

File No. 150352 Committee Item No. 2
 Board Item No. 20

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date April 16, 2015

Board of Supervisors Meeting Date APRIL 28, 2015

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Referral FYI - 04/10/2015</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Referral SBC - 04/10/2015</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>OEWD Memo - 04/02/2015</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Top of Broadway Annual Reports - FY2013-2014</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CPA Financial Review Report - FY2013-2014</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>OEWD POWER POINT - 04/16/2015</u> |
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Completed by: Erica Major Date April 10, 2015
 Completed by: [Signature] Date APRIL 24, 2015

1 [Top of Broadway Community Benefit District - Annual Report for FY2013-2014]

2
3 **Resolution receiving and approving an annual report for the Top of Broadway**
4 **Community Benefit District for FY2013-2014, submitted as required by the Property and**
5 **Business Improvement District Law of 1994 (California Streets and Highways Code,**
6 **Sections 36600, *et seq.*), Section 36650, and the District's Management Agreement with**
7 **the City, Section 3.4.**

8
9 WHEREAS, On June 4, 2013, pursuant to the Property and Business Improvement
10 District Law of 1994 (the "Act"), California Streets and Highways Code, Sections 36600, *et*
11 *seq.*, as augmented by Article 15 of the San Francisco Business and Tax Regulations Code,
12 the Board of Supervisors adopted Resolution No. 165-13, expressing the City's intention to
13 establish the Top of Broadway Community Benefit District (the "Top of Broadway CBD"); and

14 WHEREAS, On July 23, 2013, the Board of Supervisors adopted Resolution
15 No. 263-13 establishing the Top of Broadway CBD ("Resolution to Establish") for a period of 8
16 years, commencing FY2013-2014; and

17 WHEREAS, On February 25, 2014, the Board of Supervisors adopted Resolution
18 No. 52-14, authorizing an agreement with the owners' association for the
19 administration/management of the Top of Broadway CBD, and a management agreement (the
20 "Management Contract") with the owners' association, the Top of Broadway Community
21 Benefit District, Inc., was executed accordingly; and

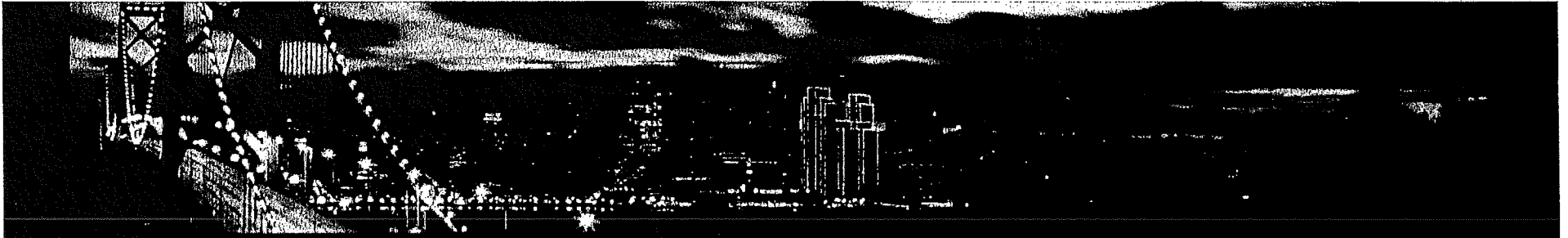
22 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
23 of Supervisors in File No. 140100; and

1 WHEREAS, The Top of Broadway CBD has submitted for the Board's receipt and
2 approval the Top of Broadway annual report for FY2013-2014 as required by Section 36650
3 of the Act and Section 3.4 of the Management Contract; and

4 WHEREAS, The Annual Report is on file with the Clerk of the Board of Supervisors in
5 File No. 150352, and is incorporated herein by reference as though fully set forth; and

6 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
7 memorandum report from the City's Office of Economic and Workforce Development, dated
8 April 2, 2015, and documentation from the Top of Broadway CBD for the Annual Report is on
9 file with the Clerk of the Board of Supervisors in File No. 150352; now, therefore, be it

10 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
11 report for the Top of Broadway Community Benefit District for FY2013-2014.



Top of Broadway Community Benefit District

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

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SUBMITTED + PRESENTED
APRIL 16, 2009 FILE 150 852

Legislative Overview

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

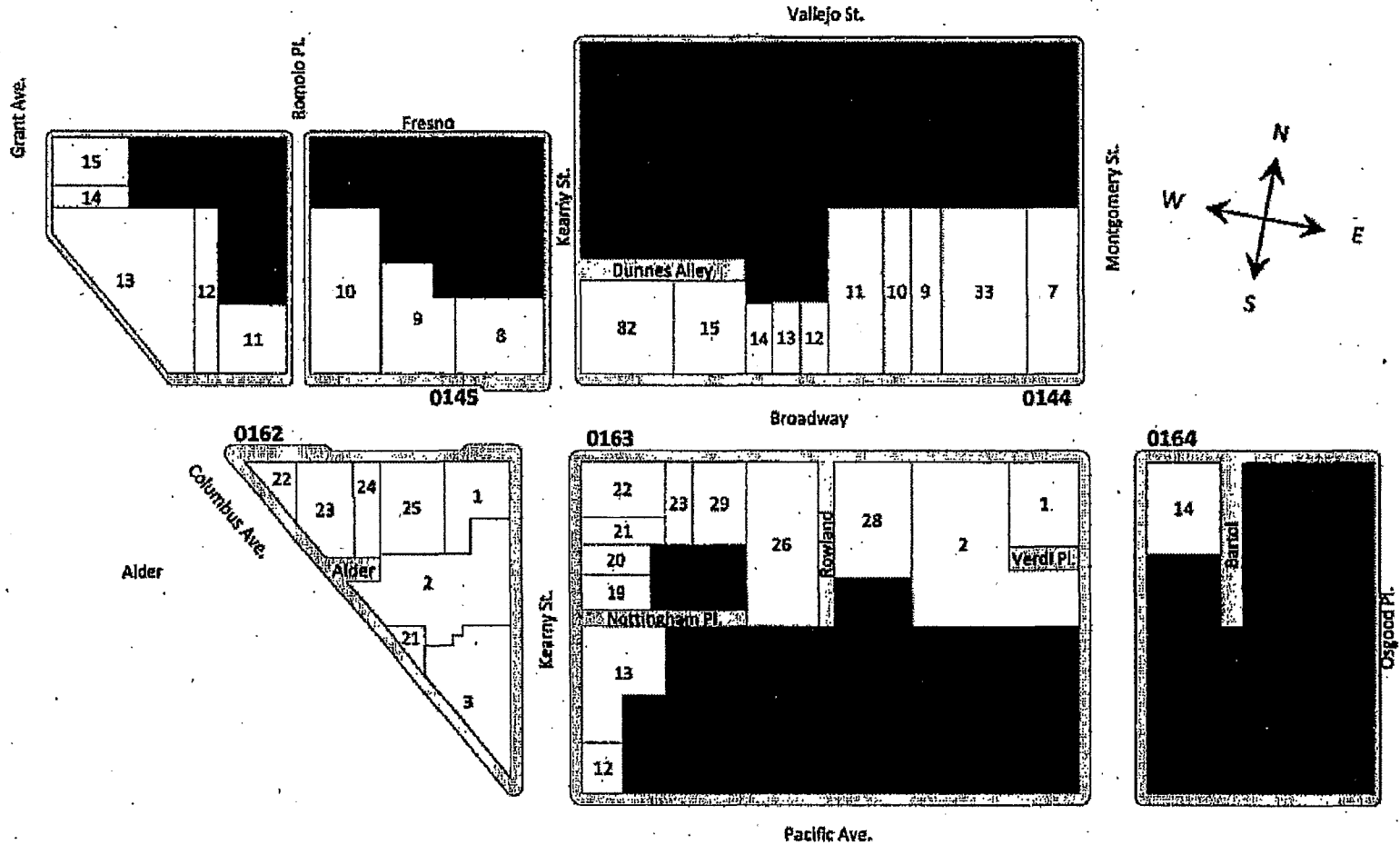
- State law**
 - “1994 Act”
- Local law**
 - “Article 15”

Review Process

This resolution covers the Annual Report for FY 2013-2014

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

Parcel Map



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ToBCBD Formation

ToBCBD	Type	Assessment Budget*	Year Established	Expires
	Property-Based	\$ 106,567	2013	June 30, 2021

**budget identified in management plan*

ToB Operations

- **Staff**

- Executive Director – Ben Horne

- **Service Areas**

- **District Identity**

- This program includes marketing, public relations, special events, and street enhancements, such as signage, historical markers, and banners, for the district.

- **Street Operations, Beautification and Order (SOBO)**

- This service area includes street maintenance and beautification – including but not limited to graffiti removal, sidewalk cleaning, periodic steam cleaning, trimming trees, and cleaning tree wells.

- **Administration, Organization and Corporate Operations**

- Admin and operations includes oversight of service contract, implementation of major projects, staffing the Board of Directors and Committees, and general day to day operations.

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BENCHMARKS

OEWD's staff reviewed the following budget related benchmarks for ToB:

Benchmark 1 – Whether the variance between the budget amounts for each service category was within 10 percentage points from the management plan.

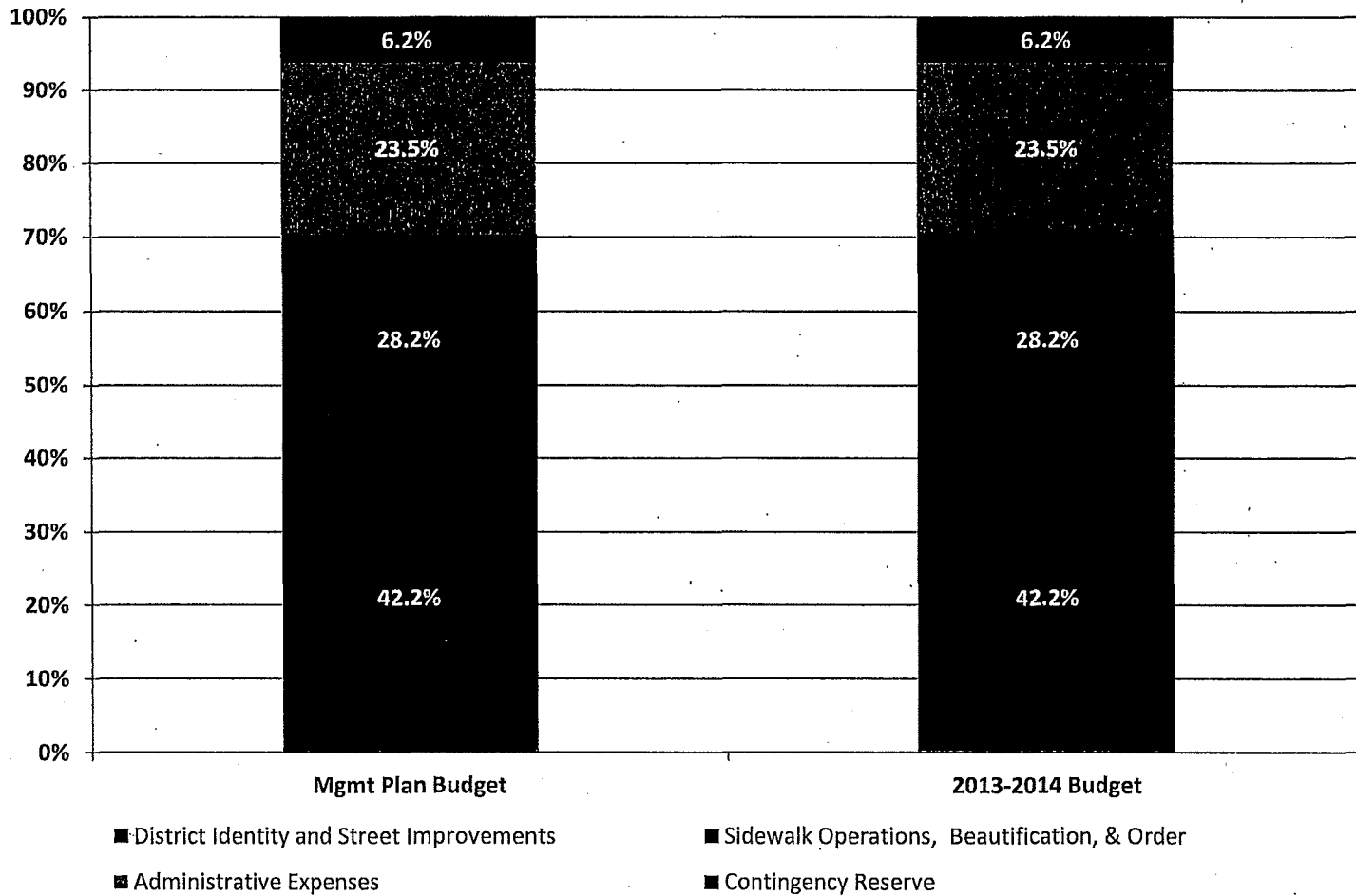
Benchmark 2 – Whether five percent (1%) of ToB's actuals came from sources other than assessment revenue.

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

Benchmark 4 - Whether CBD is indicating the amount of funds carried over from the current fiscal year and designating projects to be spent in the upcoming fiscal year.

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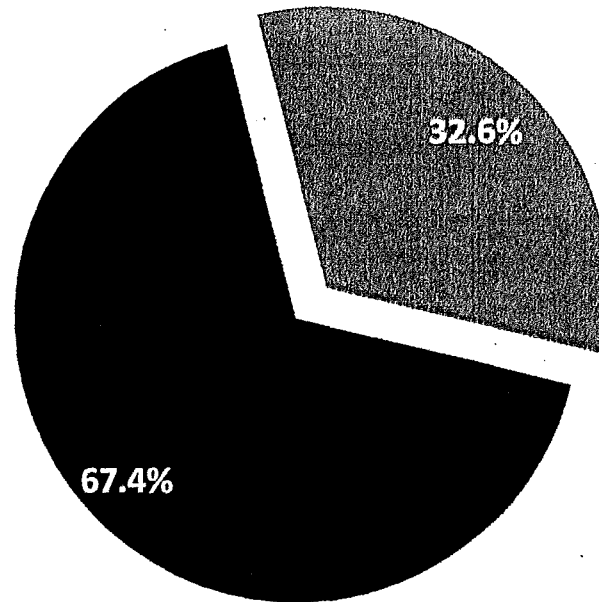
Management Plan vs. Annual Budgets



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Assessment Revenue & Other Income

FY 2013 - 2014



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Budget vs Actuals

Service Category	FY 2013-2014 Variance % Points
District identity	-6.9
Sidewalk Operations, Beautification & Order	+16.7
Administration, Organization & Corporate Operations	-3.7
Contingency Reserve	-

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Carryover

Designated Projects	FY 2013-2014
District Identity & Marketing	\$31,066
Sidewalk Operations, Beautification & Order	\$63,527
Administration, Organization, and Corporate Operations	\$20,891
General Fund (Broadway Entertainment & Cultural Association)	\$100,000
<ul style="list-style-type: none"> • SOBO 	\$90,000
<ul style="list-style-type: none"> • Safety 	\$65,000
<ul style="list-style-type: none"> • Additional Cleaning 	\$25,000
<ul style="list-style-type: none"> • Admin/Corp 	\$10,000
Total Designated Amount	\$215,484

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Recommendations for ToB

In completing the review of the ToB CBD's annual report and financials, OEWD sets forth the following recommendations:

- While the SOBO percentage points exceed the allowable variance, further research shows that this variance in program area allocation is explained by their high performance in raising non-assessment revenue. ToBCBD received a two year pledge from the Broadway Entertainment and Cultural Association of \$200,000 (\$100,000 per year).
- As a result of these high non-assessment revenues, the percentages do not provide an accurate assessment of fund allocation. Separating the non-assessment dollars from the review of those benchmarks, the amount allocated to each program year is in fact appropriate, and meet the benchmarks.
- Moving forward OEWD will work with Top of Broadway CBD to develop a framework that identifies assessment fund allocation and non-assessment expenditures.

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Conclusion

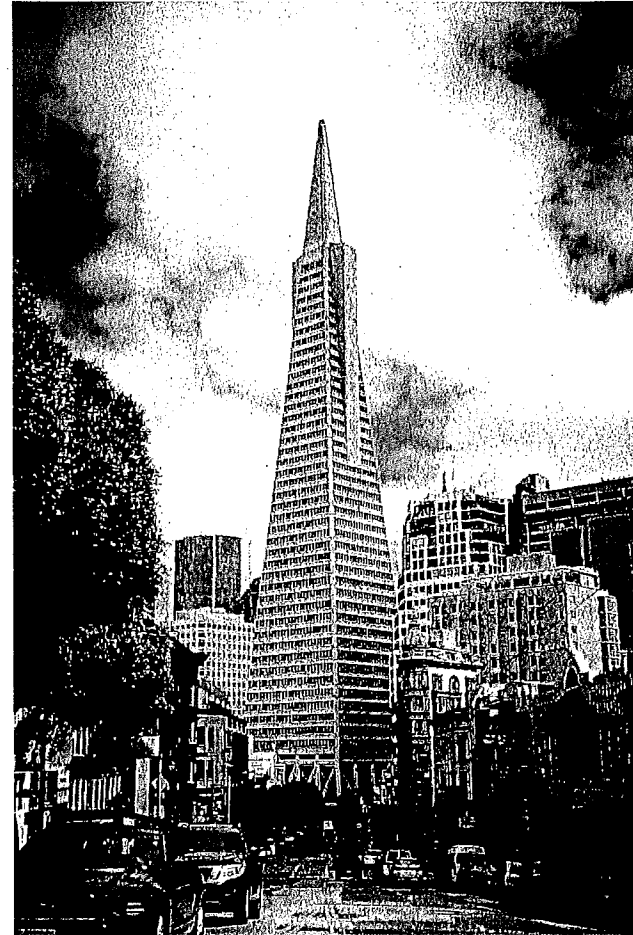
ToB CBD has performed well in implementing the service plan in the district:

- **Developed and implemented branding and marketing materials.**
- **Increased their opportunities in partnering with community stakeholders and numerous municipal agencies in its planning and advocacy around district lighting & security cameras.**
- **Maintained an active board of directors and committee members.**

**Top of Broadway
Community Benefit
District (ToBCBD)**



**Presentation to SF
Government Audit &
Oversight Committee
Fiscal Year 2013-2014**

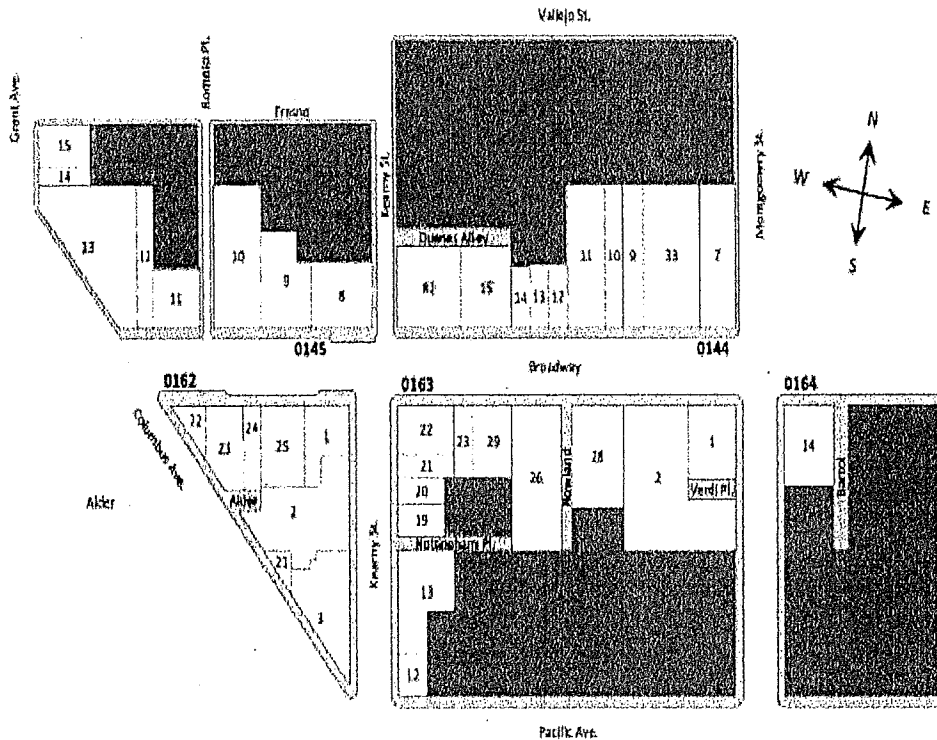


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April 16, 2015

Top of Broadway CBD

ToBCBD Parcel Map



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ToBCBD Facts (13-14FY)

- Organization formed Nov 2013, Started Services Jan 2014
- First assessment payment received Mar 2014
- 39 Parcels, 100+ businesses
- \$107K Operating Budget, \$57K spent on cleaning and public safety
- Provide 5 day/week sidewalk cleaning
- Provide weekly Thur-Sat safety patrols

April 16, 2015

Top of Broadway CBD

Active Committees



- Services & Safety Committee
- Marketing & Identity Committee
- Finance Committee
- Project based committees (events, branding, streetscape projects)

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Partner Organizations



- OEWD
- DPW
- SF District Attorney
- SFPD
- Chinatown Community Development Center (CCDC)
- North Beach Business Association
- SoTel Neighbors
- Broadway Entertainment & Cultural Association (BECA)
- North Beach Neighbors
- Voice of Broadway

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Grants and other funds



- \$200,000 2-year pledge from BECA (\$100K/year)
- OEWD formation grant \$25,000 (Sep 2013)
CCDC fiscal sponsor.
- In-Kind donations of \$17K

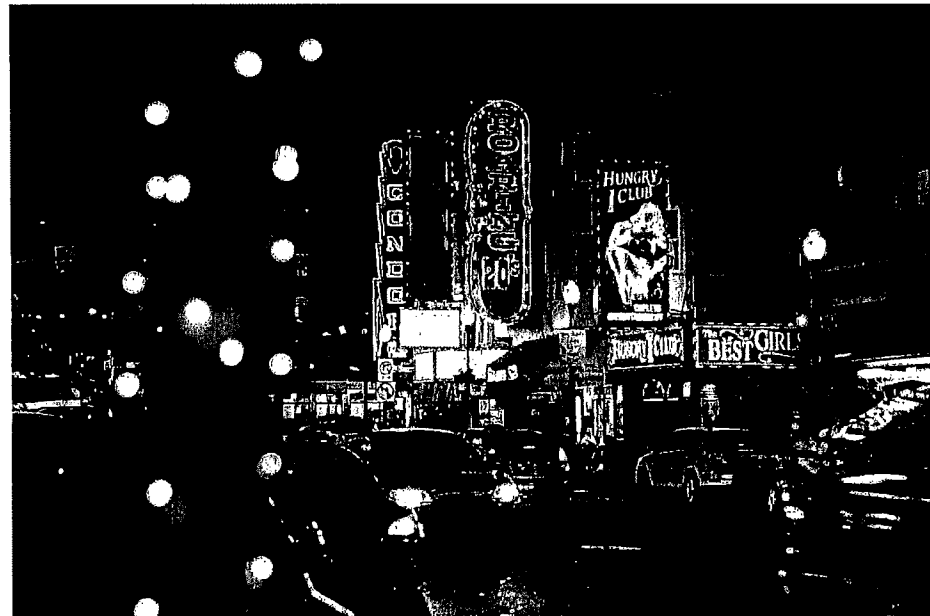
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Events + Highlights 13-14FY



Sidewalk Operations, Beautification & Order (SOBO)

- Instituted security protocols developed with DA's office
- Conducted RFP process and hired cleaning & security companies and implemented services.
- Conducted initial security camera and lighting audit
- Removed graffiti covered street furniture and provided landscaping services to trees in district.

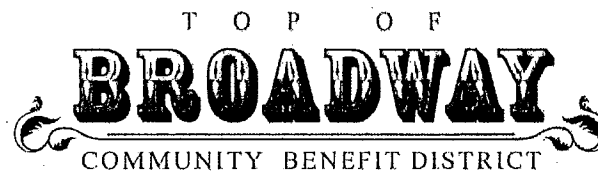


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April 16, 2015

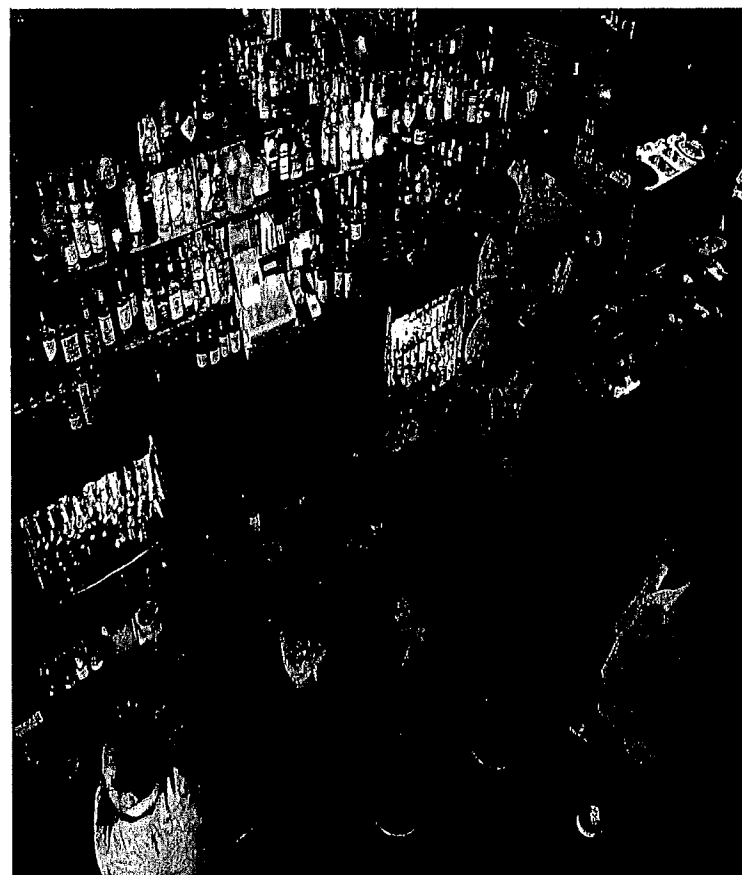
Top of Broadway CBD

Events & Highlights 13-14FY



Marketing & Identity

- Conducted RFP and hired PR/marketing firm.
- Conducted SWOT analysis and surveyed community
- Developed logo and brand
- Developed website and social media platforms
- Installed 6 flower baskets
- Installed decorative tree lighting



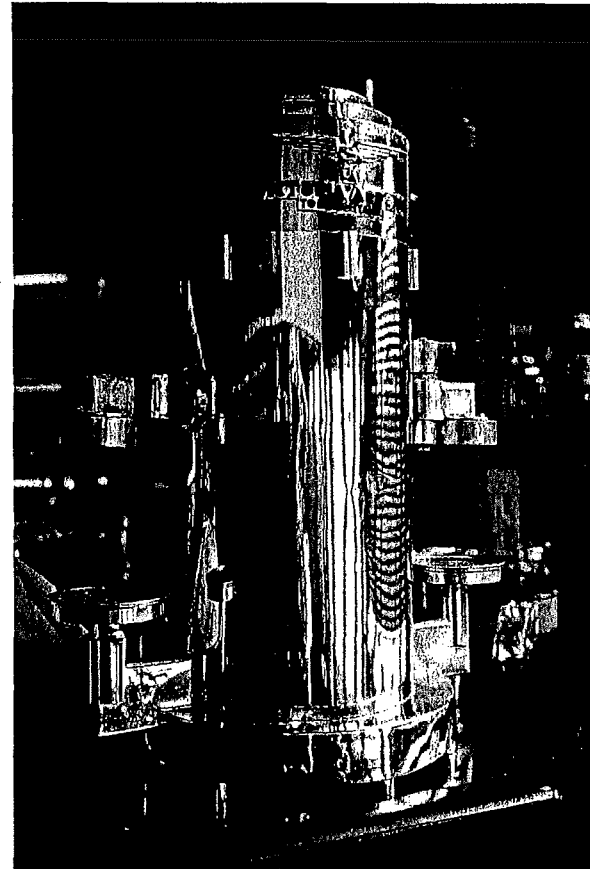
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Events & Highlights 13-14FY



Admin & Corporate Operations

- Formed Board of Directors through open community process.
- Incorporated and filed for non-profit status (received July 2014)
- Developed Executive Director hiring process and hired Executive Director.
- Developed advisory committees and numerous governance policies and procedures



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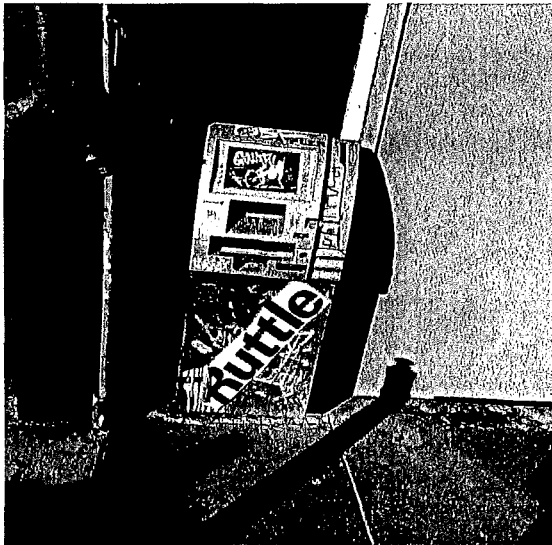
Events + Highlights FY13-14



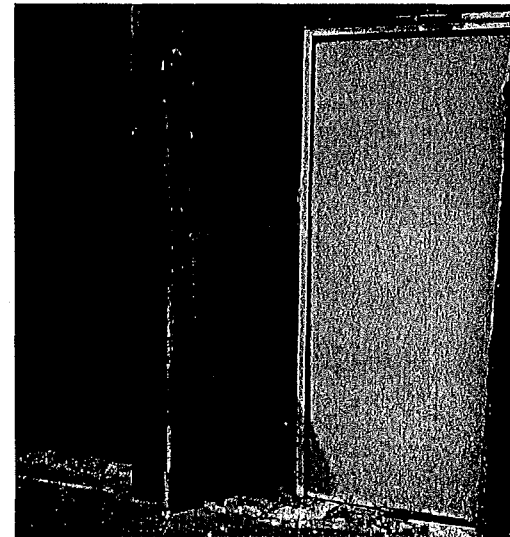
Cleaning & Maintenance (Feb – Jun 2014)

- Swept district and removed graffiti – 108
- Graffiti incidents removed – 381
- Human/animal waste cleanup – 85
- Pressure washed entire district – 5
- Illegal dumping reports - 169

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April 16, 2015



Top of Broadway CBD

Events + Highlights FY13-14



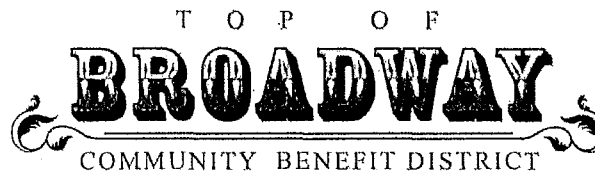
Safety Metrics (Feb – Jun 2014)

- Hospitality services – 131
- Merchant check ins – 554
- SFPD interactions – 171
- Loitering – 244
- Alcohol/drug related 121
- Calls for City services – 13
- Crowd control assistance - 31



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Challenges

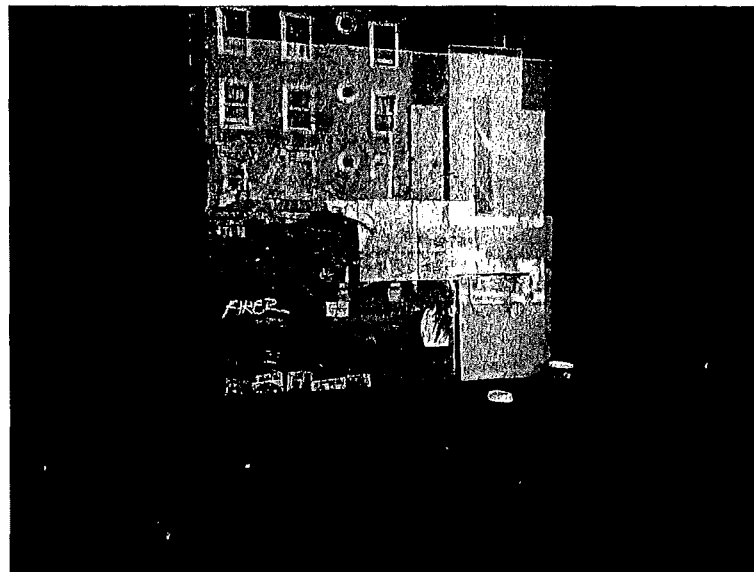


- Illegal dumping and poor toter management
- Blighted properties and vacancies
- Lack of daytime activation
- Chronic inebriates and drug use/dealing
- Small budget and area

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April 16, 2015



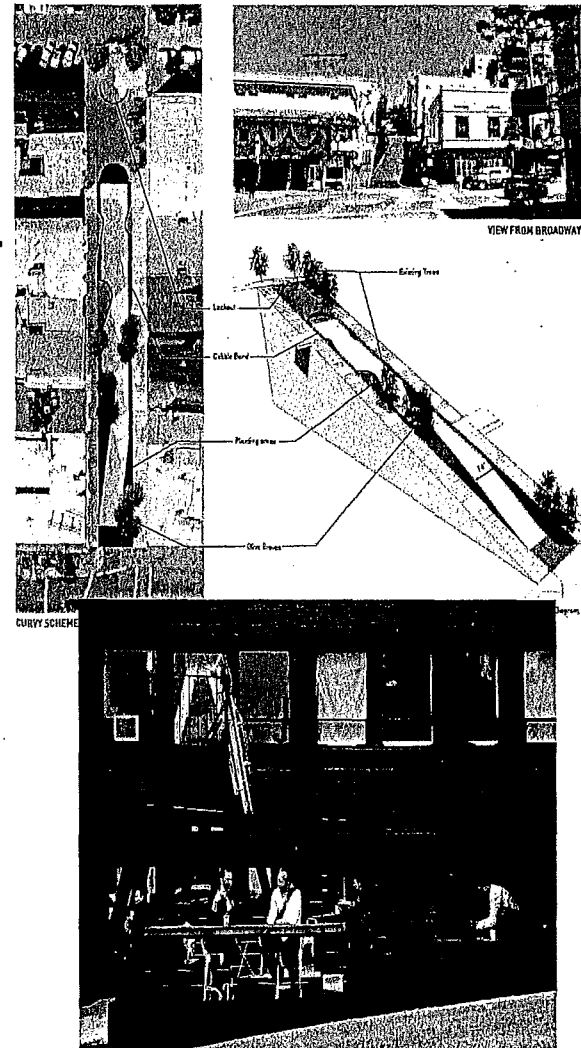
Top of Broadway CBD

Opportunities & Projects



- Kearny Street improvement project
- Historical markers project
- “Off Broadway Summerfest” & other events
- Retail study and vision development
- District expansion
- Development potential
- Security camera pilot
- Partnership with North Beach Citizens
- St. Francis Piazza/Plaza Program

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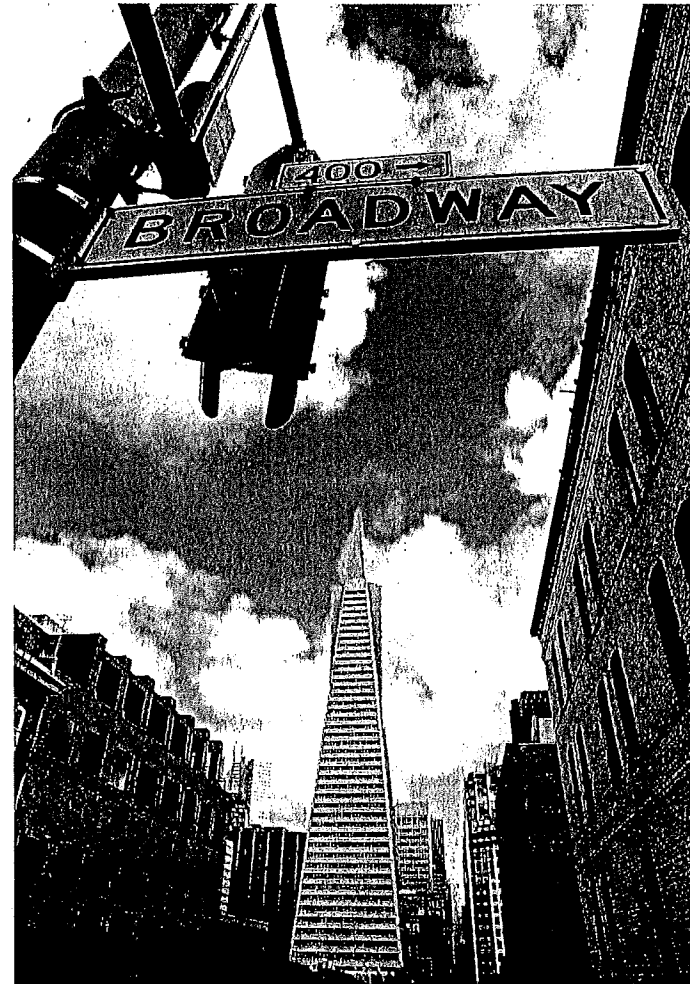


Mission



The Top of Broadway CBD formed and built its infrastructure during the 13-14 fiscal year and has developed a strategic plan and priorities and remains committed to its mission.

“To make the area around Broadway a safe, beautiful, diverse, and enjoyable place to live, work and visit, with a commitment to promoting economic vitality, improving livability and advocating area identity and history.”



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April 16, 2015

Top of Broadway CBD

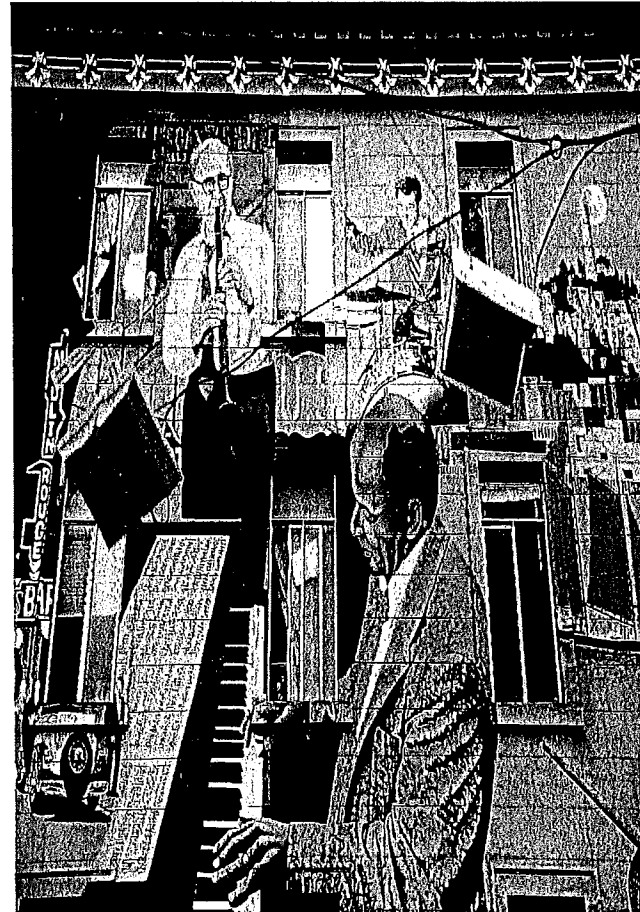
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Vision & Plan



The Top of Broadway CBD strategic plan and vision:

- Expand district to have larger mission impact and financially sustainable organization
- Ensure maximum possible cleanliness of the public space
- Create safe place for locals, residents and visitors alike
- Promote brand of the district and rich history of area
- Bring locals back to area through events and marketing efforts and rebranding
- Increase foot traffic and create an attractive, vibrant environment throughout day and night.
- Operate a fiscally sound and well governed non-profit organization.



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T O P O F
BROADWAY
COMMUNITY BENEFIT DISTRICT

Thank You

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April 16, 2015

Top of Broadway CBD

15

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

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

DATE: April 10, 2015

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Christensen on April 7, 2015:

File No. 150352

Resolution receiving and approving an annual report for the Top of Broadway Community Benefit District for FY2013-2014, 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 any additional comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c:
Todd Rydstrom, Office of the Controller
Crezia Tano, Office of Economic and Workforce Development

Major, Erica (BOS)

From: Major, Erica (BOS)
Date: Friday, April 10, 2015 11:30 AM
To: Rosenfield, Ben (CON); Rufo, Todd (ECN)
Cc: Rydstrom, Todd (CON); Tano, Crezia (ECN); Somera, Alisa (BOS); Evans, Derek
Subject: REFERRAL FYI - (150352) Top of Broadway Community Benefit District - Annual Report for FY2013-2014
Attachments: 150352 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

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

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

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

DATE: April 10, 2015

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

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

File No. 150352

Resolution receiving and approving an annual report for the Top of Broadway Community Benefit District for FY2013-2014, 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.

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

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

- No Comment
- Recommendation Attached

Chairperson, Small Business Commission

Major, Erica (BOS)

m: Major, Erica (BOS)
t: Friday, April 10, 2015 11:30 AM
To: Dick-Endrizzi, Regina (ECN)
Cc: Somera, Alisa (BOS); Evans, Derek
Subject: REFERRAL SBC - (150352) Top of Broadway Community Benefit District - Annual Report for FY2013-2014
Attachments: 150352 SBC.pdf

Greetings:

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

Thank you.

Erica Major

Assistant Committee Clerk

Board of Supervisors

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

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

MEMO

To: Supervisor Julie Christensen, District 3
CC: San Francisco Board of Supervisors
From: Crezia Tano, OEWD Senior Project Manager
RE: Top of Broadway Community Benefit District
Date: April 2, 2015

This is a memo summarizing the performance of the Top of Broadway Community Benefit District (ToBCBD) and an analysis of their financial statement (based on their audit) for the period between July 1, 2013, and June 30, 2014.

In the first year of operation, the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Top of Broadway 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 Top of Broadway Community Benefit District management contract with the City; and their Management Plan as approved by the Board of Supervisors in 2013.

Also attached to this memo are the following documents:

1. Annual Report
 - a. FY 2013-2014
2. CPA Financial Review Report
 - a. FY 2013-2014
3. Draft resolution from the Office of Economic and Workforce Development



Background

The Top of Broadway Community Benefit District includes 39 property-based parcels.

- July 23, 2013: the Board of Supervisors approved the resolution that established the property-based district called the Top of Broadway Community Benefit District for 8 years (Resolution # 263-13).
- November 5, 2013: Organization formed and incorporated and first meeting of the Board of Directors.
- February 25, 2014: the Board approved the contract for the administration and management of the Top of Broadway Community Benefit District (Resolution # 52-14).
- March 17, 2014: CBD received first assessment payment.

Basic Info about Top of Broadway CBD

Year Established	July 2013
Assessment Collection Period	FY 2013-14 to FY 2020-21 (July 1, 2013 to June 30, 2021)
Services Start and End Date	January 1, 2014 – December 31, 2021
Initial Estimated Annual Budget	\$106,567
Fiscal Year	July 1 – June 30
Executive Director	Ben Horne
Name of Nonprofit Owners' Association	Top of Broadway Community Benefit District

The current CBD website, <http://topofbroadwaycbd.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 Service Area Goals

District Identity

District Identity program area includes marketing, public relations, special events, and street enhancements, such as signage, historical markers, and banners, for the district. ToBCBD Management Plan calls for 42% of the budget to be spent in this service area.

Street Operations, Beautification and Order (SOBO)

Street Operations, Beautification and Order service area includes street maintenance and beautification. This service area calls for one person at 20 hours per week to remove graffiti and stickers from street fixtures and sidewalk cleaning. In addition, the program provides periodic steam cleaning (up to twice per year), trimming trees, and cleaning tree wells. The ToBCBD Management Plan calls for 28% of the budget to be spent on SOBO.

Administration, Organization and Corporate Operations

The ToBCBD Management Plan calls for 30% of the budget to be spent on administration, organization, and corporate operations. ToBCBD is staffed by a part-time Executive Director who serves as the focal point person and advocate for Top of Broadway CBD. ToBCBD board has eleven (11) board members that represent the diverse property owners and businesses in the district. Notice of meetings of the CBD's Board of Directors and CBD Advisory Committees will be posted to the website calendar and at the SF Main Library. All Board of Directors and Committee meetings are open to the public, and public comment is welcome. There are three advisory committees:

- **Marketing and Identity Committee** – The Marketing & Identity Advisory Committee is responsible for activities associated with area marketing and identity management, and will make related strategy and option recommendations for consideration by the Board of Directors. The Committee will propose and manage advocacy of area businesses and activities/events, and will promote area identity and manage branding efforts. The Committee meets monthly (at the option of the Committee Chair).
- **Services and Safety Committee** – The Services & Safety Advisory Committee is responsible for Services & Safety programs, including the coordination of services, activities and improvements related to sidewalk operations, beautification and safety. The Committee will evaluate programs and initiatives, and advise the Board on issues that impact safety, and quality of life and experience of area residents, businesses and visitors. The Committee meets monthly on the 3rd Thursday of the month and is often joined by the SFPD Central Station Captain.
- **Finance Committee** – The Finance Advisory Committee is responsible for monitoring the financial and operating condition of the Organization as well as managing banking and insurance related matters. The Committee reviews all financial reports and oversees the CPA Review. The Committee provides counsel and administrative advice to the Executive Director and Board of Directors as needed. The Committee meets quarterly and as needed.

Summary of Accomplishments, Challenges, and Delivery of Service Areas

FY 2013-2014

District Identity

- Conducted SWOT analysis including review of area history and community survey and research to develop branding identity (logo) and key messages.
- Developed outline for 6-month PR plan and goals.
- Crafted branding identity and area story to convey the district's rich history.
- Developed website and collateral materials to accurately reflect area's brand identity.
- Installed decorative lighting on 15 trees within district.
- Leveraged non-assessment funding and installed 6 flower baskets.

Street Operations, Beautification and Order (SOBO)

- Cleaning and litter removal – 108
- Graffiti incidents removal – 381
- Human/animal waste clean-up – 85
- Pressure washing entire district – 5 times plus problem areas
- Illegal dumping reports – 169
- Instituted Security Protocols developed by District Attorney's Office in conjunction with community.
- Developed RFP for cleaning & safety services and distributed.
- Hired cleaning company and implemented 5 day per week street cleaning and monthly pressure washing services.
- Hired security company and implemented Thursday – Saturday safety and hospitality patrols.
- Provided landscaping maintenance to trees in district.

Administration, Organization and Corporate Operations

- Organization formed through public process and incorporated in November 2013 and received 501C3 status.
- Organization setup policies and procedures for governance and management, developed the infrastructure of the organization and implemented services seamlessly starting in December 2013.
- Advocated, contributed and worked with CBD Consortium on beat cop funding, strategic planning and CBD/BID legislation.
- Evaluated district conditions on regular basis with DPW and advocated for improvements
- Conducted initial security camera and lighting audit.
- Hosted numerous Central Station Captain's meetings including new Captain's security plan meeting for Broadway.
- Advocated to City and property owners and businesses for improved management of parking lots, trash management and illegal dumping, loitering and party bus control.

ToBCBD Annual Budget Analysis

OEWD's staff reviewed the following budget related benchmarks for ToBCBD:

- **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 "Top of Broadway 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 "Top of Broadway Community Benefit District", Section 3.4 - 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 "Top of Broadway Community Benefit District", Section 3.9 – Budget*)
- **BENCHMARK 4:** Whether ToBCBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year (*CA Streets & Highways Code, Section 36650(B)(5)*)

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: *ToBCBD met this requirement. See tables below.*

Service Category	Management Plan Budget	% of Budget	FY 2013-2014 Budget	% of Budget	Variance Percentage Points
District Identity	\$45,000	42.2%	\$45,000	42.2%	0%
Sidewalk Operations, Beautification, & Order	\$30,000	28.2%	\$30,000	28.2%	0%
Administration, Organization, and Corporate Operations	\$25,000	23.5%	\$25,000	23.5%	0%
Contingency Reserve	\$6,567	6.2%	\$6,567	6.2%	0%
TOTAL	\$106,567	100.0%	\$106,567	100.0%	

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

ANALYSIS: *ToBCBD met this requirement. Assessment revenue was \$105,502 or 32.6% of actuals and non-assessment revenue was \$217,631 or 67.4% of actuals. See table below.*

Revenue Sources	FY 2013-2014 Actuals	% of Actuals
Special Benefit Assessments	\$ 105,502	
Total assessment revenue	\$105,502	32.6%
Contributions	\$200,156	
In-kind rent and facility use	\$5,500	
In-kind services	\$11,975	
Total non-assessment revenue	\$217,631	67.4%
Total	\$323,133	100%

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

ANALYSIS: *ToBCBD did not meet this requirement. This Sidewalk Operations, Beautification, & Order (SOBO) variance is explained by the \$100,000 pledge from the Broadway Entertainment & Culture Association. These funds were allocated to SOBO. See table below.*

Service Category	FY 2013-2014 Budget	% of Budget	FY 2013-2014 Actuals	% of Budget	Variance Percentage Points
District Identity	\$45,000	42.2%	\$13,988	35.3%	-6.9
Sidewalk Operations, Beautification, & Order	\$30,000	28.2%	\$57,333	44.9%	+16.7
Administration, Organization, and Corporate Operations	\$25,000	23.5%	\$36,328	19.8%	-3.7
Contingency Reserve	\$6,567	6.2%			
TOTAL	106,567	100.0%	\$107,649	100.0%	

BENCHMARK 4: Whether ToBCBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year

ANALYSIS: *ToBCBD met this requirement. Please note: There is a period between when the City collects assessment payment and when the City disburses the funds to the CBD. As a result, a CBD typically has a fund balance at the end of the fiscal year that is equal to about 6 months of their annual budget. See table below.*

FY 2013-14 Carryover Disbursement	\$215,484
Designated Projects for FY 2014-15	
District Identity & Marketing	\$31,066
Sidewalk Operations, Beautification & Order	\$63,527
Administration, Organization, and Corporate Operations	\$20,891
General Fund (Broadway Entertainment & Cultural Association)	\$100,00
- SOBO	- \$90,000
o Safety	o \$65,000
o Additional Cleaning	o \$25,000
- Admin/Corp	- \$10,000
Total Designated amount for FY 2014-15	\$215,484

Findings and Recommendations

ToBCBD has generally met all of the benchmarks as defined on page 5 of this memo, with the exception of benchmark three.

While the SOBO percentage points exceed the allowable variance, further research shows that this variance in program area allocation is explained by their high performance in raising non-assessment revenue. ToBCBD received a two year pledge from the Broadway Entertainment and Cultural Association of \$200,000 (\$100,000 per year). The Board of Directors of the CBD allocated 90% of the first year funds to Sidewalk Operations, Beautification and Order (SOBO) including the safety patrols (\$65,000) and \$25,000 for additional cleaning – pressure washing services, creating a large variance in the expenses for SOBO. The remaining \$10,000 of the first year funds were allocated to Administration/Corporate Operations.

As a result of these high non-assessment revenues, the percentages do not provide an accurate assessment of fund allocation. Separating the non-assessment dollars from the review of those benchmarks, the amount allocated to each program year is in fact appropriate, and meet the benchmarks.

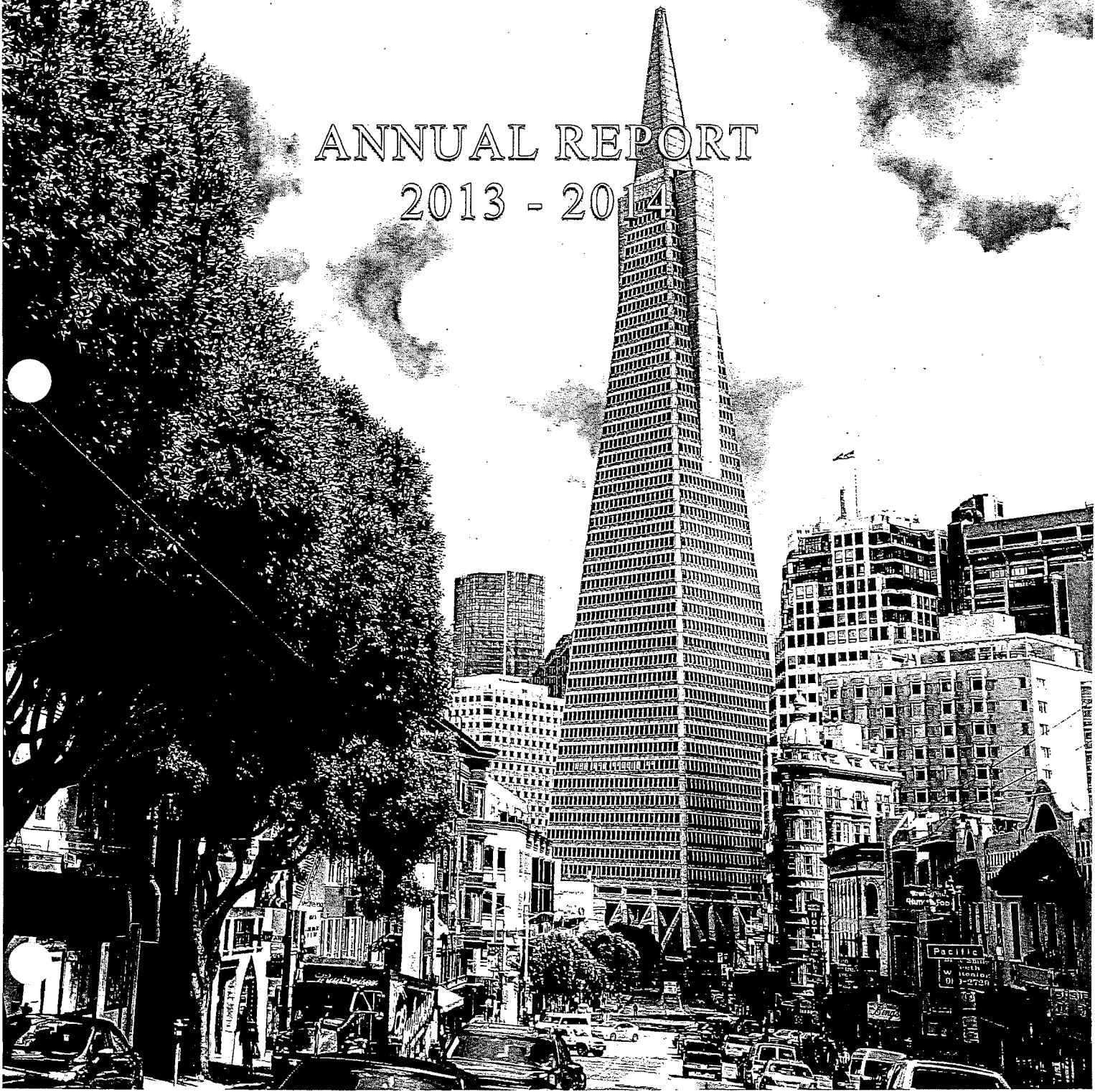
Moving forward OEWD will work with Top of Broadway CBD to develop a framework that identifies assessment fund allocation and non-assessment expenditures.

Conclusion

The Top of Broadway CBD was formed through an open community based process, developed governance policies and procedures and implemented its services. Top of Broadway CBD has performed well in implementing the service plan as well as forming and building infrastructure in a timely manner. Top of Broadway CBD has successfully developed and implemented branding and marketing materials. Top of Broadway CBD has increased their opportunities in partnering with community stakeholders and numerous municipal agencies in its planning and advocacy around district lighting & security cameras. Top of Broadway CBD has an active board of directors and committee members; and OEWD believes the Top of Broadway CBD will continue to successfully carryout its mission and service plans.

T O P O F
BROADWAY
COMMUNITY BENEFIT DISTRICT

ANNUAL REPORT
2013 - 2014



LETTER FROM THE BOARD PRESIDENT

Dear Top of Broadway Community,

On behalf of the Top of Broadway Community Benefit District's (ToBCBD) Board of Directors, I am pleased to present to you our first annual report. As we end our fiscal year, it is a great time to reflect on the many accomplishments that the ToBCBD has achieved in a short amount of time. We are all privileged to be part of this unique and historic neighborhood, and it is with great confidence and enthusiasm that the ToBCBD continues its path toward an even brighter future. Many thanks to our dedicated Board of Directors, committee members, property owners, business owners and community partners who continue to strive toward "making the area around Broadway a safe, beautiful, diverse,

enjoyable place to live, work and visit, with a commitment to promoting economic vitality, improving livability, and advocating area identity and history." Special thanks to our contractors — you are all integral to the success of ToBCBD and to the strength and spirit of our district.

Certainly, our largest achievement to date is the successful incorporation of the Top of Broadway Community Benefit District. One year ago, in July 2013, the San Francisco Board of Supervisors approved the establishment of the ToBCBD, which joined twelve other CBDs and BIDs across the City. Our Steering Committee became a larger Interim Board of Directors, all of whom volunteered an extraordinary amount of time to accomplish the many requirements of CBD formation and implementation. A short time later, in November 2013, the CBD was officially incorporated and this passionate group of individuals got to work on making revitalization and safety improvements a reality. Our City contract became finalized in January, and we began receiving assessments in late March 2014.

The Top of Broadway Community Benefit District has already made a significant and positive impact on the neighborhood. The Board of Directors, Executive Director and three advisory committees continue to work diligently toward our goals. Early in 2014, the ToBCBD focused on cleanliness and public safety as our top priority, and to that end, we have successfully contracted with professional cleaning and security organizations which have made a definitive beneficial impact on our public space. In May 2014, we contracted with a public relations firm to help us promote our district

and its businesses, and to foster a positive district identity and sense of place. You may have noticed other impactful changes, including the addition of flower baskets and festive, decorative lighting in some of our trees. It is an exciting time for the ToBCBD, and we are just getting started.

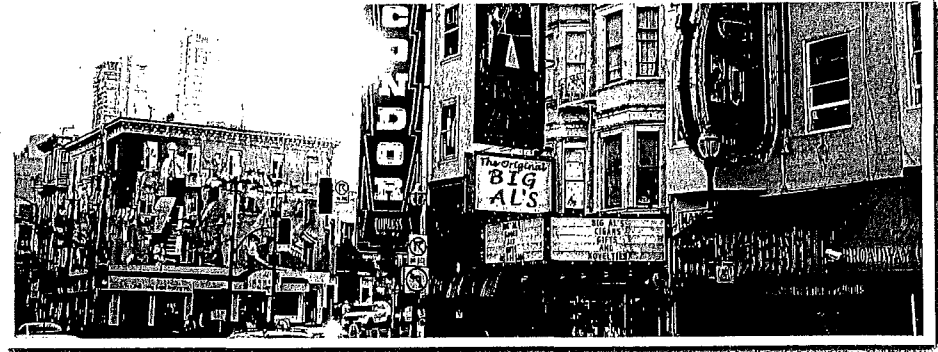


In the 2014-15 fiscal year, our focus will be on marketing & identity projects including the unveiling of our logo, development of collateral to help market the district, the launch of a new and improved website, and upcoming events to re-introduce our area to locals and visitors alike. Finally, we are developing plans to perform a retail strategy study and visioning project for the area. It is important to all of us that we work collaboratively, and that the community is engaged. We encourage you to attend our meetings, which are open to the public, and/or to participate on our advisory committees. Our volunteers are the heart of ToBCBD.

Thank you all for your optimism, hard work and support. The successful opening of three exciting restaurants, Tosca, Little Szechuan, and Mura, during our first fiscal year inspires confidence in a very bright future. I have no doubt that our continued teamwork will ensure the Top of Broadway Community Benefit District is a vibrant, clean, and safe neighborhood which honors our history and diversity, and also makes us all proud to be part of this extraordinary effort.

Sincerely,

Stephanie Greenburg
Board President



ACCOMPLISHMENTS
SIDEWALK OPERATIONS, BEAUTIFICATION & ORDER

- Instituted Security Protocols developed by District Attorney's Office in conjunction with community
- Developed RFP for cleaning & safety services and distributed
- Hired cleaning company and implemented 5 day per week street cleaning and monthly pressure washing services
- Hired security company and implemented 3 night per week safety and hospitality patrols
- Provided landscaping maintenance to trees in district
- Evaluated district conditions on regular basis with DPW and advocated for improvements
- Removed graffiti-covered street furniture
- Conducted initial security camera and lighting audit
- Hosted numerous Central Station Captain's meetings including new Captain's security plan meeting for Broadway
- Advocated to City and property owners and businesses for improved management of parking lots, trash management and illegal dumping, loitering and party bus control

SAFETY INCIDENT SUMMARY REPORT:
TOTALS FOR FEBRUARY-JUNE 2014

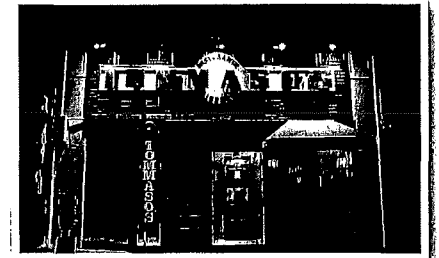
SERVICES	YTD
• Hospitality/concierge services	131
• Physical altercations/fighting	28
• Drunk & disorderly	58
• Calls for service city agencies	13
• Merchant check ins	554
• Traffic/parking violations	79
• Loitering	244
• Alcohol & drug consumption	63
• Jaywalking	398
• Crowd control issues and assistance	31
• Parking lot issues	32
• SFPD interactions	171
• Party bus rogue count	22
• Party bus invited count	98
• Public urination	14

TOTALS 1,936

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CLEANING & MAINTENANCE TOTALS
FEBRUARY – JUNE 2014

• District cleaning and litter removal	108
• Graffiti incidents removal	381
• Human/animal waste clean-up	85
• Pressure washing entire district – 5 times plus problem areas	
• Illegal dumping reports	169



Top of Broadway Community Benefit District 3



2 Top of Broadway Community Benefit District



MARKETING & IDENTITY ACCOMPLISHMENTS

- Created RFP and distributed to public relations consultants and firms
- Conducted audit of area history and community survey and research to develop branding identity and key messages
- Developed outline for 6-month PR plan and goals
- Crafted branding identity and area story to convey the district's rich history
- Drafted RFP for a logo designer and selected logo designer and collaborated on a visual mark that embodies area's diversity and legacy
- Created social media platforms
- Hired and collaborated with professional photographer for photographs to be used across all collateral materials
- Outreached to social organizations to craft a neighborhood event
- Developing website and collateral materials to accurately reflect area's brand identity
- Installed decorative lighting on 15 trees within district
- Installed 6 flower baskets (in-kind donation)
- Advocated, contributed and worked with CBD Consortium on beat cop funding, strategic planning and CBD/BID legislation

GENERAL ADMIN, ORGANIZATION & CORPORATE OPERATIONS ACCOMPLISHMENTS

- Formed initial Board of Directors and recruited new Board members
- Drafted Bylaws & Articles of Incorporation
- Incorporated and registered with City, State & IRS
- Developed 3 advisory committees
- Drafted initial budget and 14-15FY budget
- Negotiated and completed City contract
- Setup accounting system and produced year-end financial reports
- Researched CPA firm & selected firm within budget
- Bound several insurance policies
- Approved numerous governance policies



- Submitted tax exempt applications
- Developed Executive Director job description and hiring process and hired Executive Director

LOOKING FORWARD FOR 14-15 FISCAL YEAR MARKETING & IDENTITY MAJOR PROJECTS

- Media relations & events
- Collateral development
- Flower baskets and decorative lighting
- Kearny Street Steps project
- Community relations and outreach
- Retail strategy and area visioning project
- Expansion of district and recruitment of new members

SIDEWALK OPERATIONS, BEAUTIFICATION & ORDER MAJOR PROJECTS

- Maintaining cleaning & maintenance and security patrols standards and continued evaluation and advocacy
- District lighting & security camera planning and advocacy
- Community communications tool and networking

GENERAL ADMIN, ORGANIZATION & CORPORATE OPERATIONS MAJOR PROJECTS

- CPA review & 990 completion
- Annual meeting
- Fundraising
- Member survey



BACKGROUND & ASSESSMENT METHODOLOGY

The Top of Broadway business community represents one of the oldest continuous commercial, cultural and entertainment corridors on the West Coast. This district has a very rich history of music, restaurants and adult entertainment, with venues that have been frequented by millions over the past 130 years. Formerly known as the Barbary Coast, this area is distinct as a special sub-district of the North Beach Community of San Francisco. Although the area has a rich history in recent years the area has had numerous safety and cleanliness issues and suffered from blight and neglect.

The Top of Broadway Community Benefit District (map below) was formed to address some of these issues as a community and to represent and give a voice to all members of the community including retail stores, restaurants, residents and visitors. The ToBCBD was officially formed in November 2013 and began delivering safety and cleaning services in December 2013 and January 2014.

Funding for the district is proportionally shared by property owners, who are self-assessed to provide services to supplement those

provided by the City of San Francisco. These annual assessments are based on the following variables:

- Frontage: approximately 3,211 linear frontage in the district
- 1st floor building square footage: approximately 141,273 building square footage
- Lot/Parcel size: approximately 165,591 square footage in lot size

Rates for each variable are as follows:

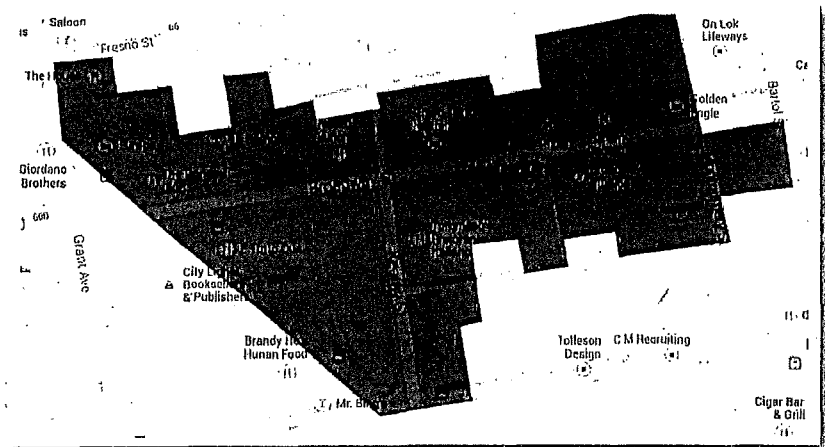
- Linear Frontage: \$9.4517
- 1st Floor Building Square Footage: \$0.32153
- Lot/Parcel Size: \$0.17953106

The total assessment per parcel is determined by adding the first floor building square footage assessment (if applicable to the parcel), plus the linear frontage assessment, plus the parcel/lot square footage assessment.

Each property owner's assessment is calculated according to the special benefit received from the services provided by the Top of Broadway Community Benefit District. Accordingly, each property owner is assessed for their proportional special benefit for the following services:

- Sidewalk operations, beautification and order (cleaning and maintenance)
- Marketing & identity and streetscape improvements
- General Admin, organization and corporate operations

The Broadway Entertainment & Cultural Association pledged a total of \$200,000 in the first two years of operations of the Top of Broadway Community Benefit District. This generous donation helped fund security, additional district cleanup and maintenance, administration and other improvements.



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TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
FINANCIAL RESULTS FOR 13-14FY
(Unaudited)

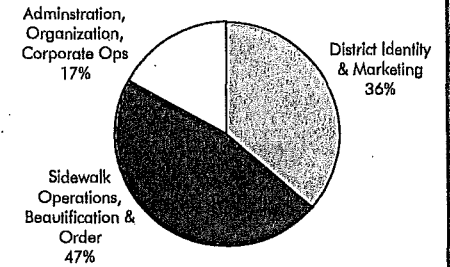
FUNDS	13-14 BUDGET*	13-14 ACTUAL	VARIANCE	DETAILS
Special Assessment Funds	\$105,502	\$105,502	\$0	
Other Funds	\$1,066	\$217,632	\$216,566	2 year pledge of \$100,000 per year and in-kind donations
TOTAL FUNDS	\$106,568	\$323,134	\$216,566	
EXPENSES				
District Identity & Marketing	\$45,000	\$13,988	\$31,012	PR/marketing services began in May 2014
Sidewalk Operations, Beautification & Order (SOBO)	\$30,000	\$57,333	\$(27,333)	Cleaning/security began in January supplemented by portion of pledge
Administration, Organization & Corporate Operations	\$31,568	\$36,328	\$(4,761)	Includes in-kind expenses of \$13,500 and supplemented by portion of pledge
TOTAL EXPENSES	\$106,568	\$107,650	\$(1,082)	
NET SURPLUS FOR 13-14FY		\$215,484		

*Budget from management plan year one of operations. Assessment revenue not received until March 18, 2014

CARRY OVER FUNDS FROM FY 13-14

District Identity & Marketing	\$31,066
Sidewalk Operations, Beautification & Order	\$63,527
Administration, Organization & Corporate Ops	\$20,891
General Fund	\$100,000
TOTAL CARRY OVER FUNDS (FROM 13-14)	\$215,484

BUDGET 14-15FY



SERVICES

- Cleaning & Maintenance
Weekly Thursday – Monday
8am - 12pm
Monthly Pressure Washing of Entire District
- Safety Services
Weekly Thursday, Friday and Saturday Nights
10pm - 2:30am
- Marketing & Identity
Website, Social Media, Events, PR,
Collateral Development and Beautification Projects



STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2014

ASSETS	AMOUNT
Cash	\$108,876
Assessment Receivable	\$2,991
Pledge Receivable	\$125,000
Other Current Assets	\$716
TOTAL ASSETS	\$237,583
LIABILITIES & NET ASSETS	
LIABILITIES	
Accounts Payable & Accrued Expenses	\$22,099
TOTAL LIABILITIES	\$22,099
NET ASSETS	
Unrestricted	\$215,484
Restricted Temporarily	\$0
TOTAL NET ASSETS	\$215,484
TOTAL LIABILITIES & NET ASSETS	\$237,583

JULY 2014 - JUNE 2015 BUDGET

INCOME	AMOUNT	% OF INCOME
Assessment Revenue	\$105,502	64%
Fundraising & Other	\$59,100	36%
TOTAL INCOME	\$164,602	100.00%
EXPENSES		
		% OF EXPENSES
District Identity & Marketing	\$100,920	36%
Sidewalk Operations, Beautification & Order	\$129,440	47%
Administration, Organization & Corporate Ops	\$47,100	17%
TOTAL EXPENSES	\$277,460	100%

BOARD OF DIRECTORS

Stephanie Greenburg	President
Joe Carouba	Vice President
Calvin Louie	Treasurer
Oliver Mar	Secretary
Carmen Crotti	Director
Matias Drago	Director
Gail Gilman	Director
Malcolm Yeung	Director
Nader Marvi	Director
Ryan Maxey	Director

ADVISORY COMMITTEE CHAIRS

Stephanie Greenburg	Marketing & Identity
Nader Marvi	Safety & Services
Calvin Louie	Finance

EXECUTIVE DIRECTOR

Benjamin Horne



CLEANING & MAINTENANCE SERVICES
Dome Cleaning

SECURITY & SAFETY SERVICES
Security Intelligence Specialist Corporation

PUBLIC RELATIONS
Change Communications

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T O P O F
BROADWAY
COMMUNITY BENEFIT DISTRICT

Contact Information
Top of Broadway Community Benefit District
Tel: (415) 377- 4921
Email: topofbroadway@gmail.com
250 Columbus Avenue, Suite 207
San Francisco, CA 94133
www.topofbroadwaycbd.com

**TOP OF BROADWAY COMMUNITY
BENEFIT DISTRICT, INC.
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2014**

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2014

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CHEK TAN AND COMPANY

A CERTIFIED PUBLIC ACCOUNTING FIRM

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Top of Broadway Community Benefit District, Inc.
San Francisco, California

I have reviewed the accompanying statement of financial position of Top of Broadway Community Benefit District, Inc. (a nonprofit organization) as of June 30, 2014, and the related statements of activities, functional expenses, and cash flows 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, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements.

My 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 me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am 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.

San Francisco, California
October 30, 2014

Cheh Tan and Company

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TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014

ASSETS

Current assets	
Cash	\$108,876
Assessments receivable	2,991
Pledge receivable	125,000
Prepaid expenses	<u>716</u>
Total assets	<u>\$237,583</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ <u>22,099</u>
Total liabilities	<u>22,099</u>
Net assets	
Unrestricted net assets	<u>215,484</u>
Total net assets	<u>215,484</u>
Total liabilities and net assets	<u>\$237,583</u>

See Independent Accountant's Review Report and accompanying notes.

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

Support and revenue	
Assessment revenue	\$105,502
Contributions	200,156
In-kind rent and facility use	5,500
In-kind services	<u>11,975</u>
Total support and revenue	<u>323,133</u>
Expenses	
Program services	
Sidewalk operations, beautification and order	57,333
District identity	13,988
Supporting services	
Management and general	35,340
Fundraising	<u>988</u>
Total expenses	<u>107,649</u>
Changes in net assets	215,484
Net assets, beginning of year	<u>0</u>
Net assets, end of year	<u>\$215,484</u>

See Independent Accountant's Review Report and accompanying notes.

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2014

	Program Services	Supporting Services		Total
		Management and general	Fundraising	
Security and safety	\$35,557	\$ 0	\$ 0	\$35,557
Consultant	0	18,768	988	19,756
Consultant (In-kind)	0	7,975	0	7,975
Sidewalk cleaning and maintenance	18,535	0	0	18,535
Landscaping and streetscapes	8,013	0	0	8,013
Landscaping (In-kind)	4,000	0	0	4,000
Rent and facility use (In-kind)	0	5,500	0	5,500
District identity	4,866	0	0	4,866
Insurance	0	1,595	0	1,595
Support and legal fees	350	808	0	1,158
Printing and copying	0	544	0	544
License and permits	0	78	0	78
Office supplies	0	72	0	72
Total functional expenses	\$71,321	\$35,340	\$988	\$107,649

See Independent Accountant's Review Report and accompanying notes.

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2014

Cash flow from operating activities:	
Increase in net assets	\$215,484
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Change in assets and liabilities:	
Assessments receivable	(2,991)
Pledge receivable	(125,000)
Prepaid expenses	(716)
Accounts payable	<u>22,099</u>
Net cash provided by operating activities	<u>108,876</u>
Net increase in cash	108,876
Cash, beginning of year	<u>0</u>
Cash, end of year	<u>\$ 108,876</u>

See Independent Accountant's Review Report and accompanying notes.

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Nature of Activities

a. Organization

The Top of Broadway Community Benefit District, Inc. ("Organization"), was incorporated in California on October 18, 2013 as a non-profit public benefit corporation. Its mission is to make the area around Broadway a safe, beautiful, diverse and enjoyable place to live, work and visit with a commitment to promote economic vitality, improve livability and advocate area history and identity. All property owners whose parcels of land fall within the Organization's geographic area fund the Organization through a special assessment fee, as established after a majority of property owners vote and legislation adopted by the Board of Supervisors, and signed by the Mayor of the City and County of San Francisco ("City").

Upon formation of the district in 2013, its members (property owners) were assessed an annual special tax assessment levied by the City under the Property and Business Improvement District Law of 1994. The term of the district will expire (unless renewed) on June 30, 2021. Under a contract with the City and a Management Plan, the Organization receives these special tax assessments and, in exchange, provides certain services to the members of the District. The services include, but are not limited to, supplemental regular cleaning of the sidewalks and curb gutters (sweeping/pressure washing), graffiti removal, security, marketing, greening and landscaping services, public space management, and promotional activities, and management and corporate operations.

Note 2 - Significant Accounting Policies

a. Basis of accounting

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

b. 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.

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Note 2 - Significant Accounting Policies (continued)

b. Basis of presentation (continued)

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.

c. 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 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.

d. Assessments receivable

Assessments receivable primarily consists of delinquent tax assessments owed by property owners. Since the taxpayers will be subject to City enforcement procedures, all assessments are considered to be fully collectible at June 30, 2014.

TOP OF BROADWAY COMMUNITY BENEFIT TRUST, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Note 2 - Significant Accounting Policies (continued)

d. Assessments receivable (continued)

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.

e. 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, 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.

f. Donated services and materials

Donated 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.

Donated property is recognized as contribution in the accompanying financial statements at its estimated fair market value at date of gift.

g. Use of accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

h. Concentration of credit risk

The Organization places its cash with financial institutions and its balances are insured by the Federal Deposit Insurance Corporation. At June 30, 2014, there was no uninsured balance.

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Note 2 - Significant Accounting Policies (continued)

i. Property and equipment

All acquisitions of property and equipment in excess of \$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.

j. 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.

Note 3 - Contributed Services

The Organization recognized contribution revenue in the year ended June 30, 2014 for contributed services related to both program services and supporting services. Contribution revenue from services were measured based on the fair value of those services, and the amounts recognized were as follows:

	<u>June 30, 2014</u>
Program services:	
District identity program – landscaping	\$2,000
Sidewalk operations, beautification, and order – landscaping	2,000
Supporting services:	
Management and general	<u>7,975</u>
	<u>\$11,975</u>

Note 4 - Concentration of Support and Revenue

The Organization received a two-year pledge at the total amount of \$200,000 from one donor. As of June 30, 2014, the pledge receivable amounted to \$125,000. The management believes that the pledge will be fully collectible.

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Note 5 - Net Assets

Unrestricted net assets

Designated by the Board for

Sidewalk operations, beautification and order \$ 63,527

District identity 31,066

General and administration 21,879

Undesignated 99,012

Total unrestricted net assets \$215,484

Note 6 - Subsequent Events

The Organization has evaluated subsequent events through October 30, 2014, the date which the financial statements were available to be issued.

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 Julie Christensen

Subject:

Top of Broadway Community Benefit District - Annual Report for FY2013-2014

The text is listed below or attached:

Resolution receiving and approving an annual report for the Top of Broadway Community Benefit District for FY2013-2014, 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.

Signature of Sponsoring Supervisor: 

For Clerk's Use Only: