

**CIVIC CENTER COMMUNITY BENEFIT DISTRICT**  
**REVIEWED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2018**

**CIVIC CENTER COMMUNITY BENEFIT DISTRICT**  
**REVIEWED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2018**

This Page Left Intentionally Blank

## **INTRODUCTORY SECTION**

This Page Left Intentionally Blank

**CIVIC CENTER COMMUNITY BENEFIT DISTRICT**

**Financial Statements  
For the Year Ended June 30, 2018**

**Table of Contents**

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Table of Contents .....	i
Board of Directors .....	ii
<b>FINANCIAL SECTION</b>	
<b>Independent Accountant’s Report .....</b>	<b>1</b>
<b>Financial Statements</b>	
Statement of Financial Position .....	2
Statement of Activities .....	3
Statement of Cash Flows .....	4
Notes to Financial Statements .....	5

**CIVIC CENTER COMMUNITY BENEFIT DISTRICT**

**BOARD OF DIRECTORS**

**JUNE 30, 2018**

**BOARD OF DIRECTORS**

Tim Vrabel, Chair  
Bill Whitfield, Vice Chair  
Ruth Nott, Vice Chair  
John Updike, Treasurer  
Jennifer Norris, Secretary  
Nathan Brito  
Mary Conde  
Phil Ginsburg  
Jim Haas  
Jason Kamen  
Roberto Lombardi  
Susan McConkey  
Janan New  
Annette Turner  
Patricia Unterman

**EMERITUS MEMBERS**

David Harrison  
John Updike

**MANAGEMENT**

Tracy Everwine, Executive Director

## FINANCIAL SECTION



This Page Left Intentionally Blank



## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
Civic Center Community Benefit District  
San Francisco, California

We have reviewed the accompanying financial statements of Civic Center Community Benefit District (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities 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 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 the 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 the 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 conformity with accounting principles generally accepted in the United States of America.

### Report on Summarized Comparative Information

We have previously reviewed the Organization's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 22, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads 'Maze &amp; Associates' in a cursive script.

Pleasant Hill, California  
December 12, 2018

**Accountancy Corporation**  
3478 Buskirk Avenue, Suite 215  
Pleasant Hill, CA 94523

T 925.930.0902  
F 925.930.0135  
E [maze@mazeassociates.com](mailto:maze@mazeassociates.com)  
W [mazeassociates.com](http://mazeassociates.com)

CIVIC CENTER COMMUNITY BENEFIT DISTRICT  
STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2018 AND 2017

	2018	2017
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents (Note 3)	\$645,202	\$368,888
Accounts receivable, net	22,489	15,000
Prepaid and other assets	25,345	
Total Current Assets	693,036	383,888
Non-Current Assets:		
Furniture and equipment, net of accumulated depreciation of \$11,791 and \$11,791, respectively (Note 2C)		
Total Non-Current Assets		
Total Assets	\$693,036	\$383,888
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	\$271,758	\$14,793
Deposits payable	46,892	
Unearned revenue	17,500	
Accrued vacation (Note 2D)		1,197
Total Liabilities	336,150	15,990
NET ASSETS (Note 2A)		
Unrestricted	356,886	367,898
Total Net Assets	356,886	367,898
Total Liabilities and Net Assets	\$693,036	\$383,888

See accountant's review report and notes to financial statements.

CIVIC CENTER COMMUNITY BENEFIT DISTRICT  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
<b>UNRESTRICTED SUPPORT AND REVENUES</b>		
Assessments	\$664,659	\$821,805
Grants	385,712	
Contributions	9,500	
Fee for services	175,854	30,000
Other	52	343
Total Support and Revenues	1,235,777	852,148
<b>PROGRAM EXPENSES</b>		
Cleaning and Maintenance	155,367	164,648
Safety	438,826	478,981
Activation and Beautification	489,534	44,963
Total Program Expenses	1,083,727	688,592
<b>SUPPORT SERVICES</b>		
Facilities and equipment	7,110	9,243
Operations	24,305	
Payroll and related	116,714	111,619
Legal and accounting	14,265	12,168
Bad debt expense		98,912
Other	668	9,952
Total Support Services Expenses	163,062	241,894
Total Expenses	1,246,789	930,486
<b>CHANGES IN NET ASSETS</b>		
Net Assets, beginning of year	(11,012)	(78,338)
Net Assets, beginning of year	367,898	446,236
Net Assets, end of year	\$356,886	\$367,898

See accountant's review report and notes to financial statements.

CIVIC CENTER COMMUNITY BENEFIT DISTRICT  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	(\$11,012)	(\$78,338)
Adjustments to reconcile to net cash provided by (used for) operating activities:		
Bad debt expense		98,912
(Increase) in accounts receivable	(7,489)	(15,000)
(Increase) decrease in prepaid assets	(25,345)	
Increase in accounts payable	256,965	(36,540)
Increase in deposits payable	46,892	
Increase in unearned revenue	17,500	
(Decrease) increase in accrued vacation	(1,197)	(3,638)
Cash Flows (Used) Provided by Operating Activities	276,314	(34,604)
Net (decrease) increase in cash and cash equivalents	276,314	(34,604)
Cash and cash equivalents, beginning of year	368,888	403,492
Cash and cash equivalents, end of year	\$645,202	\$368,888

See accountant's review report and notes to financial statements.

**CIVIC CENTER COMMUNITY BENEFIT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 1 – REPORTING ENTITY**

*A. General*

The Civic Center Community Benefit District (District) was incorporated on June 1, 2011. The District is a 501(c)(3) nonprofit public benefit special assessment District conceived and organized by a group of concerned Civic Center property owners, arts organizations, government entities and other stakeholders (Members). Funding is provided primarily from special assessments from Members that are collected by the City and County of San Francisco and remitted to the District, pursuant to an administration agreement, dated July 1, 2011.

The Civic Center Community Benefit District (CCCBD) improves and promotes San Francisco's historic Civic Center through a host of planning, policy and public programming initiatives. In addition to focused and responsive neighborhood clean and safe programs, CCCBD provides public open space beautification, activation and advocacy on behalf of the area's diverse constituency.

*B. Programs*

**Cleaning and Maintenance** – CCCBD provides essential services to supplement and compliment those provided by local government. CCCBD's supplemental maintenance support for Civic Center shows pride and stewardship of the District. Furthermore, addressing issues like litter, graffiti and general upkeep in a timely manner keeps acts of vandalism at bay creating an accessible, equitable and comfortable environment for everyone.

**Community Ambassadors** – Ambassadors assist the public in navigating the District with a welcoming and informed presence. Their presence is also a deterrent to criminal activity through proactive and immediate reporting of unsafe conditions. Ambassadors also connect those in need of medical attention or social service support with the proper agencies. Ambassadors also work on select evenings near arts venues, to enhance the pedestrian experience before and after evening performances and events. An Ambassador is also dedicated to the street-level entrance of the Civic Center Garage to provide support and guidance for garage patrons.

**Activation and Beautification** – Activation and Beautification efforts include outdoor musical performances, public art installations, the Civic Center Plaza Holiday Tree Lighting, events in Civic Center Commons and oversight of the Civic Center Plaza cafe kiosk; decorative lighting and landscaping.

**CIVIC CENTER COMMUNITY BENEFIT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. *Basis of Presentation and Financial Statement Presentation***

The financial statements of the District have been prepared on the accrual basis of accounting. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the District and changes therein are classified and reported as follows:

***Unrestricted Net Assets*** – Net assets that are not subject to donor-imposed stipulations.

***Temporarily Restricted Net Assets*** – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the District and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions, if any. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. At June 30, 2018 and 2017, the District had no temporarily restricted net assets.

***Permanently Restricted Net Assets*** – Net assets subject to donor-imposed stipulations that they be maintained permanently by the District. Generally, the donors of these assets permit the District to use all or part of the income earned on any related investments for general or specific purposes. At June 30, 2018 and 2017, the District had no permanently restricted net assets.

**B. *Support and Revenues***

The District relies on member assessments which are invoiced in advance from San Francisco City and County. All contributions are recorded upon receipt, and are considered to be available for unrestricted use unless specifically restricted by the donor.

The District and the City and County of San Francisco entered into an administration agreement whereby, on the District's behalf, the City and County of San Francisco will levy and collect the assessments from the Members through the Members' secured property tax bills. For payments received in conjunction with the first and second installment of secured property taxes, the City and County of San Francisco will remit those funds to the District on or before January 10<sup>th</sup> and May 10<sup>th</sup>, respectively. Delinquent assessments will be remitted to the District at least once during the final quarter of the fiscal year and from time to time, at the discretion of the Controller of the City and County of San Francisco.

**CIVIC CENTER COMMUNITY BENEFIT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Furniture and Equipment**

Furniture and equipment is stated at cost. Donated assets are recorded at their estimated fair market values at date of donation. Depreciation is computed over the estimated useful lives of the respective assets, ranging from 2 to 3 years, on a straight-line basis. Expenses for maintenance, repairs and minor renewals are charged against operations as incurred. As of June 30, 2018, and 2017, respectively, all of the District's furniture and equipment were fully depreciated.

**D. Accrued Vacation**

Accrued vacation is comprised of unpaid vacation. Vacation is accrued as earned and sick leave is not accrued since it does not vest. All accrued vacation is considered to be a current liability. The balance at June 30, 2018 and 2017 was \$0 and \$1,197, respectively.

**E. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**F. Income Taxes**

The District is exempt from income tax under Section 501(c)(3) of U.S. the Internal Revenue Code. Accordingly, no provision for income taxes has been provided in these financial statements. In addition, the District qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Unrelated business income, if any, may be subject to income tax. The District paid no taxes on unrelated business income in the years ended June 30, 2018 or 2017.

Generally accepted accounting principles require the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the organization's tax returns. Management has determined that the District does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the District's tax returns will not be challenged by the taxing authorities and that the District will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the District's tax returns remain open for federal income tax examination for three years from the date of filing.

**G. Advertising Costs**

Advertising costs, if any, are expensed as incurred.



**CIVIC CENTER COMMUNITY BENEFIT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*H. Fair Value Measurements*

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards set a framework for measuring fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs (interest rates, currency exchange rates, commodity rates and yield curves) that are observable or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Inputs that are not observable in the market and reflect the management's judgment about the assumptions that market participants would use in pricing the asset or liability.

**NOTE 3 – CASH AND CASH EQUIVALENTS**

The District's cash and cash equivalents are comprised of cash in banks, which is insured by the Federal Depository Insurance Corporation up to \$250,000, and is reported using the Level 1 fair value measurement. The District has not experienced any losses in such accounts. Management believes the District is not exposed to any significant risk related to the security of its cash.

**NOTE 4 – ASSESSMENT REVENUE**

The District receives assessment revenues from the San Francisco City and County on behalf of members in the assessment District as a part of the County tax roll. Conversely, the District does not have control over unpaid assessments. The City and County may not be able to collect on unpaid assessments. As such, revenue is only recorded when received.

**NOTE 5 – OUTSIDE SERVICE CONTRACTS**

The District contracts with StreetPlus to provide cleaning, maintenance and ambassador services on the District's behalf.

The District contracts with Central Market Community Benefit District (CMCBD), a California nonprofit corporation, for the management of the District.

**NOTE 6 – SUBSEQUENT EVENTS**

The District evaluated subsequent events for recognition and disclosure through December 12, 2018, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2018 that require recognition or disclosure in such financial statements.