

File No. 211314

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: March 17, 2022

Board of Supervisors Meeting:

Date: _____

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER

- GBD Annual Report – FY2020-2021
- FYI Referral – December 21, 2021
- _____
- _____
- _____

Prepared by: John Carroll

Date: March 10, 2022

Prepared by: John Carroll

Date: _____

Prepared by: John Carroll

Date: _____

1 [Dogpatch & Northwest Potrero Hill Green Benefit District - Annual Report - FY2020-2021]

2

3 **Resolution receiving and approving an annual report for the Dogpatch & Northwest**
4 **Potrero Hill Green Benefit District for Fiscal Year (FY) 2020-2021, submitted as required**
5 **by the Property and Business Improvement District Law of 1994 (California Streets and**
6 **Highways Code, Sections 36600, et seq.), Section 36650, and the District’s management**
7 **agreement with the City, Section 3.4.**

8

9 WHEREAS, On June 9, 2015, 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 15A of the San Francisco Business and Tax Regulations Code,
12 the Board of Supervisors adopted Resolution No. 198-15, expressing the City’s intention to
13 establish a property-based business improvement district, to be known as the Dogpatch &
14 Northwest Potrero Hill Green Benefit District (“Dogpatch & Northwest Potrero Hill GBD”); and

15 WHEREAS, On July 31, 2015, the Board of Supervisors adopted Resolution
16 No. 301-15 establishing the Dogpatch & Northwest Potrero Hill GBD ("Resolution to
17 Establish") for a period of 10 years; and

18 WHEREAS, On December 8, 2015, the Board of Supervisors adopted Resolution
19 No. 476-15, authorizing an agreement with the owners' association for the administration and
20 management of the Dogpatch & Northwest Potrero Hill GBD, and a management agreement
21 (the “Management Contract”) with the owners' association, Dogpatch & Northwest Potrero Hill
22 Green Benefit District, was executed accordingly; and

23 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
24 of Supervisors in File No. 151189; and

25

1 WHEREAS, The Dogpatch & Northwest Potrero Hill GBD has submitted for the Board's
2 receipt and approval the Dogpatch & Northwest Potrero Hill GBD's annual report Fiscal Year
3 (FY) 2020-2021 as required by Section 36650 of the Act and Section 3.4 of the Management
4 Contract; and

5 WHEREAS, The annual report for FY2020-2021 is on file with the Clerk of the Board of
6 Supervisors in File No. 211314, and is incorporated herein by reference as though fully set
7 forth; and

8 WHEREAS, Supporting documents, including but not limited to a transmittal letter and
9 memorandum report from San Francisco Public Works, dated October 12, 2021, and
10 documentation from the Dogpatch & Northwest Potrero Hill GBD for the annual report for
11 FY2020-2021, are on file with the Clerk of the Board of Supervisors in File No. 211314; now,
12 therefore, be it

13 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
14 report for the Dogpatch & Northwest Potrero Hill GBD for FY2020-2021.

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Dogpatch & NW Potrero Hill Green Benefit District Annual Report Data for 2020/21

This report contains the following information:

1. The GBD's budget, including assessment and non-assessment funds, 20/21 showing:
 - a. Budget allocation percentages as required in the GBD Management Plan
 - b. The adopted budget for 2020/21, with percentage allocations
 - c. Actual expenditures for 2020/21, with percentage allocations
2. General Benefit requirements for 2020/21 and applicable non-assessment funding
3. The method and basis for levying assessments in the district
4. The list of private donations over \$1,000
5. 20/21 Performance metrics
6. Balance sheet and statement of income and cash flows for 2020/21 as reviewed by a certified public accountant and their statement of negative assurance.

Note: The GBD does not own or operate surveillance cameras.

DOGPATCH & NORTHWEST POTRERO HILL GREEN BENEFIT DISTRICT
GBD Statement of Activities
Fiscal Year 2020-2021

	DOGPATCH				NORTHWEST POTRERO HILL				TOTAL		
	Budget	Actual	Variance	% Management Plan Target	Budget	Actual	Variance	% Management Plan Target	Budget	Actual	Variance
ASSESSMENTS											
REVENUE											
Assessments	\$ 549,400	\$ 566,086	\$ 16,686		\$ 80,200	\$ 84,588	\$ 4,388		\$ 629,600	\$ 650,674	\$ 21,074
TOTAL ASSESSMENT REVENUE	\$ 549,400	\$ 566,086	\$ 16,686		\$ 80,200	\$ 84,588	\$ 4,388		\$ 629,600	\$ 650,674	\$ 21,074
EXPENSES											
MAINTENANCE											
				28%				41%			
<i>Budget & Actual %</i>	27%	37%			42%	48%					
Park & Green Space	\$ 82,542	\$ 82,548	\$ 6		\$ 13,371	\$ 13,368	\$ (3)		\$ 95,913	\$ 95,916	\$ 3
Repair/Supplies	1,479	867	(612)		221	244	23		1,700	1,111	(589)
Sidewalk & Public Realm	93,276	95,619	2,343		21,064	20,415	(649)		114,340	116,034	1,694
Total Maintenance	\$ 177,297	\$ 179,034	\$ 1,737		\$ 34,656	\$ 34,027	\$ (629)		\$ 211,953	\$ 213,061	\$ 1,108
CAPITAL IMPROVEMENT											
				33%				21%			
<i>Budget & Actual %</i>	40%	26%			21%	13%					
Establishment Projects	\$ 61,958	\$ 62,119	\$ 161		\$ 3,434	\$ 3,269	\$ (165)		\$ 65,392	\$ 65,388	\$ (4)
Capital Projects	196,100	63,649	(132,452)		13,800	5,908	(7,892)		209,900	69,557	(140,344)
Total Capital Improvement	\$ 258,058	\$ 125,768	\$ (132,291)		\$ 17,234	\$ 9,177	\$ (8,057)		\$ 275,292	\$ 134,945	\$ (140,348)
ACCOUNTABILITY											
				24%				23%			
<i>Budget & Actual %</i>	19%	21%			22%	22%					
Administrative Services	\$ 81,906	\$ 79,859	\$ (2,047)		\$ 12,239	\$ 11,933	\$ (306)		\$ 94,145	\$ 91,792	\$ (2,353)
Annual Election	5,220	5,941	721		780	888	108		6,000	6,829	829
Communications & Outreach	24,838	14,104	(10,734)		3,413	2,103	(1,310)		28,251	16,207	(12,044)
Events	10,785	2,837	(7,948)		1,715	177	(1,538)		12,500	3,014	(9,486)
Total Accountability	\$ 122,749	\$ 102,741	\$ (20,008)		\$ 18,147	\$ 15,101	\$ (3,046)		\$ 140,896	\$ 117,842	\$ (23,054)
OPERATIONS											
				15%				15%			
<i>Budget & Actual %</i>	14%	16%			15%	17%					
Administrative Services	\$ 65,700	\$ 59,814	\$ (5,886)		\$ 9,820	\$ 8,937	\$ (883)		\$ 75,520	\$ 68,751	\$ (6,769)
Insurance	4,785	6,724	1,939		715	1,005	290		5,500	7,729	2,229
Office	5,525	2,714	(2,811)		826	406	(420)		6,351	3,120	(3,231)
Professional Services	12,180	11,041	(1,139)		1,820	1,650	(170)		14,000	12,691	(1,309)
Total Operations	\$ 88,190	\$ 80,293	\$ (7,897)		\$ 13,181	\$ 11,998	\$ (1,183)		\$ 101,371	\$ 92,291	\$ (9,080)
TOTAL ASSESSMENT EXPENSES	\$ 646,294	\$ 487,836	\$ (158,458)		\$ 83,218	\$ 70,303	\$ (12,915)		\$ 729,512	\$ 558,139	\$ (171,373)
REVENUE OVER EXPENSES	\$ (96,894)	\$ 78,250	\$ 175,144		\$ (3,018)	\$ 14,285	\$ 17,303		\$ (99,912)	\$ 92,535	\$ 192,447
<i>Prior Year Carryover</i>	\$ 397,634	\$ 397,634	\$ -		\$ 53,607	\$ 53,607	\$ -		\$ 451,241	\$ 451,241	\$ -
TOTAL ASSESSMENT YEAR CARRYOVER	\$ 300,740	\$ 475,884	\$ 175,144		\$ 50,589	\$ 67,892	\$ 17,303		\$ 351,329	\$ 543,776	\$ 192,447

DOGPATCH & NORTHWEST POTRERO HILL GREEN BENEFIT DISTRICT
GBD Statement of Activities
Fiscal Year 2020-2021

	DOGPATCH				NORTHWEST POTRERO HILL				TOTAL		
	Budget	Actual	Variance	% Management Plan Target	Budget	Actual	Variance	% Management Plan Target	Budget	Actual	Variance
GRANTS, DONATIONS & OTHER											
REVENUE											
Grant - Angel Alley	\$ 101,700	\$ 40,897	\$ (60,803)		\$ -	\$ -	\$ -		\$ 101,700	\$ 40,897	\$ (60,803)
Grant - UCSF Esprit	585,000	585,000	-		-	-	-		585,000	585,000	-
Grant - UCSF Caltrain	-	(32,120)	(32,120)		-	-	-		-	(32,120)	(32,120)
Donations & Other	40,000	50,344	(10,344)		-	10,289	(10,289)		40,000	60,633	(20,633)
TOTAL GRANTS, DONATIONS & OTHER REVENUE	\$ 726,700	\$ 644,121	\$ (103,267)		\$ -	\$ 10,289	\$ (10,289)		\$ 726,700	\$ 654,410	\$ (113,556)
EXPENSES											
Capital Projects - Funded by donations	\$ 40,000	\$ 44,000	\$ 4,000		\$ 6,000	\$ 4,238	\$ (1,762)		\$ 46,000	\$ 48,238	\$ 2,238
Capital Projects - Funded by CCG Grant	101,700	40,897	(60,804)		-	-	-		101,700	40,897	(60,804)
UCSF - Esprit	124,653	111,705	(12,948)		-	-	-		124,653	111,705	(12,948)
TOTAL GRANTS, DONATIONS & OTHER EXPENSES	\$ 266,353	\$ 196,602	\$ (69,752)		\$ 6,000	\$ 4,238	\$ (1,762)		\$ 272,353	\$ 200,840	\$ (71,514)
REVENUE OVER EXPENSES	\$ 460,347	\$ 447,520	\$ (12,827)		\$ (6,000)	\$ 6,051	\$ 12,051		\$ 454,347	\$ 453,571	\$ (776)
<i>Prior Year Carryover</i>	\$ 171,680	\$ 171,680	\$ -		\$ 6,004	\$ 6,004	\$ -		\$ 177,684	\$ 177,684	\$ -
TOTAL GRANTS, DONATIONS & OTHER YEAR CARRYOVER	\$ 632,027	\$ 619,200	\$ (12,827)		\$ 4	\$ 12,055	\$ 12,051		\$ 632,031	\$ 631,255	\$ (776)

GENERAL BENEFIT REQUIREMENTS FOR 20/21

DOGPATCH

Maintenance	\$11,273
Capital Improvement	16,408
Total Requirement - Dogpatch	<u>\$27,681</u>

NORTHWEST POTRERO HILL

Maintenance	\$2,204
Capital Improvement	1,096
Total Requirement - Northwest Potrero Hill	<u>\$3,299</u>

TOTAL GENERAL BENEFIT REQUIREMENT \$30,980

2020/2021 NON-ASSESSMENT REVENUE

CASH

Grants	\$625,897
Donations	60,383
Total Grants & Donations	<u>\$686,280</u>

NON-CASH

1,833 Volunteer Hours	\$49,858
In-Kind Services	2,000
Total Volunteer Hours and In-Kind Services	<u>\$51,858</u>

TOTAL NON-ASSESSMENT REVENUE \$738,138

METHOD AND BASIS FOR LEVYING ASSESSMENTS

Commercial, Residential, Parking Lot, Vacant	100%	\$0.0951
Industrial	50%	\$0.0476
Park, Greenspace	25%	\$0.0237
Inaccessible	0%	\$0.0000

DONATIONS OVER \$1,000

California Barrel Company, LLC	\$40,000
Spear Street Capital	\$10,000
California Barrel Company, LLC	\$6,000
Nicholas Bates TTEE	\$1,000
MBC Biolabs	\$1,000
Susan Philips	\$1,000

PERFORMANCE METRICS

Trash removed (lbs)	47,286
Compost removed (lbs)	17,397
Graffiti sites cleaned	148
Needles collected	957
Dog waste bags replaced	178,400

**DOGPATCH & NORTHWEST POTRERO HILL GREEN
BENEFIT DISTRICT**

(A California Nonprofit Corporation)

FINANCIAL STATEMENTS

JUNE 30, 2021



**DOGPATCH & NORTHWEST POTRERO HILL GREEN
BENEFIT DISTRICT**

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JUNE 30, 2021**

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Independent Accountant's Review Report

Board of Directors
Dogpatch & Northwest Potrero Hill Green Benefit District

We have reviewed the accompanying financial statements of Dogpatch & Northwest Potrero Hill Green Benefit District (a California nonprofit corporation), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company 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's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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 accordance with accounting principles generally accepted in the United States of America.

RINA Accountancy LLP

Certified Public Accountants

San Francisco, California
September 29, 2021

**DOGPATCH & NORTHWEST POTRERO HILL GREEN
BENEFIT DISTRICT**

STATEMENT OF FINANCIAL POSITION - JUNE 30, 2021

ASSETS

CURRENT ASSETS:	
Cash and cash equivalents	\$ 1,203,438
Accounts receivable	<u>3,471</u>
TOTAL CURRENT ASSETS	1,206,909
OTHER:	
Prepays and deposits	<u>7,081</u>
TOTAL ASSETS	<u><u>\$ 1,213,990</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:	
Accounts payable	\$ 31,477
Accrued expenses	7,483
Deferred revenue	<u>-</u>
TOTAL LIABILITIES (ALL CURRENT)	<u>38,960</u>
NET ASSETS:	
Net assets without donor restrictions	594,776
Net assets with donor restrictions	<u>580,254</u>
TOTAL NET ASSETS	<u>1,175,030</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,213,990</u></u>

See accompanying independent accountants' review report and notes to financial statements.

**DOGPATCH & NORTHWEST POTRERO HILL GREEN
BENEFIT DISTRICT**

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND CONTRIBUTIONS:			
Assessment revenue	\$ 650,673	\$ -	\$ 650,673
Contributions	51,178	9,205	60,383
Grants		593,777	593,777
In-kind contributions	2,000	-	2,000
Other	251	-	251
Net assets released from restrictions	152,602	(152,602)	-
TOTAL REVENUES AND DONATIONS	856,704	450,380	1,307,084
EXPENSES:			
Program services	666,687	-	666,687
Supporting services:			
Management and general	94,292	-	94,292
TOTAL EXPENSES	760,979	-	760,979
CHANGE IN NET ASSETS	95,725	450,380	546,105
NET ASSETS, beginning of year	499,051	129,874	628,925
NET ASSETS, end of year	\$ 594,776	\$ 580,254	\$ 1,175,030

See accompanying independent accountants' review report and notes to financial statements.

**DOGPATCH & NORTHWEST POTRERO HILL GREEN
BENEFIT DISTRICT**

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	<u>Program Services</u>				<u>Supporting Services</u>		<u>Total</u>
	<u>Maintenance</u>	<u>Capital</u>	<u>Accountability</u>	<u>Total</u>	<u>Management and General</u>	<u>Fundraising</u>	
Accounting fees	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ 8,600	\$ -	\$ 10,600
Capital improvement	-	224,079	-	224,079	-	-	224,079
Communication and outreach	-	7,000	23,036	30,036	-	-	30,036
Esprit park	-	96,372	-	96,372	-	-	96,372
In-kind donation	-	-	-	-	2,000	-	2,000
Meetings and events	-	-	3,014	3,014	-	-	3,014
Operation expenses	-	-	-	-	11,750	-	11,750
Park and green space	95,916	-	-	95,916	-	-	95,916
Payroll taxes and workers' compensation	-	-	6,300	6,300	7,051	-	13,351
Professional services	-	-	-	-	3,190	-	3,190
Repair and supplies	1,111	-	-	1,111	-	-	1,111
Salaries and wages	-	6,333	85,492	91,825	61,701	-	153,526
Sidewalk and public realm	116,034	-	-	116,034	-	-	116,034
TOTAL FUNCTIONAL EXPENSES	\$ 213,061	\$ 335,785	\$ 117,841	\$ 666,687	\$ 94,292	\$ -	\$ 760,979

See accompanying independent accountants' review report and notes to financial statements.

**DOGPATCH & NORTHWEST POTRERO HILL GREEN
BENEFIT DISTRICT**

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 546,105
Adjustment to reconcile change in net assets to net cash provided by operating activities:	
Increase (decrease) in operating assets:	
Accounts receivable	318
Prepays and deposits	(4,169)
Increase (decrease) in operating liabilities:	
Accounts payable	21,177
Accrued expense	<u>(2,946)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	560,485
CASH FLOWS FROM INVESTING ACTIVITIES	-
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	560,485
CASH AND CASH EQUIVALENTS, beginning of year	<u>642,953</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 1,203,438</u>

See accompanying independent accountants' review report and notes to financial statements.

DOGPATCH & NORTHWEST POTRERO HILL GREEN BENEFIT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2021

Note 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of activities:

Dogpatch & Northwest Potrero Hill Green Benefit District (the Organization) is a nonprofit organization that was incorporated on August 28, 2015 as a non-profit corporation under the laws of the State of California. The Organization provides services in two districts in San Francisco: Dogpatch and Northwest Potrero Hill. The Organization's purpose is to improve the maintenance of existing publicly accessible green spaces including open spaces, parks, informal community gardens, and sidewalk greenings; to develop new green infrastructure; to improve the long-term ecological health of the neighborhood; and to fund the creation of new open spaces, parks, and gardens. The Organization collaborates with landowners, tenants, developers, condominium owners, renters, and advocates for open spaces, parks, and gardens. The Organization was established to incorporate the vision of land occupiers with the Organization's vision and mission.

The Organization's mission is to create, expand, enhance, clean, and maintain open spaces, parks, play areas, plazas, parklets, gardens, sidewalk greenings, and other such physical public realm areas within the boundaries of Dogpatch and Northwest Potrero Hill districts. The Organization promotes sound ecological practices and green infrastructure with a locally controlled, sustainable, and transparent funding structure, and supports community volunteer efforts.

Maintenance:

The Organization hires and oversees landscape maintenance and janitorial contractors. Landscape maintenance is provided to the green spaces of Dogpatch and Northwest Potrero Hill districts. These are largely green spaces created by neighbors on properties owned and managed by a variety of City of San Francisco and California state agencies such as Public Works, the Municipal Transportation Agency, Caltrans, etc. The Organization provides janitorial services that includes sidewalk cleaning, trash removal, and graffiti abatement.

Capital:

Capital projects include repairs or upgrades to existing green spaces or the addition of new green spaces. The Organization provides capital improvements to the projects such as major walking path upgrades, retaining wall replacement, installation of irrigation systems, the replacement of a weedy verge with formal plantings, renovation of a public plaza, and expansion of pocket parks.

Accountability and citizen services:

The Organization connects and communicates with residents and businesses and advocates for their interests to City of San Francisco and California state departments, and elected officials regarding new green projects and improving green areas in San Francisco.

Basis of accounting:

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

**DOGPATCH & NORTHWEST POTRERO HILL GREEN
BENEFIT DISTRICT**

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2021

**Note 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued):**

Financial statement presentation:

Financial statement presentation follows the requirement of the Financial Accounting Standard Board. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Organization as a whole and present balances and transactions according to the existence or absence of donor-imposed restrictions. The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions, and with donor restrictions. Descriptions of these categories are as follows:

Without donor restrictions:

The portion of net assets available for use in general operations and not subject to donor-imposed restrictions. Board designated net assets are included in this category.

Board designated net assets:

It is the policy of the Board of Directors of the Organization to review its plans for future services periodically and to designate appropriate sums of net assets without donor restrictions to assure compliance with its Management Plan for Dogpatch and Northwest Potrero Hill Green Benefit District (GBD). There are no board designated net assets at June 30, 2021

With donor restrictions:

The portion of net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, this is, when the stipulated time has elapsed, or when the stipulated purpose for which the resource was restricted has been fulfilled.

Cash and cash equivalents:

The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The carrying amount approximates fair value because of the short maturity of those instruments.

**DOGPATCH & NORTHWEST POTRERO HILL GREEN
BENEFIT DISTRICT**

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2021

**Note 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued):**

Revenue recognition:

Assessment revenue is recognized as revenue pro-rata over the period of assessment.

Contributions are recognized as revenue when they are unconditionally communicated. Grants represent contributions if resource providers receive no value in exchange for the assets transferred. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift.

Donated assets:

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair value at the date of donation. Donated property and equipment are also recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Fair value of financial instruments:

The carrying amounts of cash, accounts receivable, and accounts payable approximate fair value because of the short maturity of these instruments.

Income taxes:

The Organization is a not-for-profit organization that is exempt from both federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from California franchise taxes under similar state provisions. Accordingly, no provision for income taxes has been made in the accompanying financial statements. It is the opinion of management that all income earned has been related to the Organization's tax-exempt status, and there has been no unrelated business income.

Advertising expenses:

Non direct-response advertising costs are expensed when the advertising first occurs.

DOGPATCH & NORTHWEST POTRERO HILL GREEN BENEFIT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2021

Note 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Expense recognition and allocation:

The costs of providing various programs and other activities are summarized on a functional basis in the statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited. General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Subsequent events:

The Organization's management evaluated subsequent events September 29, 2021, the date these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2021 that required recognition or disclosure in such financial statements.

Note 2. NATURE OF ESTIMATES:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 3. CONCENTRATIONS OF CREDIT RISK:

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of accounts receivable and cash and cash equivalents. The Organization places its cash and cash equivalents with high credit quality financial institutions. At times, the account balances may exceed the institution's federally insured limits. The Organization has not experienced any losses in such accounts.

The Organization received approximately 49% of its revenue from the City of San Francisco in fiscal year 2021. Each property owner in the GBD pays an assessment based on a formula calculated on objective parcel criteria, as defined in The Management Plan. This assessment is collected twice a year through owners' personal tax bills. The GBD assessment is collected and enforced by the City and County of San Francisco's Treasurer and Tax Collector that in turn, transfers the assessment payments to the Organization.

Note 4. IN-KIND CONTRIBUTIONS:

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

During the year ended June 30, 2021, the Organization received a significant amount of donated services from unpaid volunteers who assisted with planting trees and plants, cleaning public areas, managing informational booths, attending public meetings, and providing administrative support that do not satisfy the criteria for recognition.

**DOGPATCH & NORTHWEST POTRERO HILL GREEN
BENEFIT DISTRICT**

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2021

Note 4. IN-KIND CONTRIBUTIONS (Continued):

The Organization received about 1,883 volunteer hours involving 64 people including 17 board members who have helped with the program and administrative activities for the year ended June 30, 2021.

Additionally, the Organization received professional services for Treasurer's work in financial management. Donated professional services for the year ended June 30, 2021 were as follows:

Professional services	\$ 2,000
Total	\$ 2,000

Note 5. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

Cash and cash equivalents	\$ 1,203,438
Accounts receivable	3,471
	1,206,909
Less those unavailable for general expenditures within one year, due to:	
Restricted by donor with time or purpose restrictions	(580,254)
Financial assets available to meet cash needs for general expenditures within one year	\$ 626,655

Note 6. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are restricted for the following purposes or periods for the year ended June 30, 2021 is as follows:

Restricted Purpose	July 1, 2020	Additions	Released from Restrictions	June 30, 2021
Esprit Park Renovation	\$ 97,755	\$ 585,000	\$ (111,705)	\$ 571,050
Angel Alley project	-	40,897	(40,897)	-
NW Potrero Hill	-	1,228	-	1,228
Dogpatch	-	7,976	-	7,976
22nd Street Caltrain Gateway	32,119	(32,119)	-	-
Totals	\$ 129,874	\$ 602,982	\$ (152,602)	\$ 580,254

**DOGPATCH & NORTHWEST POTRERO HILL GREEN
BENEFIT DISTRICT**

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2021

Note 7. COVID-19 IMPACT:

As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen which have impacted the organization. While revenue remains strong and operation pretty normal, what has been affected is the pace of capital projects. There is difficulty getting permits, site reviews, materials and products which has delayed scheduled projects.

BOARD of SUPERVISORS



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MEMORANDUM

TO: Carla Short, Interim Director, Public Works

FROM: John Carroll, Assistant Clerk, Government Audit and Oversight Committee,
Board of Supervisors

DATE: December 21, 2021

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Walton on December 14, 2021:

File No. 211314

Resolution receiving and approving an annual report for the Dogpatch & Northwest Potrero Hill Green Benefit District for Fiscal Year (FY) 2020-2021, 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 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: Offices of Chair Preston and Supervisor Walton
David Steinberg, Public Works
Bryan Dahl, Public Works
Lena Liu, Public Works
Ramses Alvarez, Public Works