



# 2022-23 ANNUAL REPORT

## *Turning The Page*





# Area Map Of The Yerba Buena Community Benefit District

Yerba Buena bustles with world-class museums, shopping, dining, convention space, hotels, and educational institutions. Senior housing blends with live/work lofts and condominiums.

New district boundaries shown were approved as part of the YBCBD renewal in 2015. The district includes parcels from Second to Fifth streets and Market to Perry streets. Specific information on YBCBD boundaries is in the District Management Plan at [www.YBCBD.org](http://www.YBCBD.org)





# TURNING THE PAGE

Dear Friends and Neighbors,

Our neighborhood services are grounded in opportunity, determination and hope. Today’s economic and social challenges are unsettling. However, knowing that we have a unique portfolio of cultural, convention and creative attributes gives us confidence – and excitement – that what is next will be transformative.

YCBCD is keenly aware of neighborhood impacts from fewer office workers and conventions, struggling businesses, and concern about crime and conflict. Even amid worries about the City, momentum is shifting. In late summer, SF Travel reported that hotel revenue is up 30% from 2022. Tourism is expected to rise 6.2% over last year. Dreamforce, the City’s largest conference, is back. In November, Yerba Buena will host the Asia-Pacific Economic Cooperation summit, involving world and business leaders from 21 countries, including President Biden. It’s a chance for the City to shine with the spotlight on the district.

It’s an opportunity to show how determined we are to succeed and how we continue to evolve. For example, a summer San Francisco Chronicle headline, “Downtown SF in the middle of a bar boom” featured the debut of the popular Dawn Club whose front door swings open to a newly designed plaza at Annie North and Market streets, a project led by the YCBCD. Michelin Star restaurant Aphotic opened around the corner from the Yerba Buena/Moscone Muni Station and is drawing crowds. World class attractions like SFMOMA and Yerba Buena Gardens bring streams of visitors here. We are resilient, responsive and always changing.

## STRATEGIES TO BUILD MOMENTUM

A safe, active and inspiring district is essential to drawing workers, residents and visitors and restoring investment confidence. The YCBCD’s strategic drumbeat is focused on:

- Relentlessly implementing core clean and safe services
- Reinforcing the district as the arts and cultural heart of the City
- Supporting small businesses
- Beautifying our streetscapes
- Celebrating our diversity
- Advocating for and leveraging resources and support

## DEDICATED TO IMPROVING YERBA BUENA

During the past year, the YCBCD implemented key strategies and continued our commitment to responsive and impactful services and programs. Our Clean Team and

Community Guides continue to do a remarkable job. In 2022-2023, we added three members to our Clean Team thanks to funding from a Caltrans Clean California Grant. They removed thousands of graffiti tags, hundreds of thousands of pounds of trash, and swept and steam cleaned our sidewalks in support of local entities (See pages 6 and 7). We partnered with the Dept. of Public Works, the City’s Welcome Ambassador program, Downtown Streets Team to supplement our Community Guides program to ensure welcoming presence for conventioners.

We broadened partnerships that improve streetscapes, cleanliness and opportunities for artists. For example, a City grant enabled us to launch our monthly Yerba Buena Art & Maker’s Market and another grant will fund a new Holiday Market in December. Funding from the Clean California Grant, secured with multiple local partners, also transformed the area of Fourth, Third and Folsom Streets into a colorful tapestry of landscaping and expansive murals. We secured another grant that funds continuing use of Big Belly trash receptacles, which have proven effective in reducing litter. In response to residents’ requests, we opened a pet relief area at Third and Folsom streets that community members voted to name the “Yerba Buena Barklet.”

Arts and culture create critical connection points for our community and City. In addition to the Yerba Buena Art & Market, we promoted our public art audio walking tour and held monthly Hidden SF Walking Tours to highlight neighborhood history and attractions. Soon we’ll provide art for a new SFMTA bike parking project. And our Community Benefit Fund provided grants to resident nonprofits benefiting Yerba Buena.

Ultimately, an engaged community will drive the success of Yerba Buena. We will continue to hold community meetings as mixers to bring residents together to hear ideas and work collectively toward improving neighborhood issues. And we’ll continue to advocate for the district at neighborhood, City and State levels. We are grateful to our Board of Directors, committees, staff, exceptional field teams, and to all who enhance our neighborhood. Because of you, we will turn the page to exciting new chapter for Yerba Buena that we can all experience with pride.

Sincerely,

**SCOTT ROWITZ**

*Executive Director, YCBCD*

**LISA KIRVIN**

*Chair, YCBCD Board of Director*





# SERVICES AND PROGRAMS

## WHAT WE DO + WHERE

Every day, our organization dedicates itself to help make Yerba Buena – San Francisco’s cultural hub – a thriving and vibrant downtown neighborhood. To sustain that goal, our district must be clean, safe, and welcoming.

Since 2008, we’ve been working with our volunteer Board of Directors, committees and community partners on ways to improve Yerba Buena. In 2015, district property owners voted to renew our services for 15 more years. The YBCBD’s services focus on cleaning, safety, marketing, events, and more. Our services and programs stretch from Second to Fifth and Market to Perry streets, serving a neighborhood that residents share with world-class museums, convention space, public gardens, educational institutions, and exceptional dining, shopping and entertainment.

## OUR SERVICES AND PROGRAMS INCLUDE:

- **Clean Team.** Our team sweeps and steam-cleans sidewalks, removes graffiti, picks up litter, and responds to immediate neighborhood cleaning needs every day 6 a.m.-10 p.m.
- **SFPD Officer.** On top of existing police services, the YBCBD funds an additional SFPD officer to keep us safer – 10-12 hours a day, 7 days a week.

- **Community Guides.** Our Guides not only assist people in the neighborhood by directing visitors to local businesses, they contact our dispatcher to have areas cleaned and report safety issues, and help those in need – every day, 6 a.m.- 10 p.m.
- **Social Services Outreach Specialist.** Our specialist compassionately connects people living on our neighborhood streets to available services. For example, the specialist makes and escorts people to appointments.
- **Marketing + Events.** We promote Yerba Buena with websites, events, social media, street banners, and more in support of neighborhood businesses and organizations.
- **Community Benefit Fund.** We give grants to neighborhood nonprofits that support family programs, public art projects and cultural exhibits, and public safety.
- **Public Realm Improvements.** We fund and advocate for streetscape projects – large and small – to improve our public spaces.



# CLEAN + SAFE SERVICES: *By the Numbers*

## CLEAN TEAM + COMMUNITY GUIDES

**10,490** Graffiti and Stickers Removed

**502,500** Pounds of Litter Removed

**4,787** Hazardous Waste Removed

**90,487** Sidewalk Sweeps

**1,202** Steam Cleaning Requests

**3,673** Steam Cleaning Ongoing (Blocks cleaned)

**10,750** Needles Removed

**128** Overflowing Garbage Cans Addressed

Anyone can report neighborhood cleanliness and non-emergency issues to the YBCBD’s Clean & Safe Dispatch office by calling (415) 543-9223, texting (415) 559-1362, or emailing [dispatch@ybcbd.org](mailto:dispatch@ybcbd.org).



# SAFETY + SOCIAL SERVICES: *By the Numbers*

## COMMUNITY GUIDES, SOCIAL SERVICES OUTREACH SPECIALIST AND 10B SFPD OFFICER

**8,695** Community Guide Meet & Greets with  
Merchants & Residents

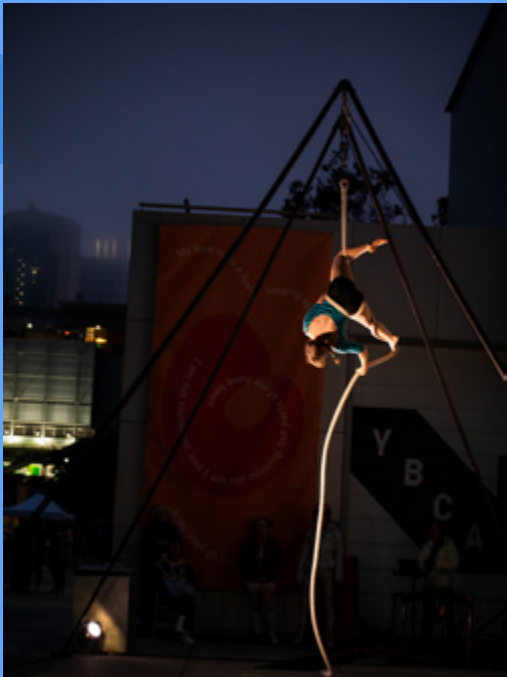
**15,593** Wellness Checks

**410** Social Services Referrals

**3,891** Incidents Addressed by YBCBD-funded  
SFPD officer

### CLEAN + SAFE HIGHLIGHTS

- Responded to over 1,000 311 cleaning requests through an ongoing partnership with Public Works
- Gathered volunteers to participate in the District 6 Love Our City clean-up event, and collected litter from Yerba Buena streets.
- Invited SFPD Southern Station Captain, Luke Martin, to speak with and answer questions for community members at Yerba Buena Meet and Mix event





# BEAUTIFYING + IMPROVING STREETSCAPES

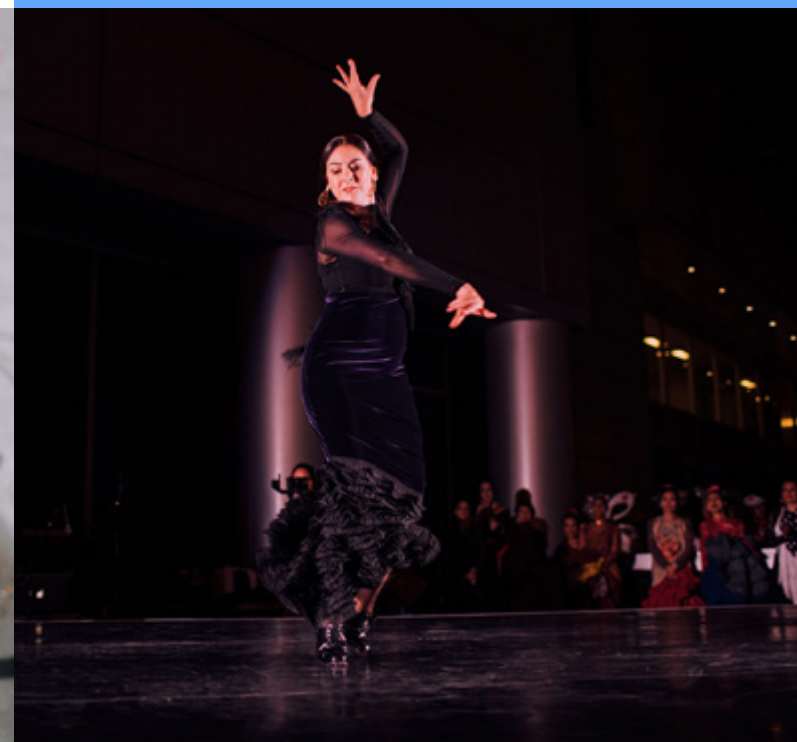
- **Partnered** with The Yerba Buena Gardens Conservancy to secure a \$1.8 million dollar grant to beautify and clean public spaces near the new Yerba Buena/Moscone Center subway station transformed the area with new plantings, murals, and doubled the frequency of power washing and cleaning in the area.
- **Opened** the newly designed Annie North Plaza, at Market and Annie streets, in partnership with San Francisco Department of Public Works and the neighboring properties.
- **Broke ground** on the “Yerba Buena Barklet” at Third and Folsom Streets, a landscaped pet relief and play area.
- **Replenished** SFMTA with a supply of 50 YBCBD-designed bike racks with a new artistic inlay from local artist Dre Sibayan, for installation along newly improved bike corridors and at community-requested locations.



10

# PROMOTING BUSINESSES, ARTS + CULTURE

- **Produced** the 10th annual and final Yerba Buena Night where over 45,000 people attended from throughout the Bay Area.
- **Hosted** monthly Yerba Buena Art and Makers Market in the Yerba Buena Gardens where we presented art, commerce, and free performances to an average of 1,800 people each month.
- **Through** a partnership with the Yerba Buena Gardens Conservancy, we secured additional grant funding by Avenue Greenlight to hold a free multi-day Holiday Market at Yerba Buena Gardens with art, performances, food trucks and more.
- **Promoted and produced** a public art audio walking tour which showcases 15 unique pieces of public art in the Yerba Buena neighborhood.
- **Conducted** monthly Hidden SF Walking Tours that use theatrical performers to highlight neighborhood history and attractions.



11



# COLLABORATION + ADVOCACY

- **Hosted** Community Mixers with residents and various neighborhood stakeholders.
- **Supported** public art, community engagement, streetscape improvements, and public safety enhancements through the YBCBD Community Benefit Fund grant program.
- **Organized** a San Francisco Board of Supervisors District 6 Candidate Forum in the Yerba Buena Gardens.
- **Supported** Moscone Center in client meetings to communicate our supplementing clean and safe services for all conventions.
- **Served** on advisory panels to promote neighborhood interests including: the Yerba Buena Gardens Conservancy Board; Better Market Street Community Advisory Committee; Clean Civil Sidewalks Coalition; CleanSafe365 Coalition; San Francisco Benefit District Alliance; and the Healthy Streets Operation Center (to inform the City of street conditions in Yerba Buena).



JULY 2022-JUNE 2023 STATEMENT OF FINANCIAL POSITION\*

ASSETS		LIABILITIES AND NET ASSETS	
Cash and cash equivalents	\$2,803,681	<b>LIABILITIES</b>	
Certificate of Deposits	\$1,442,406	Accounts payable and accrued expenses	\$236,414
Grants receivable	\$42,169,	Accrued vacation	\$37,998
Other receivables	\$21,910	Lease Liability-operating leases	\$285,169
Prepaid Expenses	\$37,562	<b>TOTAL LIABILITIES</b>	\$559,581
Capital assets (net)	\$421,546	<b>NET ASSETS</b>	
Right of use assets-operating leases	\$283,705	Without donor restrictions	\$4,482,148
<b>TOTAL ASSETS</b>	\$5,052,979	with donor restrictions	\$11,250
		<b>TOTAL NET ASSETS</b>	\$4,493,398
		<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$5,052,979

FISCAL YEAR 2022-23 BUDGET

DOLLAR AMOUNTS			
SERVICE CATEGORY	ASSESSMENT	RELEASE FROM RESTRICTIONS/CARRYOVER,	TOTAL
Cleaning & Streetscape Improvements	\$1,395,744	\$903,308	\$2,299,052
Safety & Security	\$1,317,880	\$114,063	\$1,431,942
Branding, Activation, & Marketing	\$579,813	\$222,880	\$802,693
Management & Operations	\$359,528	\$370,857	\$730,385
Sponsored Projects			
<b>TOTAL</b>	\$3,652,965	\$1,611,108	\$5,264,073

PERCENTAGES			
SERVICE CATEGORY	ASSESSMENT	RELEASE FROM RESTRICTIONS/CARRYOVER	TOTAL
Cleaning & Streetscape Improvements	38%	56%	44%
Safety & Security	36%	7%	27%
Branding, Activation, & Marketing	16%	14%	15%
Management & Operations	10%	23%	14%
Sponsored Projects	0%	0%	0%
<b>TOTAL</b>	100%	100%	100%

FISCAL YEAR 2022-23 ACTUALS\*

DOLLAR AMOUNTS			
SERVICE CATEGORY	ASSESSMENT	RELEASE FROM RESTRICTIONS/CARRYOVER	TOTAL
Cleaning & Streetscape Improvements	\$1,510,828	\$116,395	\$1,627,223
Safety & Security	\$1,101,813	\$43,437	\$1,145,250
“Branding, Activation, & Marketing	\$542,196	\$102,214	\$644,410
Management & Operations	\$451,231	\$248,258	\$699,489
Sponsored Projects	\$2,000	\$2,000	
<b>TOTAL</b>	\$3,608,068	\$510,304	\$4,118,372

\*Audited financial statements available upon request

PERCENTAGES			
SERVICE CATEGORY	ASSESSMENT	RELEASE FROM RESTRICTIONS/CARRYOVER	TOTAL
Cleaning & Streetscape Improvements	42%	23%	40%
Safety & Security	31%	9%	28%
Branding, Activation, & Marketing	15%	20%	16%
Management & Operations	13%	49%	17%
Sponsored Projects	0%	0%	0%
<b>TOTAL</b>	100%	100%	100%

FY 22-23 REVENUE SOURCES

ASSESSMENTS	DOLLAR AMOUNT	PERCENTAGE
Assessments	\$3,385,234	100%
Penalties	\$3,699	0%
Redemptions	\$5,858	0%
<b>TOTAL ASSESSMENTS (SPECIAL BENEFIT) REVENUE</b>	\$3,394,791	99.8%

NON ASSESSMENTS	DOLLAR AMOUNT	PERCENTAGE
Contributions and Contributions released from Restrictions	\$157,35535	40%
In Kind Goods and Services	\$145,622	32.76%
Government Grants	\$42,169	9.49%
“GalInvestment income (loss), net	\$91,537	20.59%
Other Income	\$7,805	1.76%

<b>TOTAL NON ASSESSMENT (GENERAL BENEFIT) REVENUE</b>	\$444,488	100%
<b>TOTAL</b>	\$3,839,279	100%

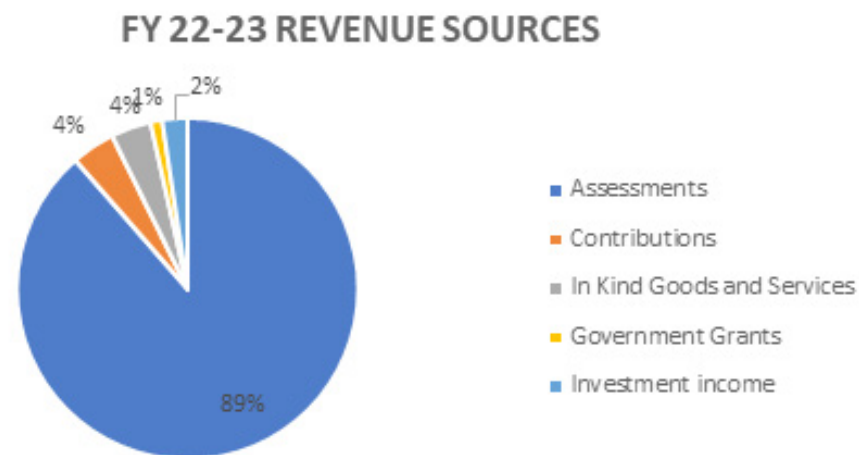
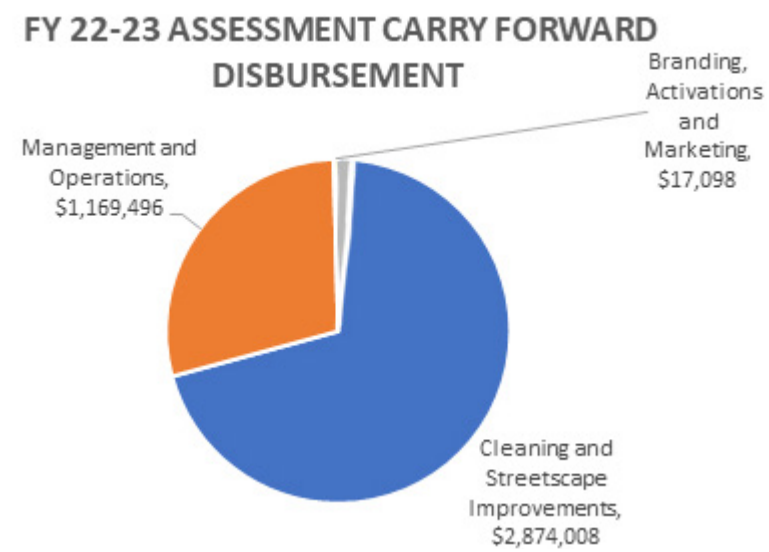
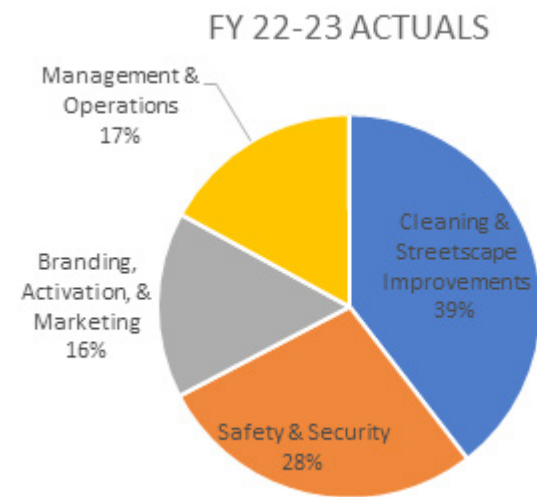
FY 22-23 ASSESSMENT CARRY FORWARD DISBURSEMENT	DOLLAR AMOUNT
Cleaning and Streetscape Improvements	\$2,874,008
Management and Operations	\$1,169,496
Safety and Security	
Branding, Activations and Marketing	\$17,098
<b>TOTAL</b>	\$4,060,602

OTHER	
Sponsored projects-Invested in Capital Assets	
Invested in Capital Assets (without donor restrictions	\$421,546
SF Property Business Improvement Districts(with donor restrictions)	\$11,250
<b>TOTAL</b>	\$432,796

MANAGEMENT PLAN BUDGET FY 22-23 EXPENSES

SERVICE CATEGORY	DOLLAR AMOUNTS	PERCENTAGES
Cleaning & Streetscape Improvements	\$1,497,533	40.70%
Safety & Security	\$1,195,819	32.50%
“Branding, Activation, & Marketing	\$507,763	13.80%
Management & Operations	\$478,327	13.00%
<b>TOTAL EXPENSES</b>	\$3,679,442	100.0%





# ASSESSMENT METHODOLOGY AND CALCULATION

The YBCBD is funded through an annual assessment from district property owners. A new methodology for annual assessments was approved as part of the district renewal. The calculation for each property assessment is based on a formula that weighs the benefit of the YBCBD's services for all types of properties in the district.

The formula assigns values to Land Use, Benefit Zone, Linear Street Frontage, and Building Square Footage to determine benefit points for each parcel. The parcel benefit point total is then multiplied by \$9.88 based on the FY22-23 YBCBD Budget to calculate the assessment.

For example, a commercial property (Land Use, 4) in Benefit Zone 1 (Zone Factor, 1.5) that has 50 feet of linear frontage (Linear Frontage, 50) and 5,000 building square footage (Building Factor, 2) would calculate their assessment as follows:

$$[(\text{Linear Frontage} + \text{Building Factor}) \times \text{Zone Factor}] \times \text{Land Use} = \text{Total \# of Benefit Points}$$

$$[(50 + 2) \times 1.5] \times 4 = 300 \text{ Benefit Points}$$

$$300 \times \$9.88 = \$2,964.00 \text{ Total Assessment}$$

As a result, properties like hotels, office buildings, museums and retailers with substantial street frontage, higher volumes of pedestrian traffic and more overall building square footage have different assessments than residential units because they benefit more from the YBCBD's services. Details of the annual assessment calculation are in the District Management Plan at [www.YBCBD.org](http://www.YBCBD.org).



# YBCBD BOARD OF DIRECTORS

## BOARD MEMBERS

**JOHN ANDERSON**, *Marriott Marquis*  
**KENNETH BUKOWSKI**, *City Of San Francisco*  
*Convention Facilities*  
**JOHN CARRILLO**, *Hyatt Regency Downtown SF*  
**CLIF CLARK**, *The Palace Hotel*  
**WILLIAM CLEMENTS**, *Resident/Owner*  
**JENNIFER DE PALM**, *South of Market Child Care*  
**DUSTIN DURHAM**, *Bloc Party Productions*  
**ANITA ENGLES**, *American Bookbinders Museum*  
**PAUL FRENTSOS**, *SF Travel*  
**DULCINEA GONZALEZ**, *K&L Wines*  
**RACHEL GORDON**, *SF Public Works*  
**KATHARINE GREENBAUM**, *Children’s Creativity Museum*  
**JEREMIAH GREGORY**, *Jones Lang LaSalle*  
**ANDREW HENNIS**, *Kilroy Realty Corporation*  
**CRISTINA IBARRA**, *Yerba Buena Gardens Festival*  
**MARIA KELLY**, *Resident*  
**LISA KIRVIN**, *Renaissance Entrepreneurship Center*  
**LAWRENCE LI**, *SPUR*  
**JILL LINWOOD**, *YB Gardens Conservancy*  
**TOM MAGUIRE**, *SFMTA*  
**JOHN MERRITT**, *Resident*  
**JASON PHILLIPS**, *Patelco*  
**RICHARD RENDON**, *VA Clinic*  
**NATE SAVALZA**, *St. Regis*  
**BRIAN SHEEHAN**, *Future Bars Group*  
**MARK VANDERWIELEN**, *Hotel Zetta*  
**ADINE VARAH**, *SFMOMA*  
**MONETTA WHITE**, *MoAD*

## YBCBD 2022-2023 STAFF

**SCOTT ROWITZ**, *Executive Director*  
**CONSTANCE CAVALLAS**, *Deputy Director*  
**RICHARD CICCARONE**, *Director, Branding, Activation, and Marketing*  
**SOPHIA CROSS**, *Operations Manager*

# COMMUNITY SUPPORT

The YBCBD would like to thank the individuals and organizations below for their financial contributions and in-kind support.

**111 MINNA STREET GALLERY, AMERICAN BOOKBINDER’S MUSEUM, BLOCK PARTY PRODUCTIONS, BROOKFIELD OFFICE PROPERTIES, CHILDREN’S CREATIVITY MUSEUM, CITY OF SAN FRANCISCO CONVENTION FACILITIES, EXECUTIVE ORDER BAR AND RESTAURANT, FLY TRAP RESTAURANT, FUTURE BARS GROUP, HEARST CORPORATION, JMA VENTURES, JOYRIDE PIZZA, KYO-YA HOTELS & RESORTS, CATHY MAUPIN, MUSEUM OF THE AFRICAN DIASPORA, MOSCONE CONVENTION CENTER, THE PALACE HOTEL, RECOLOGY, RENAISSANCE ENTREPRENEURSHIP CENTER, SAN FRANCISCO DEPARTMENT OF PUBLIC WORKS, SFMTA, THE YERBA BUENA GARDENS CONSERVANCY, YERBA BUENA GARDENS FESTIVAL**



**750 HOWARD STREET, SAN FRANCISCO, CA 94103**  
**(415) 919-4049**  
**WWW.YBCBD.ORG • WWW.VISITYERBABUENA.ORG**  
**INFO@YBCBD.ORG**





*Report of Independent Auditors and  
Financial Statements*

**Yerba Buena Community Benefit District**

*June 30, 2023 and 2022*



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## Table of Contents

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REPORT OF INDEPENDENT AUDITORS .....	1
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### FINANCIAL STATEMENTS

Statements of Financial Position .....	4
Statements of Activities and Changes in Net Assets .....	5
Statement of Functional Expenses .....	6
Statements of Cash Flows .....	8
Notes to Financial Statements .....	9



## **Report of Independent Auditors**

To the Board of Directors  
Yerba Buena Community Benefit District

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Yerba Buena Community Benefit District, which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yerba Buena Community Benefit District as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Yerba Buena Community Benefit District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Yerba Buena Community Benefit District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Yerba Buena Community Benefit District's, internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Yerba Buena Community Benefit District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

A handwritten signature in cursive script that reads "Moss Adams LLP".

San Francisco, California  
October 4, 2023

## **Financial Statements**

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**Yerba Buena Community Benefit District**  
**Statements of Financial Position**  
**June 30, 2023 and 2022**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,803,681	\$ 3,319,831
Certificates of deposit	957,711	1,482,503
Grants receivable	42,169	-
Other receivables	21,910	-
Prepaid expenses	37,562	34,040
Total current assets	3,863,033	4,836,374
Certificates of deposit	484,695	-
Capital assets, net	421,546	189,736
Right of use assets - operating leases	283,705	-
Total assets	<u>\$ 5,052,979</u>	<u>\$ 5,026,110</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 236,414	\$ 229,110
Accrued vacation	37,998	24,508
Lease liability - operating leases	41,710	-
Total current liabilities	316,122	253,618
Lease liability - operating leases	243,459	-
Total liabilities	559,581	253,618
<b>NET ASSETS</b>		
Without donor restrictions	4,482,148	4,760,642
With donor restrictions	11,250	11,850
Total net assets	4,493,398	4,772,492
Total liabilities and net assets	<u>\$ 5,052,979</u>	<u>\$ 5,026,110</u>

**Yerba Buena Community Benefit District**  
**Statements of Activities and Changes in Net Assets**  
**Years Ended June 30, 2023 and 2022**

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Assessment revenue	\$ 3,394,791	\$ -	\$ 3,394,791	\$ 3,286,253	\$ -	\$ 3,286,253
Contributions	1,159	156,196	157,355	34,843	28,500	63,343
In-kind goods and services	145,622	-	145,622	78,200	-	78,200
Government grants	42,169	-	42,169	-	-	-
Gain on forgiveness of PPP loan	-	-	-	84,992	-	84,992
Investment income (loss), net	91,537	-	91,537	(3,374)	-	(3,374)
Other income	7,805	-	7,805	35,567	-	35,567
Net assets released from restrictions	156,796	(156,796)	-	20,000	(20,000)	-
<b>Total support and revenue</b>	<b>3,839,879</b>	<b>(600)</b>	<b>3,839,279</b>	<b>3,536,481</b>	<b>8,500</b>	<b>3,544,981</b>
<b>EXPENSES</b>						
Program services	3,418,884	-	3,418,884	2,946,853	-	2,946,853
Supporting services:						
Management and operations	652,017	-	652,017	512,216	-	512,216
Fundraising	47,472	-	47,472	47,156	-	47,156
<b>Total expenses</b>	<b>4,118,373</b>	<b>-</b>	<b>4,118,373</b>	<b>3,506,225</b>	<b>-</b>	<b>3,506,225</b>
<b>CHANGES IN NET ASSETS</b>	<b>(278,494)</b>	<b>(600)</b>	<b>(279,094)</b>	<b>30,256</b>	<b>8,500</b>	<b>38,756</b>
<b>NET ASSETS, beginning of year</b>	<b>4,760,642</b>	<b>11,850</b>	<b>4,772,492</b>	<b>4,730,386</b>	<b>3,350</b>	<b>4,733,736</b>
<b>NET ASSETS, end of year</b>	<b>\$ 4,482,148</b>	<b>\$ 11,250</b>	<b>\$ 4,493,398</b>	<b>\$ 4,760,642</b>	<b>\$ 11,850</b>	<b>\$ 4,772,492</b>



**Yerba Buena Community Benefit District**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2023**

	Program Services					Supporting Services		
	Cleaning and Streetscape Improvements	Safety and Security	Branding, Activation, and Marketing	Sponsored Projects	Total	Management and Operations	Fundraising	Total
EXPENSES								
Cleaning contract	\$ 1,080,041	\$ -	\$ -	\$ -	\$ 1,080,041	\$ -	\$ -	\$ 1,080,041
Community guides	-	688,194	-	-	688,194	-	-	688,194
Salaries and benefits	90,384	98,932	149,237	-	338,553	202,318	41,472	582,343
Public safety	-	303,974	-	-	303,974	-	-	303,974
Consulting fees	9,000	12,000	14,200	2,000	37,200	219,152	6,000	262,352
Grants	32,500	4,000	129,489	-	165,989	-	-	165,989
Other expenses	65,115	27,570	15,988	-	108,673	61,047	-	169,720
Greening expenses	249,685	-	-	-	249,685	-	-	249,685
In-kind goods and services	90,378	-	42,019	-	132,397	13,225	-	145,622
Marketing and branding	-	-	105,014	-	105,014	-	-	105,014
Rent and utilities	10,120	10,580	10,344	-	31,044	16,917	-	47,961
Depreciation and amortization	-	-	-	-	-	63,315	-	63,315
Events	-	-	174,745	-	174,745	1,560	-	176,305
Bad debt expense	-	-	-	-	-	54,834	-	54,834
Office supplies and postage	-	-	3,375	-	3,375	13,760	-	17,135
Interest expense	-	-	-	-	-	5,889	-	5,889
Total expenses	<u>\$ 1,627,223</u>	<u>\$ 1,145,250</u>	<u>\$ 644,411</u>	<u>\$ 2,000</u>	<u>\$ 3,418,884</u>	<u>\$ 652,017</u>	<u>\$ 47,472</u>	<u>\$ 4,118,373</u>

**Yerba Buena Community Benefit District**  
**Statement of Functional Expenses (Continued)**  
**Year Ended June 30, 2022**

	Program Services					Supporting Services		
	Cleaning and Streetscape Improvements	Safety and Security	Branding, Activation, and Marketing	Sponsored Projects	Total	Management and Operations	Fundraising	Total
EXPENSES								
Cleaning contract	\$ 869,826	\$ -	\$ -	\$ -	\$ 869,826	\$ -	\$ -	\$ 869,826
Community guides	-	805,757	-	-	805,757	-	-	805,757
Salaries and benefits	94,669	107,382	142,686	-	344,737	210,910	47,156	602,803
Public safety	-	237,372	-	-	237,372	-	-	237,372
Consulting fees	-	-	4,817	-	4,817	160,188	-	165,005
Grants	-	-	158,352	-	158,352	-	-	158,352
Other expenses	71,739	28,120	10,574	-	110,433	36,871	-	147,304
Greening expenses	116,104	-	-	-	116,104	-	-	116,104
In-kind goods and services	25,534	-	52,241	-	77,775	425	-	78,200
Marketing and branding	-	-	78,039	-	78,039	-	-	78,039
Public spaces	63,206	-	-	-	63,206	-	-	63,206
Rent and utilities	9,717	10,159	9,938	-	29,814	22,373	-	52,187
Depreciation and amortization	-	-	-	-	-	53,726	-	53,726
Events	-	-	34,166	-	34,166	-	-	34,166
Bad debt expense	-	-	-	-	-	16,281	-	16,281
Office supplies and postage	-	-	1,712	-	1,712	11,442	-	13,154
Uniforms	8,206	6,537	-	-	14,743	-	-	14,743
Total expenses	<u>\$ 1,259,001</u>	<u>\$ 1,195,327</u>	<u>\$ 492,525</u>	<u>\$ -</u>	<u>\$ 2,946,853</u>	<u>\$ 512,216</u>	<u>\$ 47,156</u>	<u>\$ 3,506,225</u>



**Yerba Buena Community Benefit District**  
**Statements of Cash Flows**  
**Years Ended June 30, 2023 and 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (279,094)	\$ 38,756
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Unrealized loss on certificates of deposit	2,594	4,497
Bad debt	54,834	16,282
Depreciation and amortization	63,315	53,726
Extinguishment of Paycheck Protection Program loan	-	(84,992)
Noncash lease expense	1,464	-
Changes in operating assets and liabilities:		
Assessments receivable	(118,913)	(5,282)
Prepaid expenses	(3,522)	(516)
Accounts payable and accrued expenses	20,794	44,964
Net cash (used in) provided by operating activities	(258,528)	67,435
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of certificates of deposit	(1,445,000)	(1,487,000)
Proceeds on maturity of certificates of deposit	1,482,503	-
Purchase of capital assets	(295,125)	(3,385)
Net cash used in investing activities	(257,622)	(1,490,385)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(516,150)	(1,422,950)
CASH AND CASH EQUIVALENTS, beginning of year	3,319,831	4,742,781
CASH AND CASH EQUIVALENTS, end of year	\$ 2,803,681	\$ 3,319,831
SUPPLEMENTAL NONCASH INVESTING ACTIVITY		
Operating lease liability as a result of implementation of Accounting Standards Update No. 2016-02 <i>Leases</i> ( <i>Topic 842</i> ) ("ASU 2016-02")	\$ 295,587	\$ -
Operating lease asset, net of deferred rent as a result of implementation of ASU 2016-02	\$ 296,397	\$ -

# Yerba Buena Community Benefit District

## Notes to Financial Statements

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### NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization and nature of activities** – The Yerba Buena Community Benefit District (the “YBCBD”) was formed in 2008 by property owners to improve the quality of life in the neighborhood by making the area cleaner, safer, and more vibrant. The YBCBD has a contract with the City and County of San Francisco (the “City”) for a term of 15 years, expiring on June 30, 2030. The YBCBD stretches from about Second Street to Fifth Street and Market Street to Harrison Street in San Francisco, California.

The YBCBD exists to implement programs to create a neighborhood that is safer, cleaner, greener and a better place to conduct business and live. These programs and services are funded by district property owners in the Yerba Buena neighborhood.

The YBCBD’s mission statement is as follows:

The Yerba Buena Community Benefit District will advance the quality of life for residents and visitors in the Yerba Buena Neighborhood and San Francisco on an ongoing basis by fostering a safer and more secure community, enhancing environmental quality and beauty, and reinforcing the viability of our economic base.

Programs and services provided by the YBCBD include:

- **Clean Team** – The Clean Team (“Team”) works to improve the appearance and cleanliness of the district daily from 6:00am to 9:00pm. The Team steam cleans all sidewalks in the district once or twice a month, works daily on sidewalk cleaning and gutter sweeping, and removes trash on a frequent basis. The Team also pulls weeds, cleans tree wells, removes graffiti, and paints poles and mailboxes.
- **Community Guides Program** – The Community Guides (“Guides”) serve as goodwill ambassadors in the neighborhood. Guides provide information, directions, and connect those who need help to the right social services. Guides report maintenance issues such as areas in need of cleaning. Guides do not provide emergency response but will call emergency dispatch to report issues. Up to six guides work 6:00am to midnight, seven days a week. The YBCBD also engages two Social Services Specialists to work with the street population and connect them to services.
- **SFPD 10B Officer** – In addition to existing police services, the San Francisco Police Department (“SFPD”) provides officers to the YBCBD under City Administrative Code Section 10B. These officers are funded by the YBCBD and work 10 hours per day, 7 days per week. The 10B Officer primarily addresses quality of life issues within the neighborhood and within the purview of SFPD, such as issuing citations for drinking, trespassing, permit violations, littering, and pedestrian safety infractions. The additional police presence adds 70 hours per week of police time to the 5,000 hours a week already provided by the Southern District Police Station.
- **Marketing and Branding** – Marketing programs help strengthen the area’s economic viability to make it more inviting to businesses and visitors. The YBCBD established a name and brand for the neighborhood, along with a neighborhood website that lists all businesses, events, and neighborhood news. The YBCBD also coordinates events that bring people to the neighborhood.



# Yerba Buena Community Benefit District

## Notes to Financial Statements

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- **Streetscape Improvements** – Guided by the Yerba Buena Street Life Plan, the YBCBD invests in public realm improvements, including greening, public art, pedestrian, and bicycle improvements, as well as advocates for real public benefits related to neighborhood development projects.
- **Community Benefit Fund** – The YBCBD Community Benefit Fund supports district initiatives by providing small grants to organizations in the neighborhood that help to achieve the mission of the YBCBD.
- **Annie Street Project** – The Annie North Plaza project was made possible through a public private partnership between San Francisco Public Works, the YBCBD, and the adjacent property owners to the plaza. The new design removed old planters at the intersection of Market Street and Annie Alley to meet several goals of the YBCBD's 2019 Street Life Plan, such as creating more flexible open space, and establishing better connections to alleyways (Annie, Jessie, and Stevenson). The project was completed during the year ended June 30, 2022.

**Basis of accounting** – The YBCBD prepares its financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred regardless of the timing of cash flows.

**Classification of net assets** – U.S. GAAP requires that YBCBD report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Accordingly, the net assets of the YBCBD are classified and reported as described below:

*Without donor restrictions* – Those net assets and activities that represent the portion of expendable funds that are available to support YBCBD's operations. A portion of these net assets may be designated by the Board of Directors for specific purposes. Board-designated net assets were \$4,060,602 and \$4,570,906 as of June 30, 2023 and 2022, respectively.

*With donor restrictions* – Those net assets and activities that are donor restricted for (a) support of specific operating activities; (b) investment for a specified term; (c) use in a specified future period; or (d) acquisition of long-lived assets. Those also include (a) assets donated with stipulations that they be used for a specified purpose, be preserved, and not be sold, or (b) assets donated with stipulations that they be invested to provide a permanent source of income.

**Cash and cash equivalents** – The YBCBD considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Certificates of deposit** – The YBCBD's certificates of deposit are valued using maturity and interest rates as observable inputs.

**Assessments receivable** – Assessments receivable represents assessment obligations of local property owners due to the YBCBD. Unpaid receivables do not accrue interest.

## Yerba Buena Community Benefit District

### Notes to Financial Statements

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The YBCBD uses the allowance method to account for uncollectible assessments. The allowance for uncollectible assessments receivable reflects management's best estimate of the amounts that will not be collected based on historical experience and an evaluation of the outstanding receivables at the end of the year. As of June 30, 2023 and 2022, assessments receivable were fully reserved for and the allowance for uncollectible assessments was \$168,536 and \$124,128, respectively.

**Grants receivable** – Grants receivable are stated at the amount management expects to collect from outstanding balances after reserves, discounts, bad debts, and allowances, taking into account past experience, contracts, history, and individuals' and organizations' ability to meet their obligations. Management fully expects to collect all grants receivable, and therefore, no allowance for doubtful accounts has been recorded.

**Capital assets** – The YBCBD capitalizes acquisitions of capital assets with a cost or value in excess of \$1,000 and with an estimated useful life beyond one year. Purchased assets are recorded at cost; donated assets are recorded at estimated fair value at the date of acquisition. Depreciation on furniture and equipment and public art is calculated using the straight-line method based upon estimated useful lives ranging from 3 to 10 years. Website development costs are amortized using the straight-line method over 3 years. Leasehold improvements are amortized over the life of the lease. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any gain or loss is reflected in the statements of activities and changes in net assets.

**Impairment of long-lived assets** – Long-lived assets are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable. For assets that are held and used, an impairment is recognized when the estimated undiscounted cash flows associated with the asset or group of assets is less than their carrying value. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value. Fair values are determined based on quoted market values, discounted cash flows, or internal and external appraisal, as applicable. Assets to be disposed of are carried at the lower of carrying value or estimated net realizable value. No impairment losses were incurred during the years ended June 30, 2023 and 2022.

**Accrued vacation** – Full-time employees may accrue up to 13.33 hours per month depending on the number of years employed. Part-time employees accrue vacation on a prorated basis. Employees can accrue a maximum of 240 vacation hours. Accrued vacation as of June 30, 2023 and 2022, was \$37,998 and \$24,508, respectively.

**Paycheck Protection Program loan** – The note payable issued pursuant to the Paycheck Protection Program ("PPP") administered by the United States Small Business Administration ("SBA") under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") is recorded in accordance with Accounting Standards Codification ("ASC") 470, *Debt*.



## Yerba Buena Community Benefit District

### Notes to Financial Statements

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In May 2021, YBCBD was granted a loan under the PPP offered by the SBA under the CARES Act section 7(a)(36) for \$84,992. The loan was subject to partial or full forgiveness if YBCBD used all proceeds for eligible purposes, maintained certain employment levels, and maintained certain compensation levels in accordance with and subject to the CARES Act and the rules, regulations, and related guidance. During the year ended June 30, 2022, YBCBD was granted forgiveness of the full loan from the SBA in the amount of \$84,992, including all accrued interest. As of June 30, 2023, there is no balance owed on the loan. The YBCBD accounts for forgiveness of the loan in accordance with ASC 470-50-40, as a debt extinguishment. The loan forgiveness is included as gain on forgiveness of PPP loan on the accompanying statement of activities and changes in net assets for the year ended June 30, 2022.

**Assessment revenue** – The YBCBD receives its support primarily from a special assessment levied by the City on properties located within the YBCBD in accordance with City Ordinance. The assessment is recorded by the YBCBD when assessed by the City. The City remits the assessments to the YBCBD as the assessments are collected from the property owners. Interest is not charged on late assessments; however late penalties are charged in accordance with the City's policy.

**Contributions** – The YBCBD recognizes all contributions when they are received or unconditionally promised. Contributions without donor-imposed restrictions are reported as support under net assets without donor restrictions. Contributions with donor-imposed restrictions are reported as support under net assets with donor restrictions. There were no conditional contributions as of June 30, 2023 and 2022.

The satisfaction of a donor-imposed restriction on a contribution is recognized when the corresponding expenditures are incurred or when the time restriction expires. This occurs by increasing one class of net assets and decreasing another in the statements of activities and changes in net assets. Such transactions are recorded as net assets released from restrictions and are reported separately from other transactions.

**Contributed goods and services** – The YBCBD records contribution revenue for certain services received at the fair value of those services, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would be purchased if not donated.

For the years ended June 30, 2023 and 2022, the YBCBD received contributed goods and services in the amounts of \$145,622 and \$78,200, respectively.

**Government grants** – Government grants consists of grants from the federal government. Government grants and contracts are considered conditional until the conditions in which they depend upon have been met. Grant funding received is recognized as unearned income until revenue is earned.

**Advertising** – The costs of advertising are charged to expense as incurred. Advertising expense for the years ended June 30, 2023 and 2022, was \$37,263 and \$35,854, respectively.

**Grants** – Grants are recognized when approved by the Board or Directors, provided the grant is not subject to conditions. Conditional promises to give are recognized as grant expense in the period in which the recipient meets the terms of the condition. As of June 30, 2023 and 2022, there were no conditional grants.

**Income taxes** – The YBCBD is a qualified organization exempt from federal and state income taxes under §501(c)(3) of the Internal Revenue Code ("IRC") and §23701d of the California Revenue and Taxation Code, respectively.

## Yerba Buena Community Benefit District

### Notes to Financial Statements

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The YBCBD recognizes a threshold and measurement attribute for financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return and requires the affirmative evaluation that is more likely than not, based on the technical merits of a tax position, that an organization is entitled to economic benefits resulting from tax positions taken in income tax returns. For tax exempt entities, favorable tax status itself is deemed to be an uncertainty, as events could potentially occur to jeopardize their tax-exempt status. If a tax position does not meet the more-likely-than-not recognition threshold, the benefit of that position is not recognized in the financial statements. The YBCBD's evaluation on June 30, 2023 and 2022, revealed no tax positions that would have a material impact on the financial statements.

The YBCBD's tax returns are subject to examination by federal and state taxing authorities. However, management is unaware of any pending examinations nor are there any in progress.

**Leases** – The YBCBD recognizes assets and liabilities arising from leases with terms longer than 12 months on the statements of financial position. Leases are classified as either operating or finance, with classification affecting the pattern of expense recognition in the statements of activities and changes in net assets.

The YBCBD recognized operating lease assets and operating lease liabilities of \$283,705 and \$285,169, respectively, as of June 30, 2023.

**New accounting pronouncements** – In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"). The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either financing or operating, with classification affecting the pattern of expense recognition in the statement of activities and changes in net assets. In June 2020, the FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which delayed the effective date of ASU 2016-02 for certain entities to fiscal years beginning after December 15, 2021, and interim reporting periods beginning after December 15, 2022. The YBCBD adopted ASU 2016-02 during the year ended June 30, 2023. The adoption of ASU 2016-02 did not have a material impact on the financial statements and did not require restatement of beginning net asset balances.

**Concentration of Risk** – Financial instruments which potentially subject the YBCBD to concentrations of credit risk consist principally of cash and cash equivalents. The YBCBD maintains its cash in various bank deposit accounts which, at times, may exceed Federal Deposit Insurance Corporation ("FDIC") thresholds. The YBCBD has not experienced any losses in such accounts. Management believes that the YBCBD is not exposed to any significant credit risk related to concentrations.

**Functional allocation of expenses** – The costs of providing various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities and changes in net assets and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates made by management. Personnel costs are allocated based on estimated time worked in each program area, or on fundraising or administrative tasks. Other shared costs, such as rent and utilities, are based on estimated full time equivalents assigned to each area.

# Yerba Buena Community Benefit District

## Notes to Financial Statements

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**Use of estimates** – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Reclassifications** – Certain 2022 amounts have been reclassified to conform to the 2023 presentation. The reclassifications had no impact to net assets or changes in net assets.

**Subsequent events** – Subsequent events are events or transactions that occur after the statements of financial position date but before the financial statements are available to be issued. The YBCBD recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statements of financial position, including the estimates inherent in the process of preparing the financial statements. The YBCBD's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statements of financial position but arose after the statements of financial position date and before the financial statements were available to be issued.

The YBCBD has evaluated subsequent events through October 4, 2023, which is the date the financial statements were available to be issued.

### NOTE 2 – FAIR VALUE MEASUREMENTS

YBCBD's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy that gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An assets or a liability's classification is based on the lowest level input that is significant to its measurement. The levels of the fair value hierarchy are as follows:

**Level 1** – Inputs are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

**Level 2** – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.

**Level 3** – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect YBCBD's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the valuation methodologies during the years ended June 30, 2023 and 2022.

*Certificates of deposit* – The fair value is based on maturity and interest rates as observable inputs. These securities are classified within Level 2 of the fair value hierarchy.



# Yerba Buena Community Benefit District

## Notes to Financial Statements

The following table provides information about YBCBD's financial assets measured at fair value on a recurring basis as of June 30, 2023 and 2022:

	2023			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 1,442,406	\$ -	\$ 1,442,406

	2022			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 1,482,503	\$ -	\$ 1,482,503

### NOTE 3 – CAPITAL ASSETS

Capital assets at June 30 consisted of the following:

	2023	2022
Public art	\$ 352,447	\$ 352,447
Website development	26,000	26,000
Street furniture	40,424	40,424
Furniture and equipment	32,708	38,501
Construction in progress	5,050	5,050
Leasehold improvement	293,143	-
	749,772	462,422
Less: accumulated depreciation	(328,226)	(272,686)
Total capital assets	\$ 421,546	\$ 189,736

### NOTE 4 – NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions at June 30 consisted of the following:

	2023	2022
Board-designated:		
Cleaning and streetscape improvements	\$ 2,874,008	\$ 2,990,403
Management and operations	1,169,496	1,417,754
Safety and security	-	43,437
Branding, activation, and marketing	17,098	119,312
Sponsored projects:		
Invested in capital assets	421,546	189,736
Total	\$ 4,482,148	\$ 4,760,642

## Yerba Buena Community Benefit District

### Notes to Financial Statements

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#### NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30 may be expended for:

	2023	2022
Sponsored projects:		
SF Property Business Improvement Districts	\$ 11,250	\$ 11,500
Other	-	350
Total	<u>\$ 11,250</u>	<u>\$ 11,850</u>

All net assets with donor restriction are expected to be released by June 30, 2024.

#### NOTE 6 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes during the years ended June 30 were as follows:

	2023	2022
Sponsored projects:		
Community Challenge Grant	\$ 17,750	\$ -
Clean CA Grant	87,696	-
SF Office of Economic and Workforce Development	76,169	-
Annie Street	-	20,000
SF Property Business Improvement Districts	2,000	-
Other	15,350	-
Total	<u>\$ 198,965</u>	<u>\$ 20,000</u>

#### NOTE 7 – GRANTS

The YBCBD distributes annual grants called Community Benefit Fund grants to community organizations providing services, within the district, that support the improvements and activities of the YBCBD. Grant expense for the years ended June 30, 2023 and 2022, was \$165,989 and \$158,352, respectively. There were no grants payable at June 30, 2023 and 2022.

#### NOTE 8 – RETIREMENT PLAN

The YBCBD established a defined contribution retirement plan (the “Plan”) for employees. Eligible employees may make voluntary contributions by salary reduction to the Plan, up to the limit allowed by IRC regulations. The YBCBD will make an employer match of 3% of voluntary contributions. For the years ended June 30, 2023 and 2022, employer contributions were \$10,505 and \$9,641, respectively.

# Yerba Buena Community Benefit District

## Notes to Financial Statements

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### NOTE 9 – COMMITMENTS

**Leases** – Transactions give rise to leases when the YBCBD receives substantially all of the economic benefits from, and has the ability to direct, the use of and control the specified property, plant, and equipment. The YBCBD primarily has lessee activity that is classified as operating leases. Operating leases are included in operating lease right-of-use assets and operating lease liabilities in the statement of financial position and were \$283,705 and \$285,169, respectively at June 30, 2023. There were no operating right-of-use assets and operating lease liabilities at June 30, 2022.

Right-of-use assets represents the right to use an underlying asset for the lease term, and lease liabilities represent obligations to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. When discount rates implicit in leases cannot be readily determined, the YBCBD uses the applicable incremental borrowing rate at lease commencement to perform lease classification tests and to measure lease liabilities and right-of-use assets. Lease expense for operating leases is recognized on a straight-line basis over the lease term.

The YBCBD has an operating sublease agreement for office space in San Francisco, California, and an operating lease for copier equipment. Future minimum lease payments under the operating leases as of June 30, 2023, are as follows:

#### Years Ending June 30,

2024	\$	41,710
2025		42,914
2026		43,103
2027		43,854
Thereafter		<u>159,828</u>
Total lease payments		331,408
Less: present value discount		<u>(46,239)</u>
Lease liability	\$	<u><u>285,169</u></u>

#### Lease Term and Discount Rate

Weighted average remaining lease term	5 years
Weighted average discount rate	4%

Rent expense for the years ended June 30, 2023 and 2022, was \$94,784 and \$94,895, respectively.

### NOTE 10 – RELATED-PARTY TRANSACTIONS

The property owner of the building the YBCBD leases for office space is a member of YBCBD's Board of Directors (the "Board"). Rent paid for the office lease during the years ended June 30, 2023 and 2022, was \$49,620 and \$44,136, respectively.



## Yerba Buena Community Benefit District

### Notes to Financial Statements

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Members of the Board are also associated with organizations that received Community Benefit Fund grants from the YBCBD. Pursuant to the YBCBD's conflict of interest policy, all conflicted YBCBD Board members refrain from the decision-making process and abstain from the voting process.

The YBCBD has a written conflict of interest policy that requires, among other things, that no member of the Board can participate in any decision in which the member (or an immediate family member) has a material financial interest. Each Board member is required to certify compliance with the conflict of interest policy on an annual basis and indicate whether the YBCBD does business with an entity in which a Board member has a material financial interest. When such relationships exist, measures are taken to appropriately manage the actual or perceived conflict in the best interests of the YBCBD.

#### NOTE 11 – LIQUIDITY AND FUNDS AVAILABLE

The following table reflects YBCBD's financial assets as of June 30:

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 2,803,681	\$ 3,319,831
Certificates of deposit	957,711	1,482,503
Grants receivable	42,169	-
Other receivables	21,910	-
Less amounts not available for expenditure in one year:		
Certificates of deposit maturing in greater than one year	(484,695)	-
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 3,340,776</u>	<u>\$ 4,802,334</u>

Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The YBCBD derives approximately 95% of its annual budget from assessment payments from property owners. The target minimum funds available in reserve for the YBCBD is eight months of average operating costs. The calculation of average monthly operating costs is based on the YBCBD's annual budget. Board-designated net assets cover most of the general expenditures of YBCBD within a year.

