

File No. 160203 Committee Item No. 2
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date April 7, 2016

Board of Supervisors Meeting Date _____

Cmte Board

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution |
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| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
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| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>OEWD Memo - 04/01/2016</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Fisherman's Wharf Annual Report - 2014-2015</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Fisherman's Wharf Financial Statements - 06/30/2015</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Referral FYI - 03/07/2016</u> |
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Completed by: Erica Major Date April 1, 2016
Completed by: _____ Date _____

1 [Fisherman's Wharf and Fisherman's Wharf Portside Community Benefit Districts - Annual
2 Report to the City - FY2014-2015]

3 **Resolution receiving and approving the annual report for the Fisherman's Wharf**
4 **Community Benefit District and Fisherman's Wharf Portside Community Benefit District**
5 **for FY2014-2015, submitted as required by the Property and Business Improvement**
6 **District Law of 1994 (California Streets and Highways Code, Sections 36600 *et seq.*),**
7 **Section 36650, and the Districts' Management Agreements with the City, Section 3.4.**

8
9 WHEREAS, The Fisherman's Wharf Community Benefit District (the Fisherman's
10 Wharf CBD) was established by the Board of Supervisors in 2005, and the Fisherman's
11 Wharf Portside Community Benefit District (the Fisherman's Wharf Portside CBD) was
12 established by the Board of Supervisors in 2006, as described below; and

13 WHEREAS, Both the Fisherman's Wharf CBD and the Fisherman's Wharf
14 Portside CBD are administered by the same owners' non-profit association, known as
15 the Fisherman's Wharf Association, as described below; and

16 WHEREAS, On June 7, 2005, in accordance with the Property and Business
17 Improvement District Law of 1994, California Streets and Highways Code, Sections
18 36600 *et seq.* (the Act), as augmented by Article 15 of the San Francisco Business and
19 Tax Regulations Code (Article 15), the Board of Supervisors adopted Resolution
20 No. 386-05 expressing the City's intent to form the Fisherman's Wharf CBD; and

21 WHEREAS, On July 26, 2005, the Board of Supervisors adopted Resolution
22 No. 540-05 establishing the Fisherman Wharf's CBD for a period of 15 years
23 commencing with FY2005-2006; and

24 WHEREAS, On January 10, 2006, the Board of Supervisors adopted Resolution
25 No. 16-06 authorizing a contract with the Fisherman's Wharf Association for the

1 management and administration of the Fisherman's Wharf CBD (the Fisherman's Wharf
2 Management Contract) which is on file with the Clerk of the Board of Supervisors in File
3 No. 052026; and

4 WHEREAS, On October 24, 2006, in accordance with the Act, as augmented by
5 Article 15, the Board of Supervisors adopted Resolution No. 586-06 expressing the
6 City's intent to form the Fisherman's Wharf Portside CBD; and

7 WHEREAS, On December 12, 2006, the Board of Supervisors adopted
8 Resolution No. 696-06 establishing the Fisherman's Wharf Portside CBD for a period of
9 14 years commencing with FY2005-2006; and

10 WHEREAS, On June 19, 2007, the Board of Supervisors adopted Resolution
11 No. 312-07 with the Fisherman's Wharf Association, authorizing a contract with the
12 Fisherman's Wharf Association for the management and administration of the
13 Fisherman's Wharf Portside CBD (the Fisherman's Wharf Portside Management
14 Contract) which is on file with the Clerk of the Board of Supervisors in File No. 070838;
15 and

16 WHEREAS, On March 31, 2015, the Board of Supervisors approved the
17 Fisherman's Wharf CBD's and the Fisherman's Wharf Portside CBD's annual report for
18 FY2013-2014 in Resolution No. 107-15; and

19 WHEREAS, The Fisherman's Wharf Association has submitted for the Board's
20 receipt and approval an annual report for both the Fisherman's Wharf CBD and
21 Fisherman's Wharf Portside CBD for FY2014-2015 as required by Section 36650 of the
22 Act and Section 3.4 of the Fisherman's Wharf Management Contract and the
23 Fisherman's Wharf Portside Management Contract (the Annual Report); and
24
25

1 WHEREAS; The Annual Report is on file with the Clerk of the Board of
2 Supervisors in File No. 160203 and is incorporated herein by reference as though fully
3 set forth; and

4 WHEREAS, Supporting documents, including, but not limited to, a transmittal
5 letter and memorandum report from the City's Office of Economic and Workforce
6 Development, dated February 26, 2016, and documentation from the Fisherman's
7 Wharf Association for the Annual Report is on file with the Clerk of the Board of
8 Supervisors in File No. 160203; now, therefore, be it

9 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
10 report for the Fisherman's Wharf Community Benefit District and Fisherman's Wharf Portside
11 Community Benefit District for FY2014-2015.

MEMO

To: Supervisor Aaron Peskin, District 3

CC: San Francisco Board of Supervisors

From: Chris Corgas, Project Manager

RE: Fisherman's Wharf Community Benefit District (Landside and Portside)

Date: January 4, 2016

This is a memo summarizing the performance of the Fisherman's Wharf Community Benefit District (FWCBD) for both "Landside" and "Portside" and an analysis of their financial statements (based on their audit) for the period between July 1, 2014, and June 30, 2015.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Fisherman's Wharf CBD has complied with the submission of all these requirements. OEWD staff, with assistance from the Controller's Office, reviewed these financial documents to monitor and report on whether they have complied with the rules per the Property and Business Improvement District Law of 1994, California Streets and Highways Code Sections 36600 Et Seq.; San Francisco's Business and Tax Regulations Code Article 15; the Fisherman's Wharf Association management contract with the City; and their Management Plan as approved by the Board of Supervisors in 2005 for Landside and 2006 for Portside.

Also attached to this memo are the following documents:

1. Annual Report
 - a. FY 2014-2015
2. CPA Financial Review Report
 - a. FY 2014-2015
3. Draft resolution from the Office of Economic and Workforce Development



Background

The Fisherman's Wharf Community Benefit District includes two districts - the "Landside" property-based district includes 127 parcels and "Portside" business-based district includes 58 parcels.

Landside:

- July 26, 2005: the Board of Supervisors approved the resolution that established the property-based district called the Fisherman's Wharf Landside Community Benefit District for 15 years (Resolution # 540-05).
- January 10, 2006: the Board approved the contract for the administration and management of the Fisherman's Wharf Community Landside CBD (Resolution # 16-06).

Portside:

- December 12, 2006: the Board of Supervisors approved the resolution that established the business-based district called the Fisherman's Wharf Portside Community Benefit District for 14 years (Resolution # 696-06).
- June 19, 2007: the Board approved the contract for the administration and management of the Fisherman's Wharf Portside CBD (Resolution # 312-07).

Basic Info about Fisherman's Wharf CBD

Year Established	Landside 2005 Portside 2006
Assessment Collection Period	Landside: FY 2005-06 to FY 2019-20 (July 1, 2005 to June 30, 2020) Portside: FY 2006-07 to FY 2019-20 (July 1, 2006 to June 30, 2020)
Services Start and End Date	Landside: January 1, 2006 – December 31, 2020 Portside: January 1, 2007 – December 31, 2020
Initial Estimated Annual Budget	Landside: \$622,615 Portside: \$187,113
Fiscal Year	July 1 – June 30
Executive Director	Troy Campbell
Name of Nonprofit Owners' Association	Fisherman's Wharf Association of San Francisco

The current CBD website <http://www.fwcdbd.com>, includes all the pertinent information about the organization and their programs, a calendar of events, their Management Plan, Mid-Year Report, Annual Report and meeting schedules. It should also be noted that the organization also manages the site <http://www.visitfishermanswharf.com>, that is designed specifically for visitors to the district.

Summary of Service Area Goals

District Identity and Street Improvements (DISI)

District Identity and Street Improvements service includes marketing and public relations and street enhancements for the district. The Landside CBD Management Plan calls for 41% of the budget to be spent on DISI while the Portside CBD Management Plan calls for 70% of the budget to be spent in this service area.

Street Operations, Beautification and Order (SOBO)

Street Operations, Beautification and Order service area includes street maintenance, beautification, and safety and emergency preparedness. FWCBBD contracts with Costless Maintenance Service Company (CMSC) Block by Block to provide removal of litter from sidewalks seven days a week year round, annual sidewalk steam cleaning, ongoing power washing and removal of graffiti within 72 hours. Security in the district is provided by two SFPD 10B officers SIX days a week from July to early October. Three full-time and one part-time ambassador provide assistance with directions and questions, communication with law enforcement and the Port of San Francisco, and outreach to homeless on the wharf. The Landside CBD Management Plan calls for 29% of the budget to be spent on SOBO while the Portside CBD Management Plan does not allocate funds for this service area.

Administration and Corporate Operations

The Landside and Portside CBD Management Plan calls for 20% of the budget to be spent on administration and corporate operations. FWCBBD is staffed by a full-time Executive Director who serves as the focal point person and advocate for Fisherman's Wharf CBD. FWCBBD board has twenty-five (25) board members that represent the diverse property and business owners in the district. In addition, there are three non-voting community representatives on the board that include the National Park Service, the Fishing Industry, and the Port of San Francisco. The board meets every fourth Thursday of the month. Board members are expected to serve on at least one committee. The five committees include:

- **Marketing/District Identity & Streetscape Improvements** - The Marketing/District Identity & Streetscape Improvements committee works to promote visitation to Fisherman's Wharf and meets the second Tuesday of the month.
- **PIERSafe** - The PIERSafe committee works to create a safety and emergency preparedness for businesses and residents in the Fisherman's wharf community and meets the first Thursday of the month. Fisherman Wharf CBD regularly holds trainings, meetings and drills to ensure safety for merchants, workers and visitors on the wharf.
- **Sustainability/Zero** - The Sustainability/Zero Waste committee works to assist businesses and residents in reaching the City's goals of becoming 100% sustainable by the year 2020 and meets every two months.
- **Street Operations and Beautification** - The Street Operations and Beautification committee works to ensure a clean and safe commercial district and meet on the second Tuesday of the month.
- **Transportation Improvement** - The Transportation Improvement committee works to help mitigate traffic congestion and improve vehicle and pedestrian safety and meets every two months.

Summary of Accomplishments, Challenges, and Delivery of Service Areas

FY 2014-2015

District Identity and Street Improvements (DISI)

- Sponsored the 2014 4th of July Celebration, Opening Day on the Bay, Tel-Hi Heart of Gold, Fleet Week, Family Fun Day in conjunction with Sunday Streets, and a Taste of Tel-Hi.
- Produced the 2nd Annual “Wharf Fest” and Chowder Cook Off.
- Received press coverage from multiple news outlets including: Hoodline.com, Curbed.com, KTVU, SF Weekly, NBC, CBS, SF Business Times, SF Gate, SF Examiner, Funcheap SF, SF Station, etc ,

Street Operations, Beautification and Order (SOBO)

Note: The FWCBD 2014-15 Annual Report developed standardized metrics for measuring program performance.

- Safety & Security Services:
 - Escorts provided – 516
 - Street Performer Interaction – 938
 - Quality of Life – Sit/Lie – 3,579
- Visitor/Merchant Services:
 - Hospitality Assistance – 22,311
 - Directions Given – 15,970
- Cleaning/Maintenance Services
 - Trash Collected (lbs) – 10,335
 - Graffiti/Stickers Removed – 1,869
 - Street Furniture Cleaned – 1,147
 - Tree Grates Cleaned – 915

Administration and Corporate Operations

- The Executive Director served as the representative for the district on Central Station’s Community Police Advisory Board.
- Held bi-monthly SFPD Community Meetings attended by the SFPD Central Station Police Captain and beat officers.
- Conducted a Merchant Transportation Survey in order to better advocate for the needs of district merchants who are having difficulty hiring and retaining employees.
- Advocated for bringing the Central Subway to the wharf and assisted the group SF NextStop in getting the County Transportation Authority to fund a study to move the project forward .

FWCBD Annual Budget Analysis

OEWD’s staff reviewed the following budget related benchmarks for FWCBD:

- **BENCHMARK 1:** Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan (*Agreement for the Administration of the “Fisherman’s Wharf Community Benefit District”, Section 3.9 – Budget; Agreement for the Administration of the “Fisherman’s Wharf Portside Community Benefit District”, Section 3.9 - Budget*)
- **BENCHMARK 2:** Whether five percent (5%) of Landside’s actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the*

Administration of the “Fisherman’s Wharf Community Benefit District”, Section 3.4 - Annual Reports)

- **BENCHMARK 3:** Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percent (*Agreement for the Administration of the “Fisherman’s Wharf Community Benefit District”, Section 3.9 – Budget; Agreement for the Administration of the “Fisherman’s Wharf Portside Community Benefit District”, Section 3.9 - Budget*)
- **BENCHMARK 4:** Whether FWCBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year (*CA Streets & Highways Code, Section 36650(B)(5)*)

FY 2014-2015

BENCHMARK 1: Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan

ANALYSIS: FWCBD met this requirement for Portside; FWCBD did not meet this requirement for Landside. See tables below.

Landside

Service Category	Management Plan Budget	% of Budget	FY 2014-2015 Budget	% of Budget	Variance Percentage Points
District Identity and Street Improvements	\$255,000	40.96%	\$264,225	39.50%	-1.02
Sidewalk Operations, Beautification, & Order	\$181,130	29.09%	\$187,800	28.07%	-1.46
Administrative Expenses	\$125,000	20.08%	\$130,000	19.43%	-.64
Contingency Reserve	\$61,485	9.88%	\$71,200	10.64%	+.76
Special Projects	\$0	0%	\$15,750	2.36%	+2.36
TOTAL	\$622,615	100%	\$668,975	100%	

Portside

Service Category	Management Plan Budget	% of Budget	FY 2014-2015 Budget	% of Budget	Variance Percentage Points
District Identity and Street Improvements	\$130,979	70%	\$149,575	69.61%	-.39
Administrative Expenses	\$37,423	20%	\$43,300	20.15%	+.15
Contingency Reserve	\$18,711	10%	\$22,000	10.24%	+.24
TOTAL	\$187,113	100%	\$214,875	100%	

BENCHMARK 2: Whether five percent (5%) of Landside’s actuals came from sources other than assessment revenue

ANALYSIS: *FWCBD met this requirement. Assessment revenue was \$647,611 or 94.50% of actuals and non-assessment revenue was \$37,708 or 5.50% of actuals. See table below.*

Revenue Sources	FY 2014-2015 Actuals	% of Actuals
Landside Special Benefit Assessments	\$647,611	
Total assessment revenue	\$647,611	94.50%
Special Events	\$0	
Contributions and Sponsorships	\$10,173	
Donations	\$27,000	
Interest Earned	\$535	
Total non-assessment revenue**	\$37,708	5.50%
Total	\$685,319	100%

BENCHMARK 3: Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percentage points

ANALYSIS: *FWCBD did met this requirement for Landside; FWCBD did met this requirement for Portside. See table below.*

Landside

Service Category	FY 2014-2015 Budget	% of Budget	FY 2014-2015 Actuals	% of Budget	Variance Percentage Points
District Identity and Street Improvements	\$264,225	39.50%	\$275,968	42.71%	+3.21
Sidewalk Operations, Beautification, & Order	\$187,800	28.08%	\$158,001	24.46%	-3.62
Administrative Expenses	\$130,000	19.43%	\$125,152	19.37%	-.06
Contingency Reserve	\$71,200	10.64%	\$71,200	11.02%	+0.38
Special Projects	\$15,750	2.35%	\$15,750	2.44%	+0.09
TOTAL	\$668,975	100%	\$646,071	100.0%	

Portside

Service Category	FY 2014-2015 Budget	% of Budget	FY 2014-2015 Actuals	% of Budget	Variance Percentage Points
District Identity and Street Improvements	\$149,575	69.61%	\$158,481	71.87%	+2.26
Administrative Expenses	\$43,300	20.15%	\$40,026	18.15%	-2.00
Contingency Reserve	\$22,000	10.24%	\$22,000	9.98%	-.26
TOTAL	\$214,875	100.0%	\$220,507	100.0%	

BENCHMARK 4: Whether FWCBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year

ANALYSIS: FWCBD met this requirement. *There is a period between when the City collects assessment payment and when the City disburses the funds to the CBD. As a result, a CBD typically has a fund balance at the end of the fiscal year that is equal to about 6 months of their annual budget. See table below.*

Landside

FY 2014-15 Carryover Disbursement	\$353,349.34
Designated Projects for FY 2015-16	
SOBO	\$102,471.31
DISI	\$141,339.74
Administration	\$70,669.87
Contingency	\$38,868.42
Total Designated amount for FY 2014-15	\$353,349.34

Portside

FY 2014-15 Carryover Disbursement	\$125,702.66
Designated Projects for FY 2015-16	
DISI	\$87,991.86
Administration	\$25,140.53
Contingency	\$12,570.27
Total Designated amount for FY 2014-15	\$125,702.66

Findings and Recommendations

For the fiscal year in review, Fisherman’s Wharf CBD (Landside) has exceeded its general benefit requirement of five percent. FWCBD did not, however, provide the following required information in its Annual Report: 1) carryover amounts and designated program area. FWCBD has prepared a letter addressing this issue, the letter is attached.

FWCBD has improved since the FY 13-14 annual report in achieving all benchmarks. FWCBD was able to keep all variances within acceptable margins. FWCBD continued to perform well in providing events to identify the neighborhood and bring people to the district to patronize district merchants.

Conclusion

Fisherman’s Wharf CBD has performed well in implementing the service plan of both the Landside and Portside areas. Fisherman’s Wharf CBD has continued to successfully market and produce events such as 4th of July, Fleet Week, and Holiday Lights and Sights. Fisherman’s Wharf CBD has an active board of directors and committee members; and OEWD believes the Fisherman’s Wharf CBD will continue to successfully carryout its mission and service plans.

Annual Report
2014-2015



Fisherman's Wharf
COMMUNITY BENEFIT DISTRICT



Dear Community Member,

July 2015

The 2014-2015 fiscal year saw the continued growth and success of our organization. Currently in its tenth year of operation, the Fisherman's Wharf Community Benefit District (FWCBD) has built productive relationships with city agencies and other neighborhood groups. With a 25 member Board of Directors and 10 committees and subcommittees, we have over 150 active district and community members. We would like to thank our volunteer Board of Directors as well as all of the individuals that support our district throughout the year.

I have enjoyed serving as the President for the 14/15 fiscal year and am proud of the strides we have made to make the community better.

I encourage you to read about the accomplishments of the FWCBD included in this annual report. If you are not already involved with the organization we ask you to consider joining one of our committees where you can make a difference.

Regards,

Tony Smith
FWCBD Board President

About the Fisherman's Wharf District

Year Established	2005 Landside / 2006 Portside
Total Assessed Properties	105 Landside
Total Assessed Businesses	56 Portside
Total Square Blocks	30
Geographic Size	143 Acres
Population	5,885
Jobs	8,334
Job Density	59 jobs / acre

FWCBD Advisory Committees

- Finance
- Executive
- Street Operations, Beautification and Order
- Marketing
- Sustainability
- Public Realm
- PIERSafe
- Police Community Meetings
- Transportation

Other Committee Involvement:

- Community Police Advisory Board
- Fisherman's Wharf Merchant's Association
- CBD/BID Consortium
- SFNextstop - Central Subway Advocacy
- The Embarcadero Enhancement Project
- Business Federation Meeting
- Fisherman's Wharf Waterfront Advisory Group
- Port of San Francisco & BCDC Planning Study

- Fisherman's Wharf is the number one destination in San Francisco and Pier 39 is the most visited attraction.
- Fisherman's Wharf receives 10-12 million visitors annually.
- On average, 24,383 people visit Fisherman's Wharf on a daily basis. The number can swell as high as 100,000 people, depending on the season and/or the weather.
- 35% of visitors to Fisherman's Wharf are local Bay Area residents.
- In 2010 businesses at Fisherman's Wharf generated \$65.6 million in revenue annually to the City of San Francisco through rents to the Port of San Francisco, payroll, sales, property, hotel and parking taxes.
- There are 11 parking garages and lots at Fisherman's Wharf that generated \$14.2 million in parking revenue tax that funds the Port and the MTA.
- Fisherman's Wharf supports over 8,384 jobs, 1,475 of which are at the 13 hotels located at Fisherman's Wharf. These 13 hotels have over 3,200 guest rooms and have some of the highest occupancy rates in the city.

PUBLIC REALM & URBAN PLANNING

The FWCBBD continued its commitment to perform outreach and work with the Department of Public Works, the MTA, the San Francisco Planning Department and the Port of San Francisco regarding Phase 2 of the Jefferson Steet Public Realm Plan. Our perseverance and advocacy efforts were rewarded when the City announced in June of 2015 that the upcoming budget would include \$1.7 million dollars to fund the next step of the project.

SECURITY

- Partnered with District Merchants, SFPD and the District Attorney's office and successfully gained a public nuisance stay away order for an infamous street performer that was plaguing merchants and visitors.
- The FWCBBD designed the "Park Smart" campaign graphics (postcards, posters, web) for a citywide initiative to educate visitors to not leave valuable in their cars.
- Continued work with the developers of Townsquared, a district intranet site that allows merchants to share information about crime and safety in the district including an urgent alert feature that notifies SFPD via text.
- Maintained lights in all of the trees at Conrad Park.
- Provided SFPD 10B coverage (off duty SFPD Officers). The officers for the fiscal year gave out over 300 citations and made 7 arrests.
- The Executive Director served as the representative for the district on Central Station's Community Police Advisory Board.
- Held bi-monthly SFPD Community Meetings attended by the SFPD Central Station Police Captain, the Deputy District Attorney and the Fisherman's Wharf beat officers.
- Held a Security and Safety Summit in the spring. The event achieved the goal of providing the community with resources and education as well as fostering partnerships between SFPD, local merchants and private security companies at the Wharf.

PIERsafe

- Held monthly PIERsafe Meetings.
- Conducted weekly tests of the FISHnet radio network that includes over 15 participating members.
- Reprinted the Essential Contact Numbers wallet cards that were distributed in the district.
- Conducted a FISHnet Earthquake Drill in order to give participants some examples of how the FISHnet radio network can be used in the event of an emergency.
- Held an Incident Command Center tabletop exercise to hone the skills of committee members.

BEAUTIFICATION & MAINTENANCE

- Worked with the MTA to allow the CBD to attach branded district identity decals to light poles in the neighborhood.
- Partnered with the MTA on a licensing agreement to add a new welcome sign at the Hyde Street Cable Car turnaround.
- Worked with the Port of San Francisco and DPW to host the Giants Clean Sweep on the Wharf on July 26th.

- Held district walkthroughs with DPW and Port of San Francisco staff to identify and fix issues within the district.

AMBASSADORS

The FWCBBD's Ambassador Program continues to be a staple for the district, offering needed support for an increasing aggressive street population, graffiti removal, litter abatement and hospitality assistance.

The ambassadors not only assist visitors with directions and questions, but they clean and remove graffiti in the district, power-wash sidewalks, collect litter, outreach to the district's street population and aid law enforcement and the Port of San Francisco.

The following stats are for the past fiscal year:

Hospitality Statistics

1. Hospitality Assistance	22,311
2. Directions Given	15,970
3. Business Contacts Made	12,593
4. Street Performer Conflict Resolution	938
5. Escorts Provided	516
6. Motorists Directions Given	445

Cleaning Statistics

1. Trash Removed (lbs)	10,335
2. Pan & Broom Block Faces	1,657
3. Graffiti Removed	1,605
4. Graffiti Stickers Removed	1,291
5. Street Furniture Cleaned	1,147
6. Tree Grates Cleaned	915
7. Painting Enhancements	360

Safety / Compliance Request Statistics

1. Sit/Lie	3,579
2. Public Disturbance/Panhandling	1,631
3. Drinking in Public	1,429
4. Camping/Sleeping	998
5. Drug Activity	821
6. Illegal Dumping	578
7. Request for Police	195



MARKETING & EVENTS

- Provided event sponsorship for the 2014 4th of July Celebration and production of an event flyer, website build out, and social media marketing of the event.
- Provided event sponsorship of the 2014 Fleet Week Celebration and production of an event flyer, website build out, and social media marketing of the event.
- Produced the 2nd Annual Wharf Fest Event & Chowder Cook-Off. Highlights:
 - The Chowder Cook-Off competition was between 12 local restaurants who competed to win the title of either Judge's Choice or People's Choice. Over 500 tickets to the competition were sold.
 - To highlight the initiatives by the FWCBD and the Port of San Francisco in making the Wharf a Zero Waste Zone we produced the Trashy Fashion Runway Show where 12 designers showcased their couture creations made from trash and recyclable products.
 - The FWCBD raised \$20,000 in sponsorship for the event.
- Partnered with the St. Francis Yacht Club to produce the Holiday Lighted Boat Parade with over 60 boats from the Fishing Fleet, the St. Francis Yacht Club, the SF Fire and Police Departments, and the PIER 39 Harbor.
- Hung lights and a "tree" on the iconic Fisherman's Wharf Crab Wheel sign and provided lights to the sport fishing fleet in order to decorate their boats located in the

picturesque inner lagoon.

- Held a holiday decorating contest for Wharf businesses.
- Worked with participating Wharf businesses on a full page co-op ad that was in three editions of the Alaska Air In-Flight magazine.
- Produced a holiday postcard containing local events for hotels and tourist hubs that was distributed by FWCBD Ambassadors in late November and early December.
- Took over management of the Official Fisherman's Wharf Yelp and Trip Advisor pages.
- Partnered with the FWMA on a joint District Holiday Party.
- Partnered with district art galleries to hold the first Fisherman's Wharf Art Walk in October 2014.
- Completed a visitor intercept survey with the aid of an OEWD grant and the contractor Destination Analysts.
- Produced Fisherman's Wharf branded window clings for district merchants to display in their windows.
- The FWCBD redesigned, updated and printed 300,000 brochures that are distributed by our Ambassadors and at 9 California Welcome Centers and 850 tourist sites in the greater Bay Area.
- The FWCBD sponsored the FWMA Golf Tournament, Opening Day on the Bay, The Tel-Hi Heart of Gold, A Taste of Tel-Hi and the 2014 Fourth of July Celebration and Fleet Week.
- Hosted Family Fun Day at the FW Parking lot for the Sunday Streets event in March.

THE FISHERMAN'S WHARF AUDIENCE

WHO VISITS THE NEIGHBORHOOD?

10 MILLION VISITORS PER YEAR

1.6 MILLION PEDESTRIAN IMPRESSIONS PER MONTH (AVERAGE)

11% OF VISITORS TO SAN FRANCISCO WILL COME TO FISHERMAN'S WHARF

PLACE OF RESIDENCE

14% SAN FRANCISCO	11% BAY AREA (NOT SF)	14% CA (NOT BAY AREA)	30% OTHER USA	31% FOREIGN
-------------------	-----------------------	-----------------------	---------------	-------------

40.3 THE MEAN AGE OF VISITORS TO FISHERMAN'S WHARF

16% OF GROUPS WERE VISITING WITH CHILDREN UNDER 18

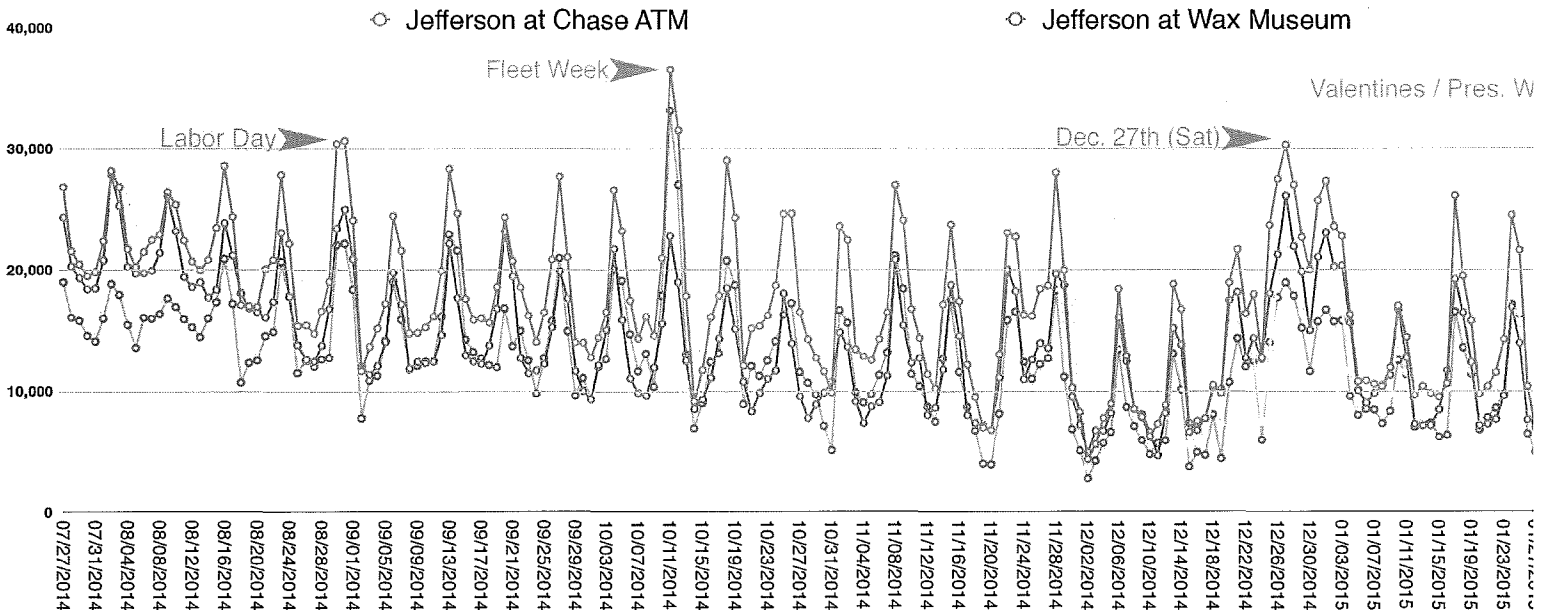
AFFLUENT & WELL-EDUCATED

THE MEAN ANNUAL HOUSEHOLD INCOME OF THIS AUDIENCE IS \$92,797. OF THOSE SURVEYED, 33.8% HAVE A BACHELORS DEGREE OR HIGHER.

93% OF PEOPLE ARE "SATISFIED" OR "VERY SATISFIED" WITH THEIR VISIT

86% OF PEOPLE ARE "LIKELY" OR "VERY LIKELY" TO RETURN

SOURCE: 2014 VISITOR INTERCEPT SURVEY FROM DESTINATION ANALYSTS. PRODUCED BY THE FISHERMAN'S WHARF COMMUNITY BENEFIT DISTRICT. FWCBD.COM





WEBSITE

- The Fisherman's Wharf website, VisitFishermansWharf.com, received an updated design and many modifications to the backend to improve efficiency.
- The website's template was completely rebuilt so that it can be responsive on tablets and handheld devices and is now fully-integrated with social media.
- The VisitFishermansWharf.com website received tremendous growth in the first half of the fiscal year. When compared to July-December of 2013, the site increased an average of 201% or 83,537 additional unique visitors. Overall the site received over 305,000 unique visitors during the fiscal year, a new record for the site since it launched in 2006.

WORKSHOPS

- In February of 2015 we hosted a free Digital Tools Workshop for district merchants to keep them abreast on current social media and technology trends for their businesses.
- The FWCBD partnered with the Telegraph Hill Neighborhood Center to host our 3rd annual free Job Fair for local residents interested in seasonal summer employment as well as full-time opportunities at Fisherman's Wharf.
- In partnership with the Port of SF, the SF PUC (Public Utilities Commission) and SF Environment we hosted a free workshop for the district that focused on water conservation and how to become a "green" business.

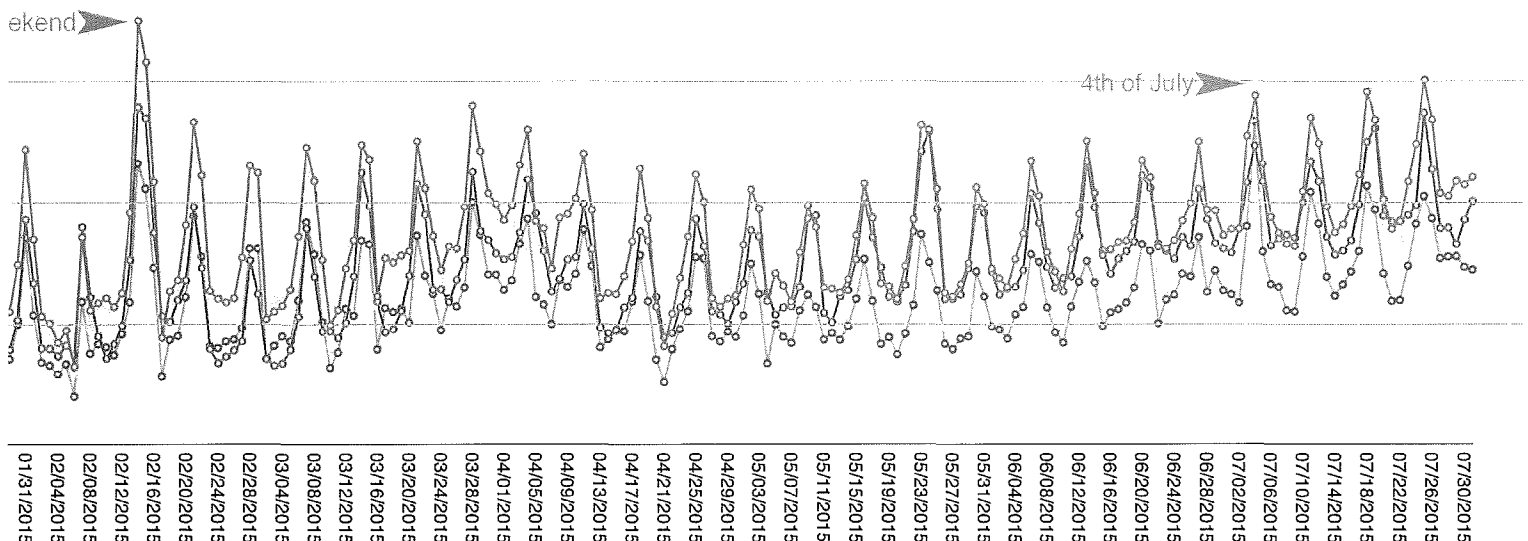
ADVOCACY & OTHER

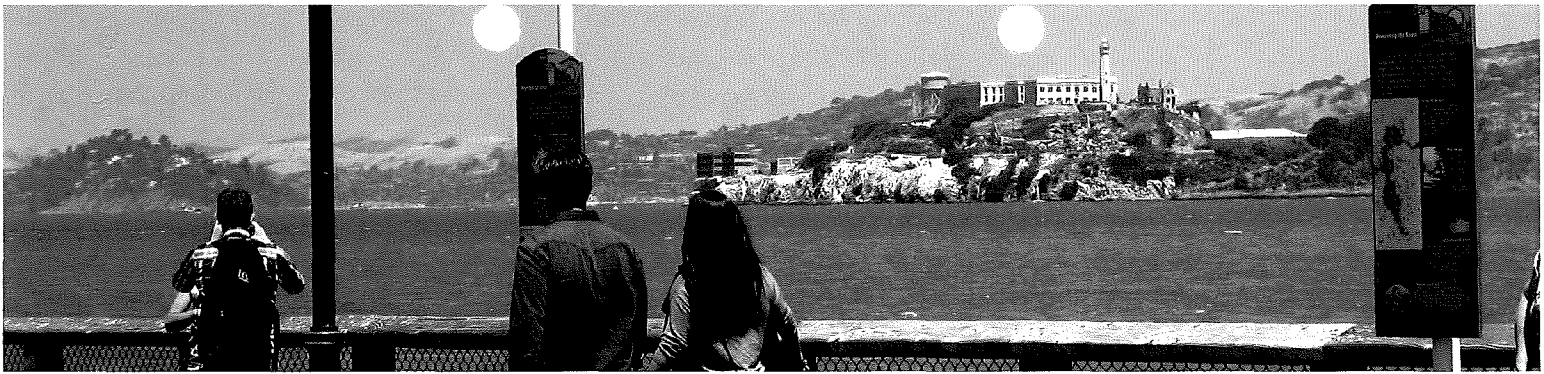
- The FWCBD continued to advocate for Phase II of the Jefferson St. Public Realm Plan and completed the document, "Fisherman's Wharf Phase 2 Impacts, Statistics and Survey Results" which can be found on newjeffersonstreet.com.
- Advocated for getting the Central Subway to the wharf and assisted the group SF NexTstop in promoting the extension to Fisherman's Wharf.
- Conducted a Merchant Transportation Survey in order to better advocate for the needs of district merchants who are having difficulty hiring and retaining employees.
- Installed Springboard pedestrian and car counting cameras in four locations along Jefferson Street to analyze and monitor footfall and vehicular traffic in the Wharf.

**The below graph shows the pedestrain counts from the cameras on Jefferson Street between the time they were installed on July 27th, 2014 through July 31, 2015.*

Jefferson at Castagnola's

○ Jefferson at Bay Company





Assessment Methodology

The District is funded through an annual assessment, for 15 years, from the property owners for both the land-side and port-side boundaries of the district. The FWCBD Board of Directors increased the Landside Assessments by the CPI of 2.9% for the 2012-2013 fiscal year.

LAND-SIDE CBD PROPERTY ASSESSMENTS

For the land-side, there are four property variables that are used in determining individual assessments. The factors are:

1. Linear frontage (sidewalk frontage)
2. Land area
3. Entire usable building square footage
4. Building use

There is a total of 2,151,139 square feet in gross lot size, 28,276 feet in linear frontage and 4,486,146 in building square footage. Three benefit zones have been created in the District for calculating assessments.

Benefit Zone 1 includes roughly all parcels north of Bay/North Point, between Polk and Powell to Jefferson. The formula for calculating the assessment is:

\$0.091612 per square foot of lot size
 + \$ 5.4296 per linear foot of lot frontage
 + \$ 0.072168 per square foot (Building Use "A or B") or
 \$ 0.033368 per square foot (Building Use "C-E") or
 \$0.05 per square foot for residential "F")

Note: See chart below for building categories.

Example: A 5,000 square foot lot, with 50 feet of frontage and 4,000 square feet of usable retail or commercial building use:

5,000 x .091612 = \$ 458.06 in lot size
 50 x \$ 5.4296 = \$ 271.48 in linear frontage, and
 4,000 x \$.072168 = \$ 288.67 in bldg sq footage (A or B)
 Total assessment := \$1,018.21 per year

Benefit Zone 2 includes parcels west of Polk and east of Powell. Benefit Zone 2 parcels are assessed at the same rate as above but without a building factor assessment. The formula for calculating the assessment is:

\$0.091612 per square foot of lot size
 + \$ 5.4296 per linear foot of lot frontage
 = Total Assessment

Benefit Zone 3 includes the ILWU* block bordered by Beach, Mason, Taylor and North Point. Parcels are assessed on the basis of linear frontage only. All residential parcels are assessed \$0.05 per square foot per year. The formula for calculating the assessment is:

\$ 5.4296 per linear foot of lot frontage (ILWU Block) =
 Total Assessment

* The ILWU is designated as Benefit Zone 3, because of its unique position in the district and was assessed upon its four sides of linear frontage only.

Building Uses In Land-Side CBD For Zone 1

BUILDING USE CODE	CATEGORY
A	Retail space, hotels, motels, visitor related
B	Office and Commercial uses, free standing parking structures
C	Industrial/Manufacturing/Distribution
D	Institutional (City, County, public utility, parks, etc.)
E	Church, non-profit, tax-exempt, affordable housing, rent-controlled housing
F	Multi-unit housing, condos, apartments
G	Non-functional building structures

PORT-SIDE CBD PROPERTY ASSESSMENTS

The port-side is comprised of retail/walk-in, hotel, food and beverage businesses, general motorized land-based tour operators and for-profit parking lots. These businesses are assessed on their annual gross sales as reported to the Port of San Francisco from the previous calendar year. This data is provided to the Port of San Francisco on a monthly basis and is public information. The assessment factor applied to that gross sales figure is .0014%.

Example:

Gross Sales \$1,000,000 x .0014 = \$1,400 Assessment

Tour operators/tour boat vessels and related businesses (including large and small tour boats and sport fishing boats), are assessed based on the number of passengers per vessel operator or per horse drawn carriage company or per pedi cab company. The assessments range from \$250 to \$2,000.

2014 – 2015 Balance Sheet

LANDSID E & PORTSIDE
July 1, 2014 – June 30, 2015 (Budget vs Actual)

ASSETS	
CURRENT ASSETS	
Cash	179,913
Savings & Short Term Investments	300,138
Total Cash/Short Term Investments	479,051
ACCOUNTS RECEIVABLE	
Landside Assessments	51,388
Portside Assessments	30,837
Total Accounts Receivable	82,225
OTHER CURRENT ASSETS	
Prepaid Expenses & Insurance	7,414
Total Other Current Assets	7,414
FIXED ASSETS	
Total fixed assets net of accumulated depreciation	39,099
TOTAL ASSETS	607,790
LIABILITIES & EQUITY	
LIABILITIES	
Accounts Payable	13,511
Accrued Expenses Year-End	16,453
Total Liabilities	29,964
FUND BALANCE	
Total Fund Balance	577,826
TOTAL LIABILITIES & FUND BALANCE	607,790

REVENUE	ACTUAL	BUDGET VARIANCE	% VARIANCE
Assessments–Landside	647,611	647,611	0
Assessments–Portside	219,089	219,089	0
Designated Projects	0	20,786	-20,786
Special Events / Sponsorship	11,386	5,614	5,772
Interest Savings/Short-Term Investment	535	0	535
Donated Services	42,800	40,000	2,800
TOTAL REVENUE	921,421	933,100	-11,679
EXPENSE	ACTUAL	BUDGET VARIANCE	% VARIANCE
Sidewalk Operations & Beautification	158,001	187,800	-29,799
District Identity & Streetscape Improvement	427,449	413,800	13,649
Administration	165,178	173,770	-8,122
Donated Services	42,800	40,000	2,800
TOTAL EXPENSES	793,428	814,900	-21,472
DESIGNATED PROJECTS	25,000	25,000	0
CONTINGENCY RESERVE	93,200	93,200	0
NET INCOME	9,793	0	9,793
2013-2014 REVENUE OVER EXPENSES	0	0	0

2014 – 2015 Carryover Disbursement

*14 - '15 DESIGNATED PROJECTS FOR '15 - '16	
DISI Special Landside Projects	106,200
SOBO Special Landside Projects	259,900
Public Realm Special Projects	9,800
Contingency Reserve	96,100
TOTAL CARRYOVER DISBURSEMENT	472,000

LANSIDE CBD
July 1, 2014 – June 30, 2015 (Budget vs Actual)

REVENUE	ACTUAL	BUDGET VARIANCE	% VARIANCE
Assessments–Landside	647,611	647,611	0
Designated Projects	0	15,750	-15,750
Special Events / Sponsorship	10,173	5,614	4,559
Interest Savings/Short-Term Investment	535	0	535
Donated Services	27,000	25,200	1,800
TOTAL REVENUE	685,319	694,175	-8,856
EXPENSE	ACTUAL	BUDGET VARIANCE	% VARIANCE
Sidewalk Operations & Beautification	158,001	187,800	-29,799
District Identity & Streetscape Improvement	275,968	264,225	11,743
Administration	125,152	130,000	-4,818
Donated Services	27,000	25,200	1,800
TOTAL EXPENSES	586,121	607,225	-21,104
DESIGNATED PROJECTS	15,750	15,750	0
CONTINGENCY RESERVE	71,200	71,200	0
NET INCOME	12,248	0	12,248

July 2015 - June 2016 Budget

Revenue	Land	Port	Total
Assessments	665,089	229,637	894,726
Donated Services	25,200	14,800	40,000
Grants	0	0	0
Events/Sponsorship	25,800	15,000	40,800
TOTAL REVENUE	716,089	259,437	975,526
EXPENSE	Land	Port	Total
SOBO	192,877	0	192,877
DISI	308,613	158,969	467,582
Administration	132,516	46,430	178,946
Donated Services	25,200	14,800	40,000
Contingency Reserve	73,160	22,964	96,124
TOTAL EXPENSES	732,366	243,163	975,529

2015 - 2016 Budget Distribution

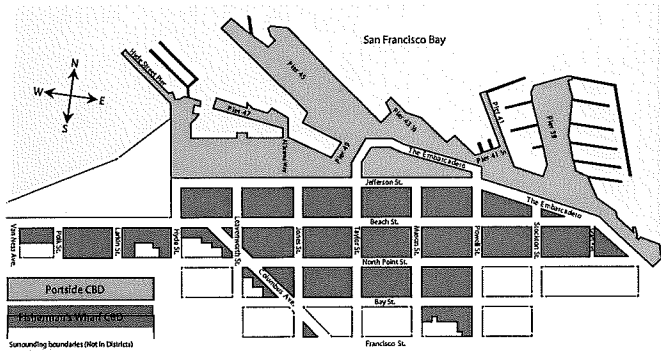
REVENUE	PERCENT
SOBO	22%
DISI	49%
Administration	19%
Contingency Reserve	10%

PORTSIDE CBD
July 1, 2014 – June 30, 2015 (Budget vs Actual)

REVENUE	ACTUAL	BUDGET VARIANCE	% VARIANCE
Assessments–Portside	219,089	219,089	0
Designated Projects	0	5,036	-5,036
Special Events / Sponsorship	1,213	0	1,213
Interest Savings/Short-Term Investment	0	0	0
Donated Services	15,800	14,800	1,000
TOTAL REVENUE	236,102	238,925	-2,823
EXPENSE	ACTUAL	BUDGET VARIANCE	% VARIANCE
District Identity & Streetscape Improvement	158,481	149,575	1,906
Administration	40,026	43,300	-3,274
Donated Services	15,800	14,800	1,000
TOTAL EXPENSES	207,307	207,675	-368
DESIGNATED PROJECTS	9,250	9,250	0
CONTINGENCY RESERVE	22,000	22,000	0
NET INCOME	-2,455	0	-2,455

2014 - 2015 Budget Distribution

REVENUE	PERCENT
SOBO	22%
DISI	49%
Administration	19%
Contingency Reserve	10%



The purpose of the Fisherman's Wharf Community Benefit District is to preserve and enhance its vast waterfront landscape and multi-cultural heritage, while integrating modern efficiencies to enrich the experience of visitors from both near and far through Market Research, Brand and Destination Marketing, Sidewalk Operations, Beautification and Order, Traffic and Urban Planning and Emergency Preparedness.

2014-2015 Board of Directors

PRESIDENT:

Tony Smith, Anchorage Square, CBRE

VICE PRESIDENT:

John Cannizzaro, Jefferson Building, Inc.

SECRETARY:

Jeff Sears, Blazing Saddles

TREASURER:

Aline Estournes, NorthPoint Shopping Center

ASST. SECRETARY:

Rodney Fong, The Wax Museum Building

ASST. TREASURER:

Sina von Reitzenstein, PIER 39

IMMEDIATE PAST PRESIDENT:

Lou Cuneo, American Academy of Ophthalmology

BOARD MEMBERS:

David Berbey, Portco, Inc.

Gary Burns, Tarantino's

Al Casciato, Bovis Foods

Hagen Choi, Tower Tours

Chris Connors, Classic Cable Cars / Ride The Ducks

Tom Creedon, Scoma's Restaurant

Rebecca Delgado-Rottman, Academy of Art University

Jacqueline Douglas, Wacky Jacky Sport Fishing

Stephan Dreyfuss, Mad Lin Records

Tom Escher, Red and White Fleet

Carolyn Horgan, Blue & Gold Fleet

Brian Huber, MapWest

Brandy Marts, The Franciscan Restaurant

Paul Miller, Boudin

Jan Misch, The Tuscan Inn

Kathy Paver, PIER 39

Frank Rescino, The Lovely Martha Sport Fishing

David von Winckler, The Argonaut Hotel

COMMUNITY REPRESENTATIVES

Jay Edwards, Port of San Francisco

Lynn Cullivan, San Francisco Maritime N.H.P.

John Tregenza, SF Maritime National Park Association



Troy Campbell
Executive Director



Reuel Daniels
Program Manager



Rachel Brown
Marketing & Communications Manager



Mike Castro
Operations Manager

Fisherman's Wharf COMMUNITY BENEFIT DISTRICT

2801 Leavenworth Street, Suite B-16 San Francisco, CA 94133

415.673.3530 | info@visitfishermanswharf.com

www.visitfishermanswharf.com & www.fwcbd.com

Fisherman's Wharf Association
of San Francisco

Financial Statements

June 30, 2015
(Reviewed)

Barlow & Hughan LLP

CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

JUNE 30, 2015

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Barlow & Hughan LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

BOARD OF DIRECTORS
FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO
SAN FRANCISCO, CALIFORNIA

We have reviewed the accompanying statement of financial position of the FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO (a California mutual benefit corporation) as of June 30, 2015 and the related statements of activities and net assets and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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

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

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

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The additional information on page 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we did not become aware of any material modifications that should be made to such information.

Barlow & Hughan LLP

San Francisco, California
October 1, 2015

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2015

(See independent accountants' review report)

ASSETS

CURRENT ASSETS

Cash	\$479,052
Assessments receivable net of allowance for doubtful accounts of \$25,000	57,225
Prepaid costs	<u>7,414</u>
	543,691

OFFICE FURNITURE AND EQUIPMENT - Net of accumulated depreciation (Note 3)	2,080
--	-------

INTANGIBLE ASSETS - Net of amortization (Note 4)	<u>37,019</u>
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\$582,790

LIABILITIES

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 29,964
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NET ASSETS

UNRESTRICTED	<u>552,826</u>
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\$582,790

See notes to financial statements.

Barlow & Hughan LLP

CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

STATEMENT OF ACTIVITIES AND NET ASSETS

YEAR ENDED JUNE 30, 2015

(See independent accountants' review report)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND SUPPORT			
Special benefit assessments	\$866,700		\$866,700
Public support	42,800		42,800
Program services	<u>17,958</u>		<u>17,958</u>
	927,458		927,458
OTHER GAINS AND (LOSSES)			
Provision for doubtful accounts	(25,000)		(25,000)
Special Events - Net of expenses of \$31,971	(6,235)		(6,235)
Interest and other income	199		199
Net assets released from restrictions	<u>25,000</u>	<u>\$(25,000)</u>	
	<u>921,422</u>	<u>(25,000)</u>	<u>896,422</u>
EXPENDITURES			
Program services			
Landside - District identity and street improvements	296,441		296,441
Landside - Street operations, beautification and order	166,212		166,212
Portside - District identity and street improvements	174,028		174,028
General and administrative expenses	<u>181,747</u>		<u>181,747</u>
	<u>818,428</u>		<u>818,428</u>
CHANGE IN NET ASSETS	102,994	(25,000)	77,994
FUND BALANCES - Beginning of year	<u>449,832</u>	<u>25,000</u>	<u>474,832</u>
FUND BALANCES - End of year	<u>\$552,826</u>	<u>\$ -0-</u>	<u>\$552,826</u>

See notes to financial statements.

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2015

(See independent accountants' review report)

CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	
Assessments received	\$850,354
Cash paid to suppliers and employees	(788,543)
Cash received from programs and events	43,694
Grants received	25,000
Interest received	199
Net cash provided by operating activities	<u>130,704</u>
CASH - Beginning of year	<u>348,348</u>
CASH - End of year	<u>\$479,052</u>
RECONCILIATION OF CHANGE IN NET ASSETS	
TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Change in net assets	\$ 77,994
Items not requiring cash:	
Depreciation and amortization	7,394
Provision for doubtful accounts	25,000
Changes in assets and liabilities:	
Increase in assessments receivable	(16,346)
Decrease in grants receivable	25,000
Decrease in prepaid costs	11,114
Increase in accounts payable	<u>548</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$130,704</u>

See notes to financial statements.

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(See independent accountants' review report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

History and Operations

The Fisherman's Wharf Association of San Francisco (the Association) was incorporated in California on February 23, 2006 as a non-profit public benefit corporation. Its purpose is to provide services to the Fisherman's Wharf Landside and Portside Community Benefit Districts (the Districts). The members of the Landside District include the owners of all parcels of land subject to property tax assessments within the geographic area of Fisherman's Wharf as established on July 26, 2005 by the Board of Supervisors of the City and County of San Francisco. Members of the Portside District include the tenants who have leased property from the Port of San Francisco within the Portside District as established by the Board of Supervisors on December 3, 2006.

Upon formation of each District, its members were subject to multi-year special assessments imposed by the City under the Property and Business Improvement District Law of 1994. Under contracts with the City, the Association receives these special assessments and, in exchange, provides certain services to the members of the Districts. These services include supplemental security services to maintain order, the cleaning and maintenance of sidewalks, the removal of graffiti, the coordination of services provided to the homeless, neighborhood beautification and tree-planting programs, and the organization and funding of special events. In addition to the special assessment funds, the contracts with the City require that the Association raise a specified level of private donations to supplement the special assessments. Management believes that during the year ended June 30, 2015, the organization has met this requirement.

The annual special assessments imposed by the City will expire on December 31, 2020, unless the Districts are disestablished earlier by a majority vote of its members. The Association's contracts with the City will expire on December 31, 2021, but either would expire upon the disestablishment of the District to which it relates.

Barlow & Hughan LLP

CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(See independent accountants' review report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The Association reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based upon the existence or absence of donor-imposed restrictions.

Grants receivable at the end of the year are recognized as temporarily restricted. Income is also recognized as temporarily restricted if restrictions imposed by the donor will not be satisfied by the end of the current year. At June 30, 2015 the association had no temporarily or permanently restricted net assets.

Income is recognized when the special assessment imposed by the City becomes due and enforceable for collection by the City Assessor. The City and County of San Francisco serves as an agent in collecting and transmitting the assessments.

Assessments Receivable

Assessments billed but not transmitted by the City at year end are recorded as receivables. Assessments receivable are recorded net of an allowance for doubtful accounts of \$25,000. The allowance for doubtful accounts is estimated by management based on the Association's historical experience.

Use of Estimates

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

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(See independent accountants' review report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status

The Association qualifies as a tax exempt organization and is therefore generally exempt from income taxes. Income taxes are payable, however, on revenue from sources unrelated to its tax exempt purpose. There were no such revenues during the year. For the year ended June 30, 2015 there were no penalty or interest assessments by any government agency recorded in the financial statements. In addition, the Association has not taken an unsubstantiated tax position that would require provision of a liability under Accounting Standards Codification Topic 740, "Income Taxes". The Association's Form 990, Return of Organization Exempt from Income Tax, for the previous three years (four years for state) are subject to examinations by federal and state taxing authorities.

Donated Services

A number of organizations have donated services and materials to the Association. Further, the Association also received discounted rental and meeting space to carry on its activities. Management estimates the value of these donations to be \$42,800. This amount was recognized as public support and corresponding expenses were also recorded by the Association.

2. CASH

Cash at June 30, 2015 consisted of the following:

Cash in checking account	\$178,914
Cash deposited in interest-bearing account	<u>300,138</u>
	<u>\$479,052</u>

Barlow & Hughan LLP

CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(See independent accountants' review report)

3. OFFICE FURNITURE AND EQUIPMENT

Office furniture and equipment are stated at cost. Depreciation is provided using the straight-line method over five years. Depreciation charged to general and administrative expenses for the year ended June 30, 2015 was \$1,195.

Office furniture and equipment at June 30, 2015 consisted of the following:

Furniture and equipment	\$8,353
Less accumulated depreciation	<u>6,273</u>
	<u>\$2,080</u>

4. INTANGIBLE ASSETS

Intangible assets are stated at cost. Amortization is provided using the straight-line method over their estimated useful lives of between three and fifteen years. Amortization charged to general and administrative expenses for the year ended June 30, 2015 was \$6,199.

At June 30, 2015 net intangible assets were comprised of the following:

Organization costs	\$ 83,551
Website development costs	35,000
Signage and logos	<u>9,432</u>
	127,983
Less accumulated amortization	<u>90,964</u>
	<u>\$ 37,019</u>

Barlow & Hughan LLP

CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(See independent accountants' review report)

5. RISK AND UNCERTAINTIES

Special benefit assessments are received under a contract with the City and County of San Francisco and represent approximately 90% of the Association's total revenues. Under the terms of the contracts the City can suspend distributions and ultimately terminate the contracts if the Association fails to provide adequate services to the Districts. The contracts expire on December 31, 2021 but either could be terminated at an earlier date if the Fisherman's Wharf Community Landside or the Portside Benefit Districts were disestablished by a vote of more than 50% of the assessed members.

At June 30, 2015 the Association had uninsured cash deposits with a bank totaling approximately \$230,000.

6. SUBSEQUENT EVENTS

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were available to be issued.

ADDITIONAL INFORMATION

Barlow & Hughan LLP
CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2015

(See independent accountants' review report)

	Program Services <u>Landside</u>		Program Services <u>Portside</u>		General and <u>Administrative</u>		<u>Total</u>
	District identity and street <u>improvements</u>	Street operations, beautification and order	District identity and street <u>improvements</u>		<u>Landside</u>	<u>Portside</u>	
Salaries	\$ 76,795	\$ 24,025	\$ 45,102		\$ 78,089	\$25,848	\$249,859
Payroll taxes	5,623	2,943	3,377		6,383	2,099	20,425
Employee benefits	<u>4,680</u>	<u>2,583</u>	<u>2,710</u>		<u>2,367</u>	<u>1,196</u>	<u>13,536</u>
	87,098	29,551	51,189		86,839	29,143	283,820
Ambassador program	65,100	86,489	33,153				184,742
Events marketing	39,758		23,374				63,132
Hanging flower baskets	6,892		4,048				10,940
Security and parking operations	13,958	19,267	10,074				43,299
Professional fees	4,348		2,304		4,875	1,625	13,152
Occupancy	5,155	5,155	5,155		11,063	7,081	33,609
Marketing and media production	69,816	7,144	40,900				117,860
Signage		10,566					10,566
Office expenses					11,279	3,771	15,050
District Color Curb Program		2,578					2,578
Insurance					5,677	1,893	7,570
Deprecation and amortization					7,394		7,394
Meeting and events	3,142	3,143	3,142		3,142	3,142	15,711
Emergency preparedness	440	2,319	258				3,017
Travel					1,560	512	2,072
Miscellaneous	<u>734</u>		<u>431</u>		<u>1,933</u>	<u>818</u>	<u>3,916</u>
	<u>\$296,441</u>	<u>\$166,212</u>	<u>\$174,028</u>		<u>\$133,762</u>	<u>\$47,985</u>	<u>\$818,428</u>

See notes to financial statements.

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Ben Rosenfield, City Controller, Office of the Controller
Todd Rufo, Director, Office of Economic and Workforce Development

FROM: Erica Major, Assistant Committee Clerk, Government Audit and Oversight
Committee, Board of Supervisors

DATE: March 7, 2016

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Peskin on March 1, 2016:

File No. 160203

Resolution receiving and approving the annual report for the Fisherman's Wharf Community Benefit District and Fisherman's Wharf Portside Community Benefit District for FY2014-2015, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600 *et seq.*), Section 36650, and the Districts' Management Agreements with the City, Section 3.4.

If you have any additional comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c:

Todd Rydstrom, Office of the Controller
Ken Rich, Office of Economic and Workforce Development
Lisa Pagan, Office of Economic and Workforce Development

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.

Sponsor(s):

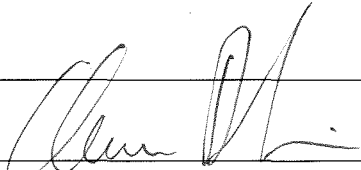
Aaron Peskin

Subject:

Fisherman's Wharf Community Benefit District and Fisherman's Wharf Portside Community Benefit District --
Annual Report for FY 2014-15

The text is listed below or attached:

See Attached

Signature of Sponsoring Supervisor: 

For Clerk's Use Only: