



<b>To:</b>	Jacqueline Hazelwood, Office of Economic and Workforce Development, (OEWD)
<b>From:</b>	Chris Schulman, Lower Polk Community Benefit District (LPCBD)
<b>CC:</b>	Christopher Corgas, OEWD, File
<b>Date:</b>	September 27, 2023
<b>Re:</b>	LPCBD Annual Report 2021-2022 (AR)

The primary objective of this memo is to address the delayed submission of our AR and provide related insights into our activities, grant financials, and surplus revenue.

### **1. Explanation for Late Submission:**

Our AR is late because of delayed completion of our financial statements and the subsequent audit. This unexpected delay was set in motion due to a significant late billing for the fiscal year by a Lower Polk Tenant Landlord Clinic subcontractor. This unexpected delay had a cascading effect on all our end-of-year processes. As a result of this delay, we have been in close coordination with the grantor (MOHCD), and the subcontractor, and our accountant to ensure that such delays will never happen again.

### **2. Activities and Achievements:**

Despite the challenges presented by the ongoing Pandemic, LPCBD has been dedicated to addressing the needs of our unique interstitial District. Our report emphasizes our unwavering commitment to business support, community safety, cleanliness, and overall community well-being — both during the Pandemic, and after the Pandemic

### **3. Grants and Other Funding**

Several grants and other funding sources were received after our budget passage, contributing to financials that may appear to misrepresent our planned budget. These include the Community Ambassador grants, Tenant Landlord Clinic grants, and PPP loan forgiveness. While these were not initially in our budget, they have strengthened our financial position and service delivery for our District.

### **4. Surplus and Planned Allocation:**

Thanks to our receipt of two rounds of PPP loans and fiscal prudence during the Pandemic, we are carrying forward a surplus this fiscal year and anticipate next fiscal year as well. PPP loans are not reflected as income until the year forgiven. We have a board endorsed plan in place to utilize this surplus over the next 3-5 fiscal years. This plan aims to ramp up services and augment our staff budget.

In conclusion, while this fiscal year presented an anomaly in our grant budgeting, we remain steadfast in our commitment to fiscal responsibility and transparency. We are proactively engaging with OWED and our financial advisors to ensure that our ratepayers and the City have absolute confidence in budgeting and our financial stewardship.

Thank you for your understanding and ongoing support.

Sincerely,

Christopher Schulman  
Director