

File No. 160754 Committee Item No. 7
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date July 21, 2016

Board of Supervisors Meeting Date _____

Cmte Board

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Resolution
<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input type="checkbox"/>	<input type="checkbox"/>	Budget and Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Youth Commission Report
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Introduction Form
<input type="checkbox"/>	<input type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input type="checkbox"/>	<input type="checkbox"/>	Contract/Agreement
<input type="checkbox"/>	<input type="checkbox"/>	Form 126 – Ethics Commission
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
<input type="checkbox"/>	<input type="checkbox"/>	Application
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OTHER (Use back side if additional space is needed)

<input checked="" type="checkbox"/>	<input type="checkbox"/>	OEWD Ltr 06/22/16
<input checked="" type="checkbox"/>	<input type="checkbox"/>	NoM/TCBD Annual Rpt FY2013-2014
<input checked="" type="checkbox"/>	<input type="checkbox"/>	TCBD Annual Rpt FY2014-2015
<input checked="" type="checkbox"/>	<input type="checkbox"/>	CPA Rpt 06/30/14
<input checked="" type="checkbox"/>	<input type="checkbox"/>	CPA Rpt 06/30/15
<input checked="" type="checkbox"/>	<input type="checkbox"/>	NoM/TCBD Ltr
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Referral FYI 07/06/16
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Completed by: Erica Major Date July 15, 2016
Completed by: _____ Date _____

1 [North of Market/Tenderloin Community Benefit District - Annual Reports to the City - FYs
2 2013-2014 and 2014-2015]

3 **Resolution receiving and approving annual reports for the North of Market/Tenderloin**
4 **Community Benefit District for FYs 2013-2014 and 2014-2015, submitted as required by**
5 **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 7, 2005, pursuant to the Property and Business Improvement
10 District Law of 1994 (the "Act"), California Streets and Highways Code, Sections 36600 *et*
11 *seq.*, as augmented by Article 15 of the San Francisco Business and Tax Regulations Code,
12 the Board of Supervisors adopted Resolution No. 422-05, expressing the City's intention to
13 establish the North of Market Tenderloin Community Benefit District (the "North of
14 Market/Tenderloin CBD"); and

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

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

23 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
24 of Supervisors in File No. 052018; and
25

1 WHEREAS, On April 28, 2015, the Board of Supervisors approved the North of Market/
2 Tenderloin CBD's annual reports for FYs 2010-2011, 2011-2012, and 2012-2013 in
3 Resolution No. 160-15; and

4 WHEREAS, The North of Market/Tenderloin CBD has submitted for the Board's receipt
5 and approval the North of Market/Tenderloin annual reports for FYs 2013-2014
6 and 2014-2015 (collectively, "Annual Reports") as required by Section 36650 of the Act and
7 Section 3.4 of the Management Contract; and

8 WHEREAS, The Annual Reports are on file with the Clerk of the Board of Supervisors
9 in File No. 160754, and are incorporated herein by reference as though fully set forth; and

10 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
11 memorandum report from the City's Office of Economic and Workforce Development, dated
12 June 22, 2016, and documentation from the North of Market/Tenderloin CBD for the Annual
13 Reports are on file with the Clerk of the Board of Supervisors in File No. 160754; now,
14 therefore, be it

15 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
16 reports for the North of Market/Tenderloin Community Benefit District for FYs 2013-2014
17 and 2014-2015.

MEMO

To: Supervisor Jane Kim, District 6

CC: San Francisco Board of Supervisors

From: Chris Corgas, OEWD Project Manager

RE: North of Market Tenderloin Community Benefit District

Date: June 22, 2016

This is a memo summarizing the accomplishments of the North of Market Tenderloin Community Benefit District and an analysis of its financial statements (based on their audit) for the period between July 1, 2013, and June 30, 2015.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. North of Market/Tenderloin CBD has complied with the submission of all these requirements. OEWD staff, with assistance from the Controller's Office, reviewed these financial documents to monitor and report on whether they have complied with the rules per the Property and Business Improvement District Law of 1994, California Streets and Highways Code Sections 36600 Et Seq.; San Francisco's Business and Tax Regulations Code Article 15; the North of Market/Tenderloin CBD management contract with the City; and their Management Plan approved by the Board of Supervisors in 2006.

Also attached to this memo are the following documents:

1. Annual Reports
 - a. FY 2013-2014
 - b. FY 2014-2015
2. CPA Financial Review Reports
 - a. FY 2013-2014
 - b. FY 2014-2015
3. Memo: Benchmark References for Fiscal Years 10/11 - 12/13
4. Draft resolution from the Office of Economic and Workforce Development

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BOARD OF SUPERVISORS
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Background

The North of Market/Tenderloin District spans 29 blocks and includes 675 parcels, including parcels owned by Tenderloin Neighborhood Development Corporation, Shih Yu Lang Central YMCA and UC Hastings. The district also includes UN Plaza, Golden Gate Theaters and San Francisco Hilton.

- August 2, 2005: the Board of Supervisors approved the resolution that established the North of Market Tenderloin Community Benefit District for 15 years (Resolution # 584-05).
- January 10, 2006: the Board approved the contract for the administration and management of the North of Market Tenderloin Community Benefit District (Resolution # 15-06).
- April 28, 2015: the Board of Supervisors approved the Annual Reports for FYs 2010-2011, 2011-2012, and 2012-2013 (Resolution #160-15).

Basic Info about Greater North of Market/Tenderloin CBD:

Year Established	August 2005
Assessment Collection Period	FY 2005-2006 to FY 2019-2020 (July 1, 2005 to June 30, 2020)
Services Start and End Date	January 1, 2006 – December 31, 2020
Initial Estimated Annual Budget	\$981,147
Fiscal Year	July 1 – June 30
Executive Director	(Interim) Steve Gibson (Interim ED Susie McKinnon 2014 - 2016)
Name of Nonprofit Owners' Entity	North of Market Tenderloin Community Benefit District

The current BID website www.tlcbd.org, includes all the pertinent information about the organization and their programs, a calendar of events, their Management Plan, Mid-Year Report, Annual Report and meeting schedules.

Summary of Program Areas

Public Right of Way and Sidewalk Operations

Sidewalk Operations services include: (1) twice daily sidewalk and gutter hand sweeping 6 to 7 days a week, (2) bi-monthly soap and water scrub-down of all properties, (3) a "Lead Sweeper" dealing with needles, hazardous waste and bulky items, and (4) graffiti removal 10 to 15 hours per week. Public Right of Way initiatives include: (1) *Safe Passages* program and (2) social services outreach and referrals. NOM/TL CBD contracts with *San Francisco Clean City Coalition* (Clean City) to provide sidewalk cleaning and maintenance as well as the Community Service Ambassador program. The North of Market Tenderloin CBD Management Plan calls for 76% of the budget to be spent on Public Right of Way and Sidewalk Operations.

District Identity and Streetscape Improvements

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

Management & Operations

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

The four committees include:

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

Summary of Accomplishments, Challenges, and Delivery of Services

FY 2013-2014

Public Right of Way and Sidewalk Operations

- Provided over 100 paid, transitional jobs to very low-income men and women through CBD operations. All program participants receive employment readiness support and job training.
- Clean and Safe Services Team removed more than 1,066 graffiti tags from public and private property; collected over 14,000 bags of litter from sidewalks and gutter; and safely disposed of 6,186 needles.

District Identity and Streetscape Improvements

- Completed a community-wide survey to evaluate individuals' perceptions of cleanliness in the district to more clearly identify potential cleaning service gaps and coordinate our efforts with a

service provider, property owners and other city agencies to efficiently address improvements to the neighborhood.

- Completed the Larkin Street Little Saigon Banner Project; received many compliments on the new banners that identify this unique commercial corridor.

Management & Operations

- Provided support to Tenderloin Sunday Streets, Asian Heritage Street Festival, Tenderloin Walking Tours, San Francisco Recovery Theater, and 'Neighbors'.

FY 2014-2015

Public Right of Way and Sidewalk Operations

- Provided over 100 paid, transitional jobs to very low-income men and women through CBD operations. All program participants receive employment readiness support and job training. Nearly 70% of those placed have retained employment for over a year.
- Clean and Safe Services Team removed more than 1,639 graffiti tags from public and private property; collected over 14,700 bags of litter from sidewalks and gutter; and safely disposed of approximately 6,000 needles.

District Identity and Streetscape Improvements

- Partnered with Friends of the Urban Forest, UC Hastings, San Francisco County Transit Authority, and others in order to green the neighborhood. This resulted in the planting of 30 new trees and new landscaping elements within the district.
- Established "Living Innovation Zones" to increase engagement and positive interaction in the public realm.

Management & Operations

- Recruited CBD's new governing board.
- Established partnerships with UC Hastings to rewrite organizational bylaws.
- Completed a full audit of the organization.

NOM/TL CBD Annual Budget Analysis

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

- **BENCHMARK 1:** Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan (*Agreement for the Administration of the "North of Market/Tenderloin Community Benefit District", Section 3.9 – Budget*)
- **BENCHMARK 2:** Whether five percent (5%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the "North of Market Tenderloin Community Benefit District", Section A – Annual Reports*)
- **BENCHMARK 3:** Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percent (*Agreement for the Administration of the "North of Market Tenderloin Community Benefit District", Section 3.9 – Budget*).
- **BENCHMARK 4:** Whether NOM/TL CBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year (*CA Streets & Highways Code, Section 36651*)

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

Service Category	Management Plan Budget	% of Management Plan	FY 2013-2014 Budget	% of Budget	Variance Percentage Points
Public Right of Way and Sidewalk Operations	\$749,074	76.0%	\$785,265	76.0%	0
District Identity and Streetscape Improvements	\$45,000	5.0%	\$51,662	5.0%	0
Administrative/Corporate Operations	\$120,000	12.0%	\$123,989	12.0%	0
Contingency Reserve	\$67,413	7.0%	\$72,327	7.0%	0
TOTAL	\$981,487	100%	\$1,033,241	100%	

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

ANALYSIS: NOM/TL CBD met this requirement. Assessment revenue was \$981,579 or 92.45% of actuals and non-assessment revenue was \$80,118 or 7.55% of actuals. See table below.

Revenue Sources	FY 2013-2014 Actuals	% of Actuals
Special Benefit Assessments	\$981,579	
Total assessment revenue	\$981,579	92.45%
Grants	\$60,947	
Donations	\$12,445	
Miscellaneous		
Interest Earned		
Total non-assessment revenue	\$80,118	7.55%
TOTAL	\$1,061,697	100%

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

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

Service Category	FY 2013-2014 Budget	% of Budget	FY 2013-2014 Actuals	% of Actuals	Variance Percentage Points
Public Right of Way and Sidewalk Operations	\$804,000	81.5%	\$804,259	80.6%	-.82%
District Identity and Streetscape Improvements	\$44,964	4.6%	\$41,564	4.2%	-.39%
Administrative/Corporate Operations	\$113,402	11.5%	\$116,468	11.7%	+.19%
Contingency Reserve	\$24,526	2.5%	\$35,001	3.5%	+1.02
TOTAL	\$986,892	100%	\$997,292	100.0%	

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

ANALYSIS: NOM/TL CBD did not meet 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 2013-2014 Carryover Disbursement	
Designated Projects for FY 2014-15	
Total Designated amount for FY 2014-15	

FY 2014-2015

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

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

Service Category	Management Plan Budget	% of Management Plan	FY 2013-2014 Budget	% of Budget	Variance Percentage Points
Public Right of Way and Sidewalk Operations	\$749,074	76.0%	\$804,000	81.5%	+5.15%
District Identity and Streetscape Improvements	\$45,000	5.0%	\$44,964	4.6%	-.03%
Administrative/Corporate Operations	\$120,000	12.0%	\$113,402	11.5%	-.74%
Contingency Reserve	\$67,413	7.0%	\$24,526	2.5%	-4.38%
TOTAL	\$981,487	100%	\$986,892	100%	

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

ANALYSIS: NOM/TL CBD did not meet this requirement. Assessment revenue was \$1,104,987 or 98.56% of actuals and non-assessment revenue was \$16,122 or 1.44% of actuals. See table below.

Revenue Sources	FY 2013-2014 Actuals	% of Actuals
Special Benefit Assessments	\$981,579	
Total assessment revenue	\$1,104,987	98.56%
Grants	\$60,947	
Donations	\$12,445	
Miscellaneous		
Interest Earned		
Total non-assessment revenue	\$16,122	1.44%
TOTAL	\$1,121,099	100%

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

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

Service Category	FY 2014-2015 Budget	% of Budget	FY 2014-2015 Actuals	% of Actuals	Variance Percentage Points
Public Right of Way and Sidewalk Operations	\$785,263	76.0%	\$852,008	+6.1%	-4.9%
District Identity and Streetscape Improvements	\$51,662	5.0%	\$97,052	+1.5%	+3.1%
Administrative/Corporate Operations	\$123,989	12.0%	\$124,512	-.5%	-1.6%
Contingency Reserve	\$72,327	7.0%	\$125,510	-7.0%	+3.5
TOTAL	\$1,033,241	100%	\$1,199,082	100.0%	

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

ANALYSIS: NOM/TL CBD did not meet 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 2014-2015 Carryover Disbursement	
Designated Projects for FY 2015-16	
Public Rights of Way and Sidewalk Operations	\$30,000.00
District Identity and Streetscape Improvements	\$30,000.00
Administrative and Corporate Operations	\$28,806.00
Total Designated amount for FY 2015-16	\$88,806.00

Findings and Recommendations

Within the review periods of FY 2013-2014 and FY 2014-2015, the North of Market Tenderloin CBD generally met the expectations and requirements as set by the California Street and Highways Code Section 36650-36651; the Agreement for the Administration of the "North of Market Tenderloin Community Benefit District; and the Agreement for the Administration of the "North of Market Tenderloin Community Benefit District."

North of Market Tenderloin CBD failed to meet Benchmark 2 for Fiscal Year 2014-2015 and Benchmark 4 for Fiscal Years 2013-2014 and 2014-2015. OEWD will work with the CBD's executive director to identify potential sources of general benefit funding for future fiscal years. Although, the CBD did not have a carryforward amount in FY 2013-2014, it should still be noted in the CBD's annual report. OEWD will provide more explicit instruction to North of Market Tenderloin CBD on how to successfully meet requirements set forth in Benchmark 4.

Conclusion

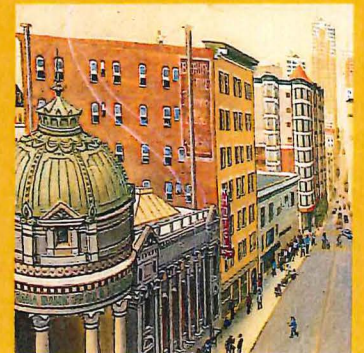
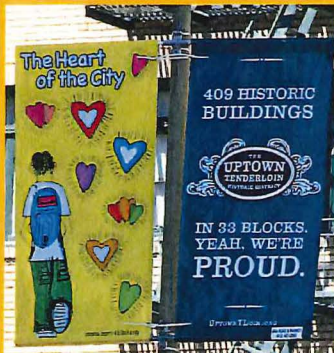
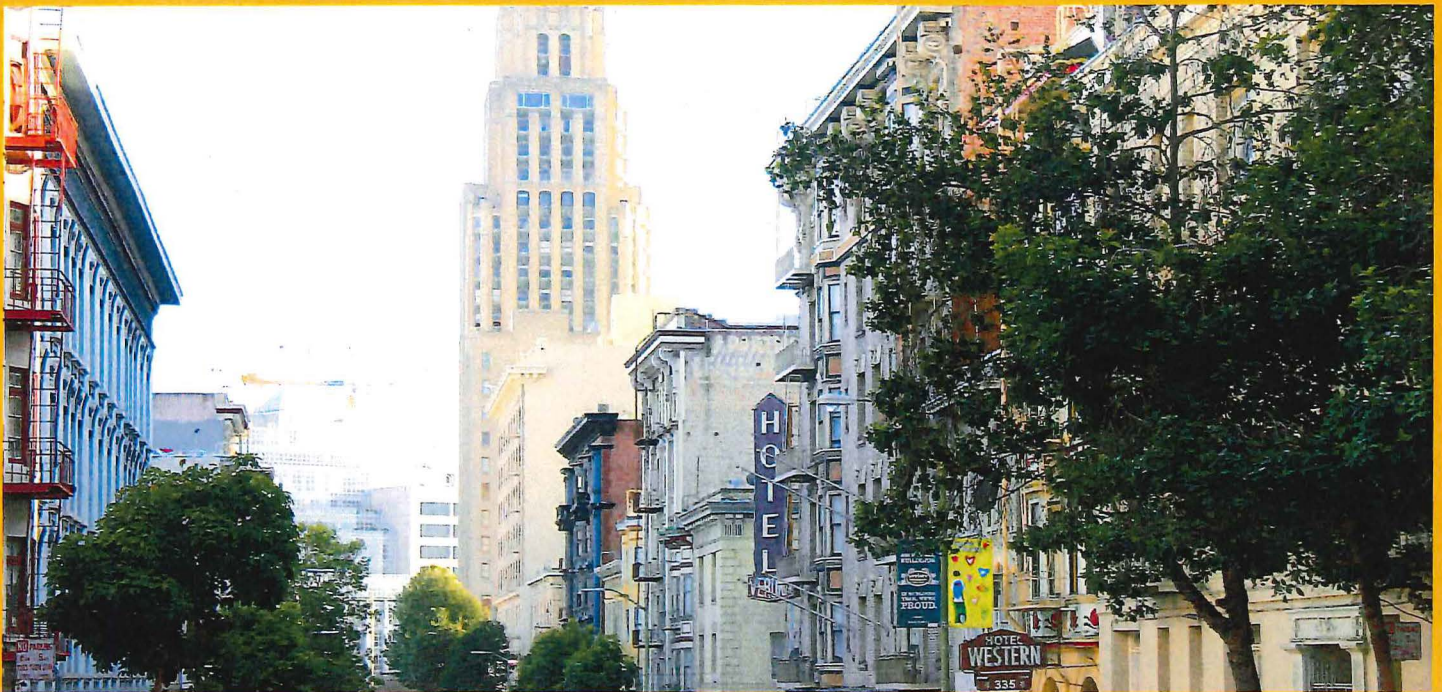
North of Market Tenderloin CBD has performed well in implementing their service plan. North of Market Tenderloin CBD has continued to successfully market and produce events and projects such as the "Living Innovation Zones," the Little Saigon Banner Project, and increased greenscaping. North of Market Tenderloin CBD has increased their opportunities in partnering with community stakeholders and numerous municipal agencies for the implementation of their management plan. NOM/TL CBD has an active board of directors and committee members; and OEWD believes the NOM/TL CBD will continue to successfully carryout their mission and service plans.

The North of Market / Tenderloin Community Benefit District

Annual Report 2013-14



north of market
tenderloin
community
benefit district



Neighborhood Improvement - It's What We Do

Mission Statement

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

What is a Community Benefit District?

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

Board of Directors

Clint Ladine - President, Property Seat
Simon Sin - Vice-President, Property Seat
Suzanne Appel - Secretary, Business Seat
Bill Multani - Treasurer, Business Seat
Pam Coates, Resident Seat
Krista Gaeta, Property Seat
Christie Harbinski, Property Seat
Kathy Looper, Property Seat
James Neal, Resident Seat
Nilesh Patel, Property Seat
Kate Robinson, Property Seat
John Ventrella, Property Seat
Gayle Wood, Resident Seat

Newly Elected Members: June 2014

Ron Hicks - President, At-Large Seat
David Seward - Treasurer, Property Seat
Julie Burdick - Secretary, Property Seat
Terrance Alan, Property Seat
Pam Smith, Resident Seat
Dan Williams, Business Seat

Area Boundaries

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

Dear Community Member,

The North of Market / Tenderloin Community Benefit District (CBD) exists to facilitate the transformation of the Tenderloin into a cleaner, safer, more vibrant neighborhood. While much needs to be done, the Tenderloin is seeing new development projects, growing opportunities for small businesses and collaborative partnerships that promote a promising future. This makes our core work of providing enhanced urban cleaning and beautification services to all the properties in the district vitally important.

During the 2013-14 year, the CBD completed a community-wide survey to evaluate individuals' perceptions of cleanliness in the district. To augment this work, the CBD began building stronger partnerships with the San Francisco Department of Public Works and continues to do so. A strong relationship with our city partner allows us to more clearly identify potential cleaning service gaps and coordinate our efforts with our service provider, property owners and other city agencies to efficiently address improvements to the neighborhood.

The Larkin Street Little Saigon Banner Project was a tremendous success; we receive many compliments on the new banners that identify this unique commercial corridor. Currently, the CBD is investigating a new street banner project in partnership with various city of San Francisco offices and a neighboring CBD to bring more attention to the need for increased pedestrian safety as it impacts the large population of children and families in the Tenderloin. Lastly, the CBD is excited to see the Tenderloin Safe Passage Program, a project focused on youth and family safety in the neighborhood, begin to grow wings. Stewarded by the CBD for several years, the Program is now working to develop as its own 501c3 organization.

While much has been achieved, the CBD faces challenges. The organization's budget, while fundamentally sound, needs to align to annual revenues derived from property assessments: the budget needs to be balanced. This is achievable by managing costs and increasing revenue through grants and fundraising. This is our priority.

We invite you to join us as we work to make the Tenderloin a cleaner, safer, more vibrant neighborhood. Please join any of our Board and/or Committee meetings—all are open to the public! Check our website for meeting dates, times, and agendas.

Sincerely,



Susie McKinnon
Interim Executive Director



Ron Hicks, President
Board of Directors



CBD Cleaning Services Program

SF Clean City is the service provider for the cleaning and urban maintenance services in the North of Market/Tenderloin Community Benefit District. The nonprofit organization was established in 1991 to focus on cleaning, greening and beautifying the City of San Francisco.

Services

JULY 2013-JUNE 2014

- A combination of power washing and steam cleaning was performed once per month throughout the district removing gum and grime from the sidewalk
- Ongoing attention was given to areas of perennial concern and street corners.
- Targeted steam cleaning of neighborhood "hotspots"
- Twice a month mechanical sidewalk scrubbing
- Twice daily sidewalk and gutter hand-sweeping throughout the entire CBD area
- A lead sweeper handled the collection of needles and removed hazardous waste and bulky items from the CBD area
- Nearly 8,000 (i.e. bulky items, human waste, needles) were handled within the CBD and/or reported to the city for follow-up
- Graffiti (ten feet and below) was removed from private property

Accomplishments

JULY 2013-JUNE 2014

- 1,066 graffiti tags were removed from public and private property
- 14,000 bags of litter were swept off sidewalks and gutters (does not include weekend collection data)
- 6,186 needles were removed from the CBD area and disposed of safely

Other CBD Project Support and Engagement

The CBD proudly supports and when possible sponsors events and projects that align with the organization's mission. This year, the CBD provided meaningful support to a number of events and projects that have worked to beautify, engage and promote the neighborhood. This year's projects and events include:

Tenderloin Sunday Streets, Asian Heritage Street Festival, Tenderloin Walking Tours, San Francisco Recovery Theater, 'Neighbors' a community portrait/photo essay, and more.

SF Clean City Transitional Employment & Job Training Through Community Improvement

In 2013-14, SF Clean City Partnership Program provided over 100 paid, transitional jobs to very low-income men and women through CBD operations. All program participants receive employment readiness support and job training. Nearly 70% of those placed have shown to retain employment for over a year.

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

2013-2014 CBD Cleaning Service Plan

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

New Sidewalk Scrubber

In 2014, the CBD funded SF Clean City for the purchase of a new 'New Model M20 Large Rider Scrubber/Sweeper', which comes with a 3-year warranty. The scrubbing equipment began circulating the neighborhood in late spring this year.

Financial Data Fiscal years 2012/13 - 2013/14

as of June 30th

2014 *

2013

Assets

Cash	\$427,682	\$584,808
Assessments Receivable	\$224,533	\$201,237
Accounts Receivable	\$ 599	\$ 1,045
Prepaid Expenses	\$ 1,500	\$ 2,750
Total	\$654,314	\$789,840

Liabilities & Net Assets

Accounts Payable	\$114,861	\$ 93,238
Accrued Vacation	\$ 1,424	\$ 1,188
Unrestricted Net Assets	\$538,029	\$683,539
Temp. Restricted Assets	-	\$ 11,875
Total Liabilities & Net Assets	\$654,314	\$789,840

Statement of Activities

Revenue

Property Assessments	\$ 981,579	\$ 988,538
Grants & Donations	\$ 65,267	\$ 47,465
Other Income	\$ 6,726	\$ 292
Net Assets Released from Donor Restriction	\$ (11,875)	-
Total	\$1,041,697	\$1,036,295

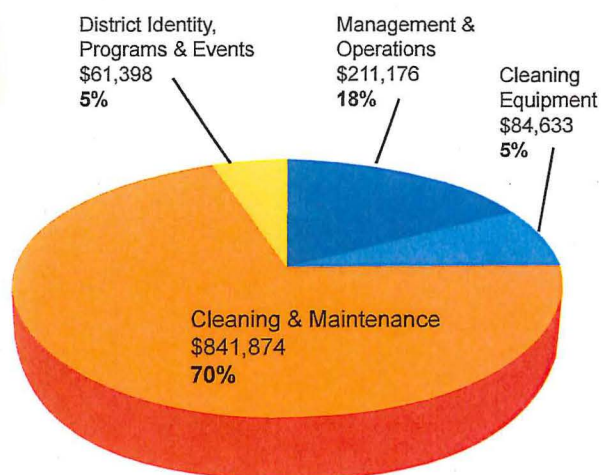
Expenses

Cleaning, Maintenance & Safety	\$ 926,507	\$ 870,282
Management & Operations	\$ 211,176	\$ 185,591
Program Expenses	\$ 61,398	\$ 19,472
Total	\$1,199,081	\$1,075,345

Net Income

	\$(157,384)	\$ (39,050)
--	-------------	-------------

*preliminary



Assessment Methodology

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

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

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

Assessment formula:

Total Property Assessment = \$.125 per square foot of lot size + \$.825 per linear foot of lot frontage + .03 per square foot of non-exempted building area

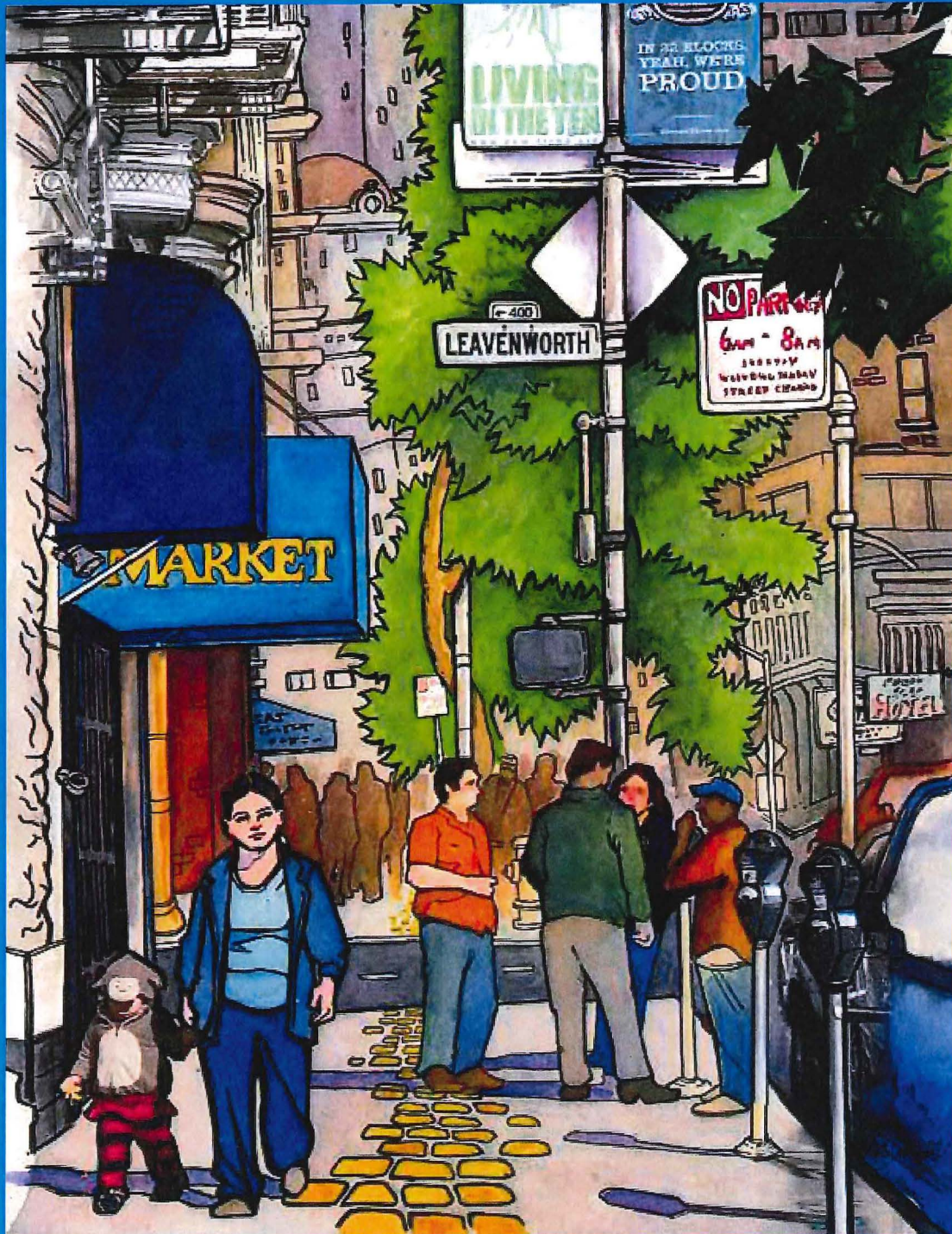
For a complete listing of 2013-2014 North of Market/Tenderloin Community Benefit District Property Assessments, please visit our website: www.nom-tlcbd.org

Contact us

North of Market/Tenderloin Community Benefit District
55 Taylor Street, San Francisco, CA 94102
415.292.4812 info@nom-tlcbd.org www.nom-tlcbd.org



Tenderloin Community Benefit District



Annual Report 2014-15

Mission Statement

The Tenderloin Community Benefit District exists to facilitate the transformation of the Tenderloin into a cleaner, safer, more vibrant neighborhood.

What is a Community Benefit District?

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

Current Board of Directors

Julie Burdick - President, Property Seat
Christie Harbinski - Vice President, At-large Seat
David Seward - Treasurer, Property Seat
Dan Williams - Secretary, Business Seat
Terrance Alan, Property Seat
Rosa Maria Cavalho, Resident Seat
Mike Daniels, Business Seat
Simon Sin, Property Seat
Ross Stackhouse, Property Seat
Pratibha Tekkey, Property Seat

Thanks to our Previous Board Members

Ron Hicks - President, At-Large Seat
Krista Gaeta - Vice-President, Property Seat
Suzanne Appel, Business Seat
Pam Coates, Resident Seat
Kathy Looper, Property Seat
Pamela Smith, Resident Seat
Gayle Wood, Resident Seat

Area Boundaries

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

Dear Community Member,

The Tenderloin Community Benefit District (TLCBD) exists to facilitate the transformation of the Tenderloin into a cleaner, safer, more vibrant neighborhood. For fiscal year 2014-15, in addition to the TLCBD's core work of providing systematic cleaning services to the 29 blocks of the District, the organization partnered with city and neighborhood partners to strengthen its organizational capacity and also green the neighborhood. With a great deal of city-wide focus on neighborhood development and improvement and many new businesses and property developments abound, it is crucial the TLCBD continue to strengthen its capacity to offer the greatest benefit to all in the District.

The last fiscal year, the TLCBD laid much groundwork to build its capacity to serve the neighborhood. Included in this work was establishing a partnership with UC Hastings College of the Law's Social Enterprise Clinic to develop and rewrite organizational bylaws, policies and procedures. Additionally, a full audit was executed, helping the TLCBD build a comprehensive picture of the last several years' finances. To refresh and reinforce communications to the community and TLCBD constituents, new branding including an entire new website was designed and launched in May. The TLCBD is proud to have executed this important work, which will bolster the organization's ability and commitment to improving the neighborhood through cleaning, beautification and programming.

In June, the CBD partnered up with Friends of the Urban Forest, UC Hastings College of the Law, San Francisco County Transit Authority and many others in an effort to green the neighborhood. This campaign was a huge success bringing together dozens of volunteers and neighborhood partners to plant over 30 new trees and new landscaping elements throughout the area. In effort to facilitate positive engagement and interaction to the public realm, the TLCBD partnered with the San Francisco Planning Department, The Exploratorium and many others to install and maintain creative, interactive installations to two locations in the District called 'Living Innovation Zones'. Finally, the CBD is embarking on some specialized projects to enhance beautification and safety to areas throughout the District. Stay tuned to hear more about these exciting plans with goals of increasing safety initiatives and neighborhood promotional opportunities for all that live, work or visit the Tenderloin.

Please join us! We seek individuals and partners interested in supporting our work to expand upon our mission of facilitating transformations to the neighborhood through cleaning, beautification and safety programs and initiatives. Board and Committee meetings are open to the public. Join our meetings or inquire about becoming a Board or Committee member. Check our website for meeting dates, times, and agendas.

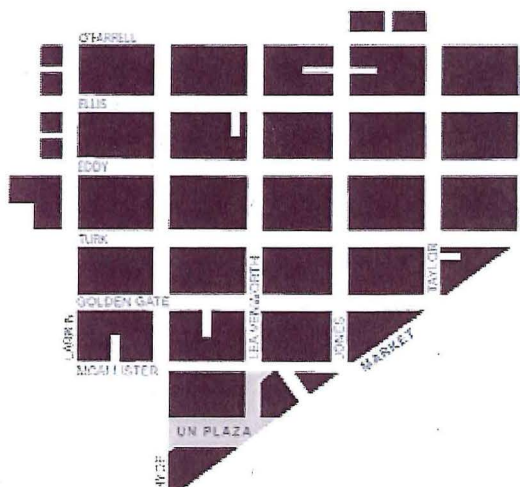
Sincerely,

Susie McKinnon

Susie McKinnon
Interim Executive Director

Julie Burdick

Julie Burdick, President
Board of Directors



CBD Cleaning Services Program

SF Clean City is the service provider for the cleaning and urban maintenance services in the Tenderloin Community Benefit District. The nonprofit organization was established in 1991 to focus on cleaning, greening and beautifying the City of San Francisco.

Services

JULY 2014-JUNE 2015

- A combination of power washing and steam cleaning was performed once per month throughout the district removing gum and grime from the sidewalk
- Targeted steam cleaning of neighborhood "hotspots". Ongoing attention was given to areas of perennial concern and street corners.
- Twice a month mechanical sidewalk scrubbing
- Twice daily sidewalk and gutter hand-sweeping throughout the entire TLCBD area
- A lead sweeper handled the collection of needles and removed hazardous waste and bulky items from the CBD area
- Over 6,000 (i.e. bulky items, human waste, needles) were handled within the TLCBD and/or reported to the city for follow-up
- Graffiti (ten feet and below) was removed from private property (10-15 hours per week)

Accomplishments

JULY 2014-JUNE 2015

- 1,639 graffiti tags were removed from public and private property
- 14,727 bags of litter were swept off sidewalks and gutters (does not include weekend collection data)
- 5,993 needles were removed from the CBD area and disposed of safely

Other CBD Project Support and Engagement

The CBD proudly supports and when possible sponsors events and projects that align with the organization's mission. This year, the CBD provided meaningful support to a number of events and projects that have worked to beautify, engage and promote the neighborhood. This year's projects and events include:

Asian Heritage Street Festival, Market Street Prototyping Festival, San Francisco Recovery Theater, Golden Gate Safety Collaborative, Central Market 'micro-hood' event, Better Market Street, Larkin Street Merchants Association, Friday Night Market and more.

SF Clean City Transitional Employment & Job Training Through Community Improvement

In fiscal year 2014-15, SF Clean City Partnership Program provided over 100 paid, transitional jobs to very low-income men and women through TLCBD operations. All program participants receive employment readiness support and job training. Nearly 70% of those placed have shown to retain employment for over a year.

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

New Truck and High Pressure Washing

In 2015, the TLCBD funded SF Clean City for the purchase of a new sturdy flat bed truck and hot water pressure washing equipment. The new equipment began work in the District this summer.



Board member and volunteers at June 13th, 2015 Tenderloin community tree planting campaign

Financial Data Fiscal years 2013/14 - 2014/15

as of June 30th

2015 *

2014

Assets

Cash	300,239	427,682
Assessments Receivable & Other Assets	311,015	224,533
Accounts Receivable	2,294	20,599
Prepaid Expenses	1,299	1,500
Total	\$614,847	\$674,314

Liabilities & Net Assets

Accounts Payable	32,775	114,302
Accrued Vacation & Other Liabilities	3,250	1,983
Unrestricted Net Assets	578,822	558,029
Total Liabilities & Net Assets	\$614,847	\$674,314

Statement of Activities

Revenue

Property Assessments	1,001,629	981,579
Grants & Donations	4,250	65,267
Other Income	11,862	6,726
Net Assets Released from Donor Restriction	-	(11,875)
Total	\$1,017,741	\$1,041,697

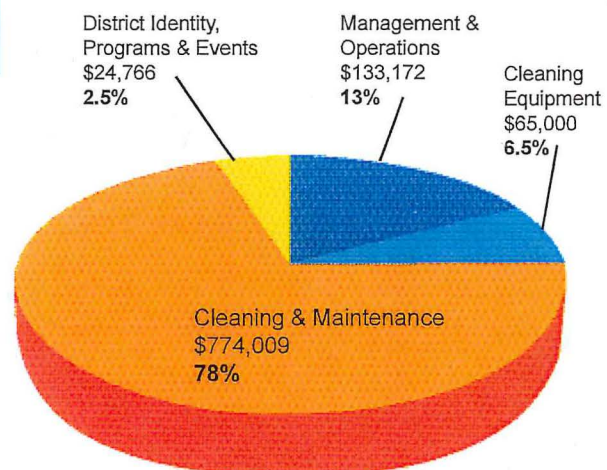
Expenses

Cleaning, Maintenance & Safety	839,009	926,507
Management & Operations	133,172	211,176
Program Expenses	24,766	61,398
Total	\$996,947	\$1,199,081

Net Income

\$20,794 \$(157,384)

*preliminary



Assessment Methodology

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

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

There is a total of 3,009,644 sq. ft. in gross lot size, 39,271 sq. ft. in linear frontage and 7,740,734 sq. ft. in building square footage (which accommodates discounts in building square footage to churches, nonprofit organizations, affordable housing and rent controlled residential land uses). This data was derived from the TLCBD's management plan at its establishment.

Assessment formula:

Total Property Assessment = \$.125 per square foot of lot size + \$.825 per linear foot of lot frontage + .03 per square foot of non-exempted building area

For information about 2014-2015 Tenderloin Community Benefit District Property Assessments, please visit our website or contact us, at: info@tlcbd.org

Contact us

Tenderloin Community Benefit District
25 Taylor Street, Suite 710, San Francisco, CA 94102
415.292.4812 info@tlcbd.org www.tlcbd.org

**Tenderloin
Community
Benefit District**

North of Market/Tenderloin Community Benefit Corporation

FINANCIAL STATEMENTS

June 30, 2014

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2013)

Draft: #2

File: 02 13 15

North of Market/Tenderloin Community Benefit Corporation

Contents

Independent Auditors' Report	1-2
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of North of Market/Tenderloin Community Benefit Corporation, which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North of Market/Tenderloin Community Benefit Corporation as of June 30, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The summarized comparative information presented herein was derived from our review of the financial statements of North of Market/Tenderloin Community Benefit Corporation as of and for the year ended June 30, 2013, and in our report thereon, dated November 25, 2013, stated we were not aware of any material modifications that should be made to those statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

Certified Public Accountants
Oakland, California
xxx, 2015

North of Market/Tenderloin Community Benefit Corporation

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

	2014	2013
Assets		
Current Assets		
Cash	\$ 427,682	\$ 584,808
Assessments receivable	224,533	201,237
Accounts receivable	599	1,045
Grants receivable	20,000	-
Prepaid expenses	1,500	2,750
Total Current Assets	<u>674,314</u>	<u>789,840</u>
Total Assets	<u>\$ 674,314</u>	<u>\$ 789,840</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 114,861	\$ 93,238
Accrued vacation	1,424	1,188
Total Liabilities	<u>116,285</u>	<u>94,426</u>
Contingencies (Note 3)		
Net Assets		
Unrestricted	558,029	683,539
Temporarily restricted	-	11,875
Total Net Assets	<u>558,029</u>	<u>695,414</u>
Total Liabilities and Net Assets	<u>\$ 674,314</u>	<u>\$ 789,840</u>

See Notes to the Financial Statements

North of Market/Tenderloin Community Benefit Corporation

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

	Unrestricted	Temporarily Restricted	Total	
			2014	2013
Support and Revenue				
Government grants	\$ 60,947	\$	\$ 60,947	\$
Donations	1,740		1,740	8,200
Foundation and corporate grants	10,705		10,705	39,265
Assessment revenue	981,579		981,579	988,538
Miscellaneous	6,726		6,726	292
Net assets released from donor restrictions (Note 5)	11,875	(11,875)	-	-
Total Support and Revenue	<u>1,073,572</u>	<u>(11,875)</u>	<u>1,061,697</u>	<u>1,036,295</u>
Expenses				
Program	1,074,570		1,074,570	977,211
General and administrative	105,080		105,080	90,542
Fundraising	19,432		19,432	7,592
Total Expenses	<u>1,199,082</u>	<u>-</u>	<u>1,199,082</u>	<u>1,075,345</u>
Change in Net Assets	(125,510)	(11,875)	(137,385)	(39,050)
Net Assets, beginning of year	<u>683,539</u>	<u>11,875</u>	<u>695,414</u>	<u>734,464</u>
Net Assets, end of year	<u>\$ 558,029</u>	<u>\$ -</u>	<u>\$ 558,029</u>	<u>\$ 695,414</u>

See Notes to the Financial Statements

North of Market/Tenderloin Community Benefit Corporation

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

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Change in net assets	\$ (137,385)	\$ (39,050)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	-	1,536
Change in assets and liabilities:		
Assessments receivable	(23,296)	34,083
Accounts receivable	446	(1,045)
Grants receivable	(20,000)	-
Prepaid expenses	1,250	(2,750)
Accounts payable and accrued expenses	21,623	61,232
Accrued vacation	236	(253)
Net cash provided (used) by operating activities	<u>(157,126)</u>	<u>53,753</u>
Net change in cash	<u>(157,126)</u>	<u>53,753</u>
Cash, beginning of year	<u>584,808</u>	<u>531,055</u>
Cash, end of year	<u><u>\$ 427,682</u></u>	<u><u>\$ 584,808</u></u>

See Notes to the Financial Statements

North of Market/Tenderloin Community Benefit Corporation

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

	PROW	Program DISI	General	Total Program	General and Administrative	Fundraising	Total	
							2014	2013
Salaries	\$ 26,809	\$ 9,660	\$ 39,343	\$ 75,812	\$ 42,358	\$ 10,248	\$ 128,418	\$ 99,446
Pension contributions				-	-	-	-	3,053
Employee benefits				-	6,410	-	6,410	2,145
Payroll taxes	2,115	721	3,444	6,280	3,120	895	10,295	8,989
Total Personnel	28,924	10,381	42,787	82,092	51,888	11,143	145,123	113,633
Grants	84,633			84,633	-	-	84,633	66,273
Legal				-	1,660	-	1,660	992
Fees for service	843,919	18,907	4,058	866,884	3,980	7,218	878,082	814,849
Occupancy	1,035	485	257	1,777	9,998	59	11,834	13,088
Office expenses/supplies	4,353	13,321	6,709	24,383	12,580	396	37,359	38,996
Accounting fees				-	11,491	-	11,491	14,381
Advertising and promotion	971	8,712	1,396	11,079	2,102	359	13,540	1,485
Insurance	584	193	901	1,678	4,082	235	5,995	2,613
Bank fees, payroll services				-	357	-	357	748
Travel and meals				-	-	-	-	727
Conferences, conventions, meetings	958	198	888	2,044	6,942	22	9,008	6,024
Depreciation				-	-	-	-	1,536
Total Expenses	\$ 965,377	\$ 52,197	\$ 56,996	\$ 1,074,570	\$ 105,080	\$ 19,432	\$ 1,199,082	\$ 1,075,345

See Notes to the Financial Statements

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2014
(With Comparative Totals for the Year Ended June 30, 2013)**

NOTE 1: NATURE OF ACTIVITIES

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

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

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

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

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

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

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Basis of Presentation

The Organization presents information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The three classes are differentiated by donor restrictions.

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

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2014
(With Comparative Totals for the Year Ended June 30, 2013)**

Temporarily restricted net assets – represent contributions whose use is limited by donor-imposed stipulations that expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. There were no temporarily restricted net assets as of June 30, 2014.

Permanently restricted net assets – represent contributions whose use is limited by donor-imposed stipulations that require the gift to be invested in perpetuity. The income from such invested assets, including realized and unrealized gains, is generally available to support the activities of the Organization. Donors may also restrict all or part of the income and/or appreciation from these investments to permanently restricted net assets, resulting in increases/decreases to these net assets. There were no permanently restricted net assets as of June 30, 2014.

Contributions

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

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

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

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.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2014
(With Comparative Totals for the Year Ended June 30, 2013)**

be purchased by the Organization. There were no contributed services that met the criteria for recognition for the year ended June 30, 2014.

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.

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.

Accounts and Grants Receivable

The Organization considers accounts and grants receivable to be fully collectible at June 30, 2014. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Estimates

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

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

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

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

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

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2014
(With Comparative Totals for the Year Ended June 30, 2013)**

The Organization had no assets or liabilities recorded at fair value on June 30, 2014.

Concentration of Credit Risk

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

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs and maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment. The Organization had no property and equipment that met this capitalization policy at June 30, 2014.

Functional Allocation of Expenses

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

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2013, from which the summarized information was derived.

Reclassifications

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

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of xxx, 2015 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: CONTINGENCIES

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

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2014
(With Comparative Totals for the Year Ended June 30, 2013)**

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

NOTE 4: CONCENTRATIONS

Revenue

For the year ended June 30, 2014, the Organization received 92% of its revenue from community benefit district assessments on property owners in the North of Market/Tenderloin Community Benefit District. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's program and activities.

NOTE 5: TEMPORARILY RESTRICTED NET ASSETS

As of June 30, 2014, there were no temporarily restricted net assets available.

During the years ended June 30, 2014 and 2013, \$11,875 and \$13,125 in temporarily restricted net assets were released from donor restrictions by incurring expenses related to the Health Initiative program, respectively.

North of Market/Tenderloin Community Benefit Corporation

FINANCIAL STATEMENTS

June 30, 2015

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2014)

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

North of Market/Tenderloin Community Benefit Corporation

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CROSBY & KANEDACertified Public Accountants

Dedicated to Nonprofit Organizations

1970 Broadway, Suite 930
Oakland, CA 94612
Tel: 510 · 835 · CPAS (2727)
Fax: 510 · 835 · 5711
e-mail: admin@ckcpa.biz

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying statements of financial position of North of Market/Tenderloin Community Benefit Corporation (a nonprofit organization) as of June 30, 2015, and the related statements of activities, cash flows, and functional expenses for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Other Matter

The summarized comparative information presented herein was derived from our audit of the financial statements of North of Market/Tenderloin Community Benefit Corporation as of and for the year ended June 30, 2014, and in our report thereon, dated March 2, 2015, stated we were not aware of any material modifications that should be made to those statements for them to be in conformity with accounting principles generally accepted in the United States of America.



Certified Public Accountants
Oakland, California
February 4, 2016

North of Market/Tenderloin Community Benefit Corporation

**Statement of Financial Position
June 30, 2015
(With Comparative Totals as of June 30, 2014)**

	2015	2014
Assets		
Current Assets		
Cash	\$ 300,239	\$ 427,682
Assessments receivable	414,373	224,533
Accounts receivable	-	599
Grants receivable	-	20,000
Prepaid expenses	1,299	1,500
Deposits	1,950	-
	<u>717,861</u>	<u>674,314</u>
Total Assets	<u><u>\$ 717,861</u></u>	<u><u>\$ 674,314</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 32,775	\$ 114,861
Accrued vacation	3,250	1,424
Total Liabilities	<u>36,025</u>	<u>116,285</u>
Contingencies (Note 3)		
Net assets-unrestricted	<u>681,836</u>	<u>558,029</u>
Total Net Assets	<u>681,836</u>	<u>558,029</u>
Total Liabilities and Net Assets	<u><u>\$ 717,861</u></u>	<u><u>\$ 674,314</u></u>

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

North of Market/Tenderloin Community Benefit Corporation

**Statement of Activities
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)**

	2015	2014
Support and Revenue		
Government grants	\$ 4,000	\$ 60,947
Donations	250	1,740
Foundation and corporate grants	-	10,705
Assessment revenue	1,104,987	981,579
Miscellaneous	11,862	6,726
Total Support and Revenue	<u>1,121,099</u>	<u>1,061,697</u>
Expenses		
Program	916,618	1,074,570
General and administrative	65,730	105,080
Fundraising	14,944	19,432
Total Expenses	<u>997,292</u>	<u>1,199,082</u>
Change in Net Assets	123,807	(137,385)
Net Assets-unrestricted, beginning of year	<u>558,029</u>	<u>695,414</u>
Net Assets-unrestricted, end of year	<u>\$ 681,836</u>	<u>\$ 558,029</u>

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

North of Market/Tenderloin Community Benefit Corporation

Statement of Cash Flows
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

	2015	2014
Cash flows from operating activities:		
Change in net assets	\$ 123,807	\$ (137,385)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Change in assets and liabilities:		
Assessments receivable	(189,840)	(23,296)
Accounts receivable	599	446
Grants receivable	20,000	(20,000)
Prepaid expenses	201	1,250
Deposits	(1,950)	-
Accounts payable and accrued expenses	(82,086)	21,623
Accrued vacation	1,826	236
Net cash provided (used) by operating activities	<u>(127,443)</u>	<u>(157,126)</u>
Net change in cash	<u>(127,443)</u>	<u>(157,126)</u>
Cash, beginning of year	<u>427,682</u>	<u>584,808</u>
Cash, end of year	<u>\$ 300,239</u>	<u>\$ 427,682</u>

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

North of Market/Tenderloin Community Benefit Corporation

**Statement of Functional Expenses
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)**

	Program			Total Program	General and Administrative	Fundraising	Total	
	PROW	DISI	General				2015	2014
Salaries	\$ 10,807	\$ 7,259	\$ 28,404	\$ 46,470	\$ 24,346	\$ 10,460	\$ 81,276	\$ 128,418
Pension contributions	61	42	164	267	140	61	468	-
Employee benefits	856	592	2,305	3,753	1,978	856	6,587	6,410
Payroll taxes	978	995	1,657	3,630	1,917	843	6,390	10,295
Total Personnel	<u>12,702</u>	<u>8,888</u>	<u>32,530</u>	<u>54,120</u>	<u>28,381</u>	<u>12,220</u>	<u>94,721</u>	<u>145,123</u>
Grants	65,000			65,000	-	-	65,000	84,633
Legal				-	-	-	-	1,660
Fees for service	784,849	5,659	883	791,391	4,619	2,724	798,734	878,082
Equipment rental				-	6,574	-	6,574	11,834
Office expenses and supplies					5,343		5,343	13,952
Accounting fees				-	13,320	-	13,320	11,491
Advertising and promotion	52	4,950	355	5,357	450	-	5,807	13,540
Insurance				-	5,779	-	5,779	5,995
Conferences, conventions, meetings				-	1,084	-	1,084	12,280
Sponsorship			750	750	-	-	750	20,135
Miscellaneous				-	180	-	180	357
Total Expenses	<u>\$ 862,603</u>	<u>\$ 19,497</u>	<u>\$ 34,518</u>	<u>\$ 916,618</u>	<u>\$ 65,730</u>	<u>\$ 14,944</u>	<u>\$ 997,292</u>	<u>\$ 1,199,082</u>

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

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)**

NOTE 1: NATURE OF ACTIVITIES

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

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

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

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

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

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

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Basis of Presentation

The Organization presents information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The three classes are differentiated by donor restrictions.

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

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)**

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 as of June 30, 2015.

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, 2015.

Contributions

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

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

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

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3) and the California Revenue and Taxation Code Section 23701(d). The Organization has evaluated its current tax positions as of June 30, 2015 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively after they are filed.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. There were no contributed services that met the criteria for recognition for the year ended June 30, 2015.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)**

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, 2015.

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.

Estimates

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

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

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

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

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

The Organization had no assets or liabilities recorded at fair value on June 30, 2015.

Concentration of Credit Risk

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

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs and maintenance, renewals, and betterments that materially prolong the useful

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)**

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, 2015.

Functional Allocation of Expenses

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

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Reclassifications

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

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of February 4, 2015 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: CONTINGENCIES

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

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

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)**

NOTE 4: CONCENTRATIONS

Revenue

For the year ended June 30, 2015, the Organization received 99% of its revenue from community benefit district assessments on property owners in the North of Market/Tenderloin Community Benefit District. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's program and activities.

NOTE 5: RETIREMENT PLAN

The Organization has a defined contribution retirement plan (the Plan) under section 403(b) of the Internal Revenue Code. The Plan covers all employees who meet age and length of service requirements. The Organization may make a matching contribution of up to 3% of the employee's salary. The contribution rate is determined annually. All contributions to an employee's account vest immediately.

The Organization made contributions under the Plan of \$468 and \$0 for the years ended June 30, 2015 and 2014 respectively.



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

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

Dear Ms. Tano:

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

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

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

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

Sincerely,

Susie McKinnon
Interim Executive Director

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 Clerk, Government Audit and Oversight Committee,
Board of Supervisors

DATE: July 6, 2016

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Kim on June 28, 2016:

File No. 160754

Resolution receiving and approving annual reports for the North of Market/Tenderloin Community Benefit District for FYs 2013-2014 and 2014-2015, 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
Ken Rich, Office of Economic and Workforce Development
Lisa Pagan, Office of Economic and Workforce Development

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):

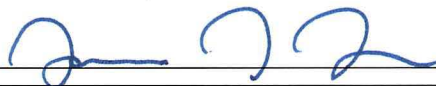
Kim

Subject:

[North of Market/Tenderloin Community Benefit District – FYs 2013-2014 and 2014-2015]

The text is listed below or attached:

Signature of Sponsoring Supervisor:



For Clerk's Use Only: