

File No. 151284

Committee Item No. 1

Board Item No. 20

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date January 21, 2016

Board of Supervisors Meeting

Date FEBRUARY 2, 2016

Cmte Board

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| <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 checked="" type="checkbox"/> | Introduction Form |
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| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
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OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Office of Economic and Workforce Development Memo - 12/04/15</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Annual Report 2011-2012</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Annual Report 2012-2013</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Annual Report 2012-2013 and Services Plan</u> |
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Completed by: Erica Major Date January 15, 2016

Completed by: *JM* Date 1/20/2016

1 [Ocean Avenue Community Benefit District - Annual Reports to the City - FYs 2011-2014]

2
3 **Resolution receiving and approving annual reports for the Ocean Avenue Community**
4 **Benefit District for FYs 2011-2014, submitted as required by the Property and Business**
5 **Improvement District Law of 1994 (California Streets and Highways Code, Sections**
6 **36600, et seq.), Section 36650, and the District’s management agreement with the City,**
7 **Section 3.4.**

8
9 WHEREAS, On September 28, 2010, pursuant to the Property and Business
10 Improvement District Law of 1994 (the “Act”), California Streets and Highways Code, Sections
11 36600 *et seq.*, as augmented by Business and Tax Regulations Code, Article 15, the Board of
12 Supervisors adopted Resolution No. 437-10, expressing the City’s intention to establish the
13 Ocean Avenue Community Benefit District (the “Ocean Avenue CBD”); and

14 WHEREAS, On December 14, 2010, the Board of Supervisors adopted Resolution
15 No. 587-10 establishing the Ocean Avenue CBD (“Resolution to Establish”) for a period of 15
16 years, commencing FY2010-2011; and

17 WHEREAS, On May 24, 2011, the Board of Supervisors adopted Resolution
18 No. 221-11, authorizing an agreement with the owners' association for the administration and
19 management of the Ocean Avenue CBD, and a management agreement (the “Management
20 Contract”) with the owners' association, the Ocean Avenue Association, was executed
21 accordingly; and

22 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
23 of Supervisors in File No. 110438; and

24 WHEREAS, The Ocean Avenue CBD has submitted for the Board’s receipt and
25 approval the Ocean Avenue annual reports for FYs 2011-2012, 2012-2013 and 2013-2014

1 (collectively, "Annual Reports") as required by Section 36650 of the Act and Section 3.4 of the
2 Management Contract; and

3 WHEREAS, The Annual Reports are on file with the Clerk of the Board of Supervisors
4 in File No. 151284, and are incorporated herein by reference as though fully set forth; and

5 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
6 memorandum report from the City's Office of Economic and Workforce Development, dated
7 December 4, 2015, and documentation from the Ocean Avenue CBD for the Annual Reports
8 are on file with the Clerk of the Board of Supervisors in File No. 151284; now, therefore, be it

9 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
10 reports for the Ocean Avenue Community Benefit District for FYs 2011-2012, 2012-2013, and
11 2013-2014.



Ocean Avenue Community Benefit District

 **SAN
FRANCISCO**
Office of Economic and Workforce Development

1/28/19
SUBMITTED AND PREPARED
ORANGE AND ORANGE

Legislative Overview

**Community Benefit Districts (CBDs) /
Business Improvement Districts (BIDs) are
governed by:**

- **State law**
 - “1994 Act”
- **Local law**
 - “Article 15”

Review Process

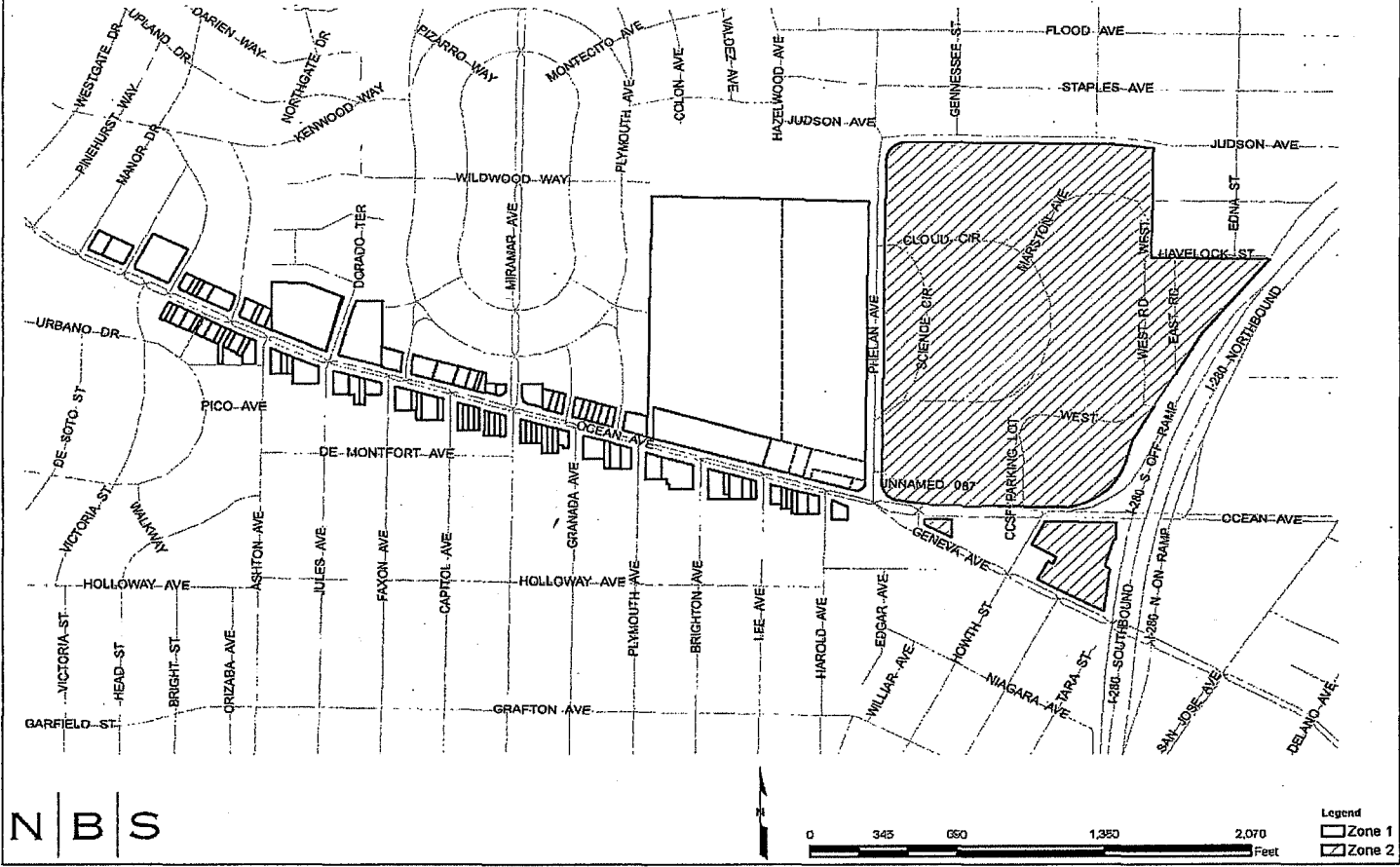
**This resolution covers Annual Reports for
FY 2011-2012, 2012-2013, and 2013-2014**

- OEWD ensures that all CBDs/BIDs are meeting their management plans.
- OEWD staff conducts an annual review of Annual Reports and CPA Financial Reviews.
- OEWD provides the Board of Supervisors with a summary memo.

Parcel Map

Page 1 of 7
Map Detail Showing Block and Lot Numbers

BOUNDARY MAP CITY AND COUNTY OF SAN FRANCISCO OCEAN AVENUE COMMUNITY BENEFITS DISTRICT



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Ocean Avenue CBD Formation

Ocean Avenue CBD	Type	Assessment Budget*	Year Established	Expires
	Property-Based	\$ 239,578	2010	June 30, 2025

1152

**initial budget identified in management plan , subject to annual cost of living adjustments*

Ocean Avenue CBD Operations

- **Staff**

- Executive Director – Daniel Weaver

- **Service Areas**

- **Cleaning, Maintenance, and Safety**

- Includes sidewalk cleaning and pressure washing, graffiti removal, trash removal, reporting and monitoring of illegal dumping, removing weeds from tree wells and painting city poles.

- **Marketing, Streetscape Improvements, and Beautification**

- Includes promoting the district, sponsoring special events, and developing marketing activities.

- **Management and Operations**

- Includes oversight of service contract, implementation of major projects, staffing the Board of Directors and committees, and general day to day operations.

BENCHMARKS

OEWD reviewed the following budget-related benchmarks for the Ocean Avenue CBD:

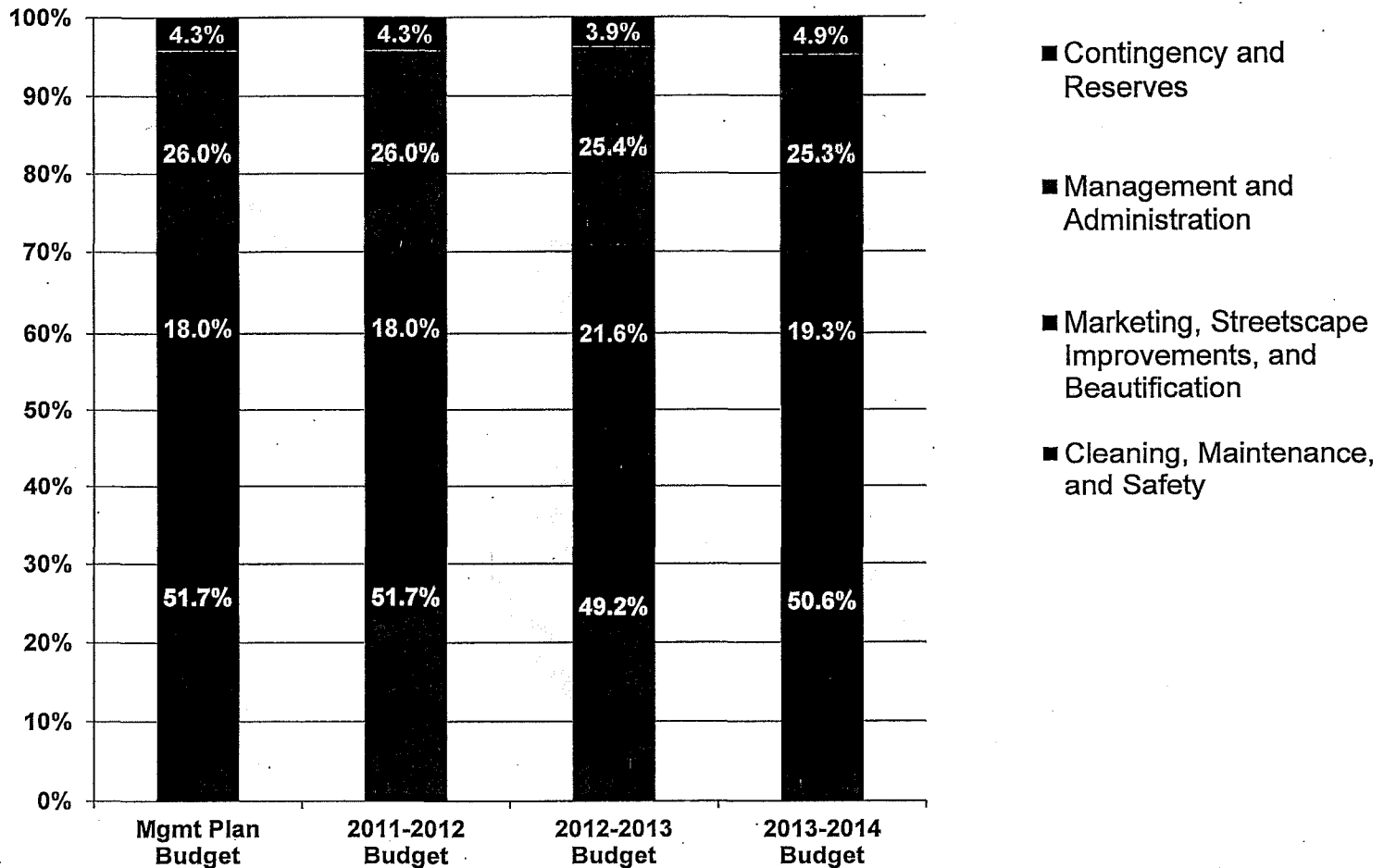
Benchmark 1 – Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan.

Benchmark 2 – Whether one percent (1%) of the Ocean Avenue CBD's actuals (i.e., income) came from sources other than assessment revenue.

Benchmark 3 – Whether the variance between the budget amounts for each service category was within 10 percentage points of the actuals.

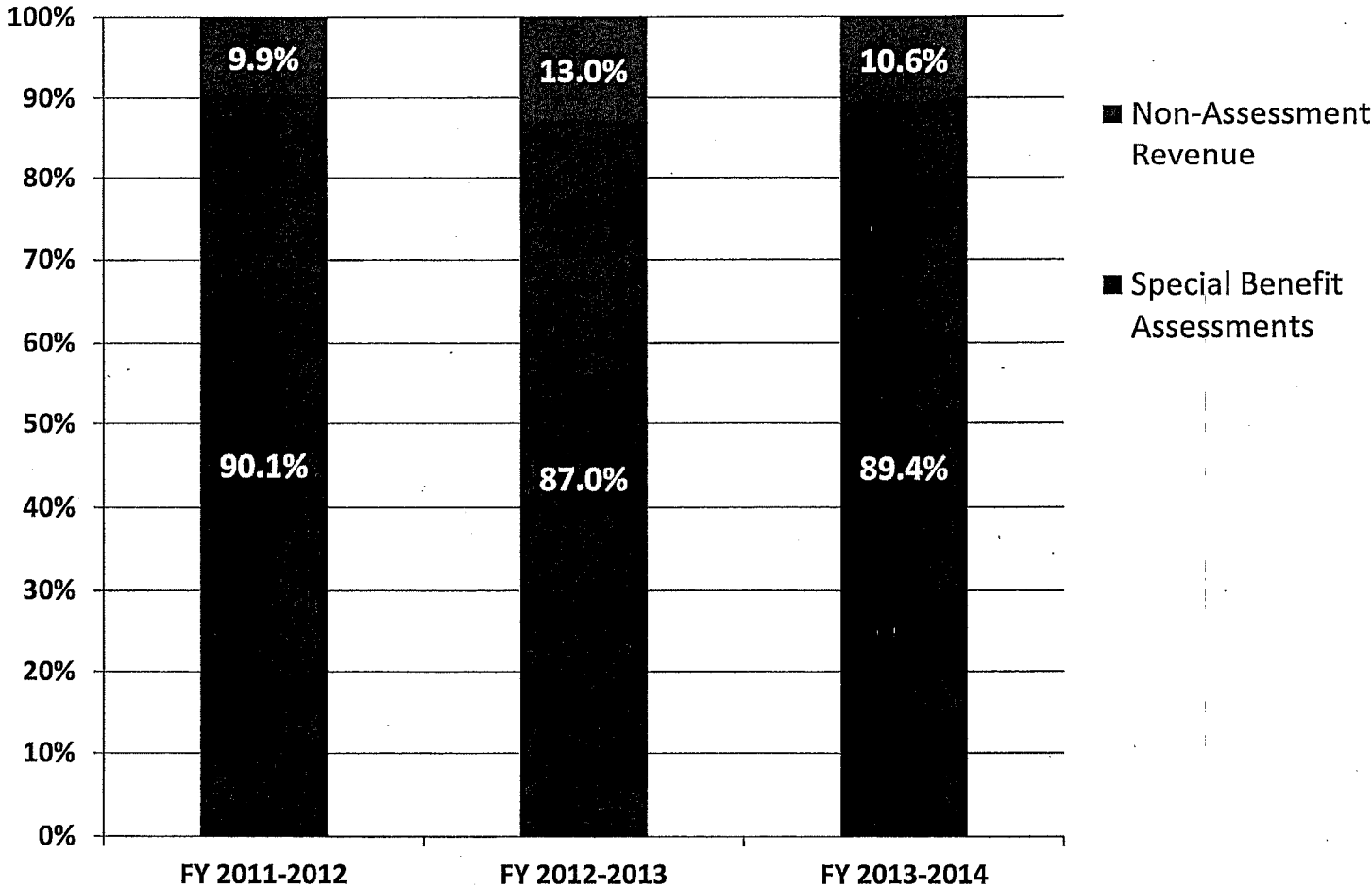
Benchmark 4 – Whether the Ocean Avenue CBD is indicating the amount of any surplus or deficit revenues to be carried forward into the next fiscal year and designating the projects to be funded by any surplus revenues.

1: Management Plan vs. Annual Budgets



1155

2: Assessment Revenue & Other Income



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3: Budget vs Actuals

Service Category	FY 2011-2012 Variance Percentage Points	FY 2012-2013 Variance Percentage Points	FY 2013-2014 Variance Percentage Points
Cleaning, Maintenance, and Safety	-4.5%	-2.7%	+3.7%
Marketing, Streetscape Improvements, and Beautification	-1.4%	-4.7%	-11.7%
Management and Operations	+10.2%	+11.1%	+12.8%

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4: Carryover

Designated Projects	FY 2011-12 Carryover Disbursement	FY 2012-13 Carryover Disbursement	FY 2013-14 Carryover Disbursement	Allocation Percentage
Cleaning, Maintenance and Safety	\$70,561	\$114,149	\$107,800	52%
Marketing, Streetscape Improvements and Beautification	\$24,425	\$39,513	\$37,316	18%
Management and Operations	\$35,281	\$57,075	\$53,900	26%
Contingency and Reserves	\$5,428	\$8,781	\$8,292	4%
Total Designated Amount	\$135,695	\$219,518	\$207,308	100%

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Recommendations for the Ocean Avenue CBD

In completing the review of the Ocean Avenue CBD's annual reports and financials, OEWD sets forth the following recommendations:

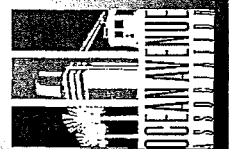
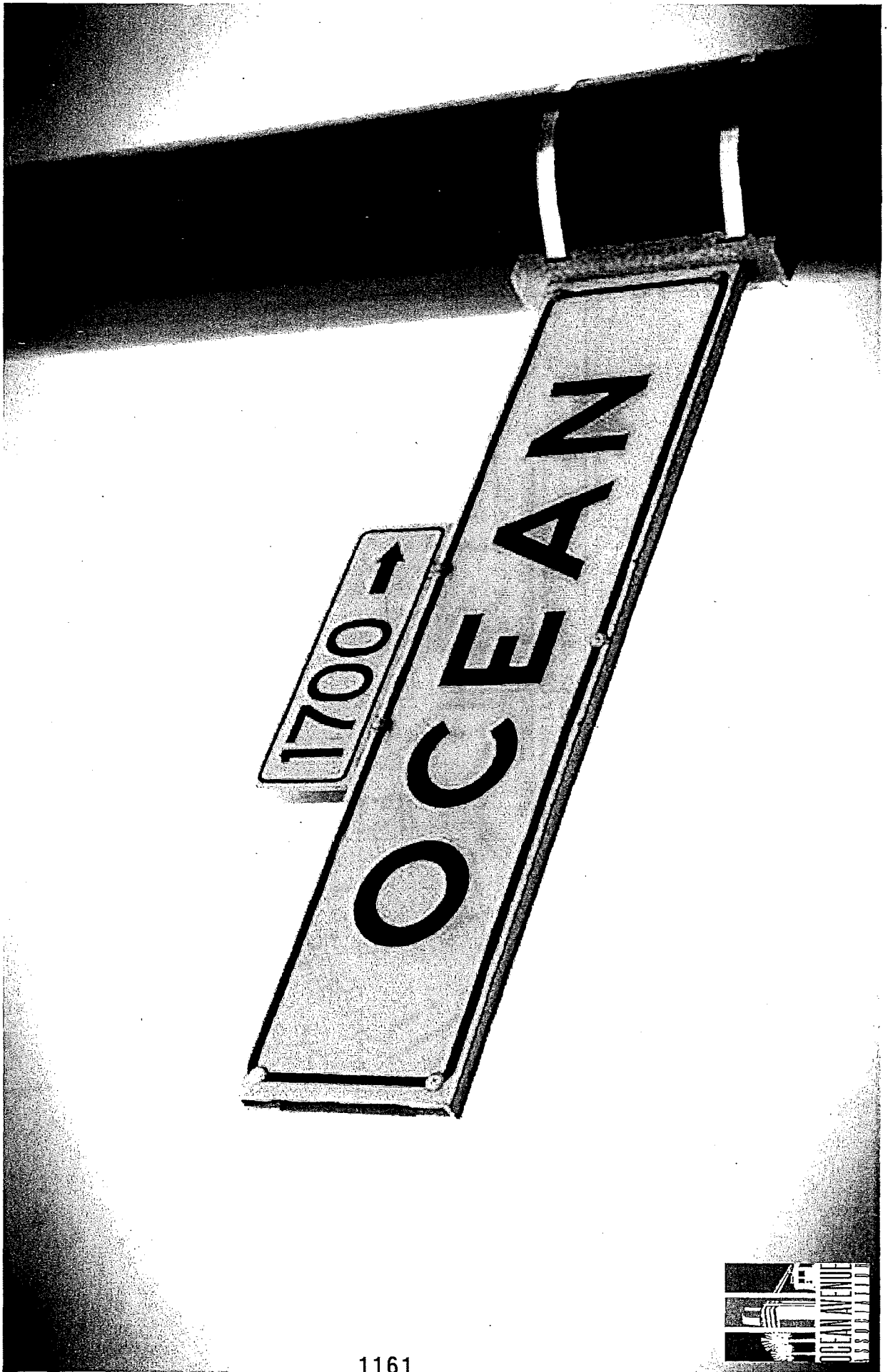
- The Ocean Avenue CBD should specify in their annual report how surplus carryover funds, if any, would be allocated the following year.
- Fund raising through promotions or other creative means would ensure the CBD continues to meet their non-assessment revenue goal independent of government grants.
- Educate property owners about the vision for the district.

Conclusion

The Ocean Avenue CBD has performed well in implementing the service plan in the district:

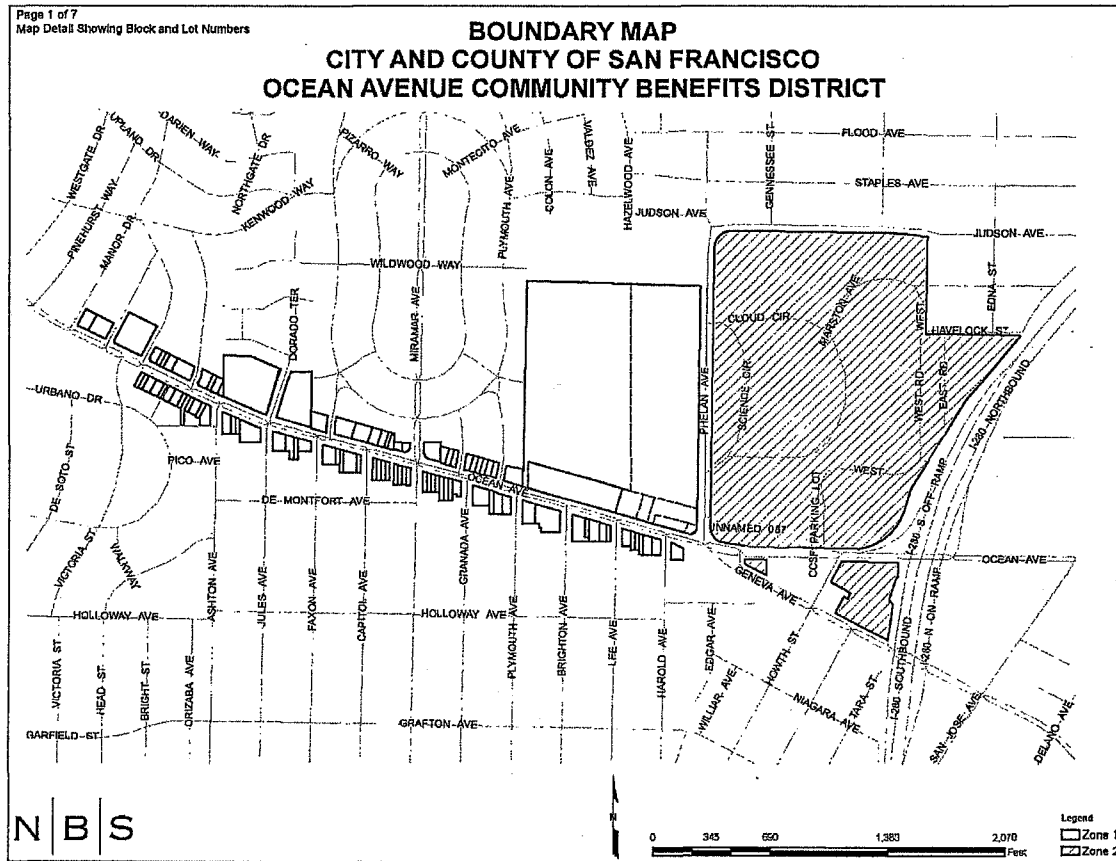
- **Sponsored and helped implement events and programs on Ocean Avenue.**
- **Partnered with the community stakeholders and municipal agencies for small business technical assistance, attraction, and façade improvement along the commercial corridor.**
- **Maintained an active board of directors and several committees.**

Ocean Avenue Association



Area Map of the CBD

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Active Committees

- Street Life Committee: Focuses on the activation of the CBD retail district through public art, entertainment and design. Chaired by Alexander Mullaney.
- Business Committee: Concerned with business growth and retention. Chaired by Janene Summerland.

Partner Organizations

- San Francisco Beautiful
- Friends of the Urban Forest
- OMI Cultural Participation Project
- OMI Neighbors in Action
- Westwood Park Association
- Ingleside Terraces Homes Association

Partner Organizations (Government)

- Office of Economic and Workforce Development
- San Francisco Public Works
- Department of City Planning
- Bay Area Rapid Transit District

Grants (2011-2014)

- In 2011, the CBD was established. Each year (since 2011) we receive Community Development Block Grant funding for our \$30,000 small business assistance staff budget.
- In January of 2014, we received \$60,000 in Community Challenge Grant funding for the beautification and activation of the city-owned triangles of land at Ocean and Geneva avenues.
- In FY 2013-14, OAA received a \$100,000 SF Shines allocation for facade improvements to small businesses.

Events + Highlights- Cleaning, Maintenance and Safety

- Cleanscapes provides daily street maintenance service including sidewalk and gutter trash pickup, pressure-washing and graffiti removal where needed
- Arborist Now maintains trees on and near Ocean Avenue, including 65+ Washingtonia Palms
- OAA has set up a SAFE directory for corridor merchants

Events + Highlights- Beautification

- OAA works with FUF, DPW and others to plant sidewalk gardens along the corridor and on adjacent side streets. To date OAA has planted 20 trees and about 10 sidewalk gardens on side streets near Ocean. A second round of landscaping is upcoming.
- OAA's projects encompass neighborhood volunteers.
- Corridor Design Process with the Planning Department includes planning Ocean Avenue transportation and landscape improvements from Phelan-Geneva to San Jose Avenue.

Planting day on Ocean Avenue

November 16, 2013



Events + Highlights- Marketing

- OAA established its visual brand with the creation of a logo, website and streetlight banners.
- OAA contributed the majority of the budget for the annual Ocean Avenue Festival since 2012.
- In this period, a more robust marketing program began its planning stages through discussion at the Street Life Committee and the full board.

Challenges

- Expanding volunteer base and retaining volunteer interest
- Dealing with vacancies to provide desired businesses as opposed to saturation of business types
- Development pressure on existing small business and mid-century small retail buildings
- Under-investment in upkeep and maintenance of existing retail buildings

Opportunities

- There is continued interest in a cleaner and greener corridor with more trees, sidewalk gardens, art and attractive pedestrian scale open spaces.
- Now that we have a grocery store, bank and hardware store, there is interest in managing the mix of businesses to better serve the needs of residents. This is an opportunity for the CBD.

Projects + Visions

- Establish a Farmers Market at Unity Plaza.
- Rezone two blocks of Ocean Avenue to extend retail services between the Balboa Park BART station's Ocean Avenue entrance and the Geneva-Ocean-Phelan intersection.
- Work with SF Public Works and Planning to implement landscaping improvements and a corridor development plan.
- Develop and promote projects in the OAA's Fifteen Year Plan for the CBD corridor.

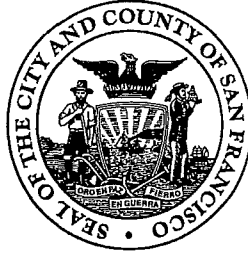
Thank You



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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: Todd Rufo, Director, Office of Economic and Workforce Development
Ben Rosenfield, City Controller, Office of the Controller

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

DATE: January 6, 2016

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Yee on December 15, 2015:

File No. 151284

Resolution receiving and approving annual reports for the Ocean Avenue Community Benefit District for FYs 2011-2014, 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 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 or by email at: erica.major@sfgov.org.

c: Ken Rich, Office of Economic and Workforce Development
Lisa Pagan, Office of Economic and Workforce Development
Todd Rydstrom, Controller's Office

Major, Erica (BOS)


From: Major, Erica (BOS)
Sent: Wednesday, January 06, 2016 2:30 PM
To: Rufo, Todd (ECN); Rosenfield, Ben (CON)
Cc: Rich, Ken (ECN); Pagan, Lisa (ECN); Rydstrom, Todd (CON)
Subject: REFERRAL FYI (151284) Ocean Avenue Community Benefit District - Annual Reports to the City - FYs 2011-2014
Attachments: 151284 - 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
Erica.Major@sfgov.org | www.sfbos.org

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The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors website or in other public documents that members of the public may inspect or copy.

MEMO

To: Supervisor Norman Yee, District 7
CC: San Francisco Board of Supervisors
From: Richard Kurylo, OEWD Project Manager 
RE: Ocean Avenue Community Benefit District
Date: December 4, 2015

This is a memo summarizing the accomplishments of the Ocean Avenue Community Benefit District ("Ocean Avenue CBD" or "CBD") and an analysis of its financial statements (based on their audit) for the period between July 1, 2011, and June 30, 2014.

Each year, the CBD is required to submit a mid-year report, an annual report and a CPA financial review or audit. Ocean Avenue 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 Ocean Avenue CBD management contract with the City; and their Management Plan approved by the Board of Supervisors in 2010.

Also attached to this memo are the following documents:

1. Annual Reports
 - a. FY 2011-2012
 - b. FY 2012-2013
 - c. FY 2013-2014
2. CPA Financial Review Reports
 - a. FY 2010-2012 (two-year financial report)
 - b. FY 2012-2013
 - c. FY 2013-2014
3. Draft resolution from the Office of Economic and Workforce Development



Background

The Ocean Avenue CBD includes both privately- and publicly-owned properties. The district covers 8 blocks and includes approximately 211 parcels.

- December 14, 2010: the Board of Supervisors approved the resolution that established the Ocean Avenue Community Benefit District for 15 years (Resolution # 587-10).
- May 24, 2011: the Board of Supervisors approved the contract for the administration and management of the Ocean Avenue Community Benefit District (Resolution #221-11).

Basic Information about the Ocean Avenue Community Benefit District:

Year Established	December 2010
Assessment Collection Period	FY 2010-2011 to FY 2024-2025 (July 1, 2010 to June 30, 2025)
Services Start and End Date	July 1, 2011 – December 31, 2025
Initial Estimated Annual Budget	\$239,578
Fiscal Year	July 1 – June 30
Executive Director	Daniel Weaver
Name of Nonprofit Owners' Entity	Ocean Avenue Association ("OAA")

The current CBD website www.oceanavenueassociation.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

Cleaning, Maintenance, and Safety

The Ocean Avenue Management Plan calls for approximately 52% of the budget to be spent on Cleaning, Safety, and Maintenance. OAA contracts with CleanScapes to provide cleaning and maintenance. Two workers are employed who clean and maintain the public realm six days a week. These services include sweeping and steam cleaning sidewalks and Muni boarding islands; removing graffiti within 24 hours; topping off city trash cans; spot pressure washing; reporting and monitoring of illegal dumping of small and large items in the public right-of-way; wiping down furniture; removing weeds from tree wells; removing posted notices on city poles and other street furniture; and painting city poles.

Marketing, Streetscape Improvements, and Beautification

Approximately 18% of the annual budget is allocated for public space development and streetscape improvements. This program area includes but is not limited to promoting the district through a website that includes information about their purpose and accomplishments, sponsoring special events such as holiday events and monthly concerts, and developing marketing activities that support efforts to recruit and retain businesses.

Management & Operations

The Ocean Avenue CBD is staffed by a part-time Executive Director who (1) performs the day-to-day management of the organization, (2) serves at the focal point person for the district, (3) advocates for city funds and services and (4) ensures that the organization is in compliance with their Management Plan and City contract. The CBD Management Plan calls for approximately 26% of the budget to be spent on management and operations.

The Ocean Avenue CBD board has eleven (11) members represented by residents, property owners, community organizations, non-profit arts organizations, government and educational institutions and businesses. The Board shall include no less than five and no more than eleven members, and be composed of at least 50% of property owners, or property owners' designated representatives, who are paying the CBD assessment. In addition to the property owners, at least 20 percent of the Board shall be representatives of non-property-owning businesses within the CBD boundaries. The Board also includes representatives from neighborhood organizations. This structure complies with Article 15 of the San Francisco Business and Tax Regulations Code. The full board meets monthly. The committees are detailed below:

- **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; and newsletters.
- **Street Life Committee** – composed of corridor business representatives.
- **Business Committee** – composed of corridor business representatives.
- **Public Safety Committee** – works with San Francisco Safe to address safety issues impacting businesses within the district and continued the formation work for an Ocean Avenue Business Watch.

Summary of Accomplishments, Challenges, and Delivery of Services

FY 2011-2012

Cleaning, Maintenance, and Safety

- Began working with San Francisco Safe to address safety issues impacting businesses within the district
- Formed Business Watch.
- Formed the Public Safety Committee.

Marketing, Streetscape Improvements, and Beautification

- Partnered with the OMI Community Collaborative and the Ocean View Library on a community wide banner initiative to brand the neighborhood and district as a whole.
- Hired a consulting firm, lowercase productions, to develop a logo, branding campaign, website and online newsletter.
- Partnered with OEWD to attract Champa Garden to Ocean Avenue.
- Provided additional small business resources to existing businesses, many of whom are planning to make significant changes to business model.
- Assisted in completing two façade improvement projects.

Management & Operations

- Applied for the Office of Economic and Workforce Development (OEWD) Community Development Block Grant. Awarded \$30,000 for business technical assistance, attraction and retention.
- Raised a total of \$34,200 outside dollars, in-kind services and volunteer services. Included but not limited to:
 - \$30,000 from OEWD for general operating support and small business assistance.
 - \$3,000 from general fundraising events.
 - \$1,000 from Fiscal Sponsorship for Movies in McCoppin Park.
 - In-kind donations from Lick-Wilmerding High School for office space, electricity, and internet.
 - Six hours of volunteer service provided by 20 volunteers.

FY 2012-2013

Cleaning, Maintenance, and Safety

- OAA worked with the Ingleside police district to deal with the district's pedestrian bridge public safety issues and with the Taraval police district to deal with a spate of glass window and door breakages in the retail area of the district.

Marketing, Streetscape Improvements, and Beautification

- Partnered with Friends of the Urban Forest to plant 26 trees on or near Ocean Avenue.
- Applied for a city grant with Friends of the Urban Forest and won \$10,000 for sidewalk gardens along the corridor. Installation is scheduled for October.
- Applied for an OEWD Community Development Block Grant for FY 2013-2014. Awarded \$30,000 for business technical assistance, focusing on small business façade improvements.
- Won an SF Shines grant award of \$100,000 to provide up to 10 small businesses on the corridor with façade improvements. OAA staff time will be covered by the Block Grant.

Management & Operations

- Developed an outline to prepare a Fifteen Year Plan for Improvements of the Ocean Avenue corridor and sought support for this community planning effort through the Streets Repaving Bond Issue allocation for Ocean Avenue.
- Raised a total of \$140,000 outside dollars, in-kind services and volunteer services including, but not limited to, the following:
 - \$15,000 to assist 8 small businesses impacted by the August 2012 Ocean Avenue fire.
 - In-kind donations from Lick-Wilmerding High School for office space, electricity and internet.
 - Volunteer services provided by 50 volunteers at the Friends of the Urban Forest March tree planting.

FY 2013-2014

Cleaning, Maintenance, and Safety

- OAA continued working with San Francisco SAFE to address public safety issues impacting businesses within the district and continued to develop and maintain the contact information for the Ocean Avenue Business Watch.
- Received a grant of \$15,000 for a graffiti abatement program in partnership with RapidRenu to repair and prevent etched or scratched graffiti on glass.

District Identity and Streetscape Improvements

- Hosted three streetscape corridor community planning workshops and one walking survey of the Ocean Avenue commercial corridor for the corridor planning program.
- Partnered with Youth Art Exchange to develop a mobile parklet for Ocean Avenue, designed and built by high school students.
- Worked with San Francisco State University students to develop a historic preservation plan evaluating the historic value of all commercial buildings in the CBD.
- Installed 1,200 square feet of sidewalk gardens in the corridor with Friends of the Urban Forest in October using a \$10,000 grant from the City's Invest in Neighborhoods program.

Management & Operations

- OAA received a \$100,000 SF Shines allocation for façade improvements to Ocean Avenue small businesses in FY 2013-14, and a \$30,000 CDBG allocation to cover part of the salary of the Executive Director. Working with Friends of the Urban Forest, OAA received a \$10,000 grant to create 1,200 square feet of sidewalk gardens in the CBD corridor.
- Raised a total of \$155,000 outside dollars, in-kind services and volunteer services including, but not limited to, the following:
 - In-kind donations from Lick-Wilmerding High School for office space, electricity and internet.
 - Grants and services for façade improvements.
 - Six hours of volunteer service provided by 20 volunteers.

Ocean Avenue CBD Annual Budget Analysis

OEWD's staff reviewed the following budget related benchmarks for the Ocean Avenue 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 "Ocean Avenue Community Benefit District", Section 3.9 – Budget*)
- **BENCHMARK 2:** Whether one percent (1%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the "Ocean Avenue 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 "Ocean Avenue Community Benefit District", Section 3.9 – Budget*).

- **BENCHMARK 4:** Whether the Ocean Avenue CBD is indicating the amount of any surplus or deficit revenues to be carried forward into the next fiscal year and designating the projects to be funded by any surplus revenues (*CA Streets & Highways Code, Section 36650(B)(5)*).

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: *The Ocean Avenue CBD met this requirement. See table below.*

Service Category	Management Plan Budget	% of Budget	FY 2011-2012 Budget	% of Budget	Variance Percentage Points
Cleaning, Maintenance, and Safety	\$125,000	51.7%	\$125,000	51.7%	0.0
Marketing, Streetscape Improvements, and Beautification	\$43,658	18.0%	\$43,658	18.0%	0.0
Management and Operations	\$63,000	26.0%	\$63,000	26.0%	0.0
Contingency and Reserves	\$10,340	4.3%	\$10,340	4.3%	0.0
TOTAL	\$241,998	100%	\$241,998	100%	

BENCHMARK 2: Whether one percent (1%) of actuals came from sources other than assessment revenue

ANALYSIS: *The Ocean Avenue CBD met this requirement. Assessment revenue was \$479,156 or 90.1% of actuals and non-assessment revenue was \$52,628 or 9.9% of actuals. See table below.*

Revenue Sources	FY 2010-2012 Actuals*	% of Actuals
Special Benefit Assessments	\$325,536**	
Total assessment revenue	\$325,536	86.0%
Contributions	\$15,000	
Government Grants	\$37,628	
Miscellaneous Income	\$200	
Total non-assessment revenue	\$52,828	14.0%
Total	\$378,364	100%

*Financial statements are for a two-year period from July 1, 2010, through June 30, 2012. Assessment collection began in fiscal year July 1, 2010, through June 30, 2011. The Ocean Avenue Association was formed in December 2010 and did not commence active operations until July 1, 2011.

**Anticipated assessments for FY 2010-12 were \$479,156 as reported in the financial statements. Actual assessments received for FY 2010-12 were \$325,536 as indicated in the table above. A general journal entry adjusted accounts receivable by the difference of \$153,620.

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

ANALYSIS: *The Ocean Avenue CBD did not meet this requirement. The Ocean Avenue CBD exceeded their allowable variance percentage points for Management and Operations. This variance is explained by a CDBG grant which was allocated towards Management and Operations. See table below.*

Service Category	FY 2011-2012 Budget	% of Budget	FY 2011-2012 Actuals	% of Actuals	Variance Percentage Points
Cleaning, Maintenance, and Safety	\$125,000	51.7%	\$102,674	47.2%	-4.5
Marketing, Streetscape Improvements, and Beautification	\$43,658	18.0%	\$36,153	16.6%	-1.4
Management and Operations	\$63,000	26.0%	\$78,822	36.2%	+10.2
Contingency Reserve	\$10,340	4.3%	-	-	
TOTAL	\$241,998	100%	\$217,649	100%	

BENCHMARK 4: Whether the Ocean Avenue CBD is indicating the amount of any surplus or deficit revenues to be carried forward into the next fiscal year and designating the projects to be funded by any surplus revenues

ANALYSIS: *The Ocean Avenue CBD did not meet this requirement. The Ocean Avenue CBD did indicate carryforward funds but did not allocate these funds in their Annual Report. OEWD requested that the Ocean Avenue Association provide a letter stating the carryover disbursement along with the designated projects. See attached memorandum dated November 6, 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. See table below.*

FY 2011-12 Carryover Disbursement	\$135,695
Designated Projects for 2012-13	
Cleaning, Maintenance and Safety	\$70,561
Marketing, Streetscape Improvements and Beautification	\$24,425
Management and Operations	\$35,281
Contingency and Reserves	\$5,428
Total Designated Amount for 2012-13	\$135,695

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: *The Ocean Avenue CBD met this requirement. See table below.*

Service Category	Management Plan Budget	% of Budget	FY 2012-2013 Budget	% of Budget	Variance Percentage Points
Cleaning, Maintenance, and Safety	\$125,000	51.7%	\$132,000	49.2%	-2.5
Marketing, Streetscape Improvements, and Beautification	\$43,658	18.0%	\$58,004	21.6%	+3.6
Management and Operations	\$63,000	26.0%	\$68,100	25.4%	-0.6
Contingency and Reserves	\$10,340	4.3%	\$10,340	3.9%	-0.4
TOTAL	\$241,998	100%	\$268,444	100%	

BENCHMARK 2: Whether one percent (1%) of actuals came from sources other than assessment revenue

ANALYSIS: *The Ocean Avenue CBD met this requirement. Assessment revenue was \$236,153 or 87.0% of actuals and non-assessment revenue was \$35,367 or 13.0% of actuals. See table below.*

Revenue Sources	FY 2012-2013 Actuals	% of Actuals
Special Benefit Assessments	\$236,153	
Total assessment revenue	\$236,153	87.0%
Contributions	\$12,200	
Government Grants	\$22,149	
Miscellaneous Income	\$1,018	
Total non-assessment revenue	\$35,367	13.0%
TOTAL	\$271,520	100%

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

ANALYSIS: *The Ocean Avenue CBD did not meet this requirement. The Ocean Avenue CBD exceeded their allowable variance percentage points for Management and Operations. This variance is explained by a CDBG grant which was allocated towards Management and Operations. See table below.*

Service Category	FY 2012-2013 Budget	% of Budget	FY 2012-2013 Actuals	% of Actuals	Variance Percentage Points
Cleaning, Maintenance and Safety	\$132,000	49.2%	\$133,824	46.5%	-2.7
Marketing, Streetscape Improvements and Beautification	\$58,004	21.6%	\$48,649	16.9%	-4.7
Management and Operations	\$68,100	25.4%	\$105,066	36.5%	+11.1
Contingency Reserve	\$10,340	3.9%	-	-	
TOTAL	\$268,444	100%	\$287,539	100.0%	

BENCHMARK 4: Whether the Ocean Avenue CBD is indicating the amount of any surplus or deficit revenues to be carried forward into the next fiscal year and designating the projects to be funded by any surplus revenues

ANALYSIS: *The Ocean Avenue CBD did not meet this requirement. The Ocean Avenue CBD did indicate carryforward funds but did not allocate these funds in their Annual Report. OEWD requested that the Ocean Avenue Association provide a letter stating the carryover disbursement along with the designated projects. See attached memorandum dated November 6, 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. See table below.*

FY 2012-13 Carryover Disbursement	\$219,518
Designated Projects for 2013-14	
Cleaning, Maintenance and Safety	\$114,149
Marketing, Streetscape Improvements and Beautification	\$39,513
Management and Operations	\$57,075
Contingency and Reserves	\$8,781
Total Designated Amount for 2013-14	\$219,518

FY 2013-2014

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: *The Ocean Avenue CBD met this requirement. See table below.*

Service Category	Management Plan Budget	% of Budget	FY 2013-2014 Budget	% of Budget	Variance Percentage Points
Cleaning, Maintenance, and Safety	\$125,000	51.7%	\$146,000	50.6%	-1.1
Marketing, Streetscape Improvements, and Beautification	\$43,658	18.0%	\$55,570	19.3%	+1.3
Management and Operations	\$63,000	26.0%	\$72,870	25.3%	-0.7
Contingency and Reserves	\$10,340	4.3%	\$14,000	4.9%	+0.6
TOTAL	\$241,998	100%	\$288,440	100%	

BENCHMARK 2: Whether one percent (1%) of actuals came from sources other than assessment revenue

ANALYSIS: *The Ocean Avenue CBD met this requirement. Assessment revenue was \$257,891 or 89.4% of actuals and non-assessment revenue was \$30,516 or 10.6% of actuals. See table below.*

Revenue Sources	FY 2013-2014 Actuals	% of Actuals
Special Benefit Assessments	\$257,891	
Total assessment revenue	\$257,891	89.4%
Contributions	-	
Government Grants	\$30,000	
Miscellaneous Income	\$516	
Total non-assessment revenue	\$30,516	10.6%
TOTAL	\$288,407	100%

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

ANALYSIS: *The Ocean Avenue CBD did not meet this requirement. The Ocean Avenue CBD exceeded their allowable variance percentage points for Management and Operations. This variance is explained by a CDBG grant which was allocated towards Management and Operations. See table below.*

Service Category	FY 2013-2014 Budget	% of Budget	FY 2013-2014 Actuals	% of Actuals	Variance Percentage Points
Cleaning, Maintenance and Safety	\$146,000	50.6%	\$143,194	54.3%	+3.7
Marketing, Streetscape Improvements and Beautification	\$55,570	19.3%	\$19,934	7.6%	-11.7
Management and Operations	\$72,870	25.3%	\$100,576	38.1%	+12.8
Contingency Reserve	\$14,000	4.9%	-	-	
TOTAL	\$288,440	100%	\$263,704	100%	

BENCHMARK 4: Whether the Ocean Avenue CBD is indicating the amount of any surplus or deficit revenues to be carried forward into the next fiscal year and designating the projects to be funded by any surplus revenues

ANALYSIS: *The Ocean Avenue CBD did not meet this requirement. The Ocean Avenue CBD did indicate carryforward funds but did not allocate these funds in their Annual Report. OEWD requested that the Ocean Avenue Association provide a letter stating the carryover disbursement along with the designated projects. See attached memorandum dated November 6, 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. See table below.*

FY 2013-14 Carryover Disbursement	\$207,308
Designated Projects for 2014-15	
Cleaning, Maintenance and Safety	\$107,800
Marketing, Streetscape Improvements and Beautification	\$37,316
Management and Operations	\$53,900
Contingency and Reserves	\$8,292
Total Designated Amount for 2014-15	\$207,308

Findings and Recommendations

The Ocean Avenue CBD has generally met the benchmarks as defined on pages 5 and 6 of this memo, with the exception of Benchmark 3, for which numbers were skewed by a CDBG grant, and Benchmark 4, for which the CBD did not specify in their annual report how surplus carryover funds would be allocated the following year.

For all of the years in review, the Ocean Avenue CBD has well exceeded its general benefit requirement of one percent (1%). The CBD has acquired a significant amount of funding in the form of grant dollars, in-kind services and volunteer services.

For all of the years in review, the Ocean Avenue CBD has exceeded its allowable variance percentage points in the Management and Operations program area by allocating additional funds to its Executive Director. These variances are due to CDBG funds designated for staffing.

It is noted that the Ocean Avenue CBD received assessment dollars in FY 2010-11 and began delivering services FY 2011-12. This has resulted in excess funds that have been carried forward to FY 2011-12 through FY 2013-14. OEWD worked with the Ocean Avenue Association to ensure these funds will be utilized for (1) Cleaning, Maintenance and Safety at 52% of expenditures; (2) Marketing, Streetscape Improvements and Beautification at 18% of expenditures; (3) Management and Operations at 26% of expenditures; and (4) Contingency and Reserves at 4% of expenditures.

Conclusion

The Ocean Avenue CBD has performed well in implementing its service plan. The CBD has continued to successfully sponsor and help implement events and programs in Ocean Avenue, including the community-wide banner initiative, the historic preservation plan, Movies in McCoppin Park, the large graffiti abatement efforts and Sunday Streets. The CBD has done an outstanding job in partnering with the community stakeholders and numerous municipal agencies for small business technical assistance, attraction, and façade improvement along the commercial corridor. The Ocean Avenue Association is a well-run organization with active board and committee members that will continue to successfully carry out its mission in managing the Community Benefit District.

MEMORANDUM

TO: Richard Kurylo, Project Manager, OEWD
FROM: Dan Weaver, Executive Director, Castro/Upper Market CBD
DATE: November 6, 2015
RE: CBD Annual Report to the Board of Supervisors for FY 2011-14

Please note the following clarifications regarding the CBD annual report to the Board of Supervisors for fiscal years 2011-14.

Benchmark 4

The following tables indicate carryforward amounts in our budget by fiscal year, including how they were proposed to be disbursed.

FY 2011-12 Carryover Disbursement	\$135,695
Designated Projects for 2012-13	
Cleaning, Maintenance and Safety	\$ 70,561
Marketing, Streetscape Improvements and Beautification	\$ 24,425
Management and Operations	\$ 35,281
Contingency and reserves	\$ 5,428
Total Designated Amount for 2012-13	\$135,695

FY 2012-13 Carryover Disbursement	\$219,518
Designated Projects for 2013-14	
Cleaning, Maintenance and Safety	\$114,149
Marketing, Streetscape Improvements and Beautification	\$ 39,513
Management and Operations	\$ 57,075
Contingency and reserves	\$ 8,781
Total Designated Amount for 2013-14	\$219,518

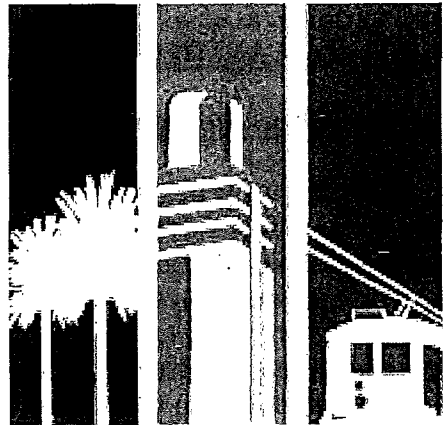
FY 2013-14 Carryover Disbursement	\$207,308
Designated Projects for 2014-15	
Cleaning, Maintenance and Safety	\$107,800
Marketing, Streetscape Improvements and Beautification	\$ 37,316
Management and Operations	\$ 53,900
Contingency and reserves	\$ 8,292
Total Designated Amount for 2014-15	\$207,308

Funds will be utilized for (1) Cleaning, Maintenance and Safety as 52% of expenditures; (2) Marketing, Streetscape Improvements and Beautification at 18% of expenditures; (3) Management and Operations at 26% of expenditures; and (4) Contingency and Reserves at 4% of expenditures.

Note that CBDs typically should have a fund balance at the end of the fiscal year that is equal to about 6 months of their annual budget. Ocean Avenue CBD is continually working towards that goal.

Please let me know if you have any questions or need further clarification.

Thank you.



OCEAN AVENUE
ASSOCIATION

Annual Report
July 1, 2011 — June 30, 2012

Narrative
&
Financials

OCEAN AVENUE ASSOCIATION (OAA)
SERVICES PLAN WITH ANNUAL REPORT FY 2011-2012

Narrative of Work Performed FY 2011-12

This is the first Annual Report submitted by the Ocean Avenue Association community benefit district. The OAA was formed effective December 2010. Its first full fiscal year was for the period from July 1, 2010, through June 30, 2011. Although the OAA received assessment revenue for this first fiscal year, it did not commence active operations until July 2011, and did not submit an annual report for its first fiscal year. The OAA anticipates that its contract with the City will be amended to exempt the OAA from the filing requirement for this first fiscal year.

Public Rights of Way and Sidewalk Operations; Public Safety

Cleaning and Public Realm Management Services includes 2 CleanScapes staff members and weekly walk through with Supervisor covering the district 6 days a week. The services they perform include

- Sweeping sidewalks, muni-boarding islands, and maintaining an inviting environment in the district.
- Graffiti removal within 24 hours of notification.
- Regularly scheduled steam cleaning sidewalks and muni-boarding islands.
- Spot pressure washing.
- Topping off city trash cans.
- Weeding tree wells.
- Painting city poles.
- Removal of illegally posted notices on light poles and other street furniture.
- Wiping down street furniture.
- Reporting and monitoring illegally dumped items, large and small, deposited on the sidewalk.

Public Safety Services

This fiscal year, the OAA began working with San Francisco Safe to address safety issues impacting businesses within the district and begin the formation of a Business Watch. The Public Safety Committee was also formed and meets quarterly. The Executive Director reports incidents and other information to the Ingleside and Taraval Police Departments as they occur.

District Identity and Streetscape Improvements

- Hired consulting firm, lowercase productions, to develop a logo, branding campaign, website and online newsletter.
- Partnered with the OMI Community Collaborative and the Ocean View Library on a community wide banner initiative to brand the neighborhood

and district as a whole. 80 Ocean Avenue Association banners going up on Ocean Avenue at the end of July 2012. Logo completed and website to be launched in August.

- Organized over 30 volunteers to assist with holiday decorations on Ocean Avenue.
- Worked with DPW and Lick Wilmerding High School to identify locations for the annual neighborhood spruce up. The small triangle parcels at Geneva and Phelan ramps were weeded and wood chipped.
- Reported 5 broken or damaged curbs and 4 broken or damaged utility covers to DPW. Curbs were fixed; utility covers are still in process.
- Reported 8 large trees in need of pruning to DPW, also causing safety issues because they were blocking street lights. All reported trees were pruned.
- Applied for a Mayor's Office of Economic and Workforce Development Community Development Block Grant for 2012-2013. Awarded \$30,000 for business technical assistance, attraction and retention.
- Applied for a Community Challenge Grant in the Spring of 2012 to begin streetscape process for Ocean Avenue. This grant application was not funded.
- A Beautification Committee was appointed and meets monthly to discuss and plan streetscape improvements to the district.
- OAA is committed to Economic Vitality; the board is supportive of attracting new businesses to the district. The Executive Director will launch a "Neighborhood Planning" campaign in early 2012-2013. Successes to date include:
 - Working with OEWD to attract Champa Garden to Ocean Avenue.
 - Providing additional small business resources to existing businesses, many of whom are planning to make significant changes to business model.
 - Completion of two façade improvement projects.

Administrative and Corporate Operations

- Ensure functioning of CBD and compliance with City contract and management plan.
- Work on organizational development issues including long term goals for the CBD.

- Work on fundraising activities which bring additional, outside resources to the CBD.
- Ensure compliance with the California Brown Act.
- Collaborated with community organizations to address issues in the community and raise awareness about the transition on Ocean Avenue.
- Monitor contracts and services. Assist contractors in problem solving as is necessary.
- Developing website, e-newsletter, and online branding campaign.
- Increase and improve upon communication between CBD Board and property owners.
- Publish CBD mid-year and Annual Report.
- Continue as active member of CBD/BID Consortium.
- Support all working committees of the Board of Directors including: Streetscape, Public Safety, Executive, and Finance.
- Work with the City on quality of life issues.

Fundraising

Total funds raised through outside dollars, in-kind services and volunteer services = \$34,200.

- \$30,000 received from OEWD for general operating support and small business assistance.
- \$3000 general fundraising events.
- \$1,000 for Fiscal Sponsorship for Movies in McCoppin Park.
- \$200 ADP credit.
- In-kind donations include office space, electricity, internet from Lick Wilmerding High School at 31 Howth Street \$400/month x 6 months = \$2,400
- Total of 6 hrs of volunteer service provided by 20 volunteers on December 15, 2011 at a value of \$14/hr. = \$2,240.

Services Plan for FY 2011-12

Public Rights of Way and Sidewalk Operations; Public Safety

- The OAA bid out the cleaning contract in June 2011 and awarded the contract to Curb Appeal. The contract was terminated in December and rebid due to increase in service needs. The contract was re-bid and awarded to CleanScapes. Services provided include 2 CleanScapes workers covering the district 6 days a week. The services they perform include:
 - Sweeping sidewalks and public plazas and maintaining an inviting environment in the district.
 - Graffiti removal within 24 hours of notification.
 - Regularly scheduled pressure washing of sidewalks and muni-boarding islands.
 - Spot pressure washing.
 - Topping off city trash cans.
 - Weeding tree wells.
 - Painting city poles and other street furniture.
 - Reporting and monitoring pick-up large items deposited on the sidewalk as trash.

Public Safety Services

- The OAA intends to organize a Business Watch and continue to work with S.F. Police Department.
- Other security/safety issues which may arise.

District Identity and Streetscape Improvements

- CBD Board will identify a streetscape improvement/beautification project over the next several months.
- Work with DPW on the installation of pedestal news racks through out the district in order to replace the existing news racks.
- Work with MTA, PUC and community groups on the Phelan and Ocean Community Garden and provide feedback regarding the Phelan Loop project.
- Install 80 OAA banners through out the district, remove the existing frayed banners.

Administrative and Corporate Operations

- Ensure functioning of CBD and compliance with City contract and management plan.

- Work on organizational development issues including long term goals for the CBD.
- Work on fundraising activities which bring additional, outside resources to the CBD.
- Ensure compliance with the California Brown Act.
- Monitor contracts and services. Assist contractors in problem solving as is necessary.
- Continue to update website.
- Increase and improve upon communication between CBD Board and property owners.
- Publish CBD Annual Report.
- Continue as active member of CBD/BID Consortium.
- Support all working committees of the Board of Directors including: Streetscape, Services, Board Development, Executive, and Finance.
- Work with the City on quality of life issues.

Description of changes to the district boundaries, parcels or assessment calculations

- No changes.

Ocean Avenue Association
Profit & Loss
 July 2011 through June 2012

	<u>Jul '11 - Jun 12</u>
Ordinary Income/Expense	
Income	
40000 · Assessment Revenue	
40100 · Current FY CBD Assessment	188,084.44
40200 · Prev FY CBD Assessment Carry	147,237.06
40210 · Prior Year Assessment Refund	-9,785.74
Total 40000 · Assessment Revenue	<u>325,535.76</u>
41000 · Other Revenue	
41100 · Donations	
41120 · Individ, Business Contributions	4,000.00
Total 41100 · Donations	<u>4,000.00</u>
42000 · Grants	
42200 · Government Grants	37,628.23
Total 42000 · Grants	<u>37,628.23</u>
44000 · Miscellaneous Income	200.06
41000 · Other Revenue - Other	9,000.00
Total 41000 · Other Revenue	<u>50,828.29</u>
Total Income	376,364.05
Expense	
50000 · Management and Operations	
50100 · Exec Dir Salary via Assessment	58,333.30
50110 · ED Payroll Tax via Assessment	5,028.82
50140 · Transportation Benefits	149.00
50200 · Interim ED	5,760.00
50300 · Accounting Fees	1,400.00
50310 · Bookkeeping	1,055.00
50400 · Office Supplies	1,210.48
50500 · Postage, Mailing Service	240.00
50600 · Telephone, Telecommunications	350.00
50700 · Licensing, Permits, Filing Fees	25.00
50800 · Insurance - Liability, D and O	3,895.68
50810 · Workers' Comp Insurance	393.75
50820 · Dues and Subscriptions	980.65
Total 50000 · Management and Operations	<u>78,821.68</u>
51000 · Cleaning, Maintenance & Safety	
51100 · Sanitation and Graffiti Removal	102,673.63
Total 51000 · Cleaning, Maintenance & Safety	<u>102,673.63</u>

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Accrual Basis

Ocean Avenue Association
Profit & Loss
July 2011 through June 2012

	<u>Jul '11 - Jun 12</u>
52000 · Marketing and Beautification	
52100 · Graphic Designer	1,705.00
52110 · Website Designer	731.25
52300 · Beautification	6,589.40
52500 · Banners	14,451.00
52600 · Translator	15.00
52700 · Printing and Copying	159.59
52720 · Advertising	450.00
52800 · Special Events	8,751.57
Total 52000 · Marketing and Beautification	<u>32,852.81</u>
54000 · Grants and Awards	
54200 · Grants to Other Organizations	3,300.00
Total 54000 · Grants and Awards	<u>3,300.00</u>
Total Expense	<u>217,648.12</u>
Net Ordinary Income	<u>158,715.93</u>
Net Income	<u><u>158,715.93</u></u>

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Accrual Basis

Ocean Avenue Association
Balance Sheet
As of June 30, 2012

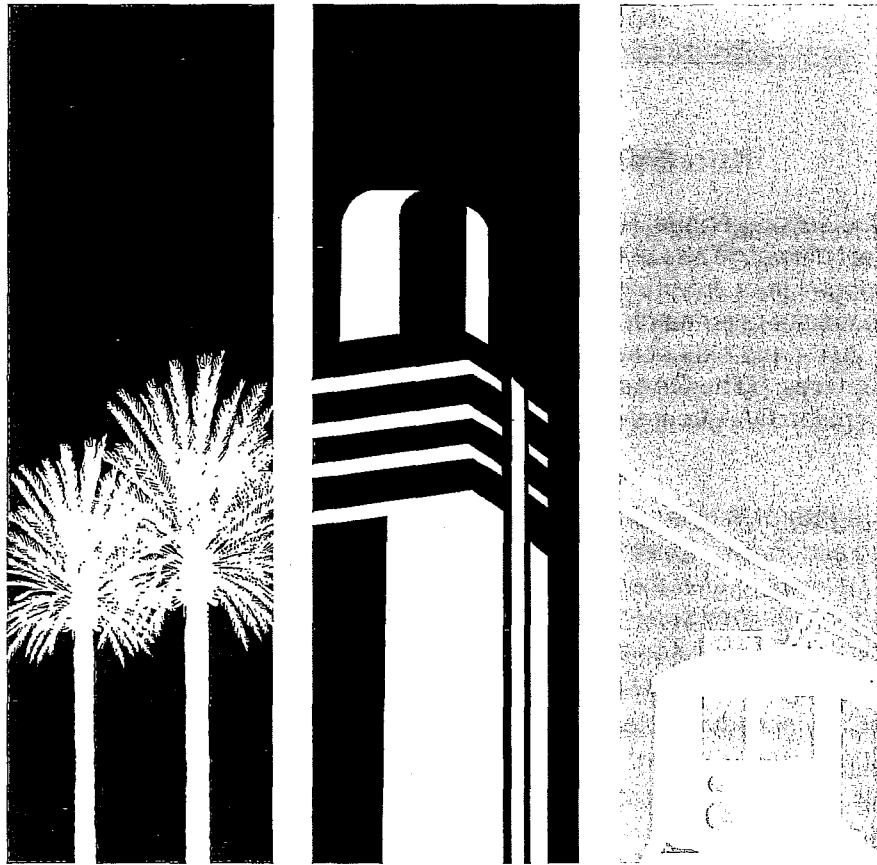
	<u>Jun 30, 12</u>
ASSETS	
Current Assets	
Checking/Savings	
10000 - Chase Checking	135,694.73
Total Checking/Savings	<u>135,694.73</u>
Accounts Receivable	
10100 - Accounts Receivable	25,021.20
Total Accounts Receivable	<u>25,021.20</u>
Total Current Assets	<u>160,715.93</u>
TOTAL ASSETS	<u><u>160,715.93</u></u>
LIABILITIES & EQUITY	
Equity	
30000 - Opening Balance Equity	2,000.00
Net Income	158,715.93
Total Equity	<u>160,715.93</u>
TOTAL LIABILITIES & EQUITY	<u><u>160,715.93</u></u>

1201

Ocean Avenue Association
Budget for FY July 1, 2011 - June 30, 2012
 (Year 2)

INCOME	BUDGET	ACTUAL (as of 3/31/12)	VARIANCE
Assessment Revenue			
Current Year Assessment	239,578.00	106,972.24	-132,605.76
Prior Year(s) Assessment	239,578.00	147,237.08	-92,340.94
Prior Year(s) Assessment Refund	0.00	-9,785.74	-9,785.74
Subtotal Assessment Revenue	479,156.00	244,423.56	-234,732.44
Other Revenue			
Donations	2,420.00	0.00	-2,420.00
Fees	0.00	200.08	200.08
Fundraisers	0.00	0.00	0.00
Prior Year(s) Other Revenue	2,420.00	3,000.00	580.00
Subtotal Other Revenue	4,840.00	3,200.08	-1,639.94
Grants			
Grants-Government (OEWD)	30,000.00	0.00	-30,000.00
Grants-Foundations	0.00	0.00	0.00
Subtotal Grants	30,000.00	0.00	-30,000.00
Total Income	513,996.00	247,623.62	-266,372.38

EXPENSES	BUDGET	ACTUAL (as of 3/31/12)	VARIANCE	MDP BUDGET RATIO
Management & Operations (M&O)				
Executive Director Salary	31,123.00	31,123.00	0.00	
Payroll Taxes	5,985.00	3,851.75	1,833.25	
Subtotal of M&O Payroll	36,808.00	34,974.75	1,833.25	
Interim ED	5,760.00	5,760.00	0.00	
Accounting Fees	5,700.00	0.00	5,700.00	
Bookkeeping	2,500.00	1,015.00	1,485.00	
Office Supplies	1,500.00	912.79	587.21	
Postage, Mailing Services	820.00	0.00	820.00	
Telephone, Telecommunications	600.00	200.00	400.00	
Licenses, Permits, Filing Fees	500.00	25.00	475.00	
Dues and Subscriptions	1,020.00	678.65	341.35	
Insurance - Liability, D&O	4,000.00	1,256.68	2,743.32	
Workers Compensation Insurance	550.00	262.50	287.50	
Intern	3,242.00	0.00	3,242.00	
Subtotal of M&O Non Payroll	28,192.00	10,110.62	18,081.38	
Subtotal M&O	63,000.00	45,085.37	17,914.63	28.0%
Cleaning, Maintenance, & Safety				
Sanitation and Graffiti Removal	115,000.00	75,307.06	39,692.94	
Maintenance	8,000.00	0.00	8,000.00	
Security	2,000.00	0.00	2,000.00	
Subtotal Cleaning & Maintenance	125,000.00	75,307.06	49,692.94	51.7%
Marketing & Beautification				
Graphic Designer	5,000.00	0.00	5,000.00	
Website Designer	7,500.00	731.25	6,768.75	
Photography	750.00	0.00	750.00	
Beautification	5,000.00	0.00	5,000.00	
Webhosting	150.00	0.00	150.00	
Banners	7,500.00	0.00	7,500.00	
Translator	100.00	15.00	85.00	
Printing and Copying	2,500.00	0.00	2,500.00	
Newsletter	100.00	0.00	100.00	
Advertising	3,000.00	750.00	2,250.00	
Program Supplies / Decorations	3,000.00	0.00	3,000.00	
Special Events	9,058.00	3,150.00	5,908.00	
Subtotal Marketing & Beautification	43,958.00	4,646.25	39,011.75	18.0%
Contingency & Reserves				
Contingency and Reserves	10,340.00	0.00	10,340.00	
Subtotal Contingency & Reserves	10,340.00	0.00	10,340.00	4.3%
Supplemental Non-OAA Expenses				
Executive Director Salary	27,210.00	9,710.31	17,499.69	
Payroll Taxes	2,780.00	0.00	2,780.00	
Subtotal Supplemental Expenses	30,000.00	9,710.31	20,289.69	
Total Expenses	241,998.00	134,748.99	107,249.01	100.0%
Net Income	271,998.00	112,874.63	159,123.37	



OCEAN AVENUE
A S S O C I A T I O N

Second Annual Report
July 1, 2012 – June 30, 2013

OCEAN AVENUE ASSOCIATION (OAA)
SERVICES PLAN WITH ANNUAL REPORT FY 2012-2013

Narrative of Work Performed FY 2012-13

This is the second Annual Report submitted by the Ocean Avenue Association community benefit district. The OAA was formed in December 2010. Its first full fiscal year was for the period from July 1, 2010, through June 30, 2011. Although the OAA received assessment revenue for this first fiscal year, it did not commence active operations until July 2011, and did not submit an annual report for its first fiscal year because it provided no services. (The OAA anticipates that its contract with the City will be amended to exempt the OAA from the filing requirement for its first fiscal year.)

Public Rights of Way and Sidewalk Operations; Public Safety

Cleaning and Public Realm Management services includes 2 CleanScapes staff members 5 days a week, 1 staff member on Saturdays and a weekly walk through with Supervisor. The services they perform include

- Sweeping sidewalks and Muni-boarding islands.
- Graffiti removal within 24 hours of notification.
- Regularly scheduled steam cleaning sidewalks and Muni-boarding islands.
- Spot pressure washing.
- Topping off city trash cans.
- Weeding tree wells.
- Watering newly planted trees.
- Painting city poles.
- Removal of illegally posted notices on poles and other street furniture.
- Wiping down street furniture.
- Reporting and monitoring removal of items illegally deposited on the public right-of-way.

The OAA continued working with San Francisco Safe to address safety issues impacting businesses within the district and continued the formation of an Ocean Avenue Business Watch. The Public Safety Committee meets monthly to recruit new business for the watch. The Executive Director reports incidents and other information to the Ingleside and Taraval Police Districts or 911 as they occur. OAA worked with the Ingleside police district to deal with the pedestrian bridge public safety districts and with the Taraval district to deal with a spate of glass window and door breakages in the retail area of the district.

District Identity and Streetscape Improvements

- Continued working with Lowercase Productions to develop the OAA website.
- Partnered with Friends of the Urban Forest to plant 26 new trees on or near the Ocean Avenue CBD in March.
- Developed an outline to prepare a Fifteen Year Plan for Improvements of the Ocean Avenue corridor and sought support for this community planning effort through the Streets Repaving Bond Issue allocation for Ocean Avenue.
- Worked with volunteers from the Lick-Wilmerding Women's Varsity Basketball Team and

- other volunteers to hang holiday decorations on the Ocean Avenue palm trees.
- Pruned all trees in the corridor, on or near to Ocean Avenue, except the large palms which DPW pruned for the final time. Arborist Now is our tree maintenance contractor.
- Applied with Friends of the Urban Forest and won a \$10,000 grant for sidewalk gardens along the corridor. Installation is scheduled for October.
- Applied for a Mayor's Office of Economic and Workforce Development Community Development Block Grant for 2013-2014. Awarded \$30,000 for business technical assistance, focusing on small business façade improvements.
- Won an SF Shines grant award of \$100,000 to provide up to 10 small businesses on the corridor with façade improvements. OAA staff time will be covered by the Block Grant.
- The Street Life Committee meets monthly to discuss and plan streetscape improvements and marketing events in the district.
- OAA is committed to economic vitality; the board supports growing our existing small businesses and attracting new businesses to the district. Successes include:
 - Working with OEWD to attract Champa Garden, YogurtLand and Sherwin Williams to Ocean Avenue.
 - Providing additional resources to existing small businesses through the SF Shines program.

Administrative and Corporate Operations

- Ensure functioning of CBD and compliance with City contract and management plan.
- Work on organizational development issues including long-term goals for the CBD.
- Apply for grants to bring additional resources to the CBD.
- Ensure compliance with the California Brown Act in noticing and conducting our meetings.
- Collaborate with residential and other community organizations to address issues in the community and raise awareness about the improvements on Ocean Avenue.
- Monitor contracts and services. Assist contractors in problem solving as is necessary.
- Develop a website, neighborhood newspaper, and online social media branding campaign.
- Increase and improve upon communication between CBD Board and property owners.
- Publish CBD Mid-Year Report and Annual Report.
- Continue as active participants of the San Francisco CBD/BID Consortium.
- Support all committees of the Board of Directors including Street Life and Public Safety.
- Work with the City on quality of life issues.

Fundraising

- *Total funds raised through outside dollars, in-kind services and volunteer services since the last report, \$140,000.*
- *The CBD also raised and distributed \$15,000 to assist the 8 small businesses impacted by 2012 Ocean Ave. fire.*
- In-kind donations include office space, electricity, internet from Lick Wilmerding High School at 31 Howth Street \$400/month x 6 months = \$2,400
- Total of 6 hrs of volunteer service provided by 20 volunteers on December 2012 at a value of \$14/hr. = \$2,240. Total of 4 hours of volunteer ser provided by 50 volunteers at the FUF March tree planting = \$2,800

Services Plan for FY 2012-13

Public Rights of Way and Sidewalk Operations

- CleanScapesSF will continue to provide cleaning and graffiti removal services for the OAA. Services provided include 2 CleanScapes workers covering the district 5 days a week and one worker on Saturday. The services they perform include:
 - Sweeping sidewalks and public plazas and maintaining an inviting environment in the district.
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 - Regularly scheduled pressure washing of sidewalks and Muni-boarding islands.
 - Spot pressure washing.
 - Topping off city trash cans.
 - Weeding tree wells.
 - Painting city poles and other street furniture.
 - Reporting and monitoring pick-up large items deposited on the sidewalk as trash.

Public Safety Services

- The OAA will continue to organize Ocean Avenue Business Safe, working with SF SAFE and continue to work with the San Francisco Police Department.
- OAA will address other security/safety issues that may arise.

District Identity and Streetscape Improvements

- OAA Board will develop its fifteen year improvement plan, working with DPW.
- Continue to work with DPW on the installation of pedestal news racks throughout the district to replace the existing news racks.
- Work with MTA, PUC and community groups on the Phelan and Ocean Community Garden and provide feedback regarding the Phelan Loop project.
- Maintain the existing 80 OAA banners throughout the district, remove the existing frayed banners when necessary.
- Encourage, help to fund and participate in marketing efforts to develop district identity such as the Ocean Avenue Festival in September, the March 2013 tree planting, and so forth.

Administrative and Corporate Operations

- Ensure functioning of CBD and compliance with City contract and management plan.
- Work on organizational development issues including long term goals for the CBD. Work on fundraising activities that bring additional, outside resources to the CBD.
- Ensure compliance with the California Brown Act.
- Monitor contracts and services. Assist contractors in problem solving as is necessary.
- Continue to update website.
- Increase and improve upon communication between CBD Board and property owners.
- Publish CBD Annual Report.
- Continue as active member of CBD/BID Consortium.
- Support all working committees of the Board of Directors including: Streetscape, Services, Board Development, Executive, and Finance.

- Work with the City on quality of life issues.

Description of Changes to the District Boundaries, Parcels or Assessment Calculations

- No parcels were reassessed in 2012-13.
- The assessment was raised 2.4% for FY 2013-14 to account for cost of living increases calculated by the City, and applied for the first time by OAA.
- The proposed annual budget, including a cost estimate of providing the improvements and activities for 2013/14 Fiscal Year, is shown on the following pages.
- There are no proposed changes in the boundaries of the improvement district or in any benefit zones or classification of property or businesses within the district.
- The method and basis of levying the assessment in sufficient detail to allow each real property or business owner to estimate the amount of the assessment to be levied against his or her property for that fiscal year is presented below.
- The amount of surplus or deficit revenues to be carried over from a previous fiscal year is \$82,045.24 from unpaid assessments for years i-iii.
- The amount of any contributions made other than assessments levied for 2012-13 are CDBG Grant funds received, \$12,149.41 and funds donated to the CBD for distribution to fire victims, \$15,000.

Assessment Calculations

Zone 1 Fiscal Year 2012/13 Assessment Calculation Rates

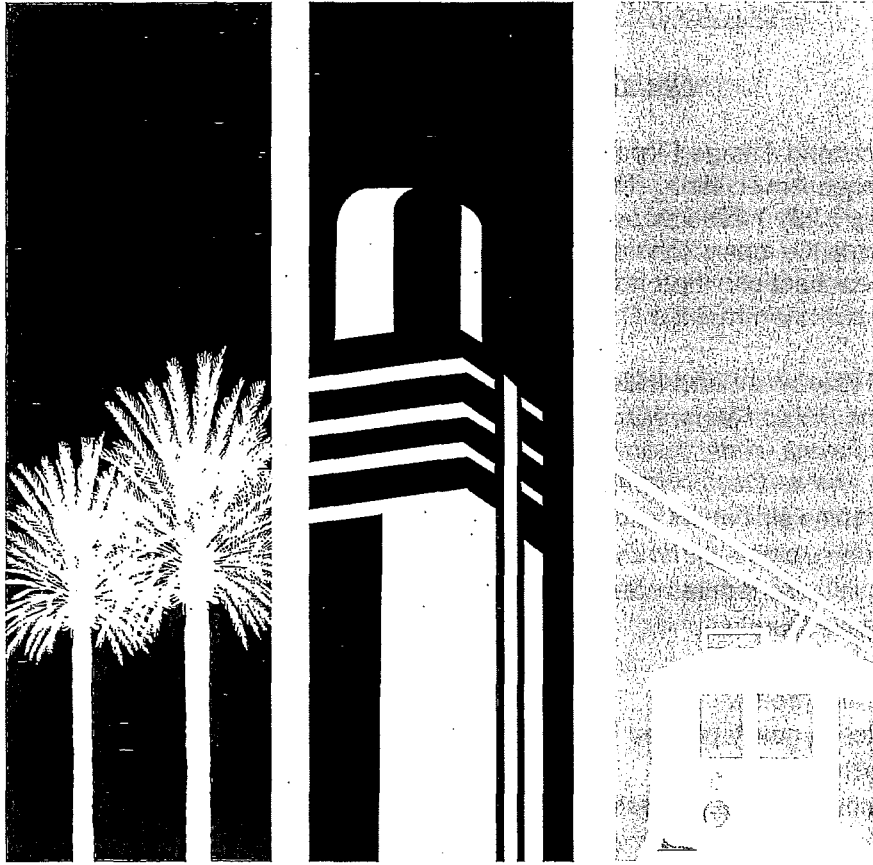
Zone 1 – Assessment Category Description	2010/11 Original Rate	2013 Escalated Rate
Linear Street Foot for Commercial Property Use, Residential Property Use, Public Property Use, and Phelan Loop Parcel	\$26.28 per linear street foot	\$26.91 per linear street foot
Linear Street Foot for Non-Profit Service Organization Property Use, and Religious Institutional Property Use	\$21.00 per linear street foot	\$21.50 per linear street foot
Building Square Foot for Commercial Property Use	\$0.1110 per building square foot	\$0.1136 per building square foot
Lot Square Foot for Commercial Property Use	\$0.0276 per lot square foot	\$0.0282 per lot square foot
Lot Square Foot for Phelan Loop Corner Landscaped Parcel	\$1.31 per lot square foot	\$1.34 per lot square foot
Lot Square Foot for Phelan Parcels Fronting and Accessed off of the Phelan Plaza	\$0.0574 per lot square foot	\$0.0587 per lot square foot

Zone 1 Annual Assessment Calculation:

Linear Street Frontage Assessment = Assigned Linear Street Frontage x Linear Street Frontage Assessment Rate

Building Square Footage Assessment = Commercial Property Use Building Square Footage x Building Square Footage Assessment Rate

Lot Square Foot = Commercial Property Use Lot x Lot Square Footage



OCEAN AVENUE ASSOCIATION

**2012-2013 Annual Report and
2013-2014 Services Plan**

OCEAN AVENUE ASSOCIATION (OAA) Annual Report

Narrative of Work Performed FY 2012-13

This is the second Annual Report for the Ocean Avenue Community Benefits District submitted by the Ocean Avenue Association. The OACBD was formed in December 2010. During its first full fiscal year, July 1 2010 through June 30, 2011, the OAA received assessment revenue, but did not commence active operations until July 2011, and did not submit an annual report for its first fiscal year because it provided no services. (The OAA anticipates that its contract with the City will be amended to exempt the OAA from the filing requirement for its first fiscal year.)

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The Executive Director reports incidents and other information to the Ingleside and Taraval Police Districts or 911 as they occur. OAA worked with the Ingleside police district to deal with the pedestrian bridge public safety districts and with the Taraval district to deal with a spate of glass window and door breakages in the retail area of the district.

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Lot Square Foot for Phelan Parcels Fronting and Accessed off of the Phelan Plaza	\$0.0574 per lot square foot	\$0.0587 per lot square foot

Zone 1 Annual Assessment Calculation:

Linear Street Frontage Assessment	=	Assigned Linear Street Frontage	x	Linear Street Frontage Assessment Rate
Building Square Footage Assessment	=	Commercial Property Use Building Square Footage	x	Building Square Footage Assessment Rate
Lot Square Foot Assessment	=	Commercial Property Use Lot Square Footage	x	Lot Square Footage Assessment Rate

Zone 1 Assessor's Parcel Annual Assessment:

$$\text{Assessor's Parcel Annual Assessment} = \text{Linear Street Frontage Assessment} + \text{Building Square Footage Assessment} + \text{Lot Square Footage Assessment}$$

Zone 1 Phelan Loop Parcel Annual Assessment:

$$\text{Phelan Loop Parcel Annual Assessment} = \text{Assigned Linear Street Frontage} \times \text{Linear Street Frontage Assessment Rate} + \text{Assigned Lot Square Footage} \times \text{Lot Square Footage Assessment Rate}$$

Zone 2 Assessment Calculation Rates

Zone 2- Assessment Category Description	2010-2013 Rate	2013/14 Rate
Linear Street Foot for Educational Institutional Property Use and Public Property Use	\$13.90 per Linear Street Foot	\$14.23 per Linear Street Foot

Zone 2 Annual Assessment Calculation:

$$\text{Linear Street Frontage Assessment} = \text{Linear Street Frontage} \times \text{Linear Street Frontage Assessment Rate}$$

Zone 2 Assessor's Parcel Annual Assessment:

$$\text{Assessor's Parcel Annual Assessment} = \text{Linear Street Frontage Assessment}$$

Maximum Annual Assessments

The Zone 1 Fiscal Year 2013/14 maximum annual assessment rates are as follows:

- Per Linear Street Foot (Commercial Property Use, Residential Property Use, Public Property Use, and Phelan Loop Parcel): \$26.91
- Per Linear Street Foot for (Non-Profit Service Organization Property Use, and Religious and Institutional Property Use): \$21.50
- Per Commercial Property Use Building Square Foot: \$0.1136
- Per Commercial Property Use Lot Square Foot: \$0.0282
- Per Phelan Loop Parcel Lot Square Foot: \$1.34

The Zone 2 Fiscal Year 2013/14 maximum annual assessment rate is as follows:

- Per Linear Street Foot (Educational Institutional Property Use and Public Property Use): \$14.23

Ocean Avenue Association
 Budget for FY July 1, 2013 - June 30, 2014
 (Year 4)

Year IV
 Budget Rev#1
 7-1-13

INCOME	BUDGET	ACTUAL <small>(as of 7/1/13)</small>	VARIANCE
Assessment Revenue			
Current Year Assessment	253,034.00	0.00	-253,034.00
Prior Year(s) Assessment	82,045.24	0.00	-82,045.24
Prior Year(s) Assessment Refund	0.00	0.00	0.00
Subtotal Assessment Revenue	335,079.24	0.00	-335,079.24
Other Revenue			
Donations	2,530.00	0.00	-2,530.00
Fees (Fiscal Sponsorship, Other)	0.00	0.00	0.00
Fiscal Sponsorship Pass Through-McCoppin TBD	0.00	0.00	0.00
Fundraisers	0.00	0.00	0.00
Prior Year(s) Other Revenue	840.00	0.00	-840.00
Subtotal Other Revenue	3,370.00	0.00	-3,370.00
Grants			
Grants-Government (CDBG 8/2013)	30,000.00	0.00	-30,000.00
Grants-Government	0.00	0.00	0.00
Grants-Corporate	0.00	0.00	0.00
Grants-Foundations	0.00	0.00	0.00
Subtotal Grants	30,000.00	0.00	-30,000.00
Operating Reserve			
Carryover Net Income from FY 12-13	219,517.53	219,517.53	0.00
Carryover Other Income from FY 12-13	0.00	0.00	0.00
Subtotal Operating Reserve	219,517.53	219,517.53	0.00
Total Income	587,966.77	219,517.53	-368,449.24

Ocean Avenue Association
Budget for FY July 1, 2013 - June 30, 2014
(Year 4)

Year IV
Budget Rev #1
7-1-13

EXPENSES	BUDGET	ACTUAL (as of 7/1/13)	VARIANCE	MDP BUDGET RATIO
Management & Operations (M&O)				
Executive Director Salary	43,000.00	0.00	43,000.00	
Payroll Taxes	4,000.00	0.00	4,000.00	
Payroll Processing Fees	1,020.00	0.00	1,020.00	
Subtotal of M&O Payroll	48,020.00	0.00	48,020.00	
Accounting Fees	5,000.00	0.00	5,000.00	
Bookkeeping Fees	3,000.00	0.00	3,000.00	
Legal Fees (Gln)	5,000.00	0.00	5,000.00	
Office Supplies	3,500.00	0.00	3,500.00	
Printing, Copying, Postage & Mailing Services	500.00	0.00	500.00	
Telephone, Telecom, Meeting Expense, Other	750.00	0.00	750.00	
Licenses, Permits, Filing Fees	500.00	0.00	500.00	
Insurance - Liability, D&O	3,000.00	0.00	3,000.00	
Workers Compensation Insurance	500.00	0.00	500.00	
Dues and Subscriptions	500.00	0.00	500.00	
Annual Report Expenses	1,600.00	0.00	1,600.00	
Assessment Role Updating	1,000.00	0.00	1,000.00	
Subtotal of M&O Non Payroll	24,850.00	0.00	24,850.00	
Subtotal M&O	72,870.00	0.00	72,870.00	25.3%
Cleaning, Maintenance, & Safety				
Sanitation and Graffiti Removal	115,000.00	0.00	115,000.00	
Maintenance	29,000.00	0.00	29,000.00	
Security	2,000.00	0.00	2,000.00	
Subtotal Cleaning & Maintenance	146,000.00	0.00	146,000.00	50.6%
Marketing & Beautification				
Graphic Designer	750.00	0.00	750.00	
Website Designer	2,000.00	0.00	2,000.00	
Photography	600.00	0.00	600.00	
Beautification-Summer Social Parklet	1,500.00	0.00	1,500.00	
Holiday Decorations	1,500.00	0.00	1,500.00	
Webhosting	1,000.00	0.00	1,000.00	
Printing and Copying	1,000.00	0.00	1,000.00	
Advertising & Marketing	5,000.00	0.00	5,000.00	
Special Events (Ocean Ave Festival)	5,500.00	0.00	5,500.00	
Grants to Other Organizations	3,000.00	0.00	3,000.00	
Streetscape Improvements - Phelan Garden	500.00	0.00	500.00	
Streetscape Improvements - Benches	9,220.00	0.00	9,220.00	
Other Streetscape Improvements	7,000.00	0.00	7,000.00	
Other Marketing & Beautification	15,000.00	0.00	15,000.00	
Landscape Improvements	2,000.00	0.00	2,000.00	
Subtotal Marketing & Beautification	55,570.00	0.00	55,570.00	19.3%
Contingency & Reserves				
Contingency and Reserves	14,000.00	0.00	14,000.00	
Bank Deficit Analysis	0.00	0.00	0.00	
Subtotal Contingency & Reserves	14,000.00	0.00	14,000.00	4.9%
Supplemental Non-QAA Expenses				
Executive Director Salary (OEWD Grant)	27,000.00	0.00	27,000.00	
Payroll Taxes	3,000.00	0.00	3,000.00	
Subtotal of Supplemental Payroll	30,000.00	0.00	30,000.00	
Facade Projects-SF Shines TBD	0.00	0.00	0.00	
Other Projects TBA	0.00	0.00	0.00	
Subtotal of Grant Expenses	0.00	0.00	0.00	
Fiscal Sponsorship Pass-Through Exp. (McCoplin)	0.00	0.00	0.00	
Subtotal of Fiscal Sponsorship	0.00	0.00	0.00	
Subtotal Supplemental Non-QAA Expenses	30,000.00	0.00	30,000.00	
Total QAA Expenses	288,440.00	0.00	288,440.00	100.0%
Net QAA Income*	289,528.77	219,517.53	80,009.24	
Net Income/Cash Balance**	269,528.77	219,517.53	50,009.24	

* Total Income less Total QAA Expenses

** Total Income less Total QAA Expenses plus Subtotal Supplemental Non-QAA Expenses.



OCEAN AVENUE ASSOCIATION

**Third Annual Report
July 1, 2013 – June 30, 2014**

OCEAN AVENUE ASSOCIATION (OAA)
SERVICES PLAN WITH ANNUAL REPORT FY 2013-2014

Narrative of Work Performed FY 2013-14

This is the third Annual Report submitted by the Ocean Avenue Association, manager of the Ocean Avenue Community Benefits District. The community benefits district was formed in December 2010. Its first full fiscal year was for the period from July 1, 2010, through June 30, 2011. Although the OAA received assessment revenue for this first fiscal year, it did not commence active operations until July 2011, and did not submit an annual report for its first fiscal year because it provided no services.

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- Watering newly planted trees
- Painting city poles
- Removal of illegally posted notices on poles and other street furniture
- Wiping down street furniture
- Reporting to 311 and monitoring removal of items illegally deposited on the public right-of-way.

The OAA continued working with San Francisco SAFE to address public safety issues impacting businesses within the district and continued to develop and maintain the contact information for the Ocean Avenue Business Watch. The Executive Director reports incidents and other information to the Ingleside/Taraval Police Districts or 911. OAA worked with the Ingleside police district and DPW to deal with the Ocean Avenue pedestrian bridge public safety issues.

An Invest In Neighborhoods grant of \$15,000 received in May of 2014 included a graffiti abatement program in partnership with RapidRenu to repair and prevent etched or scratched graffiti on glass. OAA received a \$100,000 SF Shines allocation for facade improvements to Ocean Avenue small businesses in FY 2013-14, and a \$30,000 CDBG allocation to cover part of the salary of the Executive Director. Working with Friends of the Urban Forest, OAA received a \$10,000 grant to create 1,200 sq ft of sidewalk gardens in the CBD corridor.

District Identity and Streetscape Improvements

- Continued working to expand and improve the OAA website.
- Developed a draft Fifteen Year Plan for Improvements of the Ocean Avenue corridor and

sought support for this community planning effort through the Streets Repaving Bond Issue allocation for Ocean Avenue and the Metropolitan Transportation Commission/Department of City Planning Priority Development Area grant to plan street improvements on Ocean from Geneva/Phelan to San Jose Avenue.

- Hosted 3 streetscape corridor community planning workshops and one walking survey of the Ocean Avenue commercial corridor for the corridor planning program.
- Partnered with Youth Art Exchange to develop a mobile parklet for Ocean Avenue, designed and built by high school students.
- Worked with San Francisco State University students to develop a historic preservation plan evaluating the historic value of all commercial buildings in the CBD.
- Worked with volunteers from the Lick-Wilmerding Women's Varsity Basketball Team and other volunteers to hang holiday decorations on the Ocean Avenue palm trees.
- Installed 1,200 sq ft of sidewalk gardens in the corridor with Friends of the Urban Forest in October using a \$10,000 grant from the City's Invest in Neighborhoods program.
- The Street Life + Business Committee meets monthly to discuss and plan streetscape improvements and marketing events in the district. The Street Life has taken on business development as part of its work this year.
- OAA is committed to economic vitality; the board supports growing our existing small businesses and attracting new businesses to the district. OAA encourages proposed new businesses to present on their plans, including a proposed Japanese Bistro, a Target Express store, Happy Vape, iPlayBow, and others.

Administrative and Corporate Operations

- Ensure functioning of CBD and compliance with City contract and management plan.
- Work on organizational development issues including long-term goals for the CBD.
- Apply for grants to bring additional resources to the CBD.
- Ensure compliance with the California Brown Act in noticing and conducting our meetings.
- Continue to recruit a variety of board members representing Ocean Avenue businesses, residents and property owners.
- Collaborate with residential and other community organizations to address issues in the community and raise awareness about the improvements on Ocean Avenue.
- Monitor contracts and services. Assist contractors in problem solving as is necessary.
- Develop a website, neighborhood newspaper, and online social media branding campaign.
- Increase and improve upon communication between CBD Board and property owners.
- Publish CBD Mid-Year Report and Annual Report.
- Continue as active participants of the San Francisco CBD/BID Consortium.
- Support all committees of the Board of Directors including Street Life and Public Safety.
- Work with the City on quality of life issues.
- Apply for grants to continue and expand improvements of the CBD corridor.

Fundraising

- *Total funds raised through outside dollars, in-kind services and volunteer services since the last report:*
- In-kind donations include storage and meeting space from Lick Wilmerding High School at 31 Howth Street = \$1,000

- Total of 6 hrs of volunteer service provided by 20 volunteers on 2013 at a value of \$14/hr. = \$2,240.
- Grants and services to the CBD and to businesses for facade improvements, listed above in this report = \$155,000

Services Plan for FY 2013-14

Public Rights of Way and Sidewalk Operations

- CleanScapesSF will continue to provide cleaning and graffiti removal services for the OAA. Services provided include two CleanScapes workers covering the district five days a week and one worker on Saturday. The services they perform include:
 - Sweeping sidewalks and public plazas and maintaining an inviting environment in the district.
 - Graffiti removal within 24 hours of notification.
 - Regularly scheduled pressure washing of sidewalks and Muni-boarding islands.
 - Spot pressure washing.
 - Topping off city trash cans.
 - Weeding tree wells.
 - Painting city poles and other street furniture.
 - Reporting and monitoring pick-up large items deposited on the sidewalk as trash.

Public Safety Services

- The OAA will continue to organize Ocean Avenue Business Safe, working with SF SAFE and continue to work with the San Francisco Police Department.
- OAA will address other security/safety issues that may arise.

District Identity and Streetscape Improvements

- OAA Board will develop its fifteen year improvement plan, working with DPW.
- Continue to work with DPW on the installation of pedestal news racks throughout the district to replace the existing news racks.
- Maintain the existing 80 OAA banners throughout the district, remove the existing frayed banners when necessary.
- Encourage, help to fund and participate in marketing efforts to develop district identity such as the Ocean Avenue Festival in September, tree and garden plantings, and so forth.

Administrative and Corporate Operations

- Ensure functioning of CBD and compliance with City contract and management plan.
- Work on organizational development issues including long term goals for the CBD. Work on fundraising activities that bring additional outside resources to the CBD.
- Ensure compliance with the California Brown Act.
- Monitor contracts and services. Assist contractors in problem solving as is necessary.
- Continue to update website.
- Increase and improve upon communication between CBD Board and property owners.
- Publish CBD Annual Report.

- Continue as active member of CBD/BID Consortium.
- Support all working committees of the Board of Directors including: Street Life + Business, Ocean Avenue Business Safe, and Board Development.
- Work with the City on quality of life issues.

Description of Changes to the District Boundaries, Parcels or Assessment Calculations

- The assessment was raised 2.4% for FY 2013-14 to account for cost of living increases calculated by the City, and applied for the first time by OAA.
- The proposed annual budget, including a cost estimate of providing the improvements and activities for 2014/15 Fiscal Year, is shown on the following pages.
- There are no proposed changes in the boundaries of the improvement district or in any benefit zones or classification of property or businesses within the district.
- The method and basis of levying the assessment in sufficient detail to allow each real property or business owner to estimate the amount of the assessment to be levied against his or her property for that fiscal year is presented below.
- The amount of surplus or deficit revenues to be carried over from a previous fiscal year is \$106,032.25 from unpaid assessments for years i-iv.
- The amount of any contributions made other than assessments levied for 2013-14 are CDBG Grant funds, \$30,000.00; a \$15,000 Invest In Neighborhoods grant; from Friends of the Urban Forest and Invest in Neighborhoods, \$10,000.00 for sidewalk gardens totalling 1200 sq. ft.; and \$100,000.00 in SF Shines allocations for Ocean Avenue small businesses.

Assessment Calculations

Zone 1 Fiscal Year 2014/15 Assessment Calculation Rates

Zone 1 – Assessment Category Description	2010/11 Original Rate	2014 Escalated Rate
Linear Street Foot for Commercial Property Use, Residential Property Use, Public Property Use, and Phelan Loop Parcel	\$26.28 per linear street foot	\$27.55 per linear street foot
Linear Street Foot for Non-Profit Service Organization Property Use, and Religious Institutional Property Use	\$21.00 per linear street foot	\$22.01 per linear street foot
Building Square Foot for Commercial Property Use	\$0.1110 per building square foot	\$0.1163 per building square foot
Lot Square Foot for Commercial Property Use	\$0.0276 per lot square foot	\$0.0288 per lot square foot
Lot Square Foot for Phelan Loop Corner Landscaped Parcel	\$1.31 per lot lot square foot	\$1.37 per lot square foot
Lot Square Foot for Phelan Parcels Fronting and Accessed off of the Phelan Plaza	\$0.0574 per lot square foot	\$0.0601 per lot square foot

Zone 1 Annual Assessment Calculation:

Linear Street Frontage Assessment = Assigned Linear Street Frontage x Linear Street Frontage Assessment Rate

Building Square = Commercial Property Use Building x Building Square Footage

$$\begin{array}{lcl} \text{Footage Assessment} & \text{Square Footage} & \text{Assessment Rate} \\ \text{Lot Square Foot} & = & \text{Commercial Property Use Lot} \\ \text{Assessment} & & \text{Square Footage} \quad \times \quad \text{Lot Square Footage} \\ & & \text{Assessment Rate} \end{array}$$

Zone 1 Assessor's Parcel Annual Assessment:

$$\begin{array}{lcl} \text{Assessor's Parcel} & = & \text{Linear Street Frontage} + \text{Building Square} + \text{Lot Square} \\ \text{Annual Assessment} & & \text{Assessment} \quad \text{Footage Assessment} \quad \text{Footage} \\ & & \text{Assessment} \end{array}$$

Zone 1 Phelan Loop Parcel Annual Assessment:

$$\begin{array}{lcl} \text{Phelan Loop} & = & \text{Assigned Linear} \times \text{Linear Street} + \text{Assigned} \times \text{Lot Square} \\ \text{Parcel Annual} & & \text{Street Frontage} \quad \text{Frontage} \quad \text{Lot Square} \\ \text{Assessment} & & \text{Assessment} \quad \text{Footage} \\ & & \text{Rate} \quad \text{Assessment} \\ & & \text{Rate} \end{array}$$

Zone 2 Fiscal Year 2012-2013 Assessment Calculation Rates

Zone 2- Assessment Category Description	2010/11 Original Rate	2014 Escalated Rate
Linear Street Foot for Educational Institutional Property Use and Public Property Use	\$13.90 per Linear Street Foot	\$14.57 per Linear Street Foot

Zone 2 Annual Assessment Calculation:

$$\begin{array}{lcl} \text{Linear Street Frontage} & = & \text{Linear Street Frontage} \times \text{Linear Street Frontage} \\ \text{Assessment} & & \text{Assessment Rate} \end{array}$$

Zone 2 Assessor's Parcel Annual Assessment:

$$\begin{array}{lcl} \text{Assessor's Parcel} & = & \text{Linear Street Frontage} \\ \text{Annual Assessment} & & \text{Assessment} \end{array}$$

Maximum Annual Assessments

The Zone 1 Fiscal Year 2012/13 maximum annual assessment rates are as follows:

- Per Linear Street Foot (Commercial Property Use, Residential Property Use, Public Property Use, and Phelan Loop Parcel): \$27.55
- Per Linear Street Foot for (Non-Profit Service Organization Property Use, and Religious and Institutional Property Use): \$22.01
- Per Commercial Property Use Building Square Foot: \$0.1163
- Per Commercial Property Use Lot Square Foot: \$0.0288
- Per Phelan Loop Parcel Lot Square Foot: \$1.37

The Zone 2 Fiscal Year 2011/12 maximum annual assessment rate is as follows:

- Per Linear Street Foot (Educational Institutional Property Use and Public Property Use): \$14.57

Ocean Avenue Association
Budget for FY July 1, 2014 - June 30, 2015
(Year 5)

Year V Budget
Rev. #1
7-1-14

INCOME	BUDGET	ACTUAL <small>(as of 7/31/14)</small>	VARIANCE
Assessment Revenue			
Current Year Assessment	259,286.00	0.00	259,286.00
Prior Year(s) Assessment	106,032.25	0.00	106,032.25
Prior Year(s) Assessment Refund	0.00	0.00	0.00
Prior Year(s) Assessment Bad Debt	0.00	0.00	0.00
Subtotal Assessment Revenue	365,318.25	0.00	-365,318.25
Other Revenue			
Donations	2,593.00	0.00	-2,593.00
Fees (Fiscal Sponsorship, Other, CDGB 7/2014)	3,000.00	0.00	-3,000.00
Fees (IIN 7/2014)	750.00	0.00	-750.00
Reimbursements (FUF 7/2014)	240.51	0.00	-240.51
Fundraisers	0.00	0.00	0.00
Prior Year(s) Other Revenue (May/June 2014 CDBG)	2,692.00	0.00	-2,692.00
Subtotal Other Revenue	9,275.51	0.00	-9,275.51
Grants			
Grants-Government (CDBG 7/2014)	27,000.00	0.00	-27,000.00
Grants-Government (IIN 7/2014)	14,250.00	0.00	-14,250.00
Grants-Corporate	0.00	0.00	0.00
Grants-Foundations	0.00	0.00	0.00
Subtotal Grants	41,250.00	0.00	-41,250.00
Operating Reserve			
Carryover Net Income from FY 12-13	207,308.15	207,308.15	0.00
Carryover Other Income from FY 12-13	0.00	0.00	0.00
Subtotal Operating Reserve	207,308.15	207,308.15	0.00
Total Income	623,151.91	207,308.15	-415,843.76

Ocean Avenue Association
Budget for FY July 1, 2014 - June 30, 2015
(Year 5)

Year V Budget
 Rev #1
 7/1/14

EXPENSES	BUDGET	ACTUAL (as of 7/31/14)	VARIANCE	MDP BUDGET RATIO
Management & Operations (M&O)				
Executive Director Salary (37.2%)	26,672.00	0.00	26,672.00	
Executive Director Bonus for FY 2013-2014	2,500.00	0.00	2,500.00	
Payroll Taxes (7.65%)	5,675.00	0.00	5,675.00	
IRA OAA Contribution	2,160.00	0.00	2,160.00	
Payroll Processing Fees	1,120.00	0.00	1,120.00	
Subtotal of M&O Payroll	38,117.00	0.00	38,117.00	
Accounting Fees	5,000.00	0.00	5,000.00	
Bookkeeping Fees	3,000.00	0.00	3,000.00	
Legal Fees (Gln)	1,500.00	0.00	1,500.00	
Banking Fees	50.00	0.00	50.00	
Office Supplies & Equipment	2,000.00	0.00	2,000.00	
Printing, Copying, Postage & Mailing Services	500.00	0.00	500.00	
Telephone, Telecom, Meeting Expense, Other	600.00	0.00	600.00	
Licenses, Permits, Filing Fees	500.00	0.00	500.00	
Insurance - Liability, D&O	5,000.00	0.00	5,000.00	
Workers Compensation Insurance	850.00	0.00	850.00	
Parklet Insurance	825.00	0.00	825.00	
Dues and Subscriptions	500.00	0.00	500.00	
Annual Report Expenses	1,200.00	0.00	1,200.00	
Assessment Roll Updating	1,250.00	0.00	1,250.00	
Statewide CBD Support Expenses	500.00	0.00	500.00	
Subtotal of M&O Non Payroll	23,275.00	0.00	23,275.00	
Subtotal M&O	61,392.00	0.00	61,392.00	20.5%
Cleaning, Maintenance, & Safety				
Sanitation and Graffiti Removal	119,000.00	0.00	119,000.00	
Landscape and Maintenance	34,000.00	0.00	34,000.00	
Safety and Security	1,000.00	0.00	1,000.00	
Supplies and Materials	1,000.00	0.00	1,000.00	
Executive Director Salary (18.6%)	13,336.00	0.00	13,336.00	
Subtotal Cleaning & Maintenance	168,336.00	0.00	168,336.00	56.1%
Marketing & Beautification				
Website Designer	1,000.00	0.00	1,000.00	
Webhosting	1,000.00	0.00	1,000.00	
Photography	1,000.00	0.00	1,000.00	
Beautification-General	2,500.00	0.00	2,500.00	
Beautification-Sidewalk Garden	750.00	0.00	750.00	
Holiday Decorations	1,500.00	0.00	1,500.00	
Banners	3,400.00	0.00	3,400.00	
Printing and Copying	500.00	0.00	500.00	
Limited Live Performance Permits (5)	2,670.00	0.00	2,670.00	
Advertising	5,000.00	0.00	5,000.00	
Marketing - Beer Festival	600.00	0.00	600.00	
Marketing - Ocean Ave Parklet	5,000.00	0.00	5,000.00	
Marketing - Unity Plaza Opening	1,500.00	0.00	1,500.00	
Refreshments- Meetings and Volunteers	500.00	0.00	500.00	
Special Events - Ocean Ave Festival	6,000.00	0.00	6,000.00	
Streetscape Improvements - Phelan Garden	810.00	0.00	810.00	
Executive Director Salary (37.2%)	26,672.00	0.00	26,672.00	
Subtotal Marketing & Beautification	60,402.00	0.00	60,402.00	20.1%
Contingency & Reserves				
Contingency and Reserves	10,000.00	0.00	10,000.00	
Bank Deficit Analysis	0.00	0.00	0.00	
Subtotal Contingency & Reserves	10,000.00	0.00	10,000.00	3.3%
Supplemental Non-OAA Expenses				
Other Staff Salary (Neil Ballard)	13,500.00	0.00	13,500.00	
Other Staff Salary (Luis Licea)	13,500.00	0.00	13,500.00	
Executive Director Salary (7% Non-Assessment)	5,000.00	0.00	5,000.00	
Subtotal of Non-Assessment Payroll	32,000.00	0.00	32,000.00	
IIN Grant 7/2014	14,250.00	0.00	14,250.00	
Other Grants TBA	0.00	0.00	0.00	
Subtotal of Grant Expenses	14,250.00	0.00	14,250.00	
Fiscal Sponsorship Pass-Through Exp. (CDBG)	0.00	0.00	0.00	
Subtotal of Fiscal Sponsorship	0.00	0.00	0.00	
Subtotal Supplemental Non-OAA Expenses	46,250.00	0.00	46,250.00	
Total OAA Expenses	300,130.00	0.00	300,130.00	100.0%
Net OAA Income	323,021.91	207,308.15	115,713.76	
Net Income/Cash Balance**	276,771.91	207,308.15	69,463.76	

* Total Income less Total OAA Expenses
 ** Total Income less Total OAA Expenses plus Subtotal Supplemental Non-OAA Expenses. Bank balance on 6/30/14 is \$209,213.15, with outstanding checks of \$1905, for a Net Bank Balance of \$207,308.15.

Ocean Avenue Association

FINANCIAL STATEMENTS

June 30, 2012

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

Ocean Avenue Association

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CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

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Independent Accountants' Review Report

Board of Directors
Ocean Avenue Association
San Francisco, California

We have reviewed the accompanying statements of financial position of Ocean Avenue Association (a nonprofit organization) as of June 30, 2012, and the related statements of activities, cash flows, and functional expenses for the two years 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 controls 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
September 21, 2012

Ocean Avenue Association

Statement of Financial Position
June 30, 2012

Assets

Current Assets	
Cash	\$ 135,695
Grants receivable	25,021
Assessments receivable	<u>153,620</u>
Total Assets	<u>\$ 314,336</u>

Liabilities and Net Assets

Liabilities	\$
Contingencies (Note 3)	
Net assets-unrestricted	<u>314,336</u>
Total Liabilities and Net Assets	<u>\$ 314,336</u>

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

Ocean Avenue Association

**Statement of Activities
For the Two Years Ended June 30, 2012**

Support and Revenue	
Contributions	\$ 15,000
Government grants	37,628
Assessment revenue	479,156
Miscellaneous income	200
Total Support and Revenue	<u>531,984</u>
Expenses	
Program	188,111
General and administrative	15,469
Fundraising	14,068
Total Expenses	<u>217,648</u>
Change in net assets	314,336
Net Assets-unrestricted, beginning of year	<u>-</u>
Net Assets-unrestricted, end of year	<u>\$ 314,336</u>

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

Ocean Avenue Association

Statement of Cash Flows
For the Two Years Ended June 30, 2012

Cash flows from operating activities:	
Change in net assets	\$ 314,336
Adjustments to reconcile change in net assets to cash (used) provided by operating activities:	
Change in assets and liabilities:	
Grants receivable	(25,021)
Assessments receivable	<u>(153,620)</u>
Net cash provided by operating activities	<u>135,695</u>
Net change in cash	<u>135,695</u>
Cash, beginning of year	<u>—</u>
Cash, end of year	<u>\$ 135,695</u>

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

Ocean Avenue Association

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

	Program	General and Administrative	Fundraising	Total
Salaries	\$ 35,000	\$ 11,667	\$ 11,666	\$ 58,333
Employee benefits	89	30	30	149
Payroll taxes	3,017	1,006	1,006	5,029
Total personnel	<u>38,106</u>	<u>12,703</u>	<u>12,702</u>	<u>63,511</u>
Grants	3,300	-	-	3,300
Accounting	-	1,400	-	1,400
Fee for service	130,248	1,366	1,366	132,980
Advertising and promotion	450	-	-	450
Supplies	1,988	-	-	1,988
Printing and publication	894	-	-	894
Telephone	350	-	-	350
Dues, licenses, service fees	2,306	-	-	2,306
Postage and shipping	240	-	-	240
Equipment rental and maintenance	5,940	-	-	5,940
Insurance	4,289	-	-	4,289
Total Expenses	<u>\$ 188,111</u>	<u>\$ 15,469</u>	<u>\$ 14,068</u>	<u>\$ 217,648</u>

OCEAN AVENUE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE TWO YEARS ENDED JUNE 30, 2012

NOTE 1: NATURE OF ACTIVITIES

The Ocean Avenue Association (the Organization) is a California nonprofit Community Benefit District (CBD), which was established in December of 2010. Services began in July 2011 along the Ocean Avenue corridor in the Oceanview-Merced-Ingleside neighborhood. The Organization's mission is to revitalize the Ocean Avenue corridor from Interstate 280 to Manor Drive through sanitation, safety programs, marketing, promotion and advocacy for property and business owners.

The Organization is committed to making the Ocean Avenue corridor a vibrant and safe place by providing programs and services that improve the quality of life for those who live and work in the community. Entrepreneurs, merchants and neighborhood stakeholders benefit from the CBD in numerous ways. The Organization advocates for local businesses by reaching out to elected officials and City agencies on topics such as zoning, urban design, and tax policy. The CBD also serves as an ombudsman, helping members to access public services.

The Organization also promotes the district through publications, programs, and advertising by supporting a range of community events, from holiday decorations to summer events.

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.

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

OCEAN AVENUE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE TWO YEARS ENDED JUNE 30, 2012

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.

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) (4) and the California Revenue and Taxation Code Section 23701(f). 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.

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 two years ended June 30, 2012.

OCEAN AVENUE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE TWO YEARS 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

All acquisitions of property and equipment in excess of \$2,500 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, 2012.

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.

OCEAN AVENUE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE TWO YEARS ENDED JUNE 30, 2012

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of September 21, 2012 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: CONTINGENCIES

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

Special benefit assessments are received under a contract with the City and County of San Francisco and represent approximately 90 % of the Organization's total revenue. Under the terms of the contract, the City and County can suspend distributions and ultimately terminate the contract if the Organization fails to provide adequate services to the district or fails to perform other responsibilities. The contract expires on June 30, 2025 and could be terminated at an earlier date if the Organization is disestablished by a vote of more than 50% of the assessed owners.

Ocean Avenue Association

FINANCIAL STATEMENTS

June 30, 2013

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

Ocean Avenue Association

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CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

Latham Square Building
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Independent Accountants' Review Report

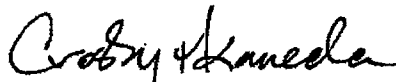
Board of Directors
Ocean Avenue Association
San Francisco, California

We have reviewed the accompanying statements of financial position of Ocean Avenue Association (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 controls 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
January 10, 2014

Ocean Avenue Association

Statement of Financial Position
June 30, 2013

Assets

Current Assets	
Cash	\$ 219,518
Assessments receivable, net of \$50,000 allowance for doubtful accounts	<u>32,046</u>
Total Assets	<u>\$ 251,564</u>

Liabilities and Net Assets

Current Liabilities	
Accrued vacation	\$ 3,803
Total Liabilities	<u>3,803</u>
Contingencies (Note 3)	
Net Assets	
Unrestricted	<u>247,761</u>
Total Net Assets	<u>247,761</u>
Total Liabilities and Net Assets	<u>\$ 251,564</u>

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

Ocean Avenue Association

Statement of Activities
For the Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Contributions	\$ 7,200	\$ 5,000	\$ 12,200
Government grants	22,149		22,149
Assessment revenue	236,153		236,153
Miscellaneous income	1,018		1,018
Net assets released from donor restrictions	5,000	(5,000)	-
Total Support and Revenue	<u>271,520</u>	<u>-</u>	<u>271,520</u>
Expenses			
Program	225,662		225,662
General and administrative	61,877		61,877
Total Expenses	<u>287,539</u>	<u>-</u>	<u>287,539</u>
Change in net assets	(16,019)	-	(16,019)
Net Assets, beginning of year	<u>263,780</u>	<u>-</u>	<u>263,780</u>
Net Assets, end of year	<u>\$ 247,761</u>	<u>\$ -</u>	<u>\$ 247,761</u>

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

Ocean Avenue Association
Statement of Cash Flows
For the Year Ended June 30, 2013

Cash flows from operating activities:	
Change in net assets	\$ (16,019)
Adjustments to reconcile change in net assets to cash (used) provided by operating activities:	
Change in assets and liabilities:	
Grants receivable	25,021
Assessments receivable	71,018
Accrued vacation	3,803
Net cash provided by operating activities	<u>83,823</u>
Net change in cash	<u>83,823</u>
Cash, beginning of year	<u>135,695</u>
Cash, end of year	<u>\$ 219,518</u>

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

Ocean Avenue Association

Statement of Functional Expenses
For the Year Ended June 30, 2013

	<u>Program</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries	\$ 52,368	\$ 22,444	\$ 74,812
Payroll taxes	4,257	1,824	6,081
Total personnel	<u>56,625</u>	<u>24,268</u>	<u>80,893</u>
Grants	15,000		15,000
Legal		8,016	8,016
Accounting		5,700	5,700
Fee for service	141,561	13,224	154,785
Advertising and promotion	952	725	1,677
Supplies	571	631	1,202
Printing and publication	222	336	558
Telephone		749	749
Conferences, conventions, meetings		1,590	1,590
Dues, licenses, other fees	5,436	1,224	6,660
Postage and shipping		404	404
Equipment rentals	1,395		1,395
Insurance	52	5,010	5,062
Miscellaneous	3,848		3,848
Total Expenses	<u>\$ 225,662</u>	<u>\$ 61,877</u>	<u>\$ 287,539</u>

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

OCEAN AVENUE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1: NATURE OF ACTIVITIES

The Ocean Avenue Association (the Organization) is a California nonprofit Community Benefit District (CBD), which was established in December of 2010. Services began in July 2011 along the Ocean Avenue corridor in the Oceanview-Merced-Ingleside neighborhood. The Organization's mission is to revitalize the Ocean Avenue corridor from Interstate 280 to Manor Drive through sanitation, safety programs, marketing, promotion and advocacy for property and business owners.

The Organization is committed to making the Ocean Avenue corridor a vibrant and safe place by providing programs and services that improve the quality of life for those who live and work in the community. Entrepreneurs, merchants and neighborhood stakeholders benefit from the CBD in numerous ways. The Organization advocates for local businesses by reaching out to elected officials and City agencies on topics such as zoning, urban design, and tax policy. The CBD also serves as an ombudsman, helping members to access public services.

The Organization provides supplemental sanitation services 6 days a week, inclusive of sidewalk sweeping, reporting incidents to 311, graffiti removal from private and public property and power washing sidewalks and transit boarding islands.

The Organization also promotes the district through publications, programs, and advertising by supporting a range of community events, from holiday decorations to summer events.

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.

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

OCEAN AVENUE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

actions of the Organization pursuant to those stipulations. There were no temporarily restricted net assets at June 30, 2013.

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.

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.

OCEAN AVENUE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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.

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.

OCEAN AVENUE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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 \$2,500 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.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of January 10, 2014 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: CONTINGENCIES

Special benefit assessments are received under a contract with the City and County of San Francisco and represent approximately 87% of the Organization's total revenue. Under the terms of the contract, the City and County can suspend distributions and ultimately terminate the contract if the Organization fails to provide adequate services to the district or fails to perform other responsibilities. The contract expires on June 30, 2025 and could be terminated at an earlier date if the Organization is disestablished by a vote of more than 50% of the assessed owners.

Ocean Avenue Association

FINANCIAL STATEMENTS

June 30, 2014

(With Comparative Totals for June 30, 2013)

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

Ocean Avenue Association

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Independent Accountants' Review Report

Board of Directors
Ocean Avenue Association
San Francisco, California

We have reviewed the accompanying statements of financial position of Ocean Avenue Association (a nonprofit organization) as of June 30, 2014, 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 controls 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
November 18, 2014

Ocean Avenue Association

Statement of Financial Position
June 30, 2014
(With Comparative Totals for June 30, 2013)

	2014	2013
Assets		
Current Assets		
Cash	\$ 207,308	\$ 219,518
Assessments receivable, net of allowance for doubtful accounts of \$37,073 and \$50,000 for 2014 and 2013, respectively	47,612	32,046
Due from City	21,347	-
Total Assets	\$ 276,267	\$ 251,564
Liabilities and Net Assets		
Current Liabilities		
Accrued vacation	\$ 1,346	\$ 3,803
Total Liabilities	1,346	3,803
Unrestricted net assets	274,921	247,761
Total Liabilities and Net Assets	\$ 276,267	\$ 251,564

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

Ocean Avenue Association

Statement of Activities
For the Year Ended June 30, 2014
(With Comparative Totals for the Year Ended June 30, 2013)

	2014	2013
Support and Revenue		
Contributions	\$	\$ 12,200
Government grants	30,000	22,149
Assessment revenue	257,891	236,153
Miscellaneous income	516	1,018
Total Support and Revenue	<u>288,407</u>	<u>271,520</u>
Expenses		
Program	212,873	225,662
General and administrative	46,624	61,877
Fundraising	1,750	-
Total Expenses	<u>261,247</u>	<u>287,539</u>
Change in net assets	27,160	(16,019)
Unrestricted Net Assets, beginning of year	<u>247,761</u>	<u>263,780</u>
Unrestricted Net Assets, end of year	<u>\$ 274,921</u>	<u>\$ 247,761</u>

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

Ocean Avenue Association
Statement of Cash Flows
For the Year Ended June 30, 2014
(With Comparative Totals for the Year Ended June 30, 2013)

	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ 27,160	\$ (16,019)
Adjustments to reconcile change in net assets to cash (used) provided by operating activities:		
Change in assets and liabilities:		
Grants receivable	-	25,021
Assessments receivable	(15,566)	71,018
Due from City	(21,347)	-
Accrued vacation	(2,457)	3,803
Net cash provided (used) by operating activities	(12,210)	83,823
Net change in cash	(12,210)	83,823
Cash, beginning of year	219,518	135,695
Cash, end of year	\$ 207,308	\$ 219,518

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

Ocean Avenue Association

**Statement of Functional Expenses
For the Year Ended June 30, 2014
(With Comparative Totals for the Year Ended June 30, 2013)**

	Program	General and		Total	
		Administrative	Fundraising	2014	2013
Salaries	\$ 49,000	\$ 18,543	\$ -	\$ 67,543	\$ 74,812
Employee benefits	735	315	-	1,050	-
Payroll taxes	4,067	1,743	-	5,810	6,081
Total personnel	<u>53,802</u>	<u>20,601</u>	<u>-</u>	<u>74,403</u>	<u>80,893</u>
Grants				-	15,000
Legal				-	8,016
Accounting		4,300		4,300	5,700
Fee for service	143,037	6,138	1,750	150,925	152,435
Advertising and promotion	3,116	2,360		5,476	4,027
Supplies	949	3,810		4,759	1,606
Printing and publication	381	372		753	558
Information technology		1,248		1,248	749
Conferences, conventions, meetings		2,053		2,053	1,590
Dues, licenses, other fees	5,000	185		5,185	6,660
Equipment rentals				-	1,395
Insurance		5,532		5,532	5,062
Miscellaneous	6,588	25		6,613	3,848
Total Expenses	<u>\$ 212,873</u>	<u>\$ 46,624</u>	<u>\$ 1,750</u>	<u>\$ 261,247</u>	<u>\$ 287,539</u>

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

OCEAN AVENUE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013)

NOTE 1: NATURE OF ACTIVITIES

The Ocean Avenue Association (the Organization) is a California nonprofit corporation that manages the Community Benefit District (CBD) established in December of 2010. Services began in July 2011 along the Ocean Avenue corridor in the Oceanview-Merced-Ingleside neighborhood. The Organization's mission is to revitalize the Ocean Avenue corridor from Interstate 280 to Manor Drive through sanitation, safety programs, marketing, promotion and advocacy for property and business owners.

The Organization is committed to making the Ocean Avenue corridor a vibrant and safe place by providing programs and services that improve the quality of life for those who live and work in the community. Entrepreneurs, merchants and neighborhood stakeholders benefit from the Organization in numerous ways. The Organization advocates for local businesses by reaching out to elected officials and City agencies on topics such as zoning, urban design, and tax policy. The Organization also serves as an ombudsman, helping members to access public services.

The Organization provides supplemental sanitation services 6 days a week, inclusive of sidewalk sweeping, reporting incidents to 311, graffiti removal from private and public property and power washing sidewalks and transit boarding islands.

The Organization also promotes the district through publications, programs, and advertising by supporting a range of community events, from holiday decorations to summer events.

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.

OCEAN AVENUE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013)

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. There were no temporarily restricted net assets at June 30, 2014.

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, 2014.

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.

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.

OCEAN AVENUE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013)

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) (4) and the California Revenue and Taxation Code Section 23701(d). The Organization has evaluated its current tax positions as of June 30, 2014 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, 2014.

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).

OCEAN AVENUE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013)

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, 2014.

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 \$2,500 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, 2014.

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, 2013, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of November 18, 2014 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

OCEAN AVENUE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013)

NOTE 3: CONCENTRATIONS

Special benefit assessments are received under a contract with the City and County of San Francisco and represent approximately 89% of the Organization's total revenue. Under the terms of the contract, the City and County can suspend distributions and ultimately terminate the contract if the Organization fails to provide adequate services to the district or fails to perform other responsibilities. The contract expires on June 30, 2025 and could be terminated at an earlier date if the Organization is disestablished by a vote of more than 50% of the assessed owners.

Introduction Form

By a Member of the Board of Supervisors or the Mayor

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 Norman Yee

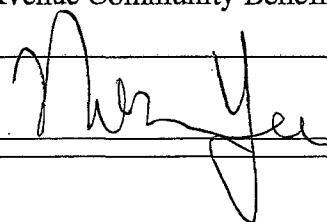
Subject:

Resolution - Ocean Avenue Community Benefit District - Annual Reports to the City - FYs 2011-2014

The text is listed below or attached:

Resolution receiving and approving annual reports for the Ocean Avenue Community Benefit District for fiscal years 2011-2012, 2012-2013, and 2013-2014.

Signature of Sponsoring Supervisor: _____



For Clerk's Use Only:

