

**Fisherman's Wharf Association  
of San Francisco  
Financial Statements  
June 30, 2014  
(Reviewed)**

**Barlow & Hughan**  
CERTIFIED PUBLIC ACCOUNTANTS

**FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO**

JUNE 30, 2014

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

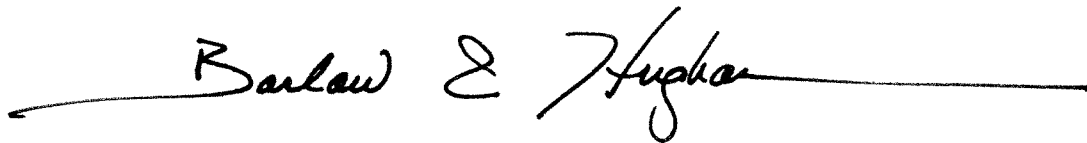
We have reviewed the accompanying statement of financial position of the FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO (a California mutual benefit corporation) as of June 30, 2014 and the related statements of activities and net assets and cash flows for the year then ended. A review includes primarily 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.

A handwritten signature in cursive script that reads "Barlow & Hughan". The signature is written in black ink and is underlined with a long horizontal line extending to the left and right.

San Francisco, California  
September 26, 2014

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2014

(See independent accountants' review report)

ASSETS

CURRENT ASSETS

Cash	\$348,348
Assessments receivable	65,879
Grant receivable	25,000
Prepaid costs	<u>18,528</u>
	457,755

OFFICE FURNITURE AND EQUIPMENT - Net of accumulated depreciation (Note 3)	3,275
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INTANGIBLE ASSETS - Net of amortization (Note 4)	<u>43,218</u>
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\$504,248

LIABILITIES

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	<u>\$ 29,416</u>
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NET ASSETS

UNRESTRICTED	449,832
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TEMPORARILY RESTRICTED (Notes 1 and 5)	<u>25,000</u>
	<u>474,832</u>

\$504,248

*See notes to financial statements.*

**Barlow & Hughan**

CERTIFIED PUBLIC ACCOUNTANTS

## FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

## STATEMENT OF ACTIVITIES AND NET ASSETS

YEAR ENDED JUNE 30, 2014

(See independent accountants' review report)

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
REVENUES			
Special benefit assessments	\$844,615		\$844,615
Public support	81,467	\$25,000	106,467
Special events - Net of expenses of \$36,216	2,876		2,876
Interest and other income	505		505
Net assets released from restrictions	<u>8,460</u>	<u>(8,460)</u>	
	<u>937,923</u>	<u>16,540</u>	<u>954,463</u>
EXPENDITURES			
Program services			
Landside - District identity and street improvements	244,645		244,645
Landside - Street operations beautification and order	311,011		311,011
Portside- District identity and street improvements	158,991		158,991
General and administrative expenses	<u>171,064</u>		<u>171,064</u>
	<u>885,711</u>		<u>885,711</u>
CHANGE IN NET ASSETS	52,212	16,540	68,752
FUND BALANCES - Beginning of year	<u>397,620</u>	<u>8,460</u>	<u>406,080</u>
FUND BALANCES - End of year	<u>\$449,832</u>	<u>\$25,000</u>	<u>\$474,832</u>

*See notes to financial statements.*

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CERTIFIED PUBLIC ACCOUNTANTS

## FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

## STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2014

(See independent accountants' review report)

CASH FLOWS USED FOR OPERATING ACTIVITIES	
Assessments received	\$795,585
Cash paid to suppliers and employees	(845,249)
Cash received from special events	32,878
Grants received	6,400
Interest received	<u>172</u>
Net cash used for operating activities	<u>(10,214)</u>
CASH FLOWS USED FOR INVESTING ACTIVITIES	
Purchase of office furniture and equipment	<u>(1,363)</u>
NET DECREASE IN CASH	(11,577)
CASH - Beginning of year	<u>359,925</u>
CASH - End of year	<u>\$348,348</u>
RECONCILIATION OF CHANGE IN NET ASSETS	
TO NET CASH USED FOR OPERATING ACTIVITIES	
Change in net assets	\$ 68,752
Items not requiring cash:	
Depreciation and amortization	7,162
Changes in assets and liabilities:	
Increase in assessments receivable	(49,030)
Increase in grants receivable	(16,540)
Increase in prepaid costs	(6,758)
Decrease in accounts payable	<u>(13,800)</u>
NET CASH USED FOR OPERATING ACTIVITIES	<u>\$ (10,214)</u>

*See notes to financial statements.*

**Barlow & Hughan**

CERTIFIED PUBLIC ACCOUNTANTS

**FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(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, 2014, 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. .

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CERTIFIED PUBLIC ACCOUNTANTS



FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(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, 2014 the association had no 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. Management believes that the receivables at June 30, 2014 are collectable by the City and no allowance is needed to provide for doubtful receivables.

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.

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CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(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, 2014 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 Forms 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 \$97,074. This amount was allocated between public support and special events revenue and corresponding expenses were also recognized by the Association.

2. CASH

Cash at June 30, 2014 consisted of the following:

Cash in checking account	\$ 29,715
Cash deposited in interest-bearing account	<u>318,633</u>
	<u>\$348,348</u>

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CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(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, 2014 was \$963.

Office furniture and equipment at June 30, 2014 consisted of the following:

Furniture and equipment	\$8,353
Less accumulated depreciation	<u>5,078</u>
	<u>\$3,275</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, 2014 was \$6,199.

At June 30, 2014 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>84,765</u>
	<u>\$ 43,218</u>

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CERTIFIED PUBLIC ACCOUNTANTS

**FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(See independent accountants' review report)

5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2014 was comprised of a grant which had not been received by year end. The grant was awarded by the City and County of San Francisco and is restricted to use in funding a public survey of improvements to Jefferson Street.

6. 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, 2014 the Association had uninsured cash deposits with a bank totaling approximately \$100,000.

7. 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.

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CERTIFIED PUBLIC ACCOUNTANTS

ADDITIONAL INFORMATION

**Barlow & Hughan**  
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FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2014

(See independent accountants' review report)

	Program Services Landside		Program Services Portside		General and Administrative		Total
	District identity and street improvements	Street operations, beautification and order	District identity and street improvements	Landside	Portside		
Salaries	\$ 57,290	\$ 39,539	\$ 57,290	\$ 70,899	\$17,632		\$242,650
Payroll taxes	5,338	2,796	5,338	7,418	1,309		22,199
Employee benefits	<u>1,655</u>	<u>1,105</u>	<u>1,655</u>	<u>12,128</u>	<u>1,969</u>		<u>18,512</u>
	64,283	43,440	64,283	90,445	20,910		283,361
Ambassador program	33,024	81,996	17,782				132,802
Events marketing	52,550		25,219				77,769
Hanging flower baskets		60,061					60,061
Security and parking operations		56,219					56,219
Brochure distribution	32,709		17,613				50,322
Professional fees	18,433		10,743	6,204	1,094		36,474
Occupancy	5,155	5,155	5,155	11,422	6,722		33,609
Marketing and media production	24,109		8,355				32,464
Signage		29,688					29,688
Office expenses	4,120		2,888	11,775	2,182		20,965
Street maintenance and operations		20,183					20,183
Website maintenance	8,139		5,040				13,179
District Color Curb Program		8,353					8,353
Insurance				6,240	1,367		7,607
Deprecation and amortization				7,162			7,162
Meeting and events	1,360	1,360	1,360	1,360	1,360		6,800
Emergency preparedness		4,556					4,556
Travel				1,363	248		1,611
Planning and zoning	220		144				364
Miscellaneous	<u>543</u>		<u>409</u>	<u>1,002</u>	<u>208</u>		<u>2,162</u>
	<u>\$244,645</u>	<u>\$311,011</u>	<u>\$158,991</u>	<u>\$136,973</u>	<u>\$34,091</u>		<u>\$885,711</u>

See notes to financial statements.

Barlow & Hughan

CERTIFIED PUBLIC ACCOUNTANTS