

File No. 150335 Committee Item No. 3
 Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS
 AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date April 16, 2015

Board of Supervisors Meeting Date _____
 Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
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| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <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>Referral Small Business Commission - 04/06/2015</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Referral FYI - 04/06/2015</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>OEWD Memo - 03/26/2015</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>North of Market Tenderloin Annual Reports - FYs 2010-2013</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>CPA Financial Review Reports - FYs 2010-2013</u> |
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Completed by: Erica Major Date April 10, 2015
 Completed by: _____ Date _____

1 [North of Market/Tenderloin Community Benefit District - Annual Reports for FYs 2010-2013]

2
3 **Resolution receiving and approving annual reports for the North of Market/Tenderloin**
4 **Community Benefit District for FYs 2010-2013, submitted as required by the Property**
5 **and Business Improvement District Law of 1994 (California Streets and Highways**
6 **Code, Sections 36600, et seq.), Section 36650, and the District's Management**
7 **Agreement with the City, Section 3.4.**

8
9 WHEREAS, On June 7, 2005, pursuant to the Property and Business Improvement
10 District Law of 1994 (the "Act"), California Streets and Highways Code, Sections 36600, *et*
11 *seq.*, as augmented by Article 15 of the San Francisco Business and Tax Regulations Code,
12 the Board of Supervisors adopted Resolution No. 422-05, expressing the City's intention to
13 establish the North of Market Tenderloin Community Benefit District (the "North of
14 Market/Tenderloin CBD"); and

15 WHEREAS, On August 2, 2005, the Board of Supervisors adopted Resolution
16 No. 584-05 establishing the North of Market/Tenderloin CBD ("Resolution to Establish") for a
17 period of 15 years, commencing FY2005-2006; and

18 WHEREAS, On January 10, 2006, the Board of Supervisors adopted Resolution
19 No. 15-06, authorizing an agreement with the owners' association for the
20 administration/management of the North of Market/Tenderloin CBD, and a management
21 agreement (the "Management Contract") with the owners' association, the North of
22 Market/Tenderloin Community Benefit Corporation, was executed accordingly; and

23 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
24 of Supervisors in File No. 052018; and

1 WHEREAS, On July 12, 2011, the Board of Supervisors approved the North of Market/
2 Tenderloin CBD's annual reports for FYs 2006-2007, 2007-2008, 2008-2009 and 2009-2010
3 in Resolution No. 284-11; and

4 WHEREAS, The North of Market/Tenderloin CBD has submitted for the Board's receipt
5 and approval the North of Market/Tenderloin annual reports for FYs 2010-2011, 2011-2012,
6 and 2012-2013 (collectively, "Annual Reports") as required by Section 36650 of the Act and
7 Section 3.4 of the Management Contract; and

8 WHEREAS, The Annual Reports are on file with the Clerk of the Board of Supervisors
9 in File No. 150335, and are incorporated herein by reference as though fully set forth; and

10 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
11 memorandum report from the City's Office of Economic and Workforce Development, dated
12 March 26, 2015, and documentation from the North of Market/Tenderloin CBD for the Annual
13 Reports are on file with the Clerk of the Board of Supervisors in File No. 150335; now,
14 therefore, be it

15 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
16 reports for the North of Market/Tenderloin Community Benefit District for FYs 2010-2011,
17 2011-2012, and 2012-2013.

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: Regina Dick-Endrizzi, Director
Small Business Commission, City Hall, Room 448

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

DATE: April 6, 2015

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Government Audit and Oversight Committee

The Board of Supervisors' Government Audit and Oversight Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 150335

Resolution receiving and approving annual reports for the North of Market/Tenderloin Community Benefit District for FYs 2010-2013, 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 District's Management Agreement with the City, Section 3.4.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

No Comment
 Recommendation Attached

Chairperson, Small Business Commission

Major, Erica (BOS)

From: Major, Erica (BOS)
Sent: Monday, April 06, 2015 1:49 PM
To: Dick-Endrizzi, Regina (ECN)
Cc: Somera, Alisa (BOS)
Subject: REFERRAL SBC - (150335) North of Market/Tenderloin Community Benefit District - Annual Reports for FYs 2010-2013
Attachments: 150335 SBC.pdf

Greetings:

This matter is being referred to the Small Business Commission for comment and recommendation. Please forward the Commission's response as soon as it is available.

Thank you.

Erica Major

Assistant Committee Clerk

Board of Supervisors

1 Dr. Carlton B. Goodlett Place, City Hall, Room 244 San Francisco, CA 94102

Phone: (415) 554-4441 | Fax: (415) 554-5163

BOARD of SUPERVISORS



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San Francisco 94102-4689
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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: April 6, 2015

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Kim on March 31, 2015:

File No. 150335

Resolution receiving and approving annual reports for the North of Market/Tenderloin Community Benefit District for FYs 2010-2013, 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 District's Management Agreement 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
Crezia Tano, Office of Economic and Workforce Development

Major, Erica (BOS)

From: Major, Erica (BOS)
Sent: Monday, April 06, 2015 1:49 PM
To: Rosenfield, Ben (CON); Rufo, Todd (ECN)
Cc: Tano, Crezia (ECN); Rydstrom, Todd (CON); Somera, Alisa (BOS)
Subject: REFERRAL FYI - (150335) North of Market/Tenderloin Community Benefit District - Annual Reports for FYs 2010-2013
Attachments: 150335 FYI.pdf

Greetings:

This matter is being forwarded to your department for informational purposes. If you have any 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.

Thank you.

Erica Major

Assistant Committee Clerk

Board of Supervisors

1 Dr. Carlton B. Goodlett Place, City Hall, Room 244 San Francisco, CA 94102

Phone: (415) 554-4441 | Fax: (415) 554-5163

MEMO

To: Supervisor Jane Kim, District 6

CC: San Francisco Board of Supervisors

From: Crezia Tano, OEWD Senior Project Manager

RE: North of Market Tenderloin Community Benefit District

Date: March 26, 2015

This is a memo summarizing the performance of the North of Market Tenderloin Community Benefit District and an analysis of its financial statements (based on their audit) for the period between July 1, 2010, and June 30, 2013.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. North of Market/Tenderloin 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 North of Market/Tenderloin CBD management contract with the City; and their Management Plan approved by the Board of Supervisors in 2006.

Also attached to this memo are the following documents:

1. Annual Reports
 - a. FY 2010-2011
 - b. FY 2011-2012
 - c. FY 2012-2013
2. CPA Financial Review Reports
 - a. FY 2010-2011
 - b. FY 2011-2012
 - c. FY 2012-2013
3. Draft resolution from the Office of Economic and Workforce Development



Background

The North of Market/Tenderloin District spans 29 blocks and includes 675 parcels.

- August 2, 2005: the Board of Supervisors approved the resolution that established the North of Market Tenderloin Community Benefit District for 15 years (Resolution # 584-05).
- January 10, 2006: the Board approved the contract for the administration and management of the North of Market Tenderloin Community Benefit District (Resolution # 15-06).
- July 12, 2011: the Board of Supervisors approved the Annual Reports for FYs 2006-2007, 2007-2008, 2008-2009 and 2009-2010 (Resolution #284-11).

Basic Info about Greater North of Market/Tenderloin CBD:

Year Established	August 2005
Assessment Collection Period	FY 2005-2006 to FY 2019-2020 (July 1, 2005 to June 30, 2020)
Services Start and End Date	January 1, 2006 – December 31, 2020
Initial Estimated Annual Budget	\$981,147
Fiscal Year	July 1 – June 30
Executive Director	(Interim) Susie McKinnon (Previous ED Dina Hilliard 2009-2014)
Name of Nonprofit Owners' Entity	North of Market Tenderloin Community Benefit District

The current CBD website www.nom-tlcbd.org, 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.

Summary of Program Areas

Public Right of Way and Sidewalk Operations

Sidewalk Operations services include: (1) twice daily sidewalk and gutter hand sweeping 5 days a week, (2) bi-monthly soap and water scrub-down of all properties, (3) a "Lead Sweeper" dealing with needles, hazardous waste and bulky items, and (4) graffiti removal 10 to 15 hours per week, and (5) once monthly sidewalk steam cleaning. For the years in review, Public Right of Way initiatives also include: (1) *Safe Passages* program and (2) a public toilet study, access and design project. NOM/TL CBD contracts with *San Francisco Clean City Coalition* (Clean City) to provide sidewalk cleaning and maintenance as well as the Community Service Ambassador program. The North of Market Tenderloin CBD Management Plan calls for 76% of the budget to be spent on Public Right of Way and Sidewalk Operations.

District Identity and Streetscape Improvements

This service area includes but is not limited to promoting the district through brochures, a website, social media outlets (i.e. Facebook and Twitter), sponsoring special events, and enhancing beautification. NOM/TL dedicates approximately five percent (5%) of its budget to District Identity and Streetscape Improvements.

Management & Operations

The NOM/TL Management Plan calls for 12% of the budget to be spent on management and corporate operations. NOM/TL CBD is staffed by a full-time Executive Director who serves as the focal point person and advocate for the district. The NOM/TL CBD board has thirteen (13) board members that represent the diverse property and business owners and residents in the district. The board meets every third Monday every month. NOM/TL CBD has several committees that function to assist the CBD with its goals and objectives.

The four committees include:

- **Executive Committee** - oversees central operations of the organization and ensures the functioning of key areas: staff and contracts; corporate finances; insurance; grants; development of budget; board agendas and meetings; correspondence; outreach; bylaws and policies; public relations; newsletters. The Executive Committee meets the 1st Wednesday of the month.
- **Public Rights of Way (PROW) Committee** – oversees the services in public spaces and ensures the success and efficiency of these services, along with other services designed to promote safety in the neighborhood. These services include the following activities: sidewalk sweeping and cleaning; steam cleaning; relations with the Department of Public Works (DPW); tree planting and maintenance; improving public right of way experience; and safety programs including Safe Passage and Safe Havens. The PROW Committee meets the 2nd Thursday of the month.
- **District Identity and Streetscape Improvements (DISI) Committee** - oversees programs that promote Tenderloin district identity and provide beautification through visual media such as art and murals. The DISI Committee meets the 1st Monday of the Month.
- **Community Advisory Board Committee** – works to address the needs and concerns of Tenderloin residents and engages in outreach activities to form partnerships among local community organizations. Projects during these years include community benefit agreement negotiations, land use planning discussions and advocacy, and community safety meetings. The Community Advisory Board Committee meets the 2nd Thursday of the month.

Summary of Accomplishments, Challenges, and Delivery of Services

FY 2010-2011

Public Right of Way and Sidewalk Operations

- Funded Clean City for the purchase of a new model M-20 sidewalk scrubbing machine.
- Clean and Safe Services Team removed more than 2,324 graffiti tags from public and private property; collected over 14,800 bags of litter from sidewalks and gutter; and safely disposed of 2,189 needles.

District Identity and Streetscape Improvements

- Received the final approval from the San Francisco Arts Commission for the "Humming with Life" mural on the United States Postal Service office at 101 Hyde Street.

Management & Operations

- Provided a letter of support on behalf of Friends of Boeddeker Park for the San Francisco Community Opportunity Fund. The grant would fund Boeddeker Park's plans to rebuild and develop a basketball court, fitness zone, and Tai Chi area.

FY 2011-2012

Public Right of Way and Sidewalk Operations

- Funded Clean City for the purchase of new Steam Cleaning Equipment.
- Clean and Safe Services Team removed more than 1,661 graffiti tags from public and private property; collected over 16,000 bags of litter from sidewalks and gutter; and safely disposed of 2,828 needles.
- Provided 156 paid transitional jobs to very low-income women and men through CBD operations such as power washing and steam cleaning once per month, targeting neighborhood "hotspots."

District Identity and Streetscape Improvements

- Partnered with San Francisco City Impact (a faith-based organization that provides a variety of services to homeless and low-income residents) to provide access to their bathrooms, which reduced reported incidents of human waste on sidewalks by 20%.

Management & Operations

- Started work on an ecological public toilet with Hyphae Design Lab and SF Clean City with funding from SF Community Challenge Grant and the Community Development Block Grant.

FY 2012-2013

Public Right of Way and Sidewalk Operations

- Clean and Safe Services Team removed more than 962 graffiti tags from public and private property; collected over 20,243 bags of litter from sidewalks and gutter; and safely disposed of 4,492 needles.

District Identity and Streetscape Improvements

- Collaborated with Cova Hotel and Southeast Asian Community Center to create a community-approved banner design with funding from an Invest in Neighborhoods Grant.
- Partnered with the Central Market and Civic Center CBDs, San Francisco Arts Commission and OEWD to design, develop and maintain an online events calendar and directory for the Tenderloin, Central Market and Civic Center neighborhoods.

Management & Operations

- Received a Neighborhood Partners Program Grant with the San Francisco Travel Association to explore opportunities for promoting unique neighborhood destinations.

NOM/TL CBD Annual Budget Analysis

OEWD’s staff reviewed the following budget related benchmarks for NOM/TL CBD:

- **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 “North of Market/Tenderloin Community Benefit District”, Section 3.9 – Budget*)
- **BENCHMARK 2:** Whether five percent (5%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the “North of Market Tenderloin Community Benefit District”, Section A - 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 “North of Market Tenderloin Community Benefit District”, Section 3.9 – Budget*).
- **BENCHMARK 4:** Whether NOM/TL CBD 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 36651*)

FY 2010-2011

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: NOM/TL CBD met this requirement. See table below.

Service Category	Management Plan Budget	% of Management Plan	FY 2010-2011 Budget	% of Budget	Variance Percentage Points
Public Right of Way and Sidewalk Operations	\$749,074	76.0%	\$823,080	68.1%	-7.9
District Identity and Streetscape Improvements	\$45,000	5.0%	\$74,691	6.2%	+1.2
Management & Operations	\$120,000	12.0%	\$221,141	18.3%	+6.3
Contingency Reserve	\$67,413	7.0%	\$89,968	7.4%	+0.4
TOTAL	\$981,487	100%	\$1,208,880	100%	

BENCHMARK 2: Whether five percent (5%) of NOM/TL CBD's actuals came from sources other than assessment revenue

ANALYSIS: *NOM/TL CBD met this requirement. Assessment revenue was \$912,828 or 93.3% of actuals and non-assessment revenue was \$65,934 or 6.7% of actuals. See table below.*

Revenue Sources	FY 2010-2011 Actuals	% of Actuals
Special Benefit Assessments	\$912,828	
Total assessment revenue	\$912,828	93.3%
Grants	\$63,940	
Donations	\$582	
Interest Earned	\$1,412	
Total non-assessment revenue	\$65,934	6.7%
TOTAL	\$978,762	100%

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

ANALYSIS: *NOM/TL CBD met this requirement. See tables below.*

Service Category	FY 2010-2011 Budget	% of Budget	FY 2010-2011 Actuals	% of Actuals	Variance Percentage Points
Public Right of Way and Sidewalk Operations	\$823,080	68.1%	\$835,550	75.3%	+7.2
District Identity and Streetscape Improvements	\$74,691	6.2%	\$146,811	13.2%	+7.1
Management & Operations	\$221,141	18.3%	\$127,303	11.5%	-6.8
Contingency Reserve	\$89,968	7.4%	-	-	
TOTAL	\$1,208,880	100%	\$1,109,664	100%	

BENCHMARK 4: Whether NOM/TL CBD 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: *NOM/TL CBD did not indicate the specific allocation of their carryforward funds in their Annual Report. OEWD requested that NOM/TL CBD provide a memo stating the carryover disbursement along with the designated projects. The data from the memo has been incorporated into the table below. Upon further review, OEWD requested that NOM/TL CBD assess the carryforward stated in their annual report and net assets stated in their yearly audit. NOM/TL CBD has conducted an analysis of these two figures. See attached letter from NOM/TL CBD received March 3, 2015.*

Please note: 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.

FY 2010-2011 Carryover Disbursement	\$222,018
Designated Projects for FY 2011-12	
DISI	\$93,248
PROW	\$48,844
Contingency Reserve	\$79,926
Total Designated amount for FY 2011-12	\$222,018

FY 2011-2012

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: *NOM/TL CBD met this requirement. See table below.*

Service Category	Management Plan Budget	% of Management Plan	FY 2011-2012 Budget	% of Budget	Variance Percentage Points
Public Right of Way and Sidewalk Operations	\$749,074	76.0%	\$817,807	70.3%	-5.7
District Identity and Streetscape Improvements	\$45,000	5.0%	\$87,103	7.5%	+2.5
Management & Operations	\$120,000	12.0%	\$173,218	14.9%	+2.9
Contingency Reserve	\$67,413	7.0%	\$85,944	7.4%	+0.4
TOTAL	\$981,487	100%	\$1,164,072	100%	

BENCHMARK 2: Whether five percent (5%) of NOM/TL CBD's actuals came from sources other than assessment revenue

ANALYSIS: *NOM/TL CBD did not meet this requirement. Assessment revenue was \$986,949 or 98% of actuals and non-assessment revenue was \$20,310 or 2% of actuals. NOM/TL CBD has reported that this deficiency can be explained by the organization's transitional period with a new and sole staff member. See table below.*

Revenue Sources	FY 2011-2012 Actuals	% of Actuals
Special Benefit Assessments	\$ 986,949	
Total assessment revenue	\$986,949	98.0%
Contributions and grants	\$11,556	
Interest Earned	\$347	
Donations and Other Income	\$8,407	
Total non-assessment revenue	\$20,310	2.0%
Total	\$1,007,259	100%

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

ANALYSIS: *NOM/TL CBD met this requirement. See table below.*

Service Category	FY 2011-2012 Budget	% of Budget	FY 2011-2012 Actuals	% of Budget	Variance Budget to Actuals
Public Right of Way and Sidewalk Operations	\$817,807	70.3%	\$814,397	76.8%	+6.5
District Identity and Streetscape Improvement	\$87,103	7.5%	\$142,393	13.4%	+5.9
Management & Operations	\$173,218	14.9%	\$104,154	9.8%	-5.1
Contingency Reserve	\$85,944	7.4%	-	-	
TOTAL	\$1,164,072	100%	\$1,060,944	100%	

BENCHMARK 4: Whether NOM/TL CBD 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: *NOM/TL CBD did not indicate the allocation of their carryforward funds in their Annual Report. OEWD requested that NOM/TL CBD provide a memo stating the carryover disbursement along with the designated projects. The data from the memo has been incorporated into the table below. Upon further review, OEWD requested that NOM/TL CBD assess the carryforward stated in their annual report and net assets stated in their yearly audit. NOM/TL CBD has conducted an analysis of these two figures. See attached letter from NOM/TL CBD received March 3, 2015.*

Please note: 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.

FY 2011-2012 Carryover Disbursement	\$160,000
Designated Projects for FY 2012-13	
DISI	\$16,000
PROW	\$120,000
Admin/Staff	\$24,000
Total Designated amount for FY 2012-13	\$160,000

FY 2012-2013

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: *NOM/TL CBD met this requirement. See table below.*

Service Category	Management Plan Budget	% of Management Plan	FY 2012-2013 Budget	% of Budget	Variance Percentage Points
Public Right of Way and Sidewalk Operations	\$749,074	76.0%	\$875,700	75.4%	-0.6
District Identity and Streetscape Improvements	\$45,000	5.0%	\$54,500	4.7%	-0.3
Management & Operations	\$120,000	12.0%	\$159,264	13.7%	+1.7
Contingency Reserve	\$67,413	7.0%	\$72,000	6.2%	-0.8
TOTAL	\$981,487	100%	\$1,161,464	100%	

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

ANALYSIS: NOM/TL CBD did not meet this requirement. *Assessment revenue was \$988,538 or 95.4% of actuals and non-assessment revenue was \$47,757 or 4.6% of actuals. NOM/TL CBD reported to OEWD that it worked diligently to meet the general benefit requirement. See table below.*

Revenue Sources	FY 2012-2013 Actuals	% of Actuals
Special Benefit Assessments	\$988,538	
Total assessment revenue	\$988,538	95.4%
Grants	\$39,265	
Donations	\$8,200	
Interest Earned	\$292	
Total non-assessment revenue	\$47,757	4.6%
TOTAL	\$1,036,295	100%

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

ANALYSIS: NOM/TL CBD met this requirement. *See table below.*

Service Category	FY 2012-2013 Budget	% of Budget	FY 2012-2013 Actuals	% of Actuals	Variance Percentage Points
Public Right of Way and Sidewalk Operations	\$875,700	75.4%	\$888,383	82.6%	+7.2
District Identity and Streetscape Improvements	\$54,500	4.7%	\$41,335	3.8%	-0.9
Management & Operations	\$159,264	13.7%	\$145,627	13.5%	-0.2
Contingency Reserve	\$72,000	6.2%			
TOTAL	\$1,161,464	100%	\$1,075,345	100.0%	

BENCHMARK 4: Whether NOM/TL CBD 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: NOM/TL CBD met this requirement. *Please note: 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.*

FY 2012-2013 Carryover Disbursement	(\$34,857)
Designated Projects for FY 2013-14	
Total Designated amount for FY 2013-14	(\$34,857)

Findings and Recommendations

Within the review periods of FY 2010-2011, FY 2011-2012, and FY 2012-2013, the North of Market Tenderloin CBD generally met all of the benchmarks as defined on page 5 of this memo. Of the three fiscal years in review, NOM/TL CBD did not meet the all the benchmarks in the 2011-12 and 2012-13 fiscal years; specifically with benchmark two.

Per their management plan NOM/TL CBDs non-assessment revenue must be at five percent (5%) of their total revenue. In FY 2011-2012 assessment revenue was \$986,949 or 98% of actuals and non-assessment revenue was \$20,310 or 2% of actuals. FY 2012-2013 assessment revenue was \$988,538 or 95.4% of actuals and non-assessment revenue was \$47,757 or 4.6% of actuals. We recommend that NOM/TL CBD work diligently to meet their five percent (5%) general benefit requirement.

In a letter addressed to OEWD, NOM/TL CBD states that the figures prepared as part of the financial statement review were not those used for the purposes of communicating the CBD’s financial position to stakeholders in their annual report. NOM/TL CBD’s carryforward published in their annual reports for FY 2010-11 was \$222,018 while their actual net assets were at (\$130,922). In FY 2011-12 their carryforward is shown in the annual report as \$160,000 while actual net assets were at (\$53,685). In addition, NOM/TL CBD reports that for each year in review, year-end expenditures exceeded their actual revenues by spending cash reserves, indicating a deficit.

OEWD recommends that NOM/TL CBD outline a budget that does not exceed their total revenue. In the letter attached, NOM/TL CBD has stated that it will work diligently to “rectify past errors and inadequacies.”

Additionally, during OEWD's review process, NOM/TL CBD conducted its audit for fiscal year 2013-14. NOM/TL CBD's auditor has highlighted weaknesses and deficiencies with NOM/TL CBD's organizational practices:

- Segregation of Duties
- Personnel Documentation
- Lack of Personnel Handbook
- Reconciliation of Assessment Funds

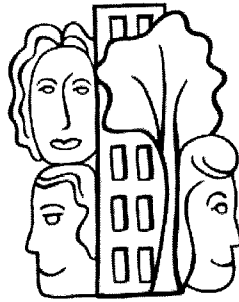
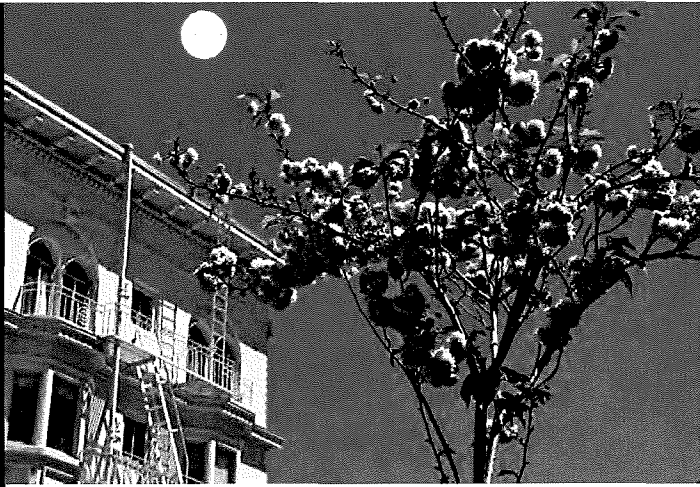
For the segregation of duties, personnel documentation, and lack of personnel handbook, OEWD will closely monitor and track NOM/TL CBD's progress. OEWD will support NOM/TL CBD in reconciling assessment collections.

Conclusion

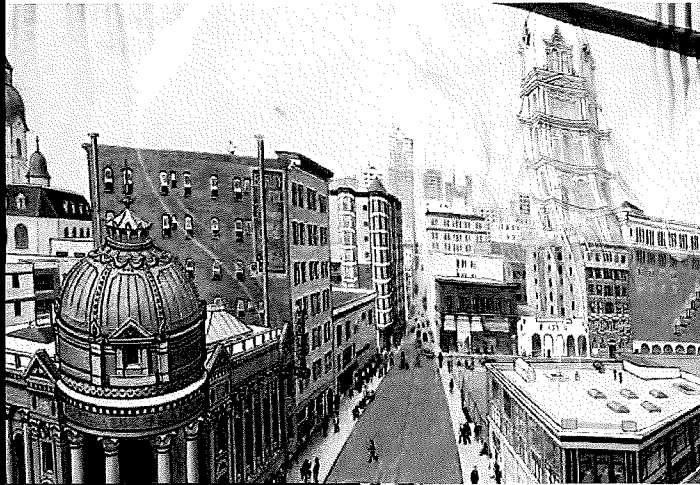
North of Market Tenderloin CBD has performed well in implementing their service plan. North of Market Tenderloin CBD has developed projects such as a community-approved banner design. North of Market Tenderloin CBD has increased their opportunities in partnering with community stakeholders and numerous municipal agencies for the implementation of its Clean and Safe Program. NOM/TL CBD has an active board of directors and committee members; and OEWD believes the NOM/TL CBD will be able to carry out their mission and service plans.

NORTH OF MARKET TENDERLOIN COMMUNITY BENEFIT DISTRICT

ANNUAL REPORT 2010-2011



north of market
tenderloin
community
benefit district



DEAR COMMUNITY MEMBER

The North of Market/Tenderloin Community Benefit District (NOM-TL CBD) has completed another year of providing enhanced cleaning, beautification, and safety services to the Tenderloin community. Our service provider, SF Clean City Coalition, partners with us to accomplish the challenging task of keeping the Tenderloin sidewalks clean. Last year, SF Clean City employed 156 people in their job readiness program, swept away over 14,000 bags of litter, removed 2,324 graffiti tags, and picked up over 2,000 needles and disposed of them safely. We are thrilled with their great work.

Elaine Zamora, the founder and previous District Manager of the North of Market/Tenderloin Community Benefit District retired in February 2011 after many years of dedicated service. Elaine laid the groundwork for the ongoing success and tremendous impact that our services will continue to bring to the improvement of the neighborhood. Elaine remains heavily involved in the community through her work on the NOM-TL CBD Board of Directors, and various other community improvement efforts.

Our new Executive Director, Dina Hilliard, a long-term resident of the Tenderloin initially served in partnership with the NOM-TL CBD, then served on our Board of Directors, and became employed by the NOM-TLCBD in 2008. She brings a wealth of knowledge regarding Tenderloin specific issues, and has served as the Interim Executive Director since February 2011.

Dina and I invite you to participate on one of our committees, they are all open to the public and we are always seeking individuals and organizations that will partner with us to improve the neighborhood. Our Public Rights of Way (PROW) committee oversees the cleaning services, and last year installed 8 public seating benches. PROW is currently working on increasing access to public bathrooms. The District Identity and Streetscape Improvement (DISI) Committee oversees our organization's beautification projects—such as planting over 150 trees since the formation of the NOM-TL CBD, installing banners highlighting the positive aspects of the neighborhood, and is currently working on facilitating the installation of the "Humming with Life" mural, by Johanna Poethig at the 101 Hyde Street Post Office Facility. For a complete listing of all of our committees and their functions, as well as an event calendar, Board meeting agendas and minutes, resources and more—check our website: www.nom-tlcbd.org.

We thank you for your contribution to make the Tenderloin a cleaner, safer, and healthier neighborhood for everyone.

Sincerely,

Clint Ladine
 President, Board of Directors
 North of Market/Tenderloin
 Community Benefit District

Dina Hilliard
 Executive Director
 North of Market/Tenderloin
 Community Benefit District

BOARD OF DIRECTORS

- CLINT LADINE
President
- RONALD HICKS
Vice President
- PAMELA COATES
Secretary
- SATWINDER MULTANI
Treasurer
- ELVIS BYRD
- TONY DAVIDSON
- EMILIO GIRAUBIT
- PAUL HOGARTH
- JON OWENS
- TOMAS PICARELLO
- SHARI ROESLER
- ELAINE ZAMORA



AREA BOUNDARIES

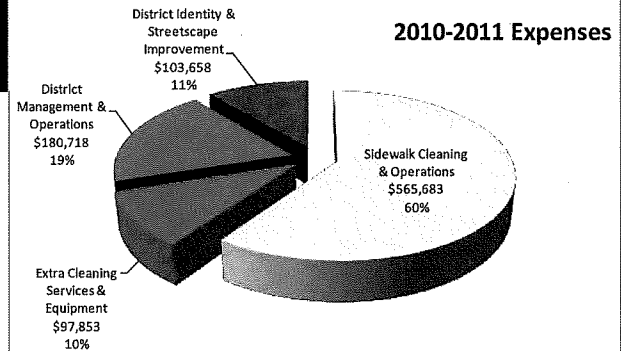
O'FARRELL: NORTH - JONES TO TAYLOR;
 SOUTH - LARKIN TO MASON
 ELLIS: LARKIN TO MASON
 EDDY: LARKIN TO MASON
 LARKIN: O'FARRELL TO TURK
 TURK: LARKIN TO MASON
 GOLDEN GATE: LARKIN TO TAYLOR
 MCALLISTER: LARKIN TO JONES

UNITED NATIONS PLAZA
 GROVE: HYDE AND MARKET
 MARKET: MASON TO HYDE
 HYDE: O'FARRELL TO MCALLISTER
 LEAVENWORTH: O'FARRELL TO MCALLISTER
 JONES: O'FARRELL TO MCALLISTER
 TAYLOR: O'FARRELL TO GOLDEN GATE
 MASON: O'FARRELL TO MARKET

2010-2011 FISCAL YEAR

ASSETS, LIABILITIES & EQUITY 2010-11

ACUAL ASSETS	
Current Assets	
-Checking/Savings	\$ 575,409
Fixed Assets	
-Machinery & Equipment	\$ 1,014
-Prepaid Cleaning Lease	\$ 14,337
Total Fixed Assets	\$ 15,352
TOTAL ASSETS	\$ 590,761
LIABILITIES & EQUITY	
Current Liabilities	
-Revenue Received for 2011-2012	\$ 368,742
TOTAL LIABILITIES	\$ 368,742
EQUITY	
-Retained Earnings	\$ 280,750
-Net Income	-\$ 58,731
Total Equity	\$ 222,019
TOTAL EQUITY	\$ 590,760



ASSESSMENT METHODOLOGY

There are four property variables used in determining individual assessments. They are:

1. linear frontage (sidewalk frontage)
2. land area/lot size
3. building square footage
4. building use

There is a total of 3,009,644 square feet in gross lot size, 39,271 feet in linear frontage and 7,740,734 in building square footage (which accommodates discounts in building square footage to churches, non-profit organizations, affordable housing and rent controlled residential land uses as of August 9, 2005).

For a complete listing of 2010-2011 North of Market/Tenderloin Community Benefit District Property Assessments, please visit our website! www.nom-tlcbd.org

BUDGET 2011-12

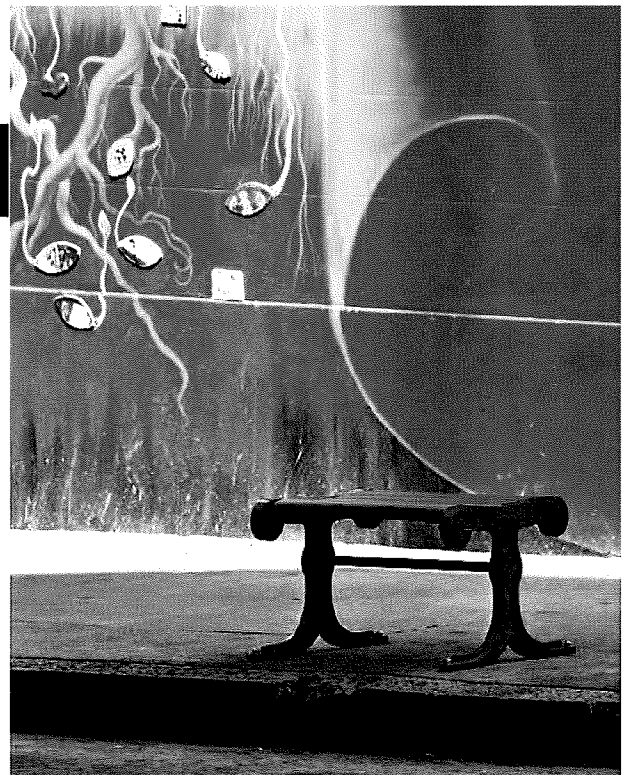
BUDGET ASSUMPTIONS	
Assessments	
-Carried forward from 2010-11	\$ 222,018
-1st Installment (Projected)	\$ 504,294
-2nd Installment	\$ 368,742
-Other Income	\$ 1,304
-Late & Delinquent Payments	\$ 67,714
TOTAL	\$1,164,072

EXPENSES 2011-12

Public Rights of Way & Sidewalk Operations	\$ 664,896
Extra Cleaning Services	\$ 67,330
Sidewalk Cleaning Equipment – New & Replacement	\$ 40,000
Beautification & Safe Passage Programs	\$ 45,581
District Identity & Streetscape Improvement	\$ 87,103
District Management & Operations	\$ 173,218
Contingency	\$ 85,944
TOTAL	\$ 1,164,072

CONTACT US

THE NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT DISTRICT
 134 GOLDEN GATE AVE SUITE A SAN FRANCISCO, CA 94102
 T 415.292.4812 F 415.292.7520
 EMAIL: DINANOMTLCBD@ATT.NET
 WEBSITE: WWW.NOM-TLCBD.ORG



CBD SERVICES PROGRAM

San Francisco Clean City Coalition (Clean City) is a non-profit organization established in 1991 to focus on cleaning, greening and beautifying the City of San Francisco. Clean City is the service provider for the cleaning and urban maintenance services in the North of Market/ Tenderloin Community Benefit District (CBD).



CBD SERVICE FROM JULY 2010-JUNE 2011

- >> A combination of power washing and steam cleaning was performed once per month throughout the district removing gum and grime from the sidewalk.
- >> Ongoing attention was given to areas of perennial concern and street corners.
- >> Targeted steam cleaning of neighborhood "hotspots"
- >> Twice a month mechanical sidewalk scrubbing
- >> Twice daily sidewalk and gutter hand-sweeping throughout the entire CBD area
- >> A lead sweeper handled the collection of needles and removed hazardous waste and bulky items from the CBD area
- >> Over 10,000 incidents (i.e. bulky items, human waste, needles) were handled within the CBD and/or reported to the City for follow-up
- >> Graffiti (ten feet and below) was removed from private property



2010-2011 CBD SERVICE ACCOMPLISHMENTS

- >> More than 2324 graffiti tags were removed from public and private property
- >> Over 14,800 bags of litter were swept off the sidewalks and gutters
- >> 2189 needles were removed from the CBD area and disposed of safely

CLEAN CITY TRANSITIONAL EMPLOYMENT & JOB TRAINING THROUGH COMMUNITY IMPROVEMENT

In 2011, Clean City Partnership Program provided 156 paid transitional jobs to very low-income men and women through CBD operations. All program participants receive employment readiness support and job training. Nearly 70% of those placed have shown to retain employment for over a year.

Clean City works in partnership with CBD operations to provide transitional employment and job readiness training as a critical bridge for low-income and homeless individuals striving to rejoin the workforce. Clean City's training and vocational support are funded through a city contract, grants and donations outside the Community Benefit Corporation.



2011-2012 CBD SERVICE PLAN

- >> Monthly Sidewalk Steam Cleaning throughout the CBD
- >> Additional attention to identified hotspots
- >> Bi-monthly soap and water scrub-down of all properties
- >> Twice daily sidewalk and gutter hand sweeping, Monday through Friday
- >> Lead Sweeper dealing with needles, hazardous waste and bulky items
- >> Graffiti removal 10 to 15 hours per week, below ten feet high

During the last several years the NOM/TL has actively worked to reduce the number of needles on the street in our district through our street cleaning operations, installation of needle drop boxes, and improved community coordination. We ask all businesses and property owners to work with us on these efforts in support of a clean and safe neighborhood. If you have suggestions or would like to install a needle drop box on-site please contact Dina Hillard at dinanomtlcbd@att.net



NUMBER OF NEEDLES REMOVED FROM THE DISTRICT:

2007-2008: 3099	2008-2009: 2376
2009-2010: 1679	2010-2011: 2189

NEW SIDEWALK SCRUBBING MACHINE

In 2011, the North of Market/ Tenderloin CBD funded Clean City for the purchase of a new Tennant M-20 sidewalk scrubbing machine. The new machine began circulating the neighborhood in June.





THE NORTH OF MARKET/TENDERLOIN
COMMUNITY BENEFIT DISTRICT
ANNUAL REPORT 2011-12



north of market
tenderloin
community
benefit district



VISION STATEMENT

The North of Market/Tenderloin Community Benefit District (NOMTL CBD) believes the North of Market and Tenderloin area is a diverse and vibrant community that deserves to be clean, beautiful, and safe. As a unique and significant neighborhood with many challenges, NOMTL CBD's mission is to improve the quality of life for all residents in the district through cleaning, beautification, and safety services.

WHAT IS A CBD

A Community Benefit District (CBD) is a designated geographic area with a managing nonprofit organization that receives special benefits with revenues generated from the district's property assessments. Funds are managed by the organization to coordinate special benefit services in accordance to property owner's directives. CBDs enable local business and community members to empower a single organization with improving the public space in ways beyond what individuals and general city services can manage.

BOARD OF DIRECTORS

CLINT LADINE—PRESIDENT
 RON HICKS—VICE-PRESIDENT
 PAM COATES—SECRETARY
 BILL MULTANI—TREASURER
 STEVEN BERNARD
 EMILIO GIRAUDBIT
 PAUL HOGARTH
 NILESH PATEL
 KATE ROBINSON
 SHARI ROESLER
 SIMON SIN

AREA BOUNDARIES

O'FARRELL: NORTH - JONES TO TAYLOR
 O'FARRELL: SOUTH - LARKIN TO MASON
 ELLIS: LARKIN TO MASON
 EDDY: LARKIN TO MASON
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 HYDE: O'FARRELL TO MCALLISTER
 LEAVENWORTH: O'FARRELL TO MCALLISTER
 JONES: O'FARRELL TO MCALLISTER
 TAYLOR: O'FARRELL TO GOLDEN GATE
 MASON: O'FARRELL TO MARKET

Dear Community Member,



Dina Hilliard

The North of Market/Tenderloin Community Benefit District continued to provide vital sidewalk cleaning and community development services to the neighborhood during the 2011-2012 fiscal year. Now in our 7th year of operations, the North of Market/Tenderloin Community Benefit District has built strong partnerships with community stakeholders, and works in close collaboration with city leaders and departments for the purpose of cleaning and beautifying the Tenderloin neighborhood.

Our closest partner and service provider, San Francisco Clean City Coalition, swept, steam cleaned, picked up, and painted throughout the Tenderloin almost every single day of the year. The task of keeping our neighborhood clean is a challenging one, but SF Clean City helps us service properties in a reliable and thorough manner. We would also like to note that 150 transitional job opportunities were created through this partnership!

In addition to maintaining beneficial cleaning services for the neighborhood, we also focused on a number of community-based safety and neighborhood enhancement efforts. One key effort, Safe Passage, is a collaborative project that works to provide a visually designated safe route for children and residents, and will eventually feature volunteers that serve as a "safely presence"

for youth as they walk home from school. The first phase of the project was to install the bold painted brick road sidewalk mural, and soon, you will see safety monitors wearing bright neon vests standing at designated corners in the neighborhood who will be there to make sure children are safe as they walk. If you would like to get involved or learn more about this project, visit tenderloinsafepassage.org.

As always, we invite you to serve on our committees, which are open to the public. Meeting times, agendas and minutes of the meetings are posted on our website, nom-tlcbd.org.

We look forward to continuing to provide enhanced cleaning, beautification and safety services to the North of Market/Tenderloin neighborhood. We feel the Tenderloin is a gem and are thankful for your contribution in making the neighborhood cleaner and safer for all.

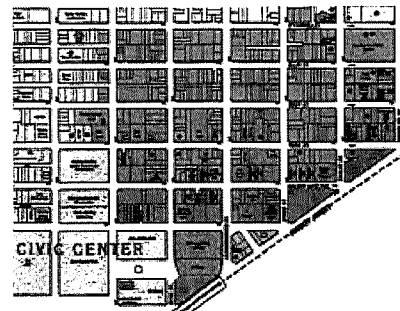
Sincerely,

Dina Hilliard

DINA HILLIARD
 EXECUTIVE DIRECTOR

Clint Ladine

CLINT LADINE, PRESIDENT
 BOARD OF DIRECTORS



BALANCE SHEET FISCAL YEAR 2011-2012

ASSETS	
Cash	\$ 532,903
Total Fixed Assets	\$ 15,352
Total Assets	\$ 533,489
LIABILITIES	
Accounts Payable	\$ 33,151
EQUITY	
Total Retained Earnings	\$ 582,218
Net Income	(\$ 48,729)
TOTAL EQUITY	\$ 533,489

BUDGET 2012-2013

BUDGET ASSUMPTIONS	
Assessments	
- Carried forward from 2010-2011	\$ 160,000
- 1st Installment (Projected)	\$ 436,315
- 2nd Installment (Projected)	\$ 469,380
- Other Income	\$ 45,770
- Delinquent Assessment Payments	\$ 50,000
TOTAL	\$1,161,465

EXPENSES 2012-2013

EXPENSES	
Cleaning, Maintenance & Safety	\$ 815,700
Cleaning Equipment Purchase	\$ 60,000
Management & Operations	\$ 159,265
District Identity & Streetscape Improvements	\$ 54,500
Contingency	\$ 72,000
TOTAL	\$1,161,465

CONTACT US

The North of Market/Tenderloin Community Benefit District
 134 Golden Gate Avenue, Suite #A San Francisco, CA 94102
 P 415.292.4812 E dina@nom-tlcbd.org
 F 415.292.7520 W www.nom-tlcbd.org



ASSESSMENT METHODOLOGY

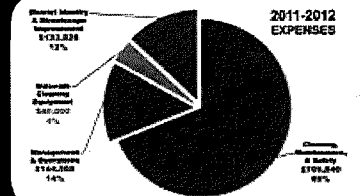
The four variables used in determining individual property assessments are as follows:

- 1) Linear frontage (sidewalk frontage)
- 2) Land area/lot size
- 3) Building square footage
- 4) Building use

There is a total of 3,009,644 sq. ft. in gross lot size, 39,271 sq. ft. in linear frontage and 7,740,734 sq. ft. in building square footage (which accommodates discounts in building square footage to churches, non-profit organizations, affordable housing and rent controlled residential land uses as of August 9, 2005).

Parcel No. 0351-043 was removed from assessable parcels within the North of Market/Tenderloin Community Benefit District boundaries.

For a complete listing of 2011-2012 North of Market/Tenderloin Community Benefit District Property Assessments, please visit our website: www.nom-tlcbd.org



CBD SERVICES PROGRAM

San Francisco Clean City Coalition (Clean City) is a non-profit organization established in 1991 to focus on cleaning, greening and beautifying the City of San Francisco. Clean City is the service provider for the cleaning and urban maintenance services in the North of Market/ Tenderloin Community Benefit District (NOMTL CBD).

SERVICES

JULY 2011-JUNE 2012

- A combination of power washing and steam cleaning was performed once per month throughout the district removing gum and grime from the sidewalk
- Ongoing attention was given to areas of perennial concern and street corners.
- Targeted steam cleaning of neighborhood "hotspots"
- Twice a month mechanical sidewalk scrubbing
- Twice daily sidewalk and gutter hand-sweeping throughout the entire CBD area
- A lead sweeper handled the collection of needles and removed hazardous waste and bulky items from the CBD area
- Over 7,300 incidents (i.e. bulky items, human waste, needles) were handled within the CBD and/or reported to the City for follow-up
- Graffiti (ten feet and below) was removed from private property

ACCOMPLISHMENTS

JULY 2011-JUNE 2012

- More than 1,661 graffiti tags were removed from public and private property
- Over 16,000 bags of litter were swept off the sidewalks and gutters
- 2,828 needles were removed from the CBD area and disposed of safely

NUMBER OF NEEDLES REMOVED FROM THE DISTRICT:

2007-2008 **3099** 2008-2009 **2376** 2009-2010 **1679**
2010-2011 **2189** 2011-2012 **2828**

CLEAN CITY TRANSITIONAL EMPLOYMENT & JOB TRAINING THROUGH COMMUNITY IMPROVEMENT

During the fiscal year 2011 to 2012, Clean City Partnership Program provided 150 paid transitional jobs to very low-income men and women through CBD operations. All program participants receive employment readiness support and job training. Nearly 70% of those placed have shown to retain employment for over a year.

Clean City works in partnership with CBD operations to provide transitional employment and job readiness training as a critical bridge for low-income and homeless individuals striving to rejoin the workforce. Clean City's training and vocational support are funded through a city contract, grants and donations outside the Community Benefit Corporation.

2012-2013 CBD SERVICE PLAN

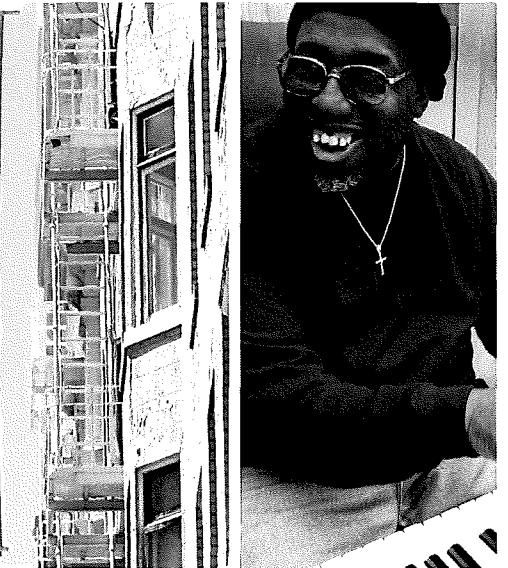
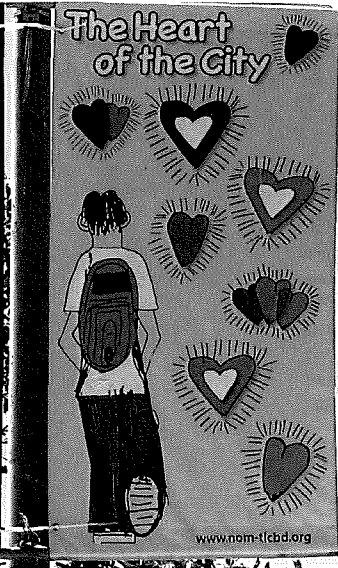
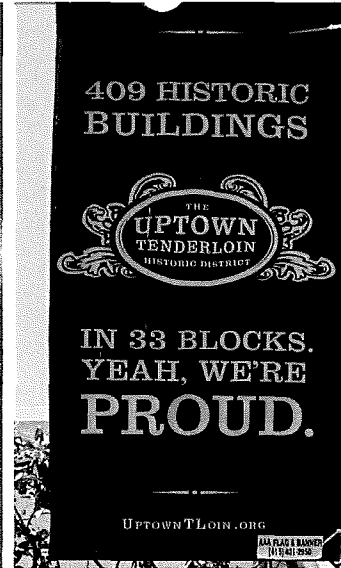
- Monthly Sidewalk Steam Cleaning throughout the CBD
- Additional attention to identified hotspots
- Bi-monthly soap and water scrub-down of all properties
- Twice daily sidewalk and gutter hand sweeping, Monday through Friday
- Lead Sweeper dealing with needles, hazardous waste and bulky items
- Graffiti removal 10 to 15 hours per week, below ten feet high

NEW SIDEWALK SCRUBBING MACHINE

In 2011, the North of Market/ Tenderloin CBD funded Clean City for the purchase of a new Tennant M-20 sidewalk scrubbing machine. The new machine began circulating the neighborhood in June.

PHOTOGRAPHY BY MICHAEL GARY





The North of Market / Tenderloin Community Benefit District Annual Report 2012-13



Mission Statement

The North of Market / Tenderloin Community Benefit District (NOMTL CBD) exists to facilitate the transformation of the Tenderloin into a cleaner, safer, more vibrant neighborhood.

What is a Community Benefit District?

A Community Benefit District (CBD) is a designated geographic area with a mandated nonprofit that oversees special benefits for the district. Revenues are generated from district property assessments. CBDs enable local property, business and community members to empower a single organization with improving the public space beyond what individuals and general city services can manage.

Board of Directors

Clint Ladine - President, Property Seat
Ron Hicks - Vice-President, Property Seat
Pam Coates - Secretary, Resident Seat
Bill Multani - Treasurer, Business Seat
Steven Bernard, Resident Seat
Krista Gaeta, Property Seat
Emilio Grauduit, Business Seat
Kathy Loooper, Property Seat
Nilash Patel, Property Seat
Simon Sin, Property Seat
Kate Robinson, Property Seat
John Ventrella, Property Seat
Gayle Wood, Resident Seat

Area Boundaries

O'Farrell: North - Jones to Taylor
O'Farrell: South - Larkin to Mason
Ellis: Larkin to Mason
Eddy: Larkin to Mason
Larkin: O'Farrell to Turk
Turk: Larkin to Mason
Golden Gate: Larkin to Taylor
McAllister: Larkin to Jones
United Nations Plaza
Grove: Hyde and Market
Market: Mason to Hyde
Hyde: O'Farrell to McAllister
Leavenworth: O'Farrell to McAllister
Jones: O'Farrell to McAllister
Taylor: O'Farrell to Golden Gate
Mason: O'Farrell to Market

Dear Community Member,



Dina Hilliard



Clint Ladine

2012-2013 was a year of new projects for the North of Market/Tenderloin Community Benefit District! In addition to the regular cleaning and maintenance services that SF Clean City provides, our Board Committees and staff worked on and supported a number of beneficial projects to help improve the neighborhood. Core projects for the year include Safe Passage, Ecological-Public Toilet facility, Little Saigon street-scape improvements and EpicenterSF.

The Community Advisory Board Committee worked on the Tenderloin Safe Passage project, a community effort focused on building a culture of safety. The project identified eleven blocks that are highly utilized by youth during after-school hours and painted them with a sidewalk mural of golden bricks to visually create a "safe path". Volunteers wearing bright orange vests then station themselves at various corners along the route to provide a "safety presence". This project is currently seeking volunteers and funding to ensure its success. To learn more, please visit tenderloinsafepassage.org.

In 2010, after documenting nearly 10,000 incidents of human waste in the Tenderloin, the Public Rights of Way Committee began working on increasing access to public bathrooms. SF City Impact partnered with the committee to open and maintain their organization's bathroom for public use. This partnership led to a 20% decrease in human waste incidents in April 2011. The committee also began working on an ecological public toilet with Hyphae Design Lab and SF Clean City. Last year, the toilet

project received funding from the SF Community Challenge Grant and the Community Development Block Grant. We anticipate this project will be launched in Spring 2014.

Finally, the District Identity and Streetscape Improvement Committee received an Invest In Neighborhoods Grant to bring new street banners and extra sidewalk cleaning to the Little Saigon business corridor. The committee worked closely with Cova Hotel owner Simon Sin and the Southeast Asian Community Center to create a community-approved banner design. This committee also partnered with Central Market and Civic Center Community Benefit Districts to launch EpicenterSF, an online, user-driven community events calendar and directory website for the Central Market, Civic Center, and Tenderloin neighborhoods. The goal of the site is to offer a valuable service to the community to promote the diverse range of arts, events, special programs, community meetings, commerce and opportunities offered in these neighborhoods daily. Check out the website at epicenter-sf.org.

Our Board Committees and Board of Directors meet monthly and all meetings are open to the public. Please join us! Check our website (nom-tlcbd.org) for a listing of meeting times and agendas.

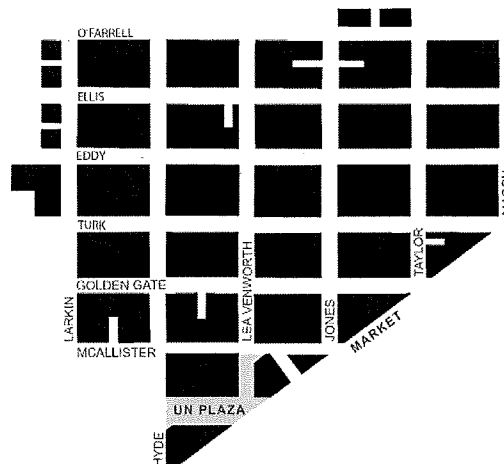
Sincerely,

Dina Hilliard

Dina Hilliard
Executive Director

Clint Ladine

Clint Ladine, President
Board of Directors



north of market
tenderloin
community
benefit district

CBD Services Program

San Francisco Clean City Coalition (Clean City) is a non-profit organization established in 1991 to focus on cleaning, greening and beautifying the City of San Francisco. Clean City is the service provider for the cleaning and urban maintenance services in the North of Market/ Tenderloin Community Benefit District (NOMTLCBD).

Services

JULY 2012-JUNE 2013

- A combination of power washing and steam cleaning was performed once per month throughout the district removing gum and grime from the sidewalk
- Ongoing attention was given to areas of perennial concern and street corners.
- Targeted steam cleaning of neighborhood "hotspots"
- Twice a month mechanical sidewalk scrubbing
- Twice daily sidewalk and gutter hand-sweeping throughout the entire CBD area
- A lead sweeper handled the collection of needles and removed hazardous waste and bulky items from the CBD area
- Nearly 7,000 (i.e. bulky items, human waste, needles) were handled within the CBD and/or reported to the City for follow-up
- Graffiti (ten feet and below) was removed from private property

Accomplishments

JULY 2012-JUNE 2013

- 962 graffiti tags were removed from public and private property
- 20,243 bags of litter were swept off the sidewalks and gutters
- 4,492 needles were removed from the CBD area and disposed of safely

Number of Needles Removed from the District:

2007-2008 3099	2008-2009 2376	2009-2010 1679
2010-2011 2189	2011-2012 2828	2012-2013 4492

SF Clean City Transitional Employment & Job Training Through Community Improvement

In 2012-13, Clean City Partnership Program provided 135 paid, transitional jobs to very low-income men and women through CBD operations. All program participants receive employment readiness support and job training. Nearly 70% of those placed have shown to retain employment for over a year.

Clean City works in partnership with the North of Market/Tenderloin Community Benefit District operations to provided transitional employment and job readiness training as a critical bridge for low-income and homeless individuals striving to rejoin the workforce. Clean City's training and vocational support are funded through a city contract, grants and donations outside the Community Benefit Corporation.

2013-2014 CBD Service Plan

- Monthly Sidewalk Steam Cleaning throughout the CBD
- Additional attention to identified hotspots
- Bi-monthly soap and water scrub-down of all properties
- Twice daily sidewalk and gutter hand sweeping, Monday through Friday
- Lead Sweeper dealing with needles, hazardous waste and bulky items
- Graffiti removal 10 to 15 hours per week, below ten feet high

New Steaming Unit and Flatbed Truck

In 2013, the North of Market/ Tenderloin CBD funded Clean City for the purchase of a new Hosty Pressure Washer/Steam Cleaning Unit and flatbed truck. The steaming unit and truck began circulating the neighborhood in early spring.

Photography by Lydia Gonzalez



Balance Sheet Fiscal Year 2012-2013

ASSETS

Cash	\$	584,808
Total Fixed Assets	\$	3,795
Total Assets	\$	588,603

LIABILITIES

Accounts Payable	\$	92,270
Other Liabilities	\$	2,157
Total Liabilities	\$	94,427

EQUITY

Opening Net Assets	\$	529,034
Net Income	\$	(34,857)
TOTAL EQUITY	\$	494,177

BUDGET

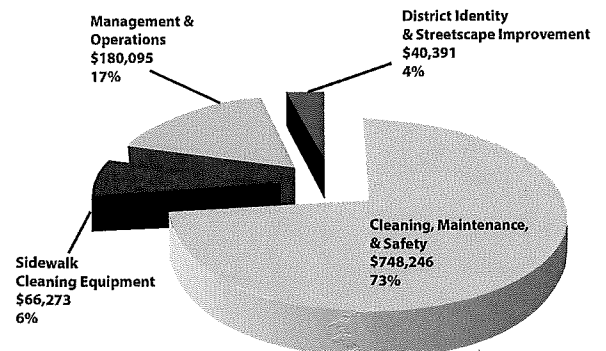
2013-2014

Assessments	\$	1,019,380
Grants	\$	80,000
Other Income	\$	2,772
TOTAL	\$	1,102,152

EXPENSES

2013-2014

Cleaning, Maintenance and Safety	\$	846,740
Management and Operations	\$	198,552
Program Expenses	\$	24,500
TOTAL	\$	1,069,792
Net Income	\$	32,360



2012-13 Expenses

Assessment Methodology

The four variables used in determining individual property assessments are as follows:

- 1) Linear frontage (sidewalk frontage)
- 2) Land area/lot size
- 3) Building square footage
- 4) Building use

There is a total of 3,009,644 sq. ft. in gross lot size, 39,271 sq. ft. in linear frontage and 7,740,734 sq. ft. in building square footage (which accommodates discounts in building square footage to churches, non-profit organizations, affordable housing and rent controlled residential land uses as of August 9, 2005).

Assessment formula:

Total Property Assessment = \$.125 per square foot of lot size + \$8.25 per linear foot of lot frontage + .03 per square foot of non-exempted buildin area

For a complete listing of 2012-2013 North of Market/Tenderloin Community Benefit District Property Assessments, please visit our website: www.nom-tlcbd.org

Contact us

The North of Market/Tenderloin Community Benefit District
 134 Golden Gate Avenue, Suite A San Francisco, CA 94102
 p 415.292.4812 e info@nom-tlcbd.org
 f 415.292.7520 w www.nom-tlcbd.org



**NORTH OF MARKET/TENDERLOIN
COMMUNITY BENEFIT
CORPORATION**

FINANCIAL STATEMENTS

June 30, 2011

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

North of Market/Tenderloin Community Benefit Corporation

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INDEPENDENT AUDITORS' REPORT

Board of Directors
North of Market/Tenderloin Community Benefit Corporation
San Francisco, California

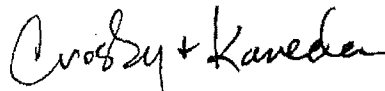
We have audited the accompanying statement of financial position of North of Market/Tenderloin Community Benefit Corporation as of June 30, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of North of Market/Tenderloin Community Benefit Corporation's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North of Market/Tenderloin Community Benefit Corporation as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2011 on our consideration of North of Market/Tenderloin Community Benefit Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Certified Public Accountants
Oakland, California
October 27, 2011

North of Market/Tenderloin Community Benefit Corporation

Statement of Financial Position

June 30, 2011

Assets	
Current Assets	
Cash	\$ 575,409
Accounts receivable	53,714
Grants receivable	38,440
Total Current Assets	<u>667,563</u>
Fixed assets, net	800
Total Assets	<u>\$ 668,363</u>
Liabilities and Net Assets	
Current Liabilities	
Accounts payable and accrued expenses	\$ 86,145
Total Liabilities	<u>86,145</u>
Contingency (Note 4)	
Unrestricted Net Assets	<u>582,218</u>
Total Net Assets	<u>582,218</u>
Total Liabilities and Net Assets	<u>\$ 668,363</u>

See Notes to the Financial Statements

North of Market/Tenderloin Community Benefit Corporation

**Statement of Activities
For the Year Ended June 30, 2011**

Support and Revenue	
Government grants	\$ 63,940
Donations	582
Assessment revenue	912,828
Interest income	1,412
Total Support and Revenue	<u>978,762</u>
Expenses	
Program	982,361
General and administrative	127,303
Total Expenses	<u>1,109,664</u>
Change in Net Assets	(130,902)
Net Assets, beginning of year	<u>713,120</u>
Net Assets, end of year	<u>\$ 582,218</u>

See Notes to the Financial Statements

North of Market/Tenderloin Community Benefit Corporation

Statement of Cash Flows
For the Year Ended June 30, 2011

Cash flows from operating activities:

Change in net assets	\$ (130,902)
Adjustments to reconcile change in net assets to cash (used) provided by operating activities:	
Depreciation	214
Change in assets and liabilities:	
Accounts receivable	(53,714)
Grants receivable	(38,440)
Prepaid expense	14,337
Accounts payable and accrued expenses	87,633
Net cash used by operating activities	<u>(120,872)</u>
Net change in cash	<u>(120,872)</u>
Cash, beginning of year	<u>696,281</u>
Cash, end of year	<u>\$ 575,409</u>

See Notes to the Financial Statements

North of Market/Tenderloin Community Benefit Corporation

**Statement of Functional Expenses
For the Year Ended June 30, 2011**

	Program		Total Program	General and Administrative	Total
	DISI	PROW			
Salaries	\$ 14,448	\$ 15,593	\$ 30,041	\$ 28,895	\$ 58,936
Employee benefits	500	500	1,000	1,000	2,000
Payroll taxes	1,203	1,203	2,406	2,406	4,812
Total Personnel	<u>16,151</u>	<u>17,296</u>	<u>33,447</u>	<u>32,301</u>	<u>65,748</u>
Fees for service	14,594	739,047	753,641	23,943	681,515
Grants	108,914	79,207	188,121	-	188,121
Occupancy			-	31,120	31,120
Office expenses			-	15,430	15,430
Accounting fees			-	14,565	14,565
Advertising and promotion	7,152		7,152	-	7,152
Insurance			-	5,096	5,096
Bank fees, payroll services			-	2,755	2,755
Conferences, conventions, meetings			-	1,779	1,779
Depreciation			-	214	214
Miscellaneous			-	100	100
Total Expenses	<u>\$ 146,811</u>	<u>\$ 835,550</u>	<u>\$ 982,361</u>	<u>\$ 127,303</u>	<u>\$ 1,013,595</u>

See Notes to the Financial Statements

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1: NATURE OF ACTIVITIES

The North of Market/Tenderloin Community Benefit Corporation is a California nonprofit public benefit corporation, which was established in 2005. The ultimate goal of the North of Market/Tenderloin Community Benefit Corporation is to provide systematic cleaning and beautification services to all of the parcels in the historic Tenderloin district. The North of Market/Tenderloin Community Benefit Corporation is funded primarily by special assessments levied on properties within the district.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

The Organization 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.

Revenue Recognition

Contributions are recognized as revenue when received or unconditionally promised. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Foundation is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3) and the California Revenue and Taxation Code Section 23701(d). The Organization has evaluated its current tax positions and has concluded that as of June 30, 2011, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs and maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment.

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.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of the date that the financial statements were available for distribution there were no significant subsequent events to disclose.

NOTE 3: CONCENTRATION OF CREDIT RISK

Cash

The Organization maintains deposits in excess of federally insured limits. Statement of Financial Accounting Standards No. 105 identifies these items as concentration of credit risk requiring disclosure regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions.

Revenue

For the ended June 30, 2011, the Organization received 93% of its revenue from tax assessments.

NOTE 4: CONTINGENCY

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
North of Market/Tenderloin Community Benefit Corporation
San Francisco, California

We have audited the financial statements of North of Market/Tenderloin Community Benefit Corporation as of and for the year ended June 30, 2011 and have issued our report thereon dated October 27, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered North of Market/Tenderloin Community Benefit Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting. A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

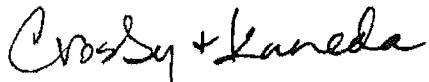
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether North of Market/Tenderloin Community Benefit Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of North of Market/Tenderloin Community Benefit Corporation in a separate letter dated October 27, 2011.

This report is intended solely for the information and use of management, the board of directors, others within the entity, and the City and County of San Francisco, and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants
Oakland, California
October 27, 2011

**NORTH OF MARKET/TENDERLOIN
COMMUNITY BENEFIT
CORPORATION**

FINANCIAL STATEMENTS

June 30, 2012

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations



North of Market/Tenderloin Community Benefit Corporation

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
North of Market/Tenderloin Community Benefit Corporation
San Francisco, California

We have reviewed the accompanying statements of financial position of North of Market/Tenderloin Community Benefit Corporation (a nonprofit organization) as of June 30, 2012, and the related statements of activities, cash flows, and statement of functional expenses for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization 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.

Crosby & Kaneda

Certified Public Accountants
Oakland, California
October 30, 2012



North of Market/Tenderloin Community Benefit Corporation

**Statement of Financial Position
June 30, 2012**

Assets	
Current Assets	
Cash	\$ 531,055
Accounts receivable	29,389
Total Current Assets	<u>560,444</u>
Property and equipment, net (Note 3)	1,536
Total Assets	<u>\$ 561,980</u>
Liabilities and Net Assets	
Current Liabilities	
Accounts payable and accrued expenses	\$ 33,447
Total Liabilities	<u>33,447</u>
Contingencies (Note 4)	
Unrestricted Net Assets	528,533
Total Net Assets	<u>528,533</u>
Total Liabilities and Net Assets	<u>\$ 561,980</u>

See Independent Accountants' Review Report and
Notes to the Financial Statements

North of Market/Tenderloin Community Benefit Corporation

**Statement of Activities
For the Year Ended June 30, 2012**

Support and Revenue	
Government grants	\$ 11,556
Donations	8,407
Assessment revenue	986,949
Interest income	347
Total Support and Revenue	<u>1,007,259</u>
Expenses	
Program	956,790
General and administrative	104,154
Total Expenses	<u>1,060,944</u>
Change in Net Assets	(53,685)
Net Assets, beginning of year	<u>582,218</u>
Net Assets, end of year	<u>\$ 528,533</u>

See Independent Accountants' Review Report and
Notes to the Financial Statements

North of Market/Tenderloin Community Benefit Corporation

**Statement of Cash Flows
For the Year Ended June 30, 2012**

Cash flows from operating activities:

Change in net assets	\$ (53,685)
Adjustments to reconcile change in net assets to cash (used) provided by operating activities:	
Depreciation	1,637
Change in assets and liabilities:	
Accounts receivable	24,325
Grants receivable	38,440
Accounts payable and accrued expenses	<u>(52,698)</u>
Net cash used by operating activities	<u>(41,981)</u>

Cash flows from investing activities:

Equipment purchases	<u>(2,373)</u>
Net cash used by investing activities	<u>(2,373)</u>
Net change in cash	<u>(44,354)</u>
Cash, beginning of year	<u>575,409</u>
Cash, end of year	<u>\$ 531,055</u>

North of Market/Tenderloin Community Benefit Corporation

**Statement of Functional Expenses
For the Year Ended June 30, 2012**

	Program		Total Program	General and Administrative	Total
	DISI	PROW			
Salaries	\$ 19,020	\$ 19,020	\$ 38,040	\$ 38,041	\$ 76,081
Payroll taxes	1,602	1,602	3,204	3,204	6,408
Total Personnel	<u>20,622</u>	<u>20,622</u>	<u>41,244</u>	<u>41,245</u>	<u>82,489</u>
Grants	53,358	40,000	93,358	-	93,358
Fees for service	39,105	743,829	782,934	-	782,934
Occupancy			-	21,630	21,630
Office expenses			-	12,564	12,564
Accounting fees			-	11,575	11,575
Advertising and promotion	8,210		8,210	-	8,210
Insurance			-	6,314	6,314
Bank fees, payroll services			-	2,314	2,314
Travel, meals and entertainment	2,000		2,000	-	2,000
Conferences, conventions, meetings			-	6,749	6,749
Depreciation			-	1,637	1,637
Community events	19,098	9,946	29,044	-	29,044
Miscellaneous			-	126	126
Total Expenses	<u>\$ 142,393</u>	<u>\$ 814,397</u>	<u>\$ 956,790</u>	<u>\$ 104,154</u>	<u>\$ 1,060,944</u>

See Independent Accountants' Review Report and
Notes to the Financial Statements

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 1: NATURE OF ACTIVITIES

The North of Market/Tenderloin Community Benefit Corporation (the Organization) is a California nonprofit public benefit corporation, which was established in 2005. The ultimate goal of the North of Market/Tenderloin Community Benefit Corporation is to provide systematic cleaning and beautification services to all of the parcels in the historic Tenderloin district. The North of Market/Tenderloin Community Benefit Corporation is funded entirely by special assessments levied on properties within the district. The annual assessment rate for properties is equal to \$0.12500 per square foot of *lot size*, plus \$8.25 per *linear foot of lot frontage*, plus \$0.03 per square foot of non-exempted *building area*. The North of Market/Tenderloin Community Benefit Corporation executes its mandate to provide cleaning and beautification services with a committee-based structure made up of the following committees:

Organization and or Executive Committee oversees staff and contracts, corporate finances, insurance, grants, budget development, bylaws and policies, generation of Board agendas and meetings, etc.

Public Rights of Way and Sidewalk Operations Committee oversees cleaning services in the public right of way such as sidewalk sweeping, steam cleaning, tree planting and maintenance, and relations with the San Francisco Department of Public Works.

District Identity and Streetscape Improvement Committee oversees projects that promote the district and positive aspects of District Identity.

Community Advisory Board Committee oversees outreach, relations with community organizations and community partners, and assistance with resident needs. It also identifies and promotes positive land use in the district.

Development Committee oversees the development of fundraising strategies and supplemental support for the Organization and its activities.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of Presentation

The Organization presents 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. The three classes are differentiated by donor restrictions.

Unrestricted net assets – consist of resources which have not been specifically restricted by a donor. Unrestricted net assets may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

Temporarily restricted net assets – represent contributions whose use is limited by donor-imposed stipulations that expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. Temporarily restricted net assets also include accumulated appreciation of permanently restricted endowment funds that have not been appropriated by the Board in accordance with the California Uniform Prudent Management of Institutional Funds Act of 2008 (UPMIFA). There were no temporarily restricted net assets at June 30, 2012.

Permanently restricted net assets – represent contributions whose use is limited by donor-imposed stipulations that require the gift to be invested in perpetuity. The income from such invested assets, including realized and unrealized gains, is generally available to support the activities of the Organization. Donors may also restrict all or part of the income and/or appreciation from these investments to permanently restricted net assets, resulting in increases/decreases to these net assets. There were no permanently restricted net assets as of June 30, 2012.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Unrestricted contributions and grants are recorded as unrestricted revenue when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Organization considers all contributions to be fully collectible at June 30, 2012. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3) and the California Revenue and Taxation Code Section 23701(d). The Organization has evaluated its current tax positions as of June 30, 2012 and is not aware of any significant uncertain tax positions for which a reserve would be necessary.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. There were no contributed services that met the criteria for recognition for the year ended June 30, 2012.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Fair Value Measurements

Fair value is defined 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 Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the assets or liability. Unobservable inputs reflect the Organization's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Organization's own data.

The Organization had no assets or liabilities recorded at fair value on June 30, 2012.

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over \$1,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment or the related lease terms as follows:

Furniture and equipment	3 years
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NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable. Impairment is recognized if the sum of the undiscounted estimated future cash flows expected to result from the use of the asset is less than the carrying value. When an impairment loss is recognized, the asset's carrying value is reduced to its estimated fair value.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of October 30, 2012 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2012:

Furniture and equipment	\$ 3,584
Less accumulated depreciation	<u>(2,048)</u>
Total	<u>\$ 1,536</u>

NOTE 4: CONTINGENCIES

Community benefit district assessments are received under agreement with the City and County of San Francisco and assessments have been currently authorized through June 2020. The assessments and related revenue to the organization may be terminated at an earlier date if the community benefit district which funds the Organizations operations is disestablished by a vote of the assessed property owners or in certain other circumstances.

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 5: CONCENTRATIONS

Cash

The Organization maintains deposits in excess of federally insured limits. Statement of Financial Accounting Standards No. 105 identifies these items as concentration of credit risk requiring disclosure regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions.

Revenue

For the ended June 30, 2012, the Organization received 98% of its revenue from community benefit district assessments on property owners in the North of Market/Tenderloin Community Benefit District. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's program and activities.

**NORTH OF MARKET/TENDERLOIN
COMMUNITY BENEFIT
CORPORATION**

FINANCIAL STATEMENTS

June 30, 2013

(With Comparative Totals for the Year Ended June 30, 2012)

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

North of Market/Tenderloin Community Benefit Corporation

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CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

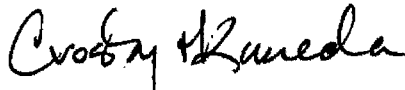
Board of Directors
North of Market/Tenderloin Community Benefit Corporation
San Francisco, California

We have reviewed the accompanying statements of financial position of North of Market/Tenderloin Community Benefit Corporation (a nonprofit organization) as of June 30, 2013, and the related statements of activities, cash flows, and functional expenses for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization 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.



Certified Public Accountants
Oakland, California
November 25, 2013

North of Market/Tenderloin Community Benefit Corporation

Statement of Financial Position

June 30, 2013

(With Comparative Totals for the Year Ended June 30, 2012)

	<u>2013</u>	<u>2012</u>
Assets		
Current Assets		
Cash	\$ 584,808	\$ 531,055
Assessments receivable	201,237	235,320
Accounts receivable	1,045	-
Prepaid expenses	2,750	-
Total Current Assets	<u>789,840</u>	<u>766,375</u>
Property and equipment, net	<u>-</u>	<u>1,536</u>
Total Assets	<u>\$ 789,840</u>	<u>\$ 767,911</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 93,238	\$ 32,006
Accrued vacation	1,188	1,441
Total Liabilities	<u>94,426</u>	<u>33,447</u>
Contingencies (Note 3)		
Net Assets		
Unrestricted	683,539	734,464
Temporarily restricted	11,875	-
Total Net Assets	<u>695,414</u>	<u>734,464</u>
Total Liabilities and Net Assets	<u>\$ 789,840</u>	<u>\$ 767,911</u>

See Independent Accountants' Review Report and
Notes to the Financial Statements

North of Market/Tenderloin Community Benefit Corporation

**Statement of Activities
For the Year Ended June 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)**

	Unrestricted	Temporarily Restricted	Total	
			2013	2012
Support and Revenue				
Government grants	\$	\$	\$	\$ 11,556
Donations	8,200		8,200	8,407
Foundation and corporate grants	14,265	25,000	39,265	-
Assessment revenue	988,538		988,538	982,255
Interest income	292		292	347
Net assets released from donor restrictions	13,125	(13,125)	-	-
Total Support and Revenue	1,024,420	11,875	1,036,295	1,002,565
Expenses				
Program	977,211		977,211	956,790
General and administrative	90,542		90,542	104,154
Fundraising	7,592		7,592	-
Total Expenses	1,075,345	-	1,075,345	1,060,944
Change in Net Assets	(50,925)	11,875	(39,050)	(58,379)
Net Assets, beginning of year	734,464	-	734,464	792,843
Net Assets, end of year	\$ 683,539	\$ 11,875	\$ 695,414	\$ 734,464

See Independent Accountants' Review Report and
Notes to the Financial Statements

North of Market/Tenderloin Community Benefit Corporation

Statement of Cash Flows
For the Year Ended June 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Change in net assets	\$ (39,050)	\$ (58,379)
Adjustments to reconcile change in net assets to cash (used) provided by operating activities:		
Depreciation	1,536	1,637
Change in assets and liabilities:		
Assessments receivable	34,083	29,019
Accounts receivable	(1,045)	-
Grants receivable	-	38,440
Prepaid expenses	(2,750)	-
Accounts payable and accrued expenses	61,232	(54,139)
Accrued vacation	(253)	1,441
Net cash provided (used) by operating activities	<u>53,753</u>	<u>(41,981)</u>
Cash flows from investing activities:		
Equipment purchases	-	(2,373)
Net cash used by investing activities	<u>-</u>	<u>(2,373)</u>
Net change in cash	<u>53,753</u>	<u>(44,354)</u>
Cash, beginning of year	<u>531,055</u>	<u>575,409</u>
Cash, end of year	<u>\$ 584,808</u>	<u>\$ 531,055</u>

See Independent Accountants' Review Report and
Notes to the Financial Statements

North of Market/Tenderloin Community Benefit Corporation

**Statement of Functional Expenses
For the Year Ended June 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)**

	Program			Total Program	General and Administrative	Fundraising	Total	
	PROW	DISI	General				2013	2012
Salaries	\$ 25,366	\$ 4,874	\$ 36,394	\$ 66,634	\$ 26,658	\$ 6,154	\$ 99,446	\$ 73,555
Pension contributions	289	44	394	727	2,265	61	3,053	2,526
Employee benefits	283	56	376	715	1,393	37	2,145	-
Payroll taxes	2,319	431	3,301	6,051	2,387	551	8,989	6,408
Total Personnel	<u>28,257</u>	<u>5,405</u>	<u>40,465</u>	<u>74,127</u>	<u>32,703</u>	<u>6,803</u>	<u>113,633</u>	<u>82,489</u>
Grants	66,273			66,273	-	-	66,273	93,358
Fees for service	790,517	691	12,801	804,009	11,593	239	815,841	782,934
Occupancy	1,656	253	2,260	4,169	8,568	351	13,088	21,630
Office expenses/supplies	1,221	20,178	3,484	24,883	13,756	70	38,709	12,564
Accounting fees				-	14,381	-	14,381	11,575
Advertising and promotion		824	614	1,438	47	-	1,485	8,210
Insurance	459	107	695	1,261	1,223	129	2,613	6,314
Bank fees, payroll services		519		519	229	-	748	2,314
Travel and meals		500		500	227	-	727	2,000
Conferences, conventions, meetings				-	6,024	-	6,024	6,749
Depreciation				-	1,536	-	1,536	1,637
Miscellaneous			32	32	255	-	287	126
Total Expenses	<u>\$ 888,383</u>	<u>\$ 28,477</u>	<u>\$ 60,351</u>	<u>\$ 977,211</u>	<u>\$ 90,542</u>	<u>\$ 7,592</u>	<u>\$ 1,075,345</u>	<u>\$ 1,031,900</u>

See Independent Accountants' Review Report and
Notes to the Financial Statements

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

NOTE 1: NATURE OF ACTIVITIES

The North of Market/Tenderloin Community Benefit Corporation (the Organization) is a California nonprofit public benefit corporation, which was established in 2005. The ultimate goal of the North of Market/Tenderloin Community Benefit Corporation is to provide systematic cleaning and beautification services to all of the parcels in the historic Tenderloin district. The North of Market/Tenderloin Community Benefit Corporation is funded entirely by special assessments levied on properties within the district. The annual assessment rate for properties is equal to \$0.12500 per square foot of *lot size*, plus \$8.25 per *linear foot of lot frontage*, plus \$0.03 per square foot of non-exempted *building area*. The North of Market/Tenderloin Community Benefit Corporation executes its mandate to provide cleaning and beautification services with a committee-based structure made up of the following committees:

Organization and or Executive Committee oversees staff and contracts, corporate finances, insurance, grants, budget development, bylaws and policies, generation of Board agendas and meetings, etc.

Public Rights of Way and Sidewalk Operations Committee oversees cleaning services in the public right of way such as sidewalk sweeping, steam cleaning, tree planting and maintenance, and relations with the San Francisco Department of Public Works.

District Identity and Streetscape Improvement Committee oversees projects that promote the district and positive aspects of District Identity.

Community Advisory Board Committee oversees outreach, relations with community organizations and community partners, and assistance with resident needs. It also identifies and promotes positive land use in the district.

Development Committee oversees the development of fundraising strategies and supplemental support for the Organization and its activities.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of Presentation

The Organization presents 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. The three classes are differentiated by donor restrictions.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

Unrestricted net assets – consist of resources which have not been specifically restricted by a donor. Unrestricted net assets may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties.

Temporarily restricted net assets – represent contributions whose use is limited by donor-imposed stipulations that expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Permanently restricted net assets – represent contributions whose use is limited by donor-imposed stipulations that require the gift to be invested in perpetuity. The income from such invested assets, including realized and unrealized gains, is generally available to support the activities of the Organization. Donors may also restrict all or part of the income and/or appreciation from these investments to permanently restricted net assets, resulting in increases/decreases to these net assets. There were no permanently restricted net assets as of June 30, 2013.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Unrestricted contributions and grants are recorded as unrestricted revenue when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Assessments receivable

Assessments receivable primarily consists of delinquent tax assessments owed by property owners. Since the taxpayers will be subject to City enforcement procedures, all assessments are considered to be fully collectible at June 30, 2013.

Although delinquent assessments are subject to penalties and fines, the Organization believes that these amounts will be offset by delays in collections. Accordingly, no receivable has been recognized for penalties and fines and the Organization has not calculated the present value of this receivable.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3) and the California Revenue and Taxation Code Section 23701(d). The Organization has evaluated its current tax positions as of June 30, 2013 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively after they are filed.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. There were no contributed services that met the criteria for recognition for the year ended June 30, 2013.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Fair Value Measurements

Fair value is defined 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 Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

Level 3 inputs are unobservable inputs for the assets or liability. Unobservable inputs reflect the Organization's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Organization's own data.

The Organization had no assets or liabilities recorded at fair value on June 30, 2013.

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs and maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment. The Organization had no property and equipment that met this capitalization policy at June 30, 2013.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2012, from which the summarized information was derived.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of November 25, 2013 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

NOTE 3: CONTINGENCIES

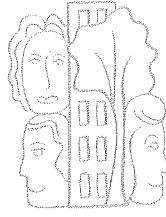
Community benefit district assessments are received under agreement with the City and County of San Francisco and assessments have been currently authorized through June 2020. The assessments and related revenue to the organization may be terminated at an earlier date if the community benefit district which funds the Organizations operations is disestablished by a vote of the assessed property owners or in certain other circumstances.

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

NOTE 4: CONCENTRATIONS

Revenue

For the ended June 30, 2013, the Organization received 95% of its revenue from community benefit district assessments on property owners in the North of Market/Tenderloin Community Benefit District. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's program and activities.



north of market
tenderloin
community
benefit district

Crezia Tano, Project Manager
Office of Economic and Workforce Development
1 Dr. Carlton B. Goodlett Place – City Hall, Room 448
San Francisco, CA 94102

RE: Benchmarks Reference for Fiscal Years 10/11- 12/13

Dear Ms. Tano:

Unfortunately, these details were not incorporated into our annual reports. We hope that the following information supplies you with the necessary details for these specific benchmarks.

Year	Benchmark	Amount	Funding Expenditure
2010/11	Carryover funds	\$222,018	2011/12 – 42% used for DISI projects, events and granting program; 22% used for PROW projects; 36% left for contingency reserve
2011/12	Carryover funds	\$160,000	2012/13 – 75% used for PROW projects/events; 10% for DISI projects; 15% for Administration/staff
2012/13	Carryover funds	(\$39,050) - deficit	Deficit; No carry forward due to previous years expenditures towards carry forwards and addition of new administration expense category (new staff)
2013/14	Carryover funds	(\$137,385) - deficit	Deficit

Additionally, according to our annual financial review, we missed a benchmark for 2011/12, the 5% of actual revenue to be derived from sources beyond assessments. The CBD fell short by 3% as they were in a transitional period with a new and sole staff member, the Exec. Director who was diligently working to acquire funds outside of assessment revenues, but missed the mark for this year. As well, the CBD has recorded in its financial reports for 2012/13 that the 5% requirement fell short by .4%. However, for this fiscal year the CBD was at hard work fundraising. A grant application was submitted in late 2012 whereby the organization received an award letter from the Mayor's Office of Housing and Community Development Programs for a 'Community Development Block' grant for \$80,000 in early June 2013. The approved awarded funds for this grant were not received for the years in review.

Please let us know if we can supply further information regarding benchmarks for these years.

Sincerely,

Susie McKinnon
Interim Executive Director

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

BOARD OF SUPERVISORS
CITY OF SAN FRANCISCO
RECEIVED
12/12/20
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):

Supervisor Jane Kim

Subject:

[North of Market/Tenderloin Community Benefit District - Annual Reports to the City - FYs 2010-2013]

The text is listed below or attached:

Resolution receiving and approving annual reports for the North of Market/Tenderloin Community Benefit District for FYs 2010-2013, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 336650, and the District's management agreement with the City, Section 3.4.

Signature of Sponsoring Supervisor: 

For Clerk's Use Only: