

**ROCKRIDGE DISTRICT ASSOCIATION OF OAKLAND**

**FINANCIAL STATEMENTS**

**Year Ended February 28, 2010**

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FINANCIAL STATEMENTS  
Year Ended February 28, 2010**

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**KILIAN & COMPANY**

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The Board of Directors  
Rockridge District Association of Oakland  
Oakland, California

We have reviewed the accompanying statement of financial position of the Rockridge District Association of Oakland (RDA) as of February 28, 2010 and the related statement of activities, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information in these financial statements is the representation of the management of the Rockridge District Association of Oakland.

A review consists primarily of inquiries of RDA personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with general accepted audited standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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

*Kilian & Company*

June 11, 2010

**ROCKRIDGE DISTRICT ASSOCIATION OF OAKLAND**  
**STATEMENT OF FINANCIAL POSITION**  
**February 28, 2010**  
**(With Comparative Totals for 2009)**

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
Cash	\$ 37,945	\$ 149,660
Business Improvement District Assessments Receivable (4th quarter)	<u>36,325</u>	<u>-</u>
<b>Total Assets</b>	<u><b>\$ 74,270</b></u>	<u><b>\$ 149,660</b></u>
 <b>LIABILITIES AND NET ASSETS</b>		
City of Oakland Loan	\$ 12,750	\$ 15,300
Unrestricted Net Assets	<u>61,520</u>	<u>134,360</u>
<b>Total Liabilities and Net Assets</b>	<u><b>\$ 74,270</b></u>	<u><b>\$ 149,660</b></u>

See accountant's review report and accompanying notes.

**ROCKRIDGE DISTRICT ASSOCIATION OF OAKLAND**  
**STATEMENT OF ACTIVITIES**  
**Fiscal Year Ended February 28, 2010**  
**(With Comparative Totals for 2009)**

	<u>2010</u>	<u>2009</u>
<b>REVENUE:</b>		
Business Improvement District Assessments	\$ 145,593	\$ 137,954
Events	25,748	22,517
Events Sponsorship	-	17,325
Other	<u>1,372</u>	<u>3,000</u>
 Total Revenue	 <u>172,713</u>	 <u>180,796</u>
 <b>EXPENSES:</b>		
Administration Staff	55,091	49,513
Insurance	3,510	2,667
Accounting	5,975	3,054
Office and Supplies	531	319
Occupancy	3,050	7,914
Telephone	1,590	1,038
Printing/Copying	300	1,812
Website	2,109	3,833
Marketing and Promotion	21,982	16,619
Event Expenses:		
Winter Holiday	11,532	21,568
Out and About	50,091	46,388
Consultants	19,500	23,304
Security and Public Safety	15,382	29,380
Streetcleaning - Personnel	28,552	32,392
Beautification/Streetscape	6,362	1,101
Community Benefit District Initiative	19,406	9,773
Miscellaneous	<u>590</u>	<u>1,441</u>
 Total Expenses	 <u>245,553</u>	 <u>252,116</u>
 CHANGE IN NET ASSETS	 <u>(72,840)</u>	 <u>(71,320)</u>
 Net Assets, Beginning of Year	 <u>134,360</u>	 <u>205,680</u>
 Net Assets, End of Year	 <u><u>\$ 61,520</u></u>	 <u><u>\$ 134,360</u></u>

See accountant's review report and accompanying notes.

ROCKRIDGE DISTRICT ASSOCIATION OF OAKLAND  
STATEMENT OF CASH FLOWS  
Year Ended February 28, 2010  
(With Comparative Totals for 2009)

	<u>2010</u>	<u>2009</u>
<b>Cash Flows from Operating Activities:</b>		
Change in Net Assets	\$ (72,840)	\$ (71,320)
Adjustments to Reconcile Changes in Net Assets to Net Cash:		
(Increase) Decrease in:		
Business Improvement District Assessments Receivable	(36,325)	-
Increase (Decrease) in:		
City of Oakland Loan	<u>(2,550)</u>	<u>(2,550)</u>
<b>Net Cash Provided by Operating Activities</b>	(111,715)	(73,870)
<b>Cash Balance, Beginning of Year</b>	<u>149,660</u>	<u>223,530</u>
<b>Cash Balance, End of Year</b>	<u><u>\$ 37,945</u></u>	<u><u>\$ 149,660</u></u>

See accountant's review report and accompanying notes.

ROCKRIDGE DISTRICT ASSOCIATION OF OAKLAND  
NOTES TO FINANCIAL STATEMENTS  
Year Ended February 28, 2010

1. ORGANIZATION

The Rockridge District Association of Oakland (RDA) was incorporated on January 4, 2001 as a non-profit public benefit community based organization. Rockridge, one of Oakland's leading districts in retail sales, is located along College Avenue in North Oakland.

The Rockridge District Association of Oakland is organized as a Business Improvement District with the City of Oakland. As such it is a self-imposed assessment district that was established by a majority vote of licensed business in the district. The assessment collected pays for maintenance, security, management, and physical improvements beyond that which is normally provided by the City.

Committees

The Rockridge District Association of Oakland has four standing committees:

- **Organization Committee:** The Organization Committee is responsible for the overall administration of the public benefit corporation. Its task include financial reporting, recording actions of the Board, representation to public officials and the neighborhood at large, planning, economic development, etc.;
- **Marketing and Promotion:** The Marketing and Promotion Committee is in charge of events which market and promote the district, as well as special events, holiday decorations, the design elements for architecture, public space design, banners, posters, logos and programs and activities which visually enhance the district;
- **Streetscape and Security:** The Streetscape and Security Committee is responsible for parking issues and meters, cleanliness, security, coordination of news racks, and beautification in the public rights of way;
- **Land Use Committee:** The Land Use Committee deals with new development, zoning and land use issues in the business district.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of RDA have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles which requires management

**ROCKRIDGE DISTRICT ASSOCIATION OF OAKLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
Year Ended February 28, 2010**

**Basis of Accounting (Continued)**

to make estimates and assumptions that affect the reported amounts and disclosure of assets and liabilities, including 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 results.

**Revenue Expense Recognition**

RDA recognizes revenue when the right to receive it becomes enforceable and the amount is measurable.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

**Income Taxes**

RDA is a California non-profit corporation and is exempt from Federal and State income taxes under Section 501 (c) of the Internal Revenue Code and Section 23701 (d) of the Revenue and Taxation Code of California. Accordingly, there is no provision for income taxes in the financial statements.

**3. MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF OAKLAND  
AND THE ROCKRIDGE DISTRICT ASSOCIATION OF OAKLAND**

In August 2000, the City of Oakland entered into an agreement with the predecessor organization to the RDA, the Rockridge Area Merchant's and Professional Association, an unincorporated association. This agreement provided for a loan to fund the completion of the Business Improvement District formation process of \$25,500. As of February 28, 2010, the total amount owed on this loan was \$12,750. Per the terms of the loan agreement \$2,550 is repaid every year.

The first amendment to the management agreement dated May 15, 2001 was entered into on March 5, 2010, wherein the services of RDA were set to begin on May 15, 2001 and were to continue to June 15, 2010, contingent on the performance of certain requirements by RDA mostly directed to the providing of financial disclosures.

On February 16, 2010, at a concurrent meeting of the Oakland Redevelopment Agency and the City Council of Oakland, a resolution to confirm the annual report of the Rockridge Improvement District (BID) advisory board and to levy the annual assessment for fiscal year 2010/11 for the BID was passed. The full text of the Agenda Report is to be found at <http://clerkwebsvr1.oaklandnet.com/detailreport/matter.aspx?key=18250>.

ROCKRIDGE DISTRICT ASSOCIATION OF OAKLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
Year Ended February 28, 2010

3. MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF OAKLAND  
AND THE ROCKRIDGE DISTRICT ASSOCIATION (CONTINUED)

As noted in the City of Oakland Agenda Report of February 16, 2010, the Rockridge BID encompasses approximately 396 business located in and around the Rockridge commercial area. With the approval of the FY 2010/11 levy for the Rockridge BID by the City Council of Oakland, assessments of \$60 to \$2,500 per year per business license are be collected based on business classification and level of annual gross receipts, calculated in accordance with the approved assessment methodology table contained in the RDA's management plan on file with the Office of the City Clerk, City of Oakland.

Notwithstanding the above, the RDA is expected to sign a new contract with the City of Oakland to replace the current management agreement that will reflect the Rockridge BID as a business based assessment district.

4. COMMUNITY BENEFIT DISTRICT INITIATIVE

Beginning in 2007 the Board of Directors together with interested property owners and merchants began an effort to transfer the BID functions of the Rockridge District Association of Oakland to a new type of entity, called a "Community Benefit District." or CBD. In brief, a CBD is a local enabling ordinance that allows for the establishment of a new special benefit district. This "special benefit" district functions to create a stable revenue source based on property assessments to fund the special benefit services, that is established by a mail balloting of affected property owners, culminating in the adoption of an ordinance by the Oakland City Council.

The formation of a "Community Benefit District" is a thorough process that requires many steps to implementation. As one of the final steps, a petition has to be sent out with a management plan. The petition allows each property owner to vote "yes" or "no" on the proposed CBD assessment. Once a minimum of 30% of the "weighted" property owners signs the petition endorsing the CBD plan, the petitions are to be submitted to the City of Oakland to trigger a public hearing and assessment ballot proceeding.

This final step, involving the creation of a management plan, in the formation of a CBD was not reached. Expenses associated with the formation of a CBD, authorized in 2007, were paid in fiscal year ended February 28, 2010 in the amount of \$19,406.

Note that Oakland has nine special business assessment districts, seven based on property assessments (CBDs) and two, Montclair Village Association and RDA, based on assessments of the income of individual businesses.

**ROCKRIDGE DISTRICT ASSOCIATION OF OAKLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
Year Ended February 28, 2010**

**5. OUT & ABOUT ROCKRIDGE 2010**

On Sunday, September 26, 2010, RDA will present its premier event, the Rockridge Out & About street festival on College Avenue in North Oakland's Rockridge neighborhood.. This festival features musicians, street performers, fashion shows, a picnic in the street, all accompanied by restaurant booths provided by Rockridge restaurants.

**6. NEW WEBSITE**

The Rockridge District Association of Oakland now has a website. This website, [RockridgeDistrict.com](http://RockridgeDistrict.com), is a good source of information about RDA, Rockridge merchants, as well as news and events.

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The Board of Directors  
Rockridge District Association of Oakland  
Oakland, California

The supplementary information on Actual versus Budgeted Revenue and Expenses on page 10 is not a required part of the basic financial statements but is supplementary information required per the First Amendment to Agreement Between the City of Oakland and the Rockridge District Association of Oakland, dated May 5, 2010. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

*Kilian & Company*

June 11, 2010

**ROCKRIDGE DISTRICT ASSOCIATION OF OAKLAND  
SUPPLEMENTARY INFORMATION ON  
ACTUAL VERSUS BUDGETED REVENUE AND EXPENSES (UNAUDITED)  
Year Ended February 28, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUE</b>			
Business Improvement District			
Assessments	\$ 145,593	\$ 130,000	\$ 15,593
Events	25,748	-	25,748
Other	1,372	1,800	(428)
Transfer from Reserve	-	41,000	(41,000)
	<u>172,713</u>	<u>172,800</u>	<u>(87)</u>
<b>Total Revenue</b>			
<b>EXPENSES</b>			
Administration Staff	55,091	35,000	20,091
Insurance	3,510	3,500	10
Accounting	5,975	4,500	1,475
Office and Supplies	531	5,000	(4,469)
Occupancy	3,050	-	3,050
Telephone	1,590	1,000	590
Printing/Copying	300	1,000	(700)
Website	2,109	-	2,109
Marketing and Promotion	21,982	15,700	6,282
Event Expenses	81,123	20,000	61,123
Security and Public Safety	15,382	33,050	(17,668)
Streecleaning - Personnel	28,552	31,000	(2,448)
Beutification/Streetscape	6,362	5,000	1,362
Community Benefit District Initiative	19,406	-	19,406
City of Oakland Loan	-	2,550	(2,550)
Miscellaneous Land Use	-	1,000	(1,000)
Miscellaneous	590	500	90
	<u>245,553</u>	<u>158,800</u>	<u>86,753</u>
<b>Total Expenses</b>			
<b>Total Actual Versus Budget</b>	<u>\$ (72,840)</u>	<u>\$ 14,000</u>	<u>\$ (86,840)</u>