

**OLD TOWN SAN DIEGO
CHAMBER OF COMMERCE**

Financial Statements
For The Fiscal Year Ended June 30, 2014 & 2013
And
Accountants' Report

**OLD TOWN SAN DIEGO
CHAMBER OF COMMERCE**
June 30, 2014 & 2013

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INDEPENDENT AUDITORS' REPORT

To Board of Directors
Old Town San Diego Chamber of Commerce
San Diego, California

We have audited the accompanying financial statements of Old Town San Diego Chamber of Commerce (a Non-Profit Organization), which comprise of the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Old Town San Diego Chamber of Commerce as of June 30, 2014 and 2013, and the changes in its net assets, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 9 is presented for purposes of additional analysis and is not a required part of the financial statements, the prior year summarized information was derived from Old Town San Diego Chamber of Commerce's financial statements and, in our report dated November 27, 2013, we expressed an unqualified opinion on those financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


Guerrero, Jimenez, Diaz & Co., LLP
Certified Public Accountants
February 10, 2015

OLD TOWN SAN DIEGO CHAMBER OF COMMERCE
Statements of Financial Position
June 30, 2014 & 2013

ASSETS

	2014	2013
Current Assets		
Cash in Banks	\$ 56,751	\$ 53,371
Accounts Receivable	<u>44,244</u>	<u>52,681</u>
Total Current Assets	<u>100,995</u>	<u>106,052</u>
Office Furniture	409	409
Office Equipment	3,410	3,410
Accumulated Depreciation & Amortization	<u>(3,819)</u>	<u>(3,819)</u>
Total Fixed Assets	-	-
Donated Property	12,500	12,500
Security Deposit	<u>1,083</u>	<u>1,083</u>
Total Other Assets	<u>13,583</u>	<u>13,583</u>
Total Assets	<u>\$ 114,578</u>	<u>\$ 119,635</u>

LIABILITIES & NET ASSETS

Liabilities:		
Accounts Payable	\$ 525	\$ 461
Deferred Revenue	1,950	4,150
Income Tax Liability	9,176	-
Due to H.O.T.C.F	5,134	4,104
BID Assessments	<u>-</u>	<u>432</u>
Total Liabilities	<u>16,785</u>	<u>9,147</u>
Net Assets		
Temporarily Restricted Net Assets	12,500	12,500
Unrestricted Net Assets	<u>85,293</u>	<u>97,988</u>
Total Net Assets	<u>97,793</u>	<u>110,488</u>
Total Liabilities & Net Assets	<u>\$ 114,578</u>	<u>\$ 119,635</u>

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

OLD TOWN SAN DIEGO CHAMBER OF COMMERCE
Statements of Activity
For the Year Ended June 30, 2014 & 2013

	Unrestricted	Temporarily Restricted	Total 2014	2013
Revenue:				
B.I.D. Reimbursement	\$ 32,958		\$ 32,958	\$ 33,960
SBEP	19,829		19,829	17,356
Fundraising	13,758		13,758	-
Special Events Income	110,476		110,476	147,236
City of San Diego EDTS Funding for Special Events	25,906		25,906	33,032
Net assets released from program restriction	-	-	-	-
Other Revenue	1,750		1,750	17,809
Total Revenues	<u>204,677</u>	<u>-</u>	<u>204,677</u>	<u>249,393</u>
Expenses:				
Program Services	169,770	-	169,770	162,469
General & Management	38,426	-	38,426	31,570
Total Expenses	<u>208,196</u>	<u>-</u>	<u>208,196</u>	<u>194,039</u>
Increase/(Decrease) in Unrestricted Net Assets	(3,519)	-	(3,519)	55,354
Prior Period Adjustment - Income tax liability	(9,176)		(9,176)	-
Net Assets, Beginning of Year	<u>97,988</u>	<u>12,500</u>	<u>110,488</u>	<u>55,134</u>
Net Assets, End of Year	<u>\$ 85,293</u>	<u>12,500</u>	<u>\$ 97,793</u>	<u>\$ 110,488</u>

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

OLD TOWN SAN DIEGO CHAMBER OF COMMERCE
Statements of Cash Flows
For the Year Ended June 30, 2014 & 2013

	2014	2013
Cash Flows from Operating Activities:		
Increase/(Decrease) in Unrestricted Net Assets	\$ (3,519)	\$ 55,354
Adjustments to reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Decrease/(Increase) in Accounts Receivable	8,437	(15,256)
Decrease/(Increase) in Prepaid Expenses	-	1,120
Decrease/(Increase) in Other Assets	-	(12,280)
Increase/(Decrease) in Accounts Payable	64	(7,315)
Increase/(Decrease) in Due to Organizations	(1,170)	8,254
Increase/(Decrease) in Tax Liability	9,176	-
Increase/(Decrease) in Grant Advances	(432)	823
Total Adjustments	16,075	(24,654)
Net Cash Provided by Operating Activities	12,556	30,700
Cash Flows from Investing Activities		
	-	-
Cash Flows from Financing Activities		
Prior Period Adjustment - Income tax liability	(9,176)	-
	-	-
Net Increase/(Decrease) in Cash	3,380	30,700
Cash at Beginning of Period	53,371	22,671
Cash at End of Period	\$ 56,751	\$ 53,371

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

OLD TOWN SAN DIEGO CHAMBER OF COMMERCE

Notes to Financial Statements

June 30, 2014 & 2013

NOTE 1- Summary of Significant Accounting Policies

Nature of Business

Old Town San Diego Chamber of Commerce is a non-profit consortium of local businesses organized in 1945 for the purpose of promoting, improving and fostering business conditions in the City of San Diego in the area commonly known as Old Town pursuant to City Ordinance 286021, which established and defined a parking and business improvement area as the Old Town San Diego Chamber of Commerce under the provisions of the Parking and Business Improvement Area of Law of 1979 of the State of California and enabling ordinances of the City of San Diego.

Depreciation

The Organization's equipment and furniture is fully depreciated.

Income tax status

The organization has been granted exemption from federal income tax under Section 501(c)6 of the Internal Revenue Code and similar California law under Sections 9910-9927 of the Corporation codes and is not subject to income taxes on related business income. Management of the organization has evaluated its tax position and related income tax contingencies. Management does not believe that any material uncertain tax position exists with the exception of prior years penalties and interests described in Note 6. The association generally is no longer subject to income tax examinations by federal authorities for the years ending June 30, 2010 and before and by state authorities for years ending June 30, 2009 and before.

Basis of Accounting

The financial statements of the organization are prepared on the accrual basis of accounting.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts. These estimates are based on information available as of the date of the financial statements, therefore, actual results could differ from these estimates.

Financial Statement Presentation

The financial statements of the Corporation have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America. Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Corporation classifies their net assets and changes in net assets as follows:

- * Unrestricted Net Assets represents the portion of expendable funds that are available for support of the operations of the organization
- * Temporarily Restricted Net Assets consists of contributions that are subject to specific donor-imposed stipulations that can be fulfilled by actions of the organization pursuant to those stipulations or that expire by the passage of time.

- * Permanently Restricted Net Assets consists of contributions subject to donor-imposed stipulations that they be maintained permanently by the organization.

NOTE 2 – Accounts Receivable

The accounts receivable represents unpaid claims submitted to the City of San Diego and various customers for expenditures incurred through the fiscal year ended June 30, 2014, listed as follows:

City of San Diego - EDTS	25,906
Visitor Center Posters	5,100
Event Sponsor	5,000
Saturday Market	2,222
Event Booth Fees	1,190
Vendor Refund	1,144
Other Customers	<u>3,862</u>
Total Claims Due	<u>\$44,244</u>

NOTE 3 – Special Events Income

The Special Events Income account comprised of the following:

Art Festival	\$51,634
Tequila Trail	19,459
Car Show	19,043
Saturday Market	36,663
Other	<u>9,583</u>
Total Special Events Income	<u>\$136,382</u>

NOTE 4 – Special Events Expense

The Special Events expense account represents expenses incurred for the following events:

Art Festival	\$40,949
Saturday Market	2,325
Car Show	19,836
Tequila Trail	3,369
Others	<u>5,270</u>
Total Special Events Expense	<u>\$71,749</u>

NOTE 5 – Temporarily Restricted Net Assets

The Temporarily Restricted Net Assets represents donation of a motorcycle appraised at \$12,500 to be raffled off for the funding of the fourth grade education program.

NOTE 6 – Income Tax Liability

The Income Tax Liability amount of \$9,176 represents penalties plus interest due to the Internal Revenue Service for tax years 2003, 2005, and 2008.

NOTE 7 – Subsequent Events

Subsequent events have been evaluated through February 10, 2015, which is the date the financial statements were available to be issued.

OLD TOWN SAN DIEGO CHAMBER OF COMMERCE

Schedule of Functional Expenses
For the Year Ended June 30, 2014 & 2013

	Program Services	General & Management	2014 Total	2013 Total
Expenses:				
Accounting	\$ 3,551	1,749	\$ 5,300	\$ 4,650
Advertising	24,699	-	24,699	9,545
Bank Fees	135	67	202	281
Auto Expense	356	152	508	512
Designs	12,062	-	12,062	10,134
Dues & Subscriptions	528	260	788	990
Election Expenses	1,175	578	1,753	2,115
Insurance	1,941	956	2,897	1,434
Meetings	549	271	820	1,073
Miscellaneous	456	225	681	-
Postage	223	110	333	455
Professional fees	833	411	1,244	-
Promotions	1,108	-	1,108	2,974
Rent	11,002	5,419	16,421	14,348
Salaries & Payroll Taxes	33,689	25,414	59,103	47,081
Supplies	2,262	1,114	3,376	2,365
Special Events	71,749	-	71,749	89,940
Telephone	2,071	1,020	3,091	3,395
Repairs & Maintenance	1,381	680	2,061	2,747
Total Expenses	\$ 169,770	38,426	\$ 208,196	\$ 194,039

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