

**OCEAN BEACH MERCHANT'S
ASSOCIATION, INC.
dba OCEAN BEACH MAINSTREET
ASSOCIATION**

**Financial Statements and
Independent Auditors' Report
For the Year Ended
June 30, 2019**

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To the Board of Directors
Ocean Beach Merchant's Association, Inc.
dba Ocean Beach Mainstreet Association

Independent Auditors' Report

We have audited the accompanying financial statements of Ocean Beach Merchant's Association, Inc. dba Ocean Beach Mainstreet Association (a non-profit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the 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 Ocean Beach Merchant's Association, Inc. dba Ocean Beach Mainstreet Association as of June 30, 2019 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

October 1, 2019



Batten Accountancy Inc.
San Diego, California

OCEAN BEACH MERCHANT'S ASSOCIATION, INC.
dba OCEAN BEACH MAINSTREET ASSOCIATION

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS

CURRENT ASSETS:

Cash	\$	69,394
Cash - board designated		73,611
Accounts receivable		15,739
Assessment receivable		12,554
Grant receivable		60,395
Prepaid insurance		8,742
Prepaid expenses		8,895
Inventories		10,694
Total current assets		260,024

PROPERTY AND EQUIPMENT (at cost):

Equipment and furniture		25,584
Computer equipment		6,460
Leasehold improvements		10,950
Website		5,300
Accumulated depreciation		(32,711)
Total property and equipment		15,583

OTHER ASSETS: Security deposit

		800
Total assets	\$	276,407

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$	35,399
Insurance payable		12,881
Credit card payable		1,943
Accrued compensation		6,579
Sales tax payable		1,327
Deferred revenue		15,680
Total current liabilities		73,809

NET ASSETS:

Net assets without donor restrictions		
Board designated		73,611
Net asset without donor restriction non designated		128,987
Total net assets without donor restrictions		202,598
Total liabilities and net assets	\$	276,407

See accompanying notes and independent auditors' report.

OCEAN BEACH MERCHANT'S ASSOCIATION, INC.
dba OCEAN BEACH MAINSTREET ASSOCIATION

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Without Donor Restriction	With Donor Restriction	Total
REVENUES AND OTHER SUPPORT:			
Assessment income - BID	\$ 24,338	\$ -	\$ 24,338
Grant income	134,498	-	134,498
Maintenance Assessment District Agreement	60,129	-	60,129
Contributions	110	32,589	32,699
Special events income	564,290	-	564,290
Membership dues	13,395	-	13,395
Promotional items income	51,671	-	51,671
Interest income	19	-	19
Net assets released from restriction:			
Satisfaction of program restrictions	32,589	(32,589)	-
Total revenues and other support	<u>881,039</u>	<u>-</u>	<u>881,039</u>
EXPENSES:			
Organization	120,122	-	120,122
Public Safety	77,383	-	77,383
Improvements	63,585	-	63,585
Maintenance Assessment District expenses	60,204	-	60,204
Marketing	197,868	-	197,868
Farmer's Market	120,921	-	120,921
Fireworks	29,303	-	29,303
Street Fair	187,938	-	187,938
Oktoberfest	15,708	-	15,708
Total expenses	<u>873,032</u>	<u>-</u>	<u>873,032</u>
Change in net assets	<u>8,007</u>	<u>-</u>	<u>8,007</u>
NET ASSETS - BEGINNING	<u>194,591</u>	<u>-</u>	<u>194,591</u>
NET ASSETS - ENDING	<u>\$ 202,598</u>	<u>\$ -</u>	<u>\$ 202,598</u>

See accompanying notes and independent auditors' report.

OCEAN BEACH MERCHANT'S ASSOCIATION, INC.
dba OCEAN BEACH MAINSTREET ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Organization	Clean & Safe	Improvements	MAD	Marketing	Farmer's Market	Fireworks	Street Fair	Oktoberfest	Total
Accounting	\$ 15,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,911
Advertising	-	-	-	-	15,210	1,000	-	4,600	500	21,310
Awards and plaques	-	-	-	-	2,380	-	-	1,274	-	3,654
Bank charges/merchant fees	1,707	663	-	-	809	-	-	2,890	-	6,069
Banner program	-	-	5,190	-	-	-	-	-	-	5,190
Contract labor	3,426	-	1,118	-	11,000	-	-	8,988	-	24,532
Depreciation	4,621	-	-	-	-	-	-	-	-	4,621
Donations	500	-	-	-	-	-	-	-	-	500
Dues and subscriptions	3,186	-	-	-	-	-	-	-	-	3,186
Equipment rentals	257	-	-	-	518	-	-	42,469	-	43,244
Event entertainment	-	-	-	-	400	6,560	-	14,300	-	21,260
Event/project supplies	76	-	1,320	40	849	1,392	-	6,392	120	10,189
Event services	-	3,379	8,786	-	7,955	96	-	20,789	4,508	45,513
Fireworks	-	-	-	-	-	-	26,023	-	-	26,023
Landscaping	-	-	-	10,200	-	-	-	-	-	10,200
Holiday decorations	-	-	3,818	-	-	-	-	-	-	3,818
Interest expense	239	-	-	-	-	-	-	-	-	239
Insurance	13,159	68	909	75	-	6,629	434	8,157	1,674	31,105
Licenses and permits	1,174	-	-	-	20	7,761	2,846	6,204	2,086	20,091
Management fees	-	-	-	-	-	61,144	-	-	-	61,144
Meetings expense	601	70	65	37	1,191	-	-	-	20	1,984
Miscellaneous	(55)	9	-	-	307	-	-	3	-	264
Newsletter	-	-	-	-	4,931	-	-	-	-	4,931
Office expense	6,061	32	-	-	175	48	-	131	19	6,466
Payroll expense	42,764	12,646	13,294	-	93,282	18,223	-	33,837	2,898	216,944
Payroll tax expense	3,240	980	1,029	-	7,276	1,434	-	2,629	226	16,814
Postage and delivery	1,216	-	-	-	4,985	-	-	-	-	6,201
Printing and reproduction	446	185	432	-	12,743	647	-	1,585	-	16,038
Promotion supplies	-	146	-	-	8,096	-	-	7,452	-	15,694
Rent	11,050	1,293	-	-	-	5,000	-	2,844	-	20,187
Repair and maintenance	2,352	1,980	27,414	23,150	-	8,918	-	54	-	63,868
Security	-	55,932	-	-	-	-	-	20,987	3,657	80,576
Telephone & communications	4,301	-	210	-	568	-	-	-	-	5,079
Trash removal	1,022	-	-	25,540	-	1,900	-	2,325	-	30,787
Utilities	1,202	-	-	1,162	-	-	-	-	-	2,364
Website - web cam	1,148	-	-	-	25,173	169	-	28	-	26,518
Loss on disposal of assets	518	-	-	-	-	-	-	-	-	518
Total expenses	\$ 120,122	\$ 77,383	\$ 63,585	\$ 60,204	\$ 197,868	\$ 120,921	\$ 29,303	\$ 187,938	\$ 15,708	\$ 873,032

See accompanying notes and independent auditors' report.

OCEAN BEACH MERCHANT'S ASSOCIATION, INC.
dba OCEAN BEACH MAINSTREET ASSOCIATION

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from contributions and memberships	\$ 46,094
Cash received from customers	608,785
Cash received from agreements	57,229
Cash received from assessments	24,338
Cash received from grants	120,624
Interest received	19
Cash paid to employees, suppliers, and vendors	<u>(829,066)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>28,023</u>
NET INCREASE IN CASH	28,023
CASH AT BEGINNING OF YEAR	<u>114,982</u>
CASH AT END OF YEAR	<u><u>\$ 143,005</u></u>
 RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Change in net assets	\$ 8,007
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	4,621
Loss on disposal of asset	518
(Increase) decrease in assets:	
Accounts receivable	(7,176)
Assessment receivable	(2,900)
Grant receivable	(13,874)
Prepaid insurance	3,831
Prepaid expense	(8,895)
Inventories	2,190
Increase (decrease) in liabilities:	
Accounts payable	23,392
Insurance payable	2,965
Credit card payables	(751)
Accrued compensation	(55)
Sales tax payable	470
Deferred revenue	<u>15,680</u>
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 28,023</u></u>

See accompanying notes and independent auditors' report.

OCEAN BEACH MERCHANT'S ASSOCIATION, INC.
dba OCEAN BEACH MAINSTREET ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Ocean Beach Merchant's Association, Inc. dba Ocean Beach Mainstreet Association (Association) is a nonprofit association that manages the Business Improvement District which is comprised of local businesses in the community of San Diego known as Ocean Beach. The purpose of the Association is to promote economic development in the community by providing a platform for area businesses to develop marketing campaigns, enhance public improvements, beautification projects, and area maintenance.

Financial Statement Presentation

The financial statements of the Association have been prepared on the accrual basis of accounting. The Association reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net Assets Without Donor Restriction – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restriction – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets are reported as reclassifications between the applicable classes of net assets.

Income Taxes

The Association is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code and Section 23701(e) of the California Revenue and Taxation Code. In addition, the Internal Revenue Service determined that the Association is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. The Association may be subject to income taxes on any unrelated business income over \$1,000. There was no unrelated business income for the year ended June 30, 2019.

The Association follows the guidance of Accounting Standards Codification (ASC) 740, *Accounting for Income Taxes*, related to tax positions taken or expected to be taken on a tax return. All significant tax positions have been considered by management. It has been determined that is more likely than not that all tax

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Income Taxes (continued)

positions would be sustained upon examination by taxing authorities. Accordingly, no provision for income taxes has been recorded.

The Association's tax years that remain open and could be subject to examination by tax jurisdictions are as follows:

Federal	2016-2018
California	2015-2018

Fair Value Measurements and Financial Instruments

The Fair Value Measurements and Disclosure Topic defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal, or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The Fair Value Measurement and Disclosure Topic establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels. These three general valuation techniques that may be used to measure fair value are as follows: Market approach (Level 1) – which uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sales transactions, market trades, or other sources; Cost approach (Level 2) – which is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and the Income approach (Level 3) – which uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (including present value techniques, and option-pricing models). Net present values is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

The carrying value of cash, accounts receivable, assessments receivable, grants receivable, prepaid expenses, accounts payable, accrued liabilities, and deferred revenue are stated at carrying cost as of June 30, 2019, which approximates fair value due to the relatively short maturity of these instruments.

OCEAN BEACH MERCHANT'S ASSOCIATION, INC.
dba OCEAN BEACH MAINSTREET ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Receivables

Accounts, assessments, and grants receivable are stated at the amount management expects to collect from outstanding balances. The majority of the Association's receivables is comprised of agreements, assessments, or grants with the City of San Diego and is deemed fully collectable. No allowance for doubtful accounts is considered necessary.

Prepaid Expenses and Deferred Revenues

The directory is issued every other year and the Association recognizes 50% of the revenue, printing, and distribution costs in the year of production and 50% in the subsequent year to correspond with the use of the directory.

Inventories

Inventories of merchandise purchased for resale are stated at lower of cost or market determined by the first-in, first-out (FIFO) method.

Equipment and Improvements

The cost of the organization's website, computer equipment, furniture and office equipment and leasehold improvements greater than \$500 are capitalized and depreciated using the straight-line method over 3, 5, and 7 years, respectively. Expenditures for major renewals and betterments that extend the useful lives of property are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Depreciation expenses totaled \$4,621 for the year ended June 30, 2019.

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. Actual results could differ from those estimates.

Revenue

The Association provides several events for the community which helps to further the Association's purpose by increasing the visibility of the Ocean Beach Community throughout the San Diego region. Special events include a weekly Farmers Market, an annual Street Fair, and several other events.

OCEAN BEACH MERCHANT'S ASSOCIATION, INC.
dba OCEAN BEACH MAINSTREET ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Revenue (continued)

Additional revenues are received from grants and agreements with the City and County of San Diego including an agreement with the Landscape Maintenance District of the City of San Diego whereby the Association provides administration of the contracts for goods and services pertaining to litter control, tree maintenance and replacement, other landscape maintenance and repair, graffiti control, and lighting services within the Newport Avenue Maintenance Assessment District.

As a Business Improvement District, the Association receives some of its revenue from assessments levied on businesses within the district pursuant to the Parking and Business Improvement Area Law of 1979.

While the Association solicits funds in the form of donations and sponsorships from local business, the Association does not conduct fund raising campaigns aimed at the general public.

Contributed Services

A number of unpaid volunteers have made contributions of their time to develop and support the Association's programs. The value of the contributed time is not reflected in the financial statements, as it is not susceptible to objective measurement or valuation. The Association records the value of donated professional services when there is an objective basis available to measure the value. No donated services were recorded as of June 30, 2019.

Functional Allocation of Expenses

Expenses consist of costs related to promoting economic development in the community by developing marketing campaigns, enhancing public improvements, performing beautification projects, providing area maintenance, and event production. These costs have been summarized on a functional basis in the statement of Functional Expenses. Costs are directly charged to the functions they benefit. Facility related expenses are minimal and as such the Association does not allocate facility related expenses.

New Accounting Pronouncements

The Association has adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 – Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14) This Update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-

OCEAN BEACH MERCHANT'S ASSOCIATION, INC.
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

New Accounting Pronouncements (continued)

profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A foot note on liquidity has also been added.

Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through October 1, 2019, which is the date the financial statements were available to be issued.

NOTE 2. ACCOUNTS, ASSESSMENTS, AND GRANTS RECEIVABLE

The balance in accounts receivable as of June 30, 2019, is as follows:

Promotional receivables	\$ 9,565
Membership income receivable	105
Pledge receivable – Clean & Safe	600
Event income receivable	5,469
Total accounts receivable	<u>\$ 15,739</u>

The balance in assessment receivable of \$12,554 as of June 30, 2019, represents unpaid claims submitted to the City of San Diego under the Landscape and Maintenance District and the Business Improvement District agreements.

The balance in grants receivable of \$60,395 as of June 30, 2019, represents unpaid claims submitted to the City of San Diego under the CPPA, CCSD, and SBEP programs.

NOTE 3. COMPLIANCE WITH AGREEMENTS WITH THE CITY OF SAN DIEGO
FOR THE YEAR ENDED JUNE 30, 2019

Business Improvement District (BID)

The Association has entered into a Management Agreement with the City of San Diego (City) whereby the Association is to provide management of the Ocean Beach Business Improvement District (OBBID) in return for reimbursement of

OCEAN BEACH MERCHANT'S ASSOCIATION, INC.
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 3. COMPLIANCE WITH AGREEMENTS WITH THE CITY OF SAN DIEGO
 FOR THE YEAR ENDED JUNE 30, 2019 (continued)

Business Improvement District (BID) (continued)

costs associated with the management of the OBBID. Cost shall not exceed the budget amount, calculated as a percentage of total assessments collected from businesses located within the OBBID. The City has required specific compliance to be maintained as terms of the agreement. In the event of non-compliance, the BID funds previously reimbursed may be required to be returned and the agreement may not be renewed for future years.

The Association is in compliance with the terms of the agreement.

STATEMENT OF EXPENDITURES FOR THE CITY OF SAN DIEGO BID AGREEMENT
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>DIFFERENCE</u>
Carryover from prior year	\$ 9,033	\$ 1,000	\$ 8,033
Assessments collected	17,133	27,800	(10,667)
Expenses:promotion/website	(24,338)	,, (28,800)	4,462
Change in fund balance	<u>\$ 1,828</u>	<u>\$ -</u>	<u>\$ 1,828</u>

Maintenance Assessment District (MAD)

The Association has entered into a Maintenance Agreement with the City of San Diego (City) whereby the Association is to provide administration of maintenance services to the Newport Avenue Maintenance Assessment District (District) in return for reimbursement of funds by the City. The City has required specific compliance to be maintained as terms of the agreement. In the event of non-compliance, the MAD funds previously reimbursed may be required to be returned and the agreement may not be renewed for future years.

For the year ended June 30, 2019, the Association incurred \$60,203 of expenses for contract services (maintenance, landscaping and trash services) and utilities and submitted \$60,129 for reimbursement under the terms of the agreement.

The Association is in compliance with the terms of the agreement.

NOTE 4. BOARD DESIGNATED NET ASSETS

The balance in board designated net assets of \$73,611 as of June 30, 2019, represents funds set aside for special projects and community improvements.

OCEAN BEACH MERCHANT'S ASSOCIATION, INC.
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 5. ACCRUED COMPENSATION

The Association calculates accrued compensation based on vested but unused vacation by each employee at their current rate of pay. For the year ended June 30, 2019, accrued compensation was \$6,579.

NOTE 6. RELATED PARTY TRANSACTIONS

The Association uses OB Services, a maintenance company owned by an employee of the Association, for janitorial, trash removal, and sidewalk cleaning services. The total amount paid for the year ended June 30, 2019, is \$10,990.

The Association uses Sign Diego, a print company owned by a board member of the Association, for printing banners and miscellaneous signage. The total amount paid for the year ended June 30, 2019, is \$7,999.

The Association uses Cabrillo Art Center, a custom picture framing company owned by the executive director, for framing of awards. The total amount paid for the year ended June 30, 2019, is \$579.

During the year ended June 30, 2019, The Association awarded \$150 to Raglan Public House, owned by a board member, for Storefront Decorating Most Festive Inside winner.

NOTE 7. OPERATING LEASE COMMITMENTS

The Association leases office space at 1868 Bacon Street, San Diego, California, at a monthly rate of \$905. The Association entered into a lease agreement to occupy the property for a term commencing October 1, 2014, through October 1, 2019, rent for the year ended June 30, 2019, is \$10,800. (See Note 9)

NOTE 8. CONCENTRATIONS

For the year ended June 30, 2019, agreements and grants from the City of San Diego make up approximately 19% of the monies received by the Association. Agreements and grants from the City of San Diego make up approximately 82% of balances in receivable accounts as of June 30, 2019.

NOTE 9. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Association's working capital and cash flows are relatively consistent throughout the year due to monthly assessments from BID and MAD programs, and a weekly Farmers Market. For months in which special events occur the Association receives grants, contributions and sponsorships for the events corresponding to the timing of the event. To manage liquidity the Association maintains adequate cash balances.

OCEAN BEACH MERCHANT'S ASSOCIATION, INC.
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 9. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)

The following reflects the Association's financial assets as of the Statement of Financial Position date reduced by amounts not available for general use within one year of the Statement of Financial Position date because of contractual or donor-imposed restrictions or internal designations.

Cash	\$143,005
Accounts receivable	15,739
Assessments receivable	12,554
Grants receivable	<u>60,395</u>
Total Financial Assets	231,693
Board designated operating reserves	<u>(73,611)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u>\$158,082</u>

NOTE 10. SUBSEQUENT EVENT

Subsequent to year end the Association renewed their office lease agreement for a five year period commencing on October 1, 2019.