u>
2011			
Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) and Change in Net Assets
Governmental Activities - General government and support	<u>\$ 7,098,317</u>	<u>\$ 6,949,039</u>	<u>\$ (149,278)</u>
	General Revenues		
	Interest and unrealized gain on investments		3,920
	Miscellaneous		<u>20,177</u>
	Total general revenues		<u>24,097</u>
	Change in net assets		(125,181)
	Net deficit - beginning of year		<u>(12,716)</u>
	Net deficit - end of year		<u>\$ (137,897)</u>

See accompanying notes to the basic financial statements.



## **FUND FINANCIAL STATEMENTS**

**CIVIC SAN DIEGO**  
**(formerly Centre City Development Corporation, Inc.)**  
**Balance Sheets**  
**General Fund**  
**June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash and investments	\$ 448,908	\$ 824,856
Receivables for reimbursable expenditures from Redevelopment Agency of the City of San Diego	-	587,150
Receivables for reimbursable expenditures from the successor agency to the former Redevelopment Agency of the City of San Diego	927,678	-
Accounts receivable	19,929	-
Prepaid items	<u>2,200</u>	<u>2,200</u>
Total assets	<u><u>\$ 1,398,715</u></u>	<u><u>\$ 1,414,206</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ -	\$ 602
Accrued liabilities	<u>85,966</u>	<u>66,186</u>
Total liabilities	<u>85,966</u>	<u>66,788</u>
Fund Balance:		
Nonspendable	2,200	2,200
Unassigned	<u>1,310,549</u>	<u>1,345,218</u>
Total fund balance	<u>1,312,749</u>	<u>1,347,418</u>
Total liabilities and fund balance	<u><u>\$ 1,398,715</u></u>	<u><u>\$ 1,414,206</u></u>

See accompanying notes to the basic financial statements.

**CIVIC SAN DIEGO**  
**(formerly Centre City Development Corporation, Inc.)**  
**Reconciliations of the General Fund Balance Sheets**  
**to the Government-Wide Statements of Net Assets (Deficit)**  
**June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
Total fund balance - General Fund	\$ 1,312,749	\$ 1,347,418
Amounts reported for governmental activities in the Statements of Net Assets (Deficit) were different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the General Fund balance sheets.	80,293	121,020
Compensated absences are not due and payable in the current period and, therefore, are not reported in the General Fund balance sheets.	(165,702)	(346,335)
Long-term advance from the Redevelopment Agency of the City of San Diego was not due and payable in the current period and, therefore, was not reported in the General Fund balance sheets.	-	(1,260,000)
Long-term advance from the successor agency to the former Redevelopment Agency of the City of San Diego was not due and payable in the current period and, therefore, was not reported in the General Fund balance sheets	<u>(1,224,000)</u>	<u>-</u>
Net deficit of Governmental Activities	<u>\$ 3,340</u>	<u>\$ (137,897)</u>

See accompanying notes to the basic financial statements.

**CIVIC SAN DIEGO**  
**(formerly Centre City Development Corporation, Inc.)**  
**Statements of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund**  
**For the Years Ended June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
REVENUES:		
Contributions from the Redevelopment Agency of the City of San Diego	\$ 6,168,501	\$ 6,949,039
Interest and unrealized gain on investments	(9,650)	3,920
Miscellaneous	<u>21,553</u>	<u>20,177</u>
Total revenues	<u>6,180,404</u>	<u>6,973,136</u>
EXPENDITURES:		
Current:		
Salaries and benefits	4,715,072	4,959,961
Rent and leasehold improvements	798,536	784,923
Legal, computer and auditing services	329,709	777,227
Marketing, printing and reproduction	79,830	131,927
Office supplies	101,197	108,623
Furniture and equipment	23,853	42,806
Auto and business	25,159	41,618
Telephone	28,551	30,621
Insurance	39,488	29,755
Equal opportunity	1,525	29,296
Dues and seminars	22,318	21,238
Director fees	4,419	5,164
Recruitment	6,742	3,285
Travel	2,674	3,273
Debt service.		
Payment on advance from the Redevelopment Agency of the City of San Diego	<u>36,000</u>	<u>220,000</u>
Total expenditures	<u>6,215,073</u>	<u>7,189,717</u>
Net change in fund balance	(34,669)	(216,581)
FUND BALANCE:		
Beginning of year	<u>1,347,418</u>	<u>1,563,999</u>
End of year	<u>\$ 1,312,749</u>	<u>\$ 1,347,418</u>

See accompanying notes to the basic financial statements.

**CIVIC SAN DIEGO**  
**(formerly Centre City Development Corporation, Inc.)**  
**Reconciliations of the General Fund Statements of Revenues, Expenditures and**  
**Changes in Fund Balance to the Government-Wide Statements of Activities**  
**For the Years Ended June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
Net change in fund balance - General Fund	\$ (34,669)	\$ (216,581)
Amounts reported for governmental activities in the Statement of Activities were different because:		
Governmental funds report capital asset purchases as expenditures, however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense on capital assets.	(40,727)	(97,120)
In the Statement of Activities, compensated absences (vacation and sick leave) are measured by the amounts earned during the year. In the General Fund, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). In fiscal year 2012, vacation and sick leave earned were less than the amount used by \$180,633; in fiscal year 2011, vacation and sick leave earned exceeded the amount used by \$31,480.	180,633	(31,480)
Payment made on the advance received from the Redevelopment Agency of the City of San Diego consumes current financial resources of the General Fund, but the payments decrease the outstanding balance of the long-term liabilities in the government-wide Statement of Net Assets (Deficit)	<u>36,000</u>	<u>220,000</u>
Change in net assets of Governmental Activities	<u>\$ 141,237</u>	<u>\$ (125,181)</u>

See accompanying notes to the basic financial statements.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**CIVIC SAN DIEGO**  
**(FORMERLY CENTRE CITY DEVELOPMENT CORPORATION, INC.)**  
**Notes to the Basic Financial Statements**  
**For the Years Ended June 30, 2012 and 2011**

**NOTE 1 – ORGANIZATION AND OPERATIONS**

Centre City Development Corporation, Inc. (Corporation), now Civic San Diego (effective June 28, 2012), is a not-for-profit public benefit corporation organized in February 1975 to administer certain redevelopment projects in downtown San Diego and to provide redevelopment advisory services to the Redevelopment Agency of the City of San Diego (Redevelopment Agency), now the City of San Diego (City) as the Successor Agency. The Corporation is primarily funded by contributions from the former Redevelopment Agency.

On June 25, 2012, the City, as the designated Successor Agency to the former Redevelopment of the City of San Diego (Successor Agency), and the sole member of the Corporation, amended both the Corporation's and Southeastern Economic Development Corporation's (SEDC) Articles of Incorporation and Bylaws, restructuring and reorganizing the two non-profit corporations into a single corporation named Civic San Diego, a California nonprofit public benefit corporation. The Amendment of Restated Articles of Incorporation for the Corporation and for SEDC were filed and accepted by the Secretary of State of California on June 28, 2012 and August 1, 2012, respectively. Since the Articles of Incorporation for SEDC were not accepted and approved until August 1, 2012, SEDC was not considered to be a component unit of Civic San Diego for the year ended June 30, 2012, and therefore, SEDC's financial activities are not included in the financial statements of Civic San Diego.

The Corporation is a component unit of the City since the City is financially accountable for the Corporation.

The Corporation's governing board is approved by the City Council of the City of San Diego. The Corporation's budget was approved annually by the former Redevelopment Agency and is now approved by the City. The Corporation provided services to the former Redevelopment Agency and the City. The City Council's function is to appoint the Board of Directors of the Corporation and to act as the former Redevelopment Agency, represented by the Corporation, in the downtown (Centre City) area. The Corporation administers redevelopment plans adopted by the former Redevelopment Agency including the Horton Plaza Redevelopment Plan adopted in July 1972 and the Centre City Redevelopment Project. The Centre City Redevelopment Project was created in May 1992 by the merger of the former Marina and Columbia Redevelopment Plans adopted in December 1976, the Gaslamp Redevelopment Plan adopted in 1982, and the expansion of the project area with approximately 1,000 additional acres of land. Responsibilities are carried out by the Corporation, pursuant to an operating agreement with the former Redevelopment Agency, to implement the redevelopment process in the Centre City Area. The Corporation now, on behalf of the former Redevelopment Agency, carries out the wind-down functions of the former project areas administered by Centre City Development Corporation and Southeastern Economic Development Corporation, as well as other planning, parking, and economic development functions on behalf of the City of San Diego.

The Corporation hosted the Horton Plaza Theatres Foundation (Foundation), a not-for-profit organization, to operate and maintain one or more legitimate theatres in the City of San Diego, in its office. The Corporation provided in-kind administrative services totaling \$72,309 for the months of July 2011 through March 2012, and \$89,514 for the year ended June 30, 2011. Due to the dissolution of the Redevelopment Agency, the Corporation will no longer provide administrative services to the Foundation.

**CIVIC SAN DIEGO**  
**(FORMERLY CENTRE CITY DEVELOPMENT CORPORATION, INC.)**  
**Notes to the Basic Financial Statements**  
**For the Years Ended June 30, 2012 and 2011**

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

**Basis of Accounting / Measurement Focus**

The accounts of the Corporation are organized on the basis of fund accounting, where the Corporation's general fund is considered a separate accounting entity. The operations of the general fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Generally, governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**Government-Wide Financial Statements**

The Corporation's government-wide financial statements include a statement of net assets (deficit) and a statement of activities. These statements present summaries of the Corporation's governmental activities.

These financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Corporation's assets and liabilities, including long-term assets and liabilities, are included in the accompanying statement of net assets (deficit). The statement of activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the Corporation, such as operating grants and contributions.

Amounts reported as program revenues are classified as operating grants and contributions that are received primarily from the former Redevelopment Agency and the City of San Diego. When both restricted and unrestricted resources are available for use, it is the Corporation's policy to use restricted resources first, then unrestricted resources as they are needed.

The Corporation reports only one governmental fund (general fund), which is the Corporation's operating fund that accounts for all financial resources of the Corporation.

**General Fund Financial Statements**

General Fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balance. An accompanying schedule is presented to reconcile and explain the differences in fund balance and the net change in fund balance as presented in these statements to the net assets and change in net assets presented in the government-wide financial statements.

The General Fund is used to account for the activities of the Corporation's operations. As with all governmental funds, the General Fund is accounted for on a current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.



**CIVIC SAN DIEGO**  
**(FORMERLY CENTRE CITY DEVELOPMENT CORPORATION, INC.)**  
**Notes to the Basic Financial Statements**  
**For the Years Ended June 30, 2012 and 2011**

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

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Corporation considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due at year-end.

The reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences created by the integrated approach of Governmental Accounting Standards Board (GASB) Statement No. 34.

**Cash**

The Corporation's cash consists of cash on hand and on deposit.

**Investments**

Investments are reported at fair value in accordance with the GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*. Note 3 contains additional information related to the Corporation's cash and investments.

**Capital Assets**

Capital assets are reported in the statement of net assets (deficit). Capital assets are defined as assets with an initial cost of more than \$5,000 and a useful life of greater than one year. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Vehicles	5
Office Equipment	5-7
Computer Equipment	3

**Compensated Absences**

Accumulated leave benefits (accrued vacation and sick leave) are accrued when incurred in the government-wide financial statements. The Corporation provides personal time off (PTO) leave to cover both vacation and sick leave for regular full-time employees. The Corporation's policy permits full-time regular employees to earn between 144 hours to 224 hours annually based on length of service. Regular part-time employees working 20 or more hours per week shall accrue PTO on a prorated basis. PTO leave may be accumulated up to a maximum of twice the number of hours accrued annually based on the employee's length of service.

**CIVIC SAN DIEGO**  
**(FORMERLY CENTRE CITY DEVELOPMENT CORPORATION, INC.)**  
**Notes to the Basic Financial Statements**  
**For the Years Ended June 30, 2012 and 2011**

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

**Net Assets**

In the government-wide financial statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets. The Corporation did not have any debt outstanding related to capital assets at June 30, 2012 and 2011.

Restricted Net Assets – This amount is restricted by external creditors, grantors, contributors, or laws and regulations of other governments. The Corporation did not have any restricted net assets at June 30, 2012 and 2011.

Unrestricted Net Assets – This amount is all net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net assets.”

**Fund Balances**

Fund balances presented in the governmental fund financial statements represent the difference between assets and liabilities and are classified into the following categories based upon the type of restrictions imposed on the use of funds:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – This classification includes amounts that have constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. The Corporation did not have any restricted fund balance at June 30, 2012 and 2011.

Committed – This classification includes amounts that can be used only for the specific purposes determined by a formal action by the entity’s highest level of decision-making authority. The Corporation did not have any committed fund balance at June 30, 2012 and 2011.

Assigned – This classification includes amounts intended to be used by the entity for specific purposes but do not meet the criteria to be classified as restricted or committed. The Corporation did not have any assigned fund balance at June 30, 2012 and 2011.

Unassigned – This classification is the residual amount for the Corporation’s general fund and includes all spendable amounts not contained in the other classifications.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures during the reporting period. Accordingly, actual results could differ from those estimates. Management believes that the estimates made are reasonable.

**CIVIC SAN DIEGO**  
**(FORMERLY CENTRE CITY DEVELOPMENT CORPORATION, INC.)**  
**Notes to the Basic Financial Statements**  
**For the Years Ended June 30, 2012 and 2011**

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

The Corporation reduces restricted amounts first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) amounts are available. The Corporation reduces committed amounts first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**NOTE 3 – CASH AND INVESTMENTS**

**Cash**

The carrying amount of the Corporation's cash consisted of the following at June 30, 2012 and 2011:

	2012	2011
Petty cash	\$ 500	\$ 500
Cash – checking	198,467	54,764
Cash – savings	172,945	682,174
Total Cash	<u>\$ 371,912</u>	<u>\$ 737,438</u>

At June 30, 2012 and 2011, the bank balances were \$477,999 and \$984,130, respectively. The difference between the book balances and the bank balances were due to deposits in transit and outstanding checks. Of the bank balances for 2012 and 2011 as noted above, \$250,000 was covered by federal depository insurance (FDIC). The remaining balances for both years were collateralized by securities held by the financial institution and are considered to be held in the name of the Corporation.

**Investments**

The Corporation received shares of stock as a result and by-product of purchasing a life insurance policy with Standard Insurance Company (Company), a mutual life insurance company. The purchase of the life insurance policy entitled the Corporation to membership interests and ownership in Standard Life Insurance Company. In 1998, the Board of Directors of Standard Insurance Company directed management to develop a plan of demutualization. The plan would convert the Company's form of organization from a mutual life insurance company to a publicly held, stock life insurance company. Demutualization was approved on September 28, 1998 and upon conversion to a stock company, policyholders' membership interest, was extinguished and eligible members received consideration in the form of stock, cash or an increase in policy values.

On April 21, 1999, the Corporation received consideration in the form of holding company stock. The Corporation received 1,036 shares in Stancorp Financial Group, with a stock value of \$11,976. On December 9, 2005, the Corporation received an additional 1,036 shares of stock dividend with a stock value of \$53,520. As of June 30, 2012 and 2011, the Corporation owned a total of 2,072 shares of stock. As of June 30, 2012 and 2011, the fair value of the stock based on quoted market prices was \$76,996 and \$87,418, respectively. The Corporation's investment in stock is not subject to interest rate, credit, or custodial credit risk.

**CIVIC SAN DIEGO**  
**(FORMERLY CENTRE CITY DEVELOPMENT CORPORATION, INC.)**  
**Notes to the Basic Financial Statements**  
**For the Years Ended June 30, 2012 and 2011**

**NOTE 4 – CAPITAL ASSETS**

A summary of changes in capital assets for the years ended June 30, 2012 and 2011 is as follows:

	<u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2012</u>
Capital assets:				
Vehicles	\$ 19,560	\$ -	\$ -	\$ 19,560
Office equipment	292,673	-	-	292,673
Computer equipment	130,980	-	-	130,980
Total capital assets	<u>443,213</u>	<u>-</u>	<u>-</u>	<u>443,213</u>
Less accumulated depreciation				
Vehicles	(17,605)	-	-	(17,605)
Office equipment	(219,808)	(23,340)	-	(243,148)
Computer equipment	(84,780)	(17,387)	-	(102,167)
Total accumulated depreciation	<u>(322,193)</u>	<u>(40,727)</u>	<u>-</u>	<u>(362,920)</u>
Total capital assets, net	<u>\$ 121,020</u>	<u>\$ (40,727)</u>	<u>\$ -</u>	<u>\$ 80,293</u>

	<u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2011</u>
Capital assets				
Vehicles	\$ 19,560	\$ -	\$ -	\$ 19,560
Office equipment	292,673	-	-	292,673
Computer equipment	130,980	-	-	130,980
Total capital assets	<u>443,213</u>	<u>-</u>	<u>-</u>	<u>443,213</u>
Less accumulated depreciation				
Vehicles	(17,605)	-	-	(17,605)
Office equipment	(158,861)	(60,947)	-	(219,808)
Computer equipment	(48,607)	(36,173)	-	(84,780)
Total accumulated depreciation	<u>(225,073)</u>	<u>(97,120)</u>	<u>-</u>	<u>(322,193)</u>
Total capital assets, net	<u>\$ 218,140</u>	<u>\$ (97,120)</u>	<u>\$ -</u>	<u>\$ 121,020</u>

Depreciation expense of \$40,727 for the year ended June 30, 2012 and \$97,120 for the year ended June 30, 2011 is reported in general government and support in the statement of activities.

**NOTE 5 – LONG-TERM LIABILITIES**

Prior to the dissolution of the former Redevelopment Agency, the Redevelopment Agency, at its full discretion, provided the Corporation with a working capital advance in order for the Corporation to fund its operating costs and expenditures while the Corporation waits to receive its monthly reimbursement for eligible expenditures. The amount of the working capital advance is adjusted on an annual basis, and is generally determined in an amount that is approximately equal to 15% of the Corporation's approved budget. As a result of the decrease in the Corporation's operating budget, the Corporation made a repayment on the advance to the successor agency of the former Redevelopment Agency of \$36,000 during the year ended June 30, 2012. Full repayment of the working capital advance is due upon termination of the Corporation providing services.

**CIVIC SAN DIEGO**  
**(FORMERLY CENTRE CITY DEVELOPMENT CORPORATION, INC.)**  
**Notes to the Basic Financial Statements**  
**For the Years Ended June 30, 2012 and 2011**

**NOTE 5 – LONG-TERM LIABILITIES (Continued)**

A summary of changes in the Corporation's long-term liabilities for the years ended June 30, 2012 and 2011 is as follows:

	July 1, 2011	Additions	Deletions	June 30 2012	Due Within One Year
Advance from the successor agency to the former Redevelopment Agency of the City of San Diego	\$ 1,260,000	\$ -	\$ (36,000)	\$ 1,224,000	\$ -
Compensated Absences	<u>346,335</u>	<u>287,754</u>	<u>(468,387)</u>	<u>165,702</u>	<u>71,284</u>
Total	<u>\$ 1,606,335</u>	<u>\$ 287,754</u>	<u>\$ (504,387)</u>	<u>\$ 1,389,702</u>	<u>\$ 71,284</u>

	July 1, 2010	Additions	Deletions	June 30 2011	Due Within One Year
Advance from the Redevelopment Agency of the City of San Diego	\$ 1,480,000	\$ -	\$ (220,000)	\$ 1,260,000	\$ -
Compensated Absences	<u>314,855</u>	<u>320,017</u>	<u>(288,537)</u>	<u>346,335</u>	<u>145,311</u>
Total	<u>\$ 1,794,855</u>	<u>\$ 320,017</u>	<u>\$ (508,537)</u>	<u>\$ 1,606,335</u>	<u>\$ 145,311</u>

**NOTE 6 – PENSION PLANS**

The Corporation has a Money Purchase Pension Plan, subject to the Employee Retirement Income Retirement Income Act (ERISA) under Internal Revenue Code (IRC) section 401(a), covering all full-time permanent employees. The plan is a defined contribution plan under which benefits depend solely on amounts contributed by the Corporation to the plan plus investment earnings. Employees are eligible to participate on the first day of the month following 90 days after their date of employment. During each year, the Corporation contributes semi-monthly an amount equal to 8% of the total semi-monthly compensation for all full-time permanent employees. The Corporation's contributions for each employee are fully vested after six years of continuous service. The Corporation's total payroll (excluding benefits) for fiscal year 2012 was approximately \$3,036,746. The Corporation's contributions were calculated using the base salary amount of all full-time permanent employees of \$3,091,295. The Corporation made the required 8% contribution amounting to \$220,572 (net of forfeitures) for fiscal year 2012. The Corporation's total payroll for fiscal year 2011 was \$3,371,460. The Corporation's contributions were calculated using the base salary amount of all full-time permanent employees of \$3,280,034. The Corporation made the required contribution amounting to \$222,821 (net of forfeitures) for fiscal year 2011.

**CIVIC SAN DIEGO**  
**(FORMERLY CENTRE CITY DEVELOPMENT CORPORATION, INC.)**  
**Notes to the Basic Financial Statements**  
**For the Years Ended June 30, 2012 and 2011**

**NOTE 6 – PENSION PLANS (Continued)**

In addition, the Corporation has a Tax Deferred Annuity Plan under section 403(b) of the Internal Revenue Code of 1986 covering all full-time permanent employees. The plan is a defined contribution plan under which benefits depend solely on amounts contributed to the plan by the employer and the employees, plus investment earnings. Employees are eligible to participate on the first day of the month following 90 days after their date of employment. During each plan year, the Corporation contributes semi-monthly an amount equal to 16% of the total semi-monthly compensation for all full-time permanent employees. The Corporation's contributions for each employee are fully vested at the time of contribution. The Tax Deferred Annuity Plan includes amounts deposited by employees prior to the Corporation becoming a contributor to the plan. The Corporation made the required 16% contribution amounting to \$491,512 for fiscal year 2012 and \$524,806 for fiscal year 2011.

The fiduciary responsibilities of the Corporation consist of making contributions and remitting deposits collected. The pension plans are not component units of the Corporation and are therefore not reported in the basic financial statements.

**NOTE 7 – NET DEFICITS**

The unrestricted net deficit in the amount of \$76,953 and \$258,917 as of June 30, 2012 and 2011, respectively, is primarily related to the accrued compensated absences liability owed to all employees, offset by the fair value of investments. Compensated absences are expensed in the period in which the employee benefits are earned, but the Corporation cannot seek reimbursement, thereby recognizing revenue, until the benefits are actually paid. As such, the Corporation's unrestricted net deficit increases or decreases in relation to whether the compensated absences liability increases or decreases.

**NOTE 8 – COMMITMENTS AND CONTINGENCIES**

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster.

The Corporation is presently involved in certain matters of litigation that have arisen in the normal course of conducting the Corporation's business. Corporation management believes, based upon consultation with the Corporation's attorneys, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the Corporation. The Corporation is covered by various insurance policies for property, liability, workers' compensation and errors and omissions, with deductibles that vary from \$1,000 to \$25,000. The Corporation's management believes that the insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize.

There were no claim settlements that exceeded insurance coverage during the past three fiscal years.

**CIVIC SAN DIEGO**  
**(FORMERLY CENTRE CITY DEVELOPMENT CORPORATION, INC.)**  
**Notes to the Basic Financial Statements**  
**For the Years Ended June 30, 2012 and 2011**

**NOTE 8 – COMMITMENTS AND CONTINGENCIES (Continued)**

Operating Leases – The Corporation leases its office facilities under a non-cancelable operating lease, which has been extended through June 30, 2015. As of June 30, 2012, future minimum lease payments for this lease were as follows:

Year Ending June 30,	
2013	\$ 707,196
2014	731,304
2015	<u>758,088</u>
Total	<u>\$ 2,196,588</u>

The Corporation also leases space for its Information Center under a non-cancelable operating lease, which has been extended through June 14, 2015. As of June 30, 2012, future minimum lease payments for this lease were as follows:

Year Ending June 30,	
2013	\$ 107,145
2014	110,360
2015	<u>108,618</u>
Total	<u>\$ 326,123</u>

In addition, the Corporation leases three copiers under a non-cancelable operating lease for a term of 60 months. As of June 30, 2012, future minimum lease payments for these leases were as follows:

Year Ending June 30,	
2013	\$ 21,128
2014	<u>2,630</u>
Total	<u>\$ 23,758</u>

There is also a contingent per copy rental charge of \$0.006 for copies in excess of 110,000 per month on the main copier and \$0.006 for black and white copies on the second copier in excess of 13,000 per month with \$0.089 for color copies on the second copier in excess of 5,000 per month. A third copier has a \$0.0084 charge for black and white copies and a \$0.0890 charge on prints in excess of 250 per month.

Rental costs associated with all leases totaled \$826,739 and \$776,601 for 2012 and 2011, respectively.

**CIVIC SAN DIEGO**  
**(FORMERLY CENTRE CITY DEVELOPMENT CORPORATION, INC.)**  
**Notes to the Basic Financial Statements**  
**For the Years Ended June 30, 2012 and 2011**

**NOTE 9 – ECONOMIC DEPENDENCY AND UNCERTAINTIES**

The Successor Agency to the former Redevelopment Agency of the City of San Diego is the primary funding source for the Corporation; therefore, any reduction in the Successor Agency's funding could substantially alter the services provided by the Corporation.

In response to the California Supreme Court's decision to uphold the constitutionality of AB x1 26, the legislation eliminating redevelopment, the Office of the Mayor reorganized and formed a new corporate structure for the City's two non-profit corporations that provided redevelopment and economic development services in downtown and southeastern San Diego. On June 25, 2012, the City, as the designated Successor Agency, and the sole member of the Corporation, amended both the Corporation's and Southeastern Economic Development Corporation's (SEDC) Articles of Incorporation and Bylaws, restructuring and reorganizing the two non-profit corporations into a single corporation named Civic San Diego, a California nonprofit public benefit corporation. Civic San Diego will have the ability to perform multiple functions on behalf of the City, including the wind down of redevelopment, continued land use permitting and planning, management of the downtown parking district, economic development and other projects as authorized by the City in accordance with applicable law. As a result, effective August 1, 2012, SEDC has become a subsidiary corporation of Civic San Diego. At such time that any of SEDC's remaining liabilities and duties are released, Civic San Diego may dissolve SEDC.

On behalf of the City, the Corporation carries out certain municipal functions such as planning and design review within the Centre City area. The City Council created the Corporation originally to administer redevelopment, but subsequently has added the administration of the design review process and planning functions, consistent with the community plan and planned district ordinances, within the Centre City area. Additionally, the City has designated the Corporation as the Downtown Community Parking District Advisory Board (Downtown CPD), whose boundaries are concurrent with those of the Centre City area, to oversee, implement and manage parking within the Centre City area.

The Corporation instituted permit processing fees for applicants in connection with the Corporation's activities, as it relates to the design review and planning, similar to fees that other jurisdictions assess. Additionally, the Corporation, acting as the Downtown CPD, oversees and implements a budget of approximately \$2.5 million to \$3 million annually to carry out the functions of the Downtown CPD.

With regards to the fiscal year ending June 30, 2013, the Corporation expects that all operations should continue as budgeted. Funding for the Corporation has been included in the Successor Agency's Recognized Obligation Payment Schedule, which was submitted to and approved by the State Department of Finance.



**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**CIVIC SAN DIEGO**  
**(formerly Centre City Development Corporation, Inc.)**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2012**  
**(Unaudited)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>REVENUES</b>				
Contributions from the Redevelopment Agency of the City of San Diego	\$ 8,367,000	\$ 8,367,000	\$ 6,168,501	\$ (2,198,499)
Interest and unrealized gain on investments	-	-	(9,650)	(9,650)
Miscellaneous	-	-	21,553	21,553
Total revenues	<u>8,367,000</u>	<u>8,367,000</u>	<u>6,180,404</u>	<u>(2,186,596)</u>
<b>EXPENDITURES</b>				
Current				
Salaries and benefits	5,982,000	5,982,000	4,715,072	1,266,928
Rent and leasehold improvements	849,000	849,000	798,536	50,464
Legal, computer and auditing services	600,000	600,000	329,709	270,291
Office supplies	135,000	135,000	101,197	33,803
Marketing, printing and reproduction	182,000	182,000	79,830	102,170
Insurance	45,000	45,000	39,488	5,512
Telephone	55,000	55,000	28,551	26,449
Auto and business	72,000	72,000	25,159	46,841
Furniture and equipment	112,000	112,000	23,853	88,147
Dues and seminars	55,000	55,000	22,318	32,682
Recruitment	15,000	15,000	6,742	8,258
Directors fees	10,000	10,000	4,419	5,581
Travel	15,000	15,400	2,674	12,726
Equal opportunity	25,000	25,000	1,525	23,475
Other	10,000	9,600	-	9,600
Debt service				
Payment on advance from the City of San Diego	-	-	36,000	(36,000)
Total expenditures	<u>8,162,000</u>	<u>8,162,000</u>	<u>6,215,073</u>	<u>1,946,927</u>
Net change in fund balance	205,000	205,000	(34,669)	(239,669)
<b>FUND BALANCE</b>				
Beginning of year	<u>1,347,418</u>	<u>1,347,418</u>	<u>1,347,418</u>	-
End of year	<u>\$ 1,552,418</u>	<u>\$ 1,552,418</u>	<u>\$ 1,312,749</u>	<u>\$ (239,669)</u>

See accompanying note to budgetary comparison schedules.

**CIVIC SAN DIEGO**  
**(formerly Centre City Development Corporation, Inc.)**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2011**  
**(Unaudited)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>REVENUES</b>				
Contributions from the Redevelopment Agency of the City of San Diego	\$ 8,367,000	\$ 8,367,000	\$ 6,949,039	\$ (1,417,961)
Interest and unrealized gain on investments	-	-	3,920	3,920
Miscellaneous	-	-	20,177	20,177
Total revenues	8,367,000	8,367,000	6,973,136	(1,393,864)
<b>EXPENDITURES</b>				
Current				
Salaries and benefits	6,038,000	6,038,000	4,959,961	1,078,039
Rent and leasehold improvements	831,000	795,000	784,923	10,077
Legal, computer and auditing services	600,000	913,500	777,227	136,273
Marketing, printing and reproduction	263,000	183,000	131,927	51,073
Office supplies	159,000	129,000	108,623	20,377
Furniture and equipment	117,000	83,000	42,806	40,194
Auto and business	82,000	62,000	41,618	20,382
Telephone	58,000	38,000	30,621	7,379
Insurance	52,000	37,000	29,755	7,245
Equal opportunity	25,000	25,000	29,296	(4,296)
Dues and seminars	102,000	37,000	21,238	15,762
Directors fees	10,000	10,000	5,164	4,836
Recruitment	20,000	5,000	3,285	1,715
Travel	-	11,500	3,273	8,227
Other	10,000	-	-	-
Debt service				
Payment on advance from the Redevelopment Agency of the City of San Diego	-	-	220,000	(220,000)
Total expenditures	8,367,000	8,367,000	7,189,717	1,177,283
Net change in fund balance	-	-	(216,581)	(216,581)
<b>FUND BALANCE</b>				
Beginning of year, as restated	1,563,999	1,563,999	1,563,999	-
End of year	\$ 1,563,999	\$ 1,563,999	\$ 1,347,418	\$ (216,581)

See accompanying note to budgetary comparison schedules.

**CIVIC SAN DIEGO  
(FORMERLY CENTRE CITY DEVELOPMENT CORPORATION, INC.)  
Note to Budgetary Comparison Schedules – General Fund  
For the Years Ended June 30, 2012 and 2011**

**NOTE 1 – BUDGETARY INFORMATION**

The Corporation prepares its annual budget on the modified accrual basis of accounting in a format required by the successor agency to the former Redevelopment Agency of the City of San Diego. The budget is approved by the Corporation's Board of Directors (Board) and the former Redevelopment Agency. The Corporation's expenditures are controlled at the line item level with transfers between line items requiring Board approval, and transfers between salaries and benefits and all other line items requiring both Board approval, as well as approval from the successor agency to the former Redevelopment Agency.

For the year ended June 30, 2012 and 2011, expenditures for the payment on advance from the successor agency to the former Redevelopment Agency of the City of San Diego exceeded the final budgeted amount by \$36,000 and \$220,000, respectively. Actual expenditures exceeded the final budgeted amount because the Corporation does not budget for the repayment on the advance from the successor agency to the former Redevelopment Agency of the City of San Diego.

For the year ended June 30, 2011, expenditures for equal opportunity exceeded the final budgeted amount by \$4,296 due to increased expenditures associated with the annual outreach event Subs for Subs, which is held every June.



**Certified Public Accountants.**

San Diego  
225 Broadway, Suite 1750  
San Diego, CA 92101  
619 573 1112

Sacramento

Walnut Creek

Oakland

LA/Century City

Newport Beach

Seattle

To the Board of Directors  
Civic San Diego  
San Diego, California

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of the governmental activities and the general fund of Civic San Diego (Corporation), formerly Centre City Development Corporation, Inc., a component unit of the City of San Diego, California (City) as of and for the year ended June 30, 2012, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated November 16, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of the Corporation is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors of the Corporation, and the City Council of the City of San Diego, and is not intended to be and should not be used by anyone other than these specified parties.

*Macias Jini & O'Connell LLP*

San Diego, California  
November 16, 2012

**ENDORSED - FILED**  
in the office of the Secretary of State  
of the State of California

JUN 28 2012

**RESTATED ARTICLES OF INCORPORATION  
OF  
CENTRE CITY DEVELOPMENT CORPORATION, INC.**

KIM JOHN KILKENNY and STEVEN RELYEA certify that:

1. They are the Chairmen of the Board and Secretary, respectively, of Centre City Development Corporation, Inc., a California nonprofit public benefit corporation ("Corporation").
2. The Articles of Incorporation of this Corporation are amended and restated to read as follows:

**"ARTICLE I  
NAME**

The name of the Corporation is Civic San Diego ("Corporation").

**ARTICLE II  
PURPOSES**

A. This Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

B. This Corporation was incorporated on March 31, 1975 and was formerly known as Centre City Development Corporation, Inc.

C. The specific purposes of this Corporation are to: (i) engage in economic development, land use permitting and project management services which under California law, can be done by contract with or delegated by the City of San Diego ("City"), or the City solely in its capacity as the designated successor agency to the Redevelopment Agency of the City of San Diego ("Successor Agency"); (ii) enter into agreements, contracts or memoranda of understanding with any public or corporate entity, including the City, in furtherance of the purposes for which the Corporation is formed; (iii) engage in any other activities in furtherance of the purposes for which the Corporation is formed; and (iv) receive, invest and utilize for the purposes for which the Corporation is formed (a) gross receipts from activities related to the Corporation's exempt functions, and (b) funds and property acquired through solicitation of contributions, donations, grants, gifts, bequests and the like.

**ARTICLE III**  
**LIMITATION ON CORPORATE ACTIVITIES**

A. This Corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

B. Notwithstanding any other provision of these articles, this Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or (b) by a corporation contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code.

C. No substantial part of the activities of this Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in any political campaign (including the publishing or distribution of statements) on behalf of, or in opposition to, any candidate for public office.

**ARTICLE IV**  
**DEDICATION AND DISSOLUTION**

A. The property of this Corporation is irrevocably dedicated to charitable purposes, and no part of the net income or assets of this Corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon the dissolution or winding up of this Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed to the City, to be used solely for public purposes, or if the City does not accept the assets or is not then in existence, to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

B. If the Corporation holds any assets in trust, or if the Corporation is formed for charitable purposes, then such assets shall be disposed of on dissolution in conformity with these Articles of Incorporation or the Bylaws of the Corporation subject to complying with the provisions of any trust under which such assets are held. The disposition shall be in such manner as may be directed by decree of the Superior Court of the county in which the Corporation has its principal offices, on petition thereof by the Attorney General or by any person concerned in the liquidation, in a proceeding to which the Attorney General is a party. Such decree of the Superior Court may be waived if the Attorney General makes a written waiver of objections to the disposition.



## ARTICLE V

The City of San Diego, a municipal corporation, is the sole member of the Corporation."

3. The foregoing amendment and restatement of Articles of Incorporation has been duly approved by the board of directors.

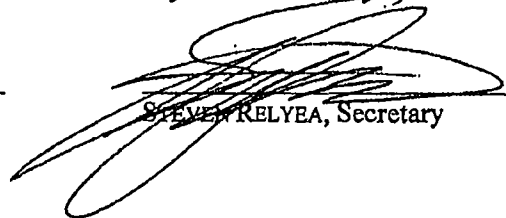
4. The foregoing amendment and restatement of Articles of Incorporation has been duly approved by the sole member, the City of San Diego, acting by and through its City Council.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Dated: 6/27/12

  
KIM JOHN KILKENNY, Chairmen of the Board

Dated: 6/27/2012

  
STEVEN RELYEA, Secretary



I hereby certify that the foregoing  
transcript of 3 page(s)  
is a full, true and correct copy of the  
original record in the custody of the  
California Secretary of State's office.

JUN 29 2012

Date: \_\_\_\_\_

*Debra Bowen*  
DEBRA BOWEN, Secretary of State

**Application for Extension of Time To File an  
Exempt Organization Return**

OMB No. 1545-1709

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒ . . . . .
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

**Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*.

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only ☐ . . . . .

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

<b>Type or print</b>  File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. <b>CIVIC SAN DIEGO (formerly CENTRE CITY DEVELOPMENT CORPORATION)</b>	Employer identification number (EIN) or <input checked="" type="checkbox"/> <b>95-3035557</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>401 B STREET, SUITE 400</b>	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions <b>SAN DIEGO, CA 92101</b>	

Enter the Return code for the return that this application is for (file a separate application for each return) . . . . .

**0 1**

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ► **ANDREW T. PHILLIPS, VICE PRESIDENT & CFO** . . . . .

Telephone No. ► **619-235-2200** FAX No. ► **619-236-9148**

- If the organization does not have an office or place of business in the United States, check this box ☐ . . . . .
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . . . . . If this is for the whole group, check this box ☐ . . . . . If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 1** I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **February 15**, 20 **12**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
- ☐ calendar year 20 \_\_\_\_ or

- ☒ tax year beginning **July 1**, 20 **11**, and ending **June 30**, 20 **12**.

- 2** If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return  
☐ Change in accounting period

<b>3a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	<b>0</b>
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	<b>0</b>
<b>c Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	<b>0</b>

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☐ **Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

**Part II Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Enter filer's identifying number, see instructions

Type or print  File by the due date for return. See instructions.	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or <input type="checkbox"/>
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions	

Enter the Return code for the return that this application is for (file a separate application for each return) ☐ ☐

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

- The books are in the care of ☐ Telephone No. ☐ FAX No. ☐
- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ☐. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- I request an additional 3-month extension of time until \_\_\_\_\_, 20\_\_\_\_\_.
- For calendar year \_\_\_\_\_, or other tax year beginning \_\_\_\_\_, 20\_\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_\_.
- If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return  
☐ Change in accounting period
- State in detail why you need the extension \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

<b>8a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>8a</b>	\$
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	<b>8b</b>	\$
<b>c Balance due.</b> Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>8c</b>	\$

**Signature and Verification must be completed for Part II only.**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ☐Title ☐Date ☐