



Downtown Berkeley Association
2230 Shattuck Ave., Suite C
Berkeley CA 94704
510.549.2230
downtownberkeley.com

April 30, 2014

Dear Downtown Berkeley Property and Business Owners:

On April 8th the Downtown Berkeley Association invited all property and business owners to its Annual Meeting at the Magnes Collection and presented the following [Powerpoint presentation](#) regarding 2013 operations and plans for 2014. The financials were prepared from the [Compilation and Summary of Financial Statements](#) by our Accountant Max Ranjbar and are also included in the attached material. We have also included more detail from our annual Stakeholder Survey in the attached material.

As you will see, 2013 continued to be a good year for Downtown Berkeley and the Downtown Berkeley Association. Our Ambassadors under the direction of Operations Lance Gorée, continue to clean, welcome, and beautify the Downtown with increased satisfaction and productivity. And under the guidance of Marketing Manager Shifra Benedictis-Kessner, the DBA produced more events and welcomed more new business to the Downtown.

Our efforts of a cleaner, more welcoming and prosperous Downtown--along with a booming Bay Area economy and new Downtown Area Plan--are beginning to pay off. As you will see in the attached slideshow, there are now eleven new projects in the pipeline for the Downtown and surrounding areas, totaling almost 1,500 new dwelling units, which will bring approximately 3,000 new residents to the Downtown. Moreover, the new Berkeley Art Museum will open in 2016, and the renovated BART Plaza and surrounding areas in 2017.

To read more on the good news story about Downtown Berkeley, please see our retail attraction brochure ["Have you been to Downtown Berkeley lately?"](#), as well as the recent cover story from the San Francisco Business Times, ["Berkeley Grows Up"](#) featuring Downtown Berkeley.

2014 looks to be even better, as we see continued improvements in Ambassador operations, more events from the DBA and outside parties, and continued upswing in new businesses and retailers in the Downtown. Please be sure to contact me, Lance or Shifra if you have any questions or suggestions for continued improvement in creating and sustaining a welcoming, vibrant, and prosperous city center.

Sincerely,

A handwritten signature in black ink that reads "John Caner". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

John Caner, CEO

510.549.2230 x12

jcaner@downtownberkeley.com

Downtown Berkeley Association Annual Meeting

April 8, 2014

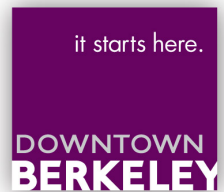
it starts here.

DOWNTOWN
BERKELEY



WELCOME

Susan Medak
Board President



DBA Mission

*The Downtown Berkeley Association
provides leadership
to create and sustain
a welcoming, vibrant, and prosperous
City Center.*

it starts here.

DOWNTOWN
BERKELEY

Nearly Midway In PBID

**5 Year
Property-Based
Business Improvement District (PBID)**

**5-10 year
Renewal**

2012

2013

2014

2015

2016

2017

Launch

Current

Last

Renewal

1st Yr.....**TODAY**.....5th Yr.

10 yrs?...



it starts here.

**DOWNTOWN
BERKELEY**

Right on Track with 5 Yr. Plan

2012

2013

2014

2015

2016

Cleaning



Hospitality



Beautification



Mkting & Promo



Business Attract



Development



Agenda

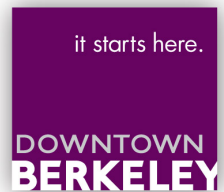
- Welcome
- 2013 Accomplishments & 2014 Plans
- Ambassador Staff
- 2013 Financial Statements & 2015 Rate Increase
- Election of Board of Directors
- State of the Downtown

it starts here.

DOWNTOWN
BERKELEY

2013 ACCOMPLISHMENTS & PLANS FOR 2014

**John Caner
CEO**



DBA 2013 Accomplishments

- Environmental Enhancements
 - Cleaning
 - Hospitality
 - Landscaping
- Economic Enhancements
 - Events
 - Marketing
 - Retail Attraction
 - Leadership



it starts here.

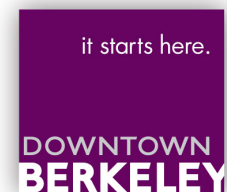
**DOWNTOWN
BERKELEY**

Contract Services

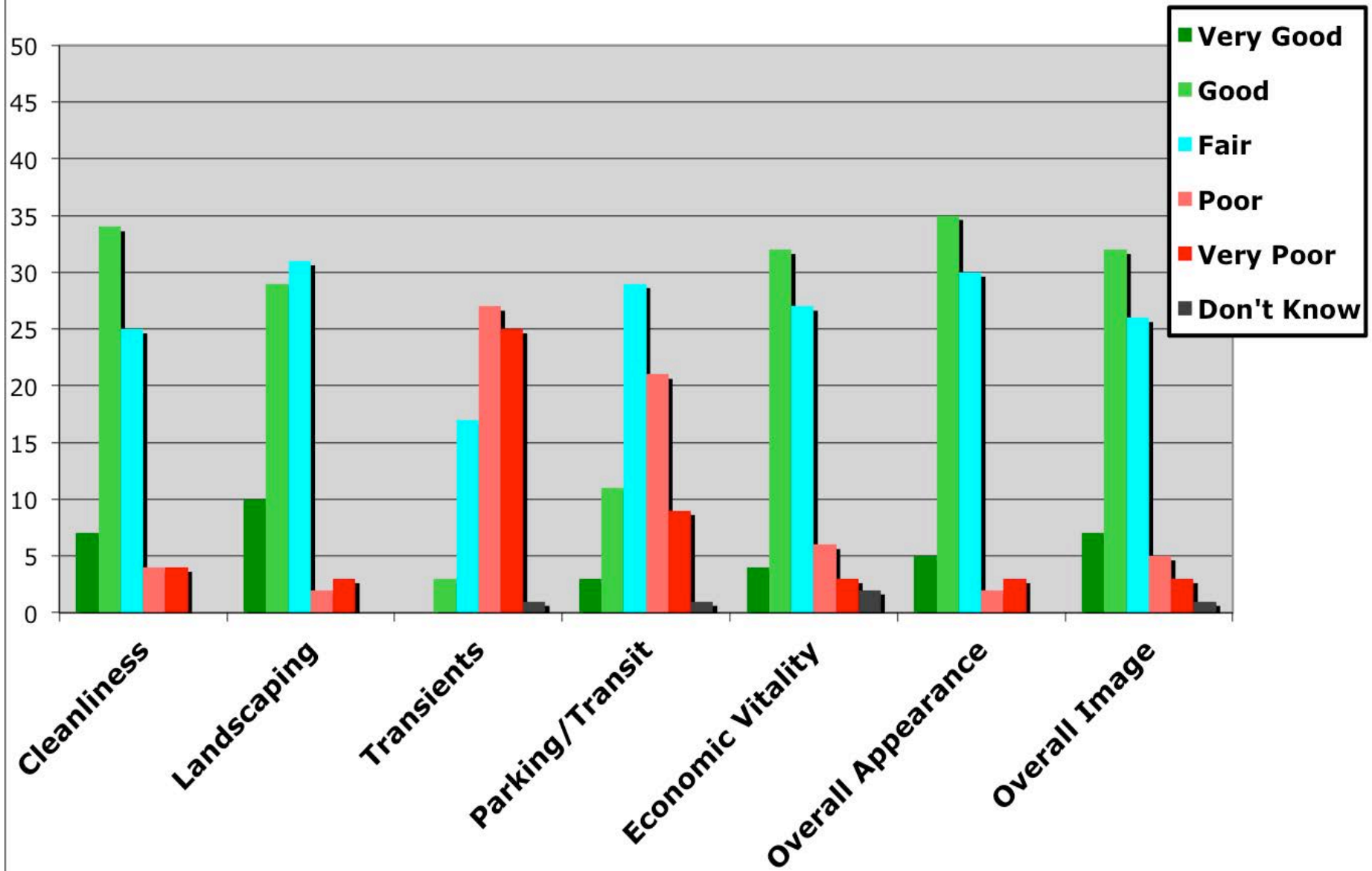
- Solano Ave Tree Watering
 - 3/1/13 start date
- North Shattuck
 - Cleaning & Hospitality
 - 3/1/13 start date
- Telegraph Ave
 - Cleaning & Hospitality
 - 3/14/14 start date



➔ \$290,000 Revenue, \$57,714 Net Margin



Stakeholders Perceptions Survey



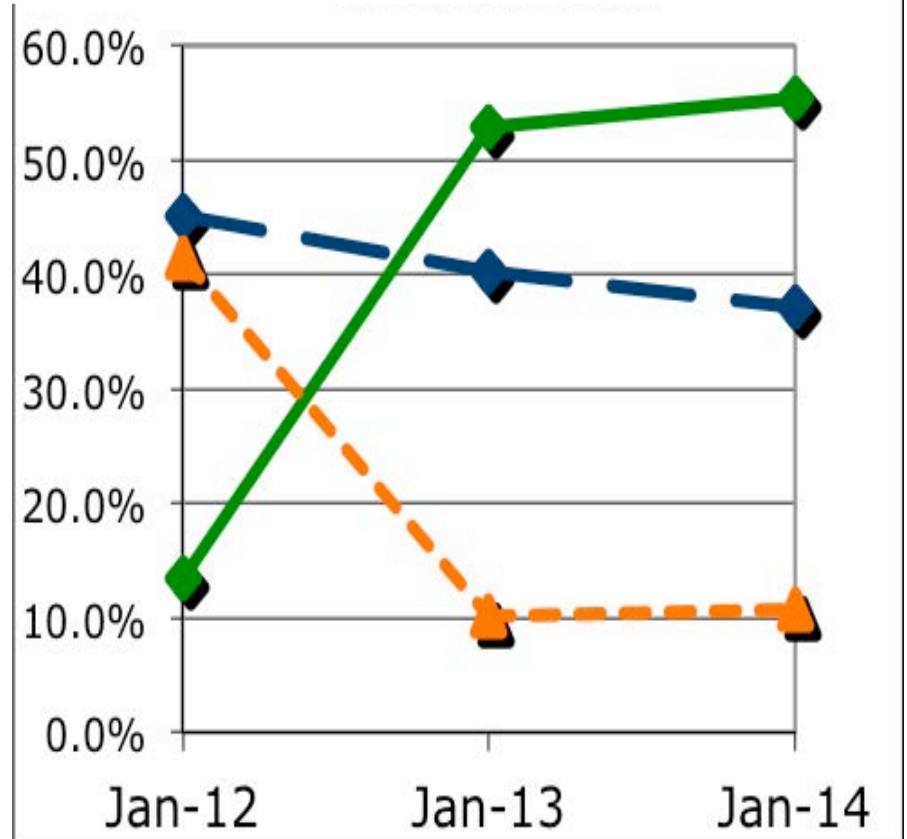
Mostly high marks, but challenges remain.

Cleaning

METRICS

15,157 Bills/Stickers Removed
7,703 Graffiti Removed
2,678 Hazardous Waste Clean-up
395 Blocks Power Washed
201 Public Fixtures Painted
75,265 Pounds of Trash Picked up
3,634 Trashcans Leveled Off
111 Requests Submitted to City

SATISFACTION



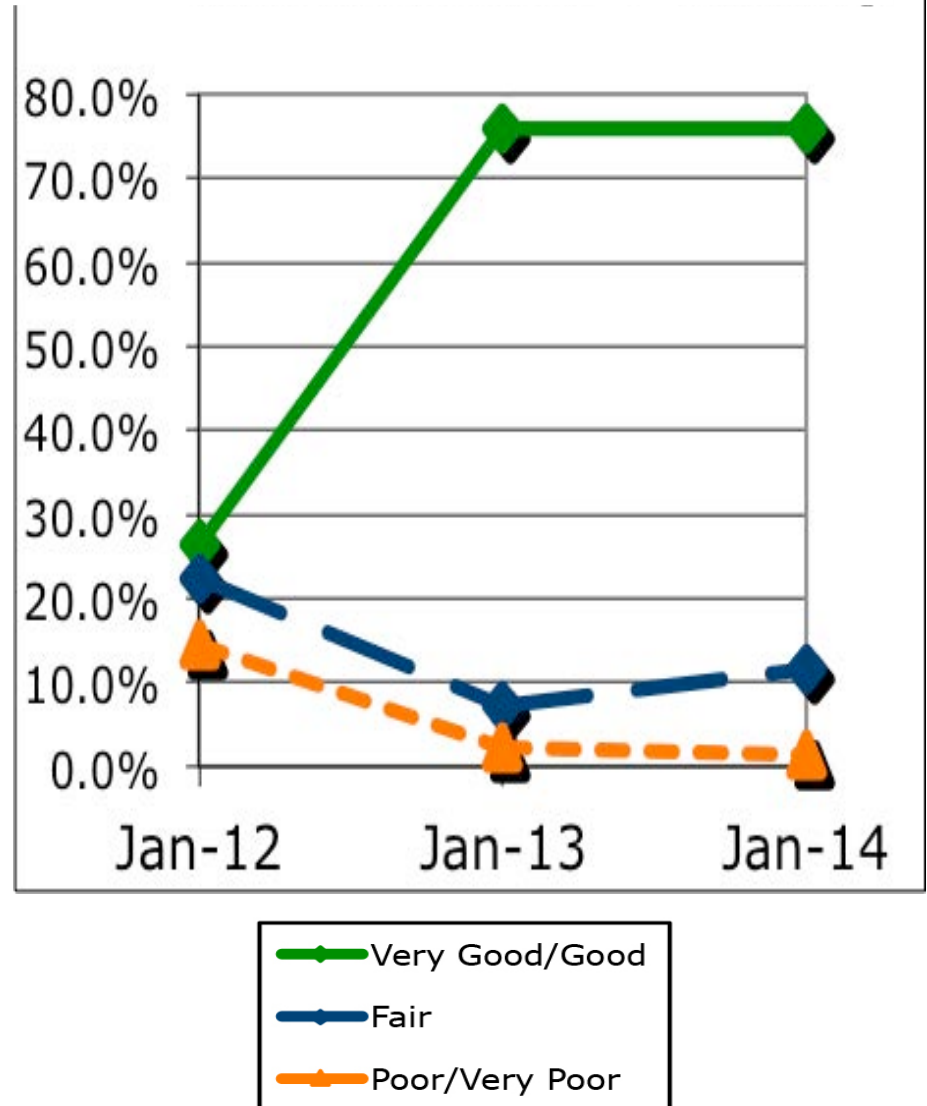
Very Good/Good
Fair
Poor/Very Poor

Hospitality

METRICS

10,082	Business Contacts
32,946	Hospitality Assistance
6,806	Maps/Info Distributed
9,388	Street Population Contacts
873	Referral to Shelter/Etc.
2,801	Business Assistance
149	Requests for Police/Fire/EMS
619	Safety Escorts
3,179	Trespassers/Loiterers

SATISFACTION



Landscaping

METRICS

193 Flower Baskets Hung

82 Median Fingers Planted

483 Large Planters Landscaped

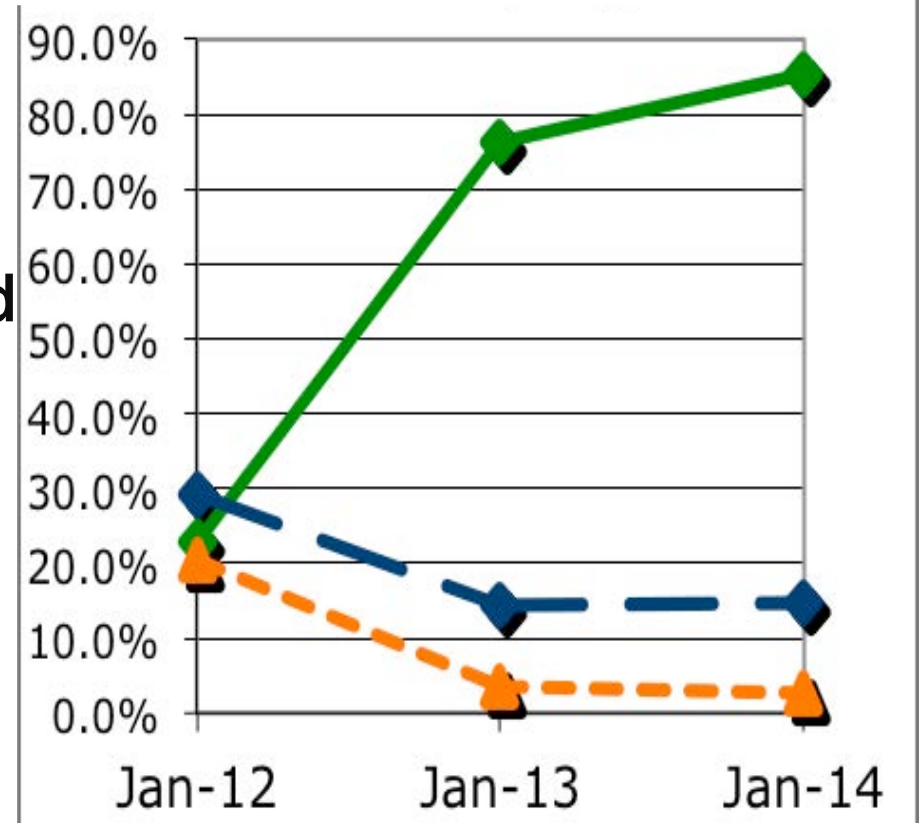
1,773 Tree Wells Weeded

395 Block Faces Weeded

25 Benches Painted

8 Planters on Univ. Ave.

SATISFACTION



Behavior / Transients

INITIATIVES

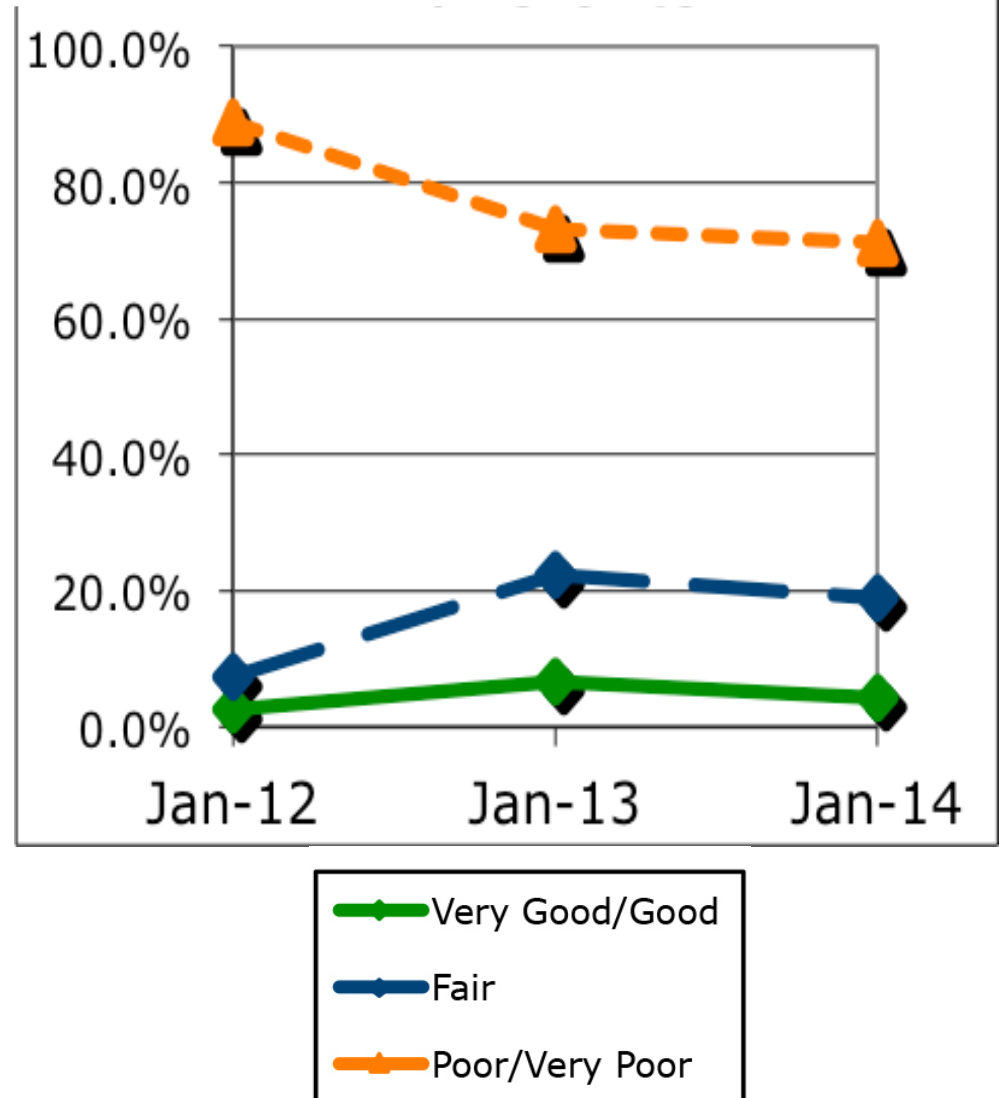
Working on better enforcement of current ordinances

Working on centralized intake for social services

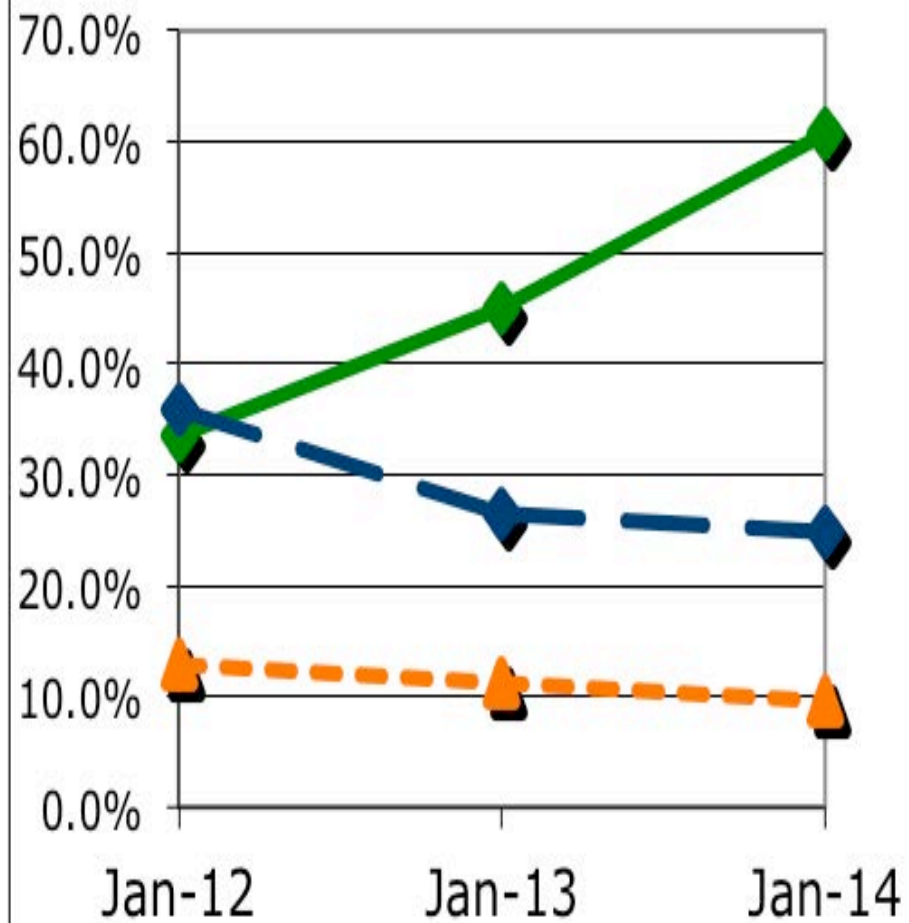
Donation box program

BART Plaza renovation

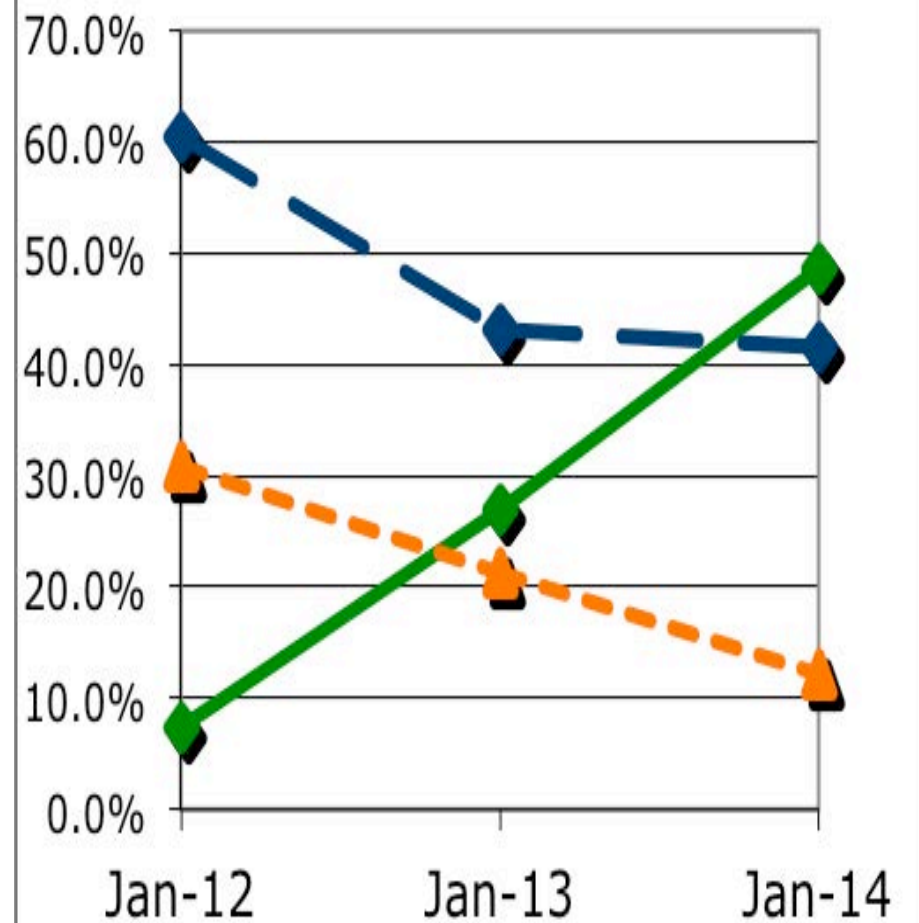
SATISFACTION



Marketing

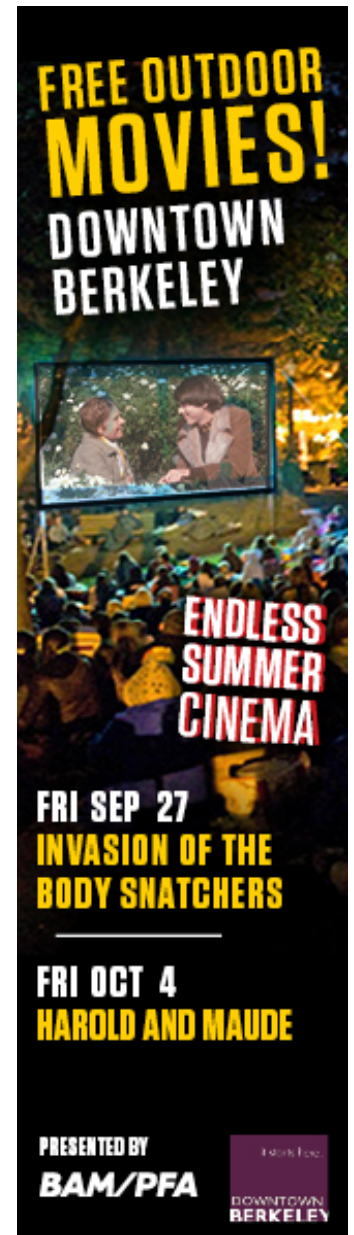
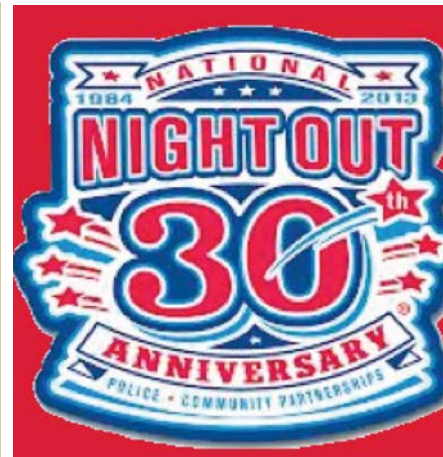


Economic Vitality



Very Good/Good
Fair
Poor/Very Poor

Events with Partners



DOWNTOWN BERKELEY Eats, Beats & Brews

New Events for 2014



April 26

Civic Center Park



August 9



November 9

**DOWNTOWN
BERKELEY**

Center Street

Eats, Beats & Brews

June 1, 8, 15, 22, 29

Supporting New Businesses



Arabica Mediterranean Cuisine
Bittersweet Café
Bonita Fish Market
BUILD Pizzeria Roma
East Bay Spice Company
El Burro Picante
Eureka! Burger
Great China Restaurant
Le Petit Cochon
NextSpace Berkeley
Paris Baguette
Pathos
Purple Kow
Sliderbar
Sliver Pizzeria
The Sandwich Spot
Togo's
TOSS Noodle Bar
...and many more



Retail Attraction Program

- Comprehensive research
 - Interviews, surveys, analysis
 - Inventory database
- Strategic plan
 - Near term, longer term
- Marketing material
 - “Have you been to Downtown Berkeley lately?”
- Communications
 - Tenant brokers, leasing agents, property owners
- Pilot outreach to two market segments
- Retail retention program



it starts here.

**DOWNTOWN
BERKELEY**

Leadership on Downtown Issues

Downtown Land Use

- BART Plaza
- Berkeley/Shattuck Sq. Reconfiguration
- Post Office
- New Hotel & other projects

Downtown Parking

- goBerkeley
- Berkeley Way Lot
- Center Street Garage

Downtown Social Services and Enforcement



it starts here.

**DOWNTOWN
BERKELEY**

City Wide Issues

Role of DBA on City-Wide Issues:

Information to stakeholders

Support Chamber initiatives

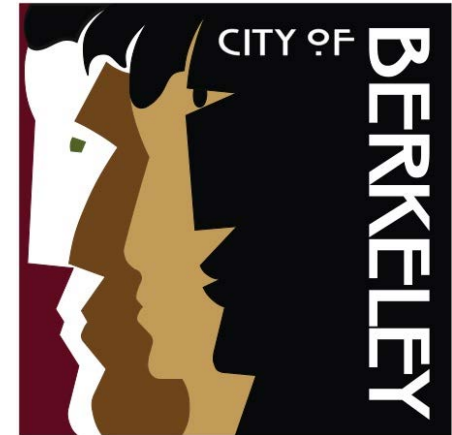
Issues include:

Minimum wage - City Council Meeting May 1

Store front vacancy tax

Residential rental tax increase

Sugar beverage tax



it starts here.

DOWNTOWN
BERKELEY

goBerkeley



- \$3m - 3yr program to improve parking and transportation
- Changes in pricing and time limits to better manage on-street parking demands

	Oct 2013	Current	Proposed
On-Street Parking			
Premium Zone	\$1.75	\$2.25	\$2.75
Value Zone	\$1.50	\$1.25	\$1.50
Hours	9am-6pm	9am-6pm	9am-8pm

- Additional increases for Center St. garage.

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**DOWNTOWN
BERKELEY**

Plans for 2014

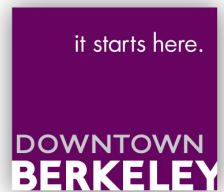
- Refresh & continued operational improvements
 - Cleaning, Hospitality, Landscaping
- Holiday lights throughout the Downtown
- Focus on behavior / transient problems
- Expand partner events
- Continue retail development / attraction
- Parking and transportation leadership
- Open space and development leadership

it starts here.

**DOWNTOWN
BERKELEY**

AMBASSADOR STAFF

Lance Gorée
Operations Manager



Annual April Refresh

- Hung new flower baskets
- Power washed sidewalks
- Painted benches
- Painted planter tops
- Weed and graded tree wells
- Planted median strips
- Clean and paint fixtures
- Planting BART entrance boxes



Downtown Ambassadors



it starts here.

DOWNTOWN
BERKELEY

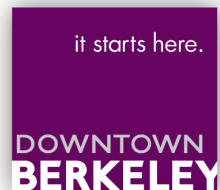
Ambassador Team

Operations Manager

Lance Gorée

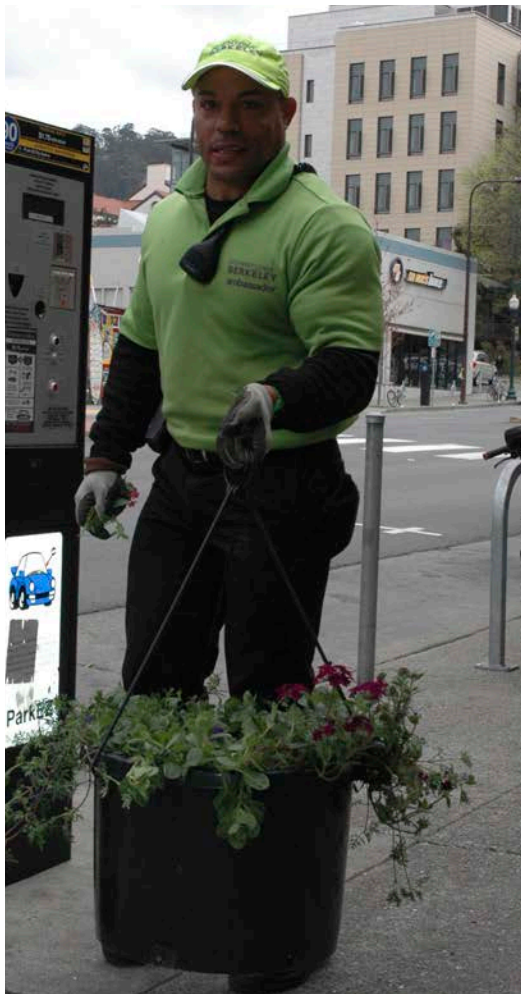
- | | |
|---------------------|------------------------|
| 1. Yvonne Chen | 10. Larry Kazuo |
| 2. Nelson Chavarria | 11. Marcus Miles |
| 3. Deryl DeWitt | 12. Robbi Montoya |
| 4. Isaac De Nova | 13. Maalik Redditt |
| 5. Carmen Francois* | 14. Carlos Paz-Rivera* |
| 6. Jesse Gonzalez | 15. Krushetta Walker |
| 7. Toshia Harrison | 16. Robert Walker Jr. |
| 8. Kirk Jacob | 17. Ernest Watson |
| 9. Wayne Jones | |

* Team Leaders



In Appreciation for 5 Years of Service

Deryl DeWitt



Carmen Francois



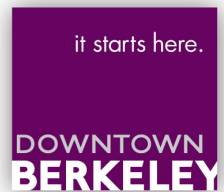
Wayne Jones



for a welcoming, vibrant, prosperous City Center

2013 FINANCIAL STATEMENTS

Perry Patel
Treasurer



2013 Financial Statements

Statement of Activities

(Jan. 1, 2013 - Dec. 31, 2013)

Assessment Revenue	\$1,213,136
Program Revenue	\$55,752
Interest Revenue	<u>\$20</u>
Total Revenue	\$1,268,920
Program Expenses	\$931,567
Personnel Expenses	\$205,304
General & Admin. Expenses	<u>\$66,411</u>
Total Expenses	\$1,203,282
Net Income	\$65,638

it starts here.

**DOWNTOWN
BERKELEY**

2013 Financial Statements

Balance Sheet (Dec. 31, 2013)

Checking/Savings	\$202,016
Receivables	\$3,885
Net Fixed Assets	<u>\$4,710</u>
Total Assets	\$212,460
Payables	\$80,692
Other Current Liabilities	<u>\$631</u>
Total Liabilities	\$81,593
Total Equity	\$130,867
Total Liabilities & Equity	\$212,460

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DOWNTOWN
BERKELEY

2013 Financial Statements

Balance Sheet (Dec. 31, 2013)

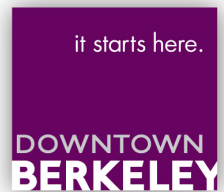
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DOWNTOWN
BERKELEY

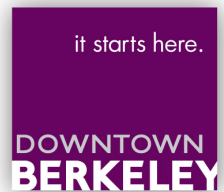
2015 2.5% Rate Increase

- PBID Mgmt Plan allows increase up to 5% per year
- No increase in 2013 & 2014
- DBA Board voted to increase 2.5% for 2015
 - Increasing expenses
 - Help fund renewal process in 2017
 - Help fund office move in 2015 or 16
- Increase will show up in Nov 2014 tax bill



ELECTION OF BOARD DIRECTORS

Kristine Seinsch
Chair
Nominating Committee



DBA Board of Directors

NEW DIRECTORS

Berit Ashla, The Brower Center

Bill Shrader, The Austin Group

DIRECTORS UP FOR RENEWAL

Fran Gallati, YMCA of Central Bay

Daniel Rabin, Townsend Properties

Ito Ripsteen, Vine St. Investments

DEPARTING BOARD MEMBER

Perry Patel, Hotel Shattuck Plaza

CONTINUING DIRECTORS

Michael Caplan, City of Berkeley

Robert Hatheway, UC Berkeley

John Hyjer, Equity Residential

Susan Medak, Berkeley Rep

John Paluska, Comal

Scott Newman, Beacon Group

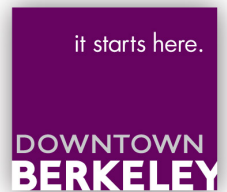
Lawrence Rinder, BAM/PFA

Kristine Seinsch, Jazzcafé

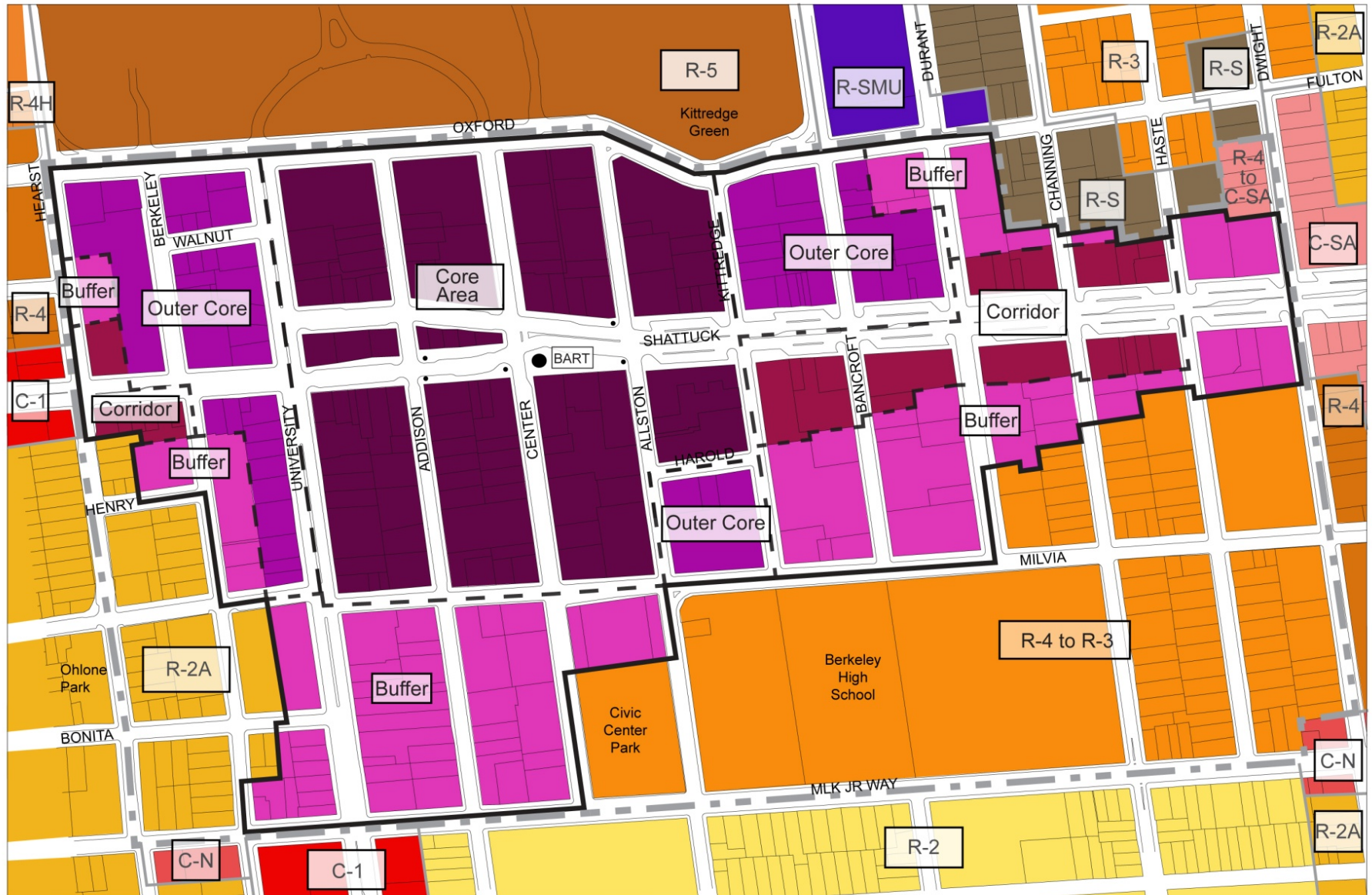
Amy Thomas, Pegasus Books

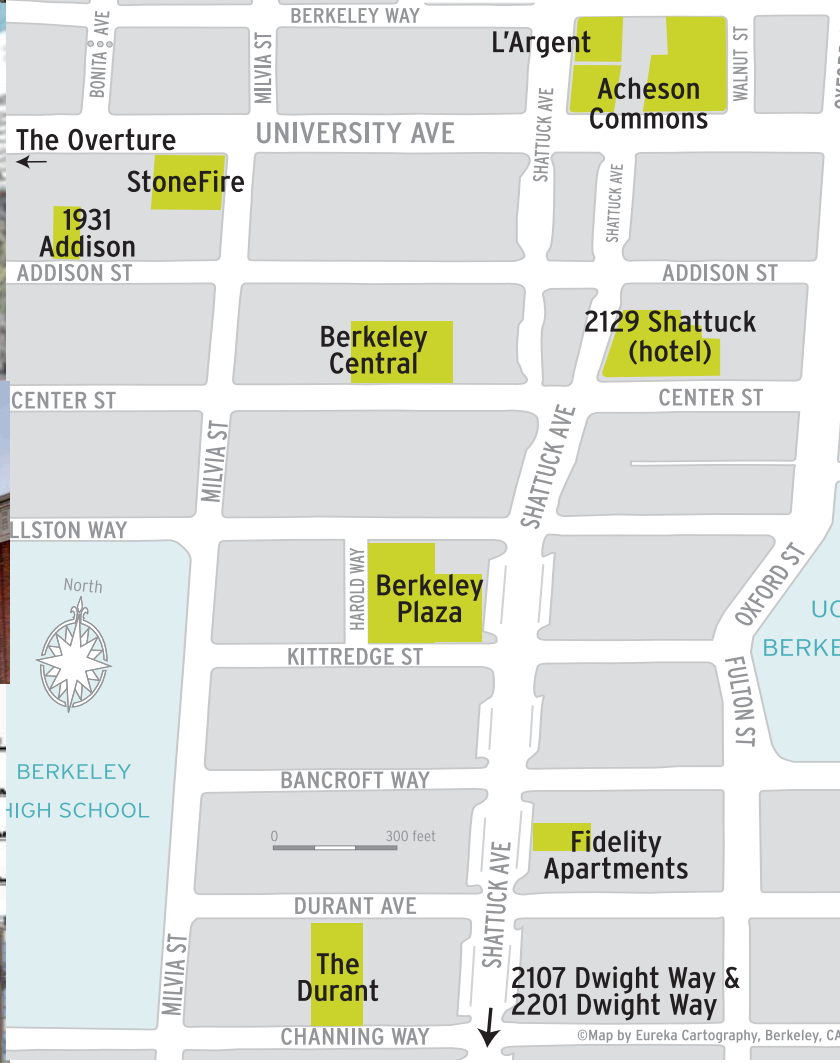
THE STATE OF THE DOWNTOWN

Mayor Tom Bates



The New Downtown Area Plan (DAP)





New Hotel Project

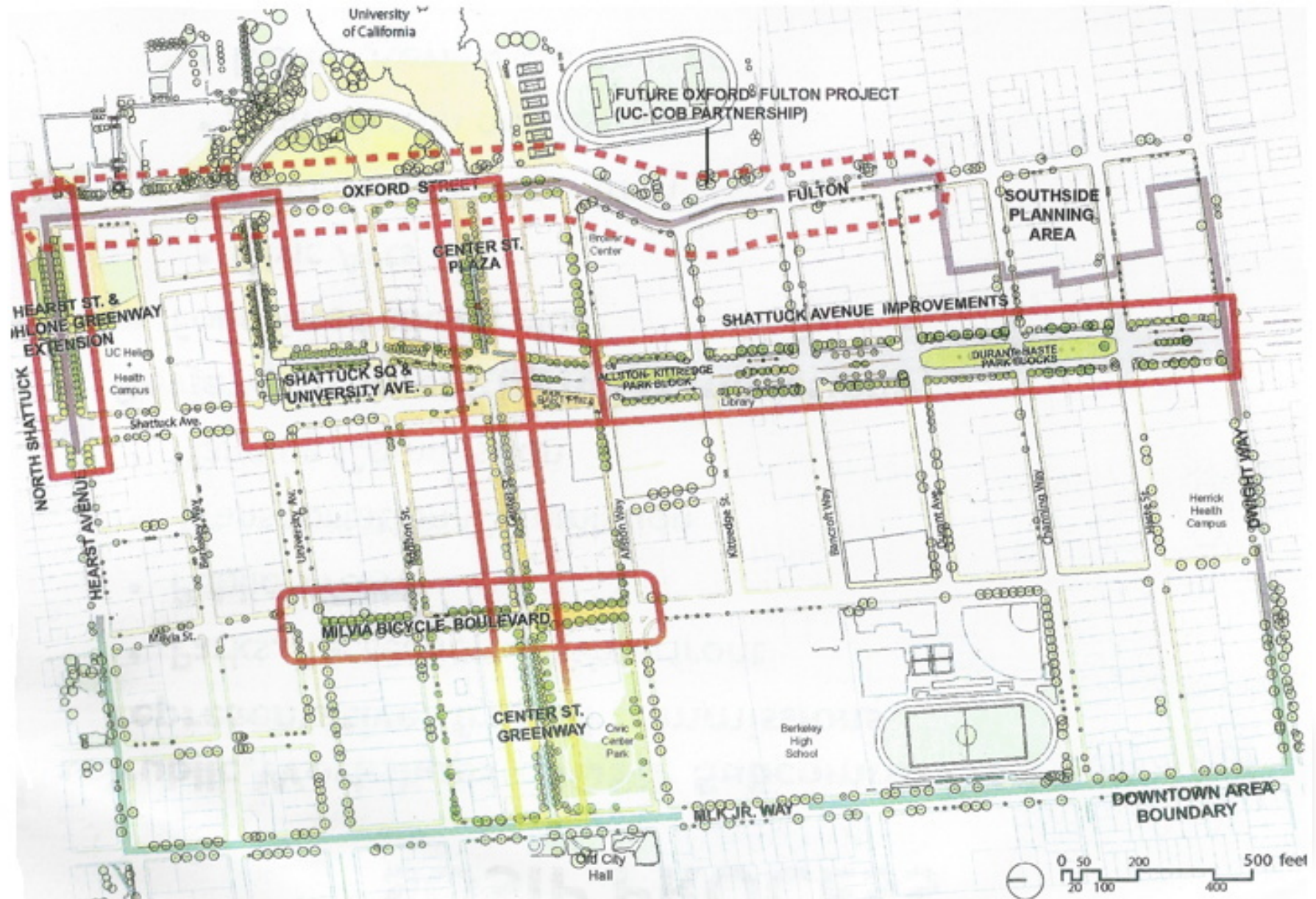


- 16 story, 293 rooms (5-16), office (2-4)
- Restaurant next door and possible conference facility

1,455 New Housing Units

Combined Major Project Statistics – Downtown Berkeley, April 2014				
<i>Project</i>	<i>D.U.'s</i>	<i>Retail</i>	<i>GFA</i>	<i>Parking (spaces)</i>
Acheson Commons	205	35,000	196,000	50
2107 Dwight Way	99	5,607	100,000	73
2201 Dwight Way	84	0	101,000	49
The Durant	96	0	113,000	35
1931 Addison	69	7,100	64,000	15
Berkeley Plaza	355	12,000	320,000	320
Fidelity Apts	16	2,580	25,000	0
StoneFire	119	8,700	100,000	80
Argent	78	5,000	190,727	91
The Overture	41	2,315	36,544	19
2129 Shattuck (hotel)	293	12,500	284,000	TBD
TOTAL	1,455	90,802	1,530,281	713

Street and Open Space Plan

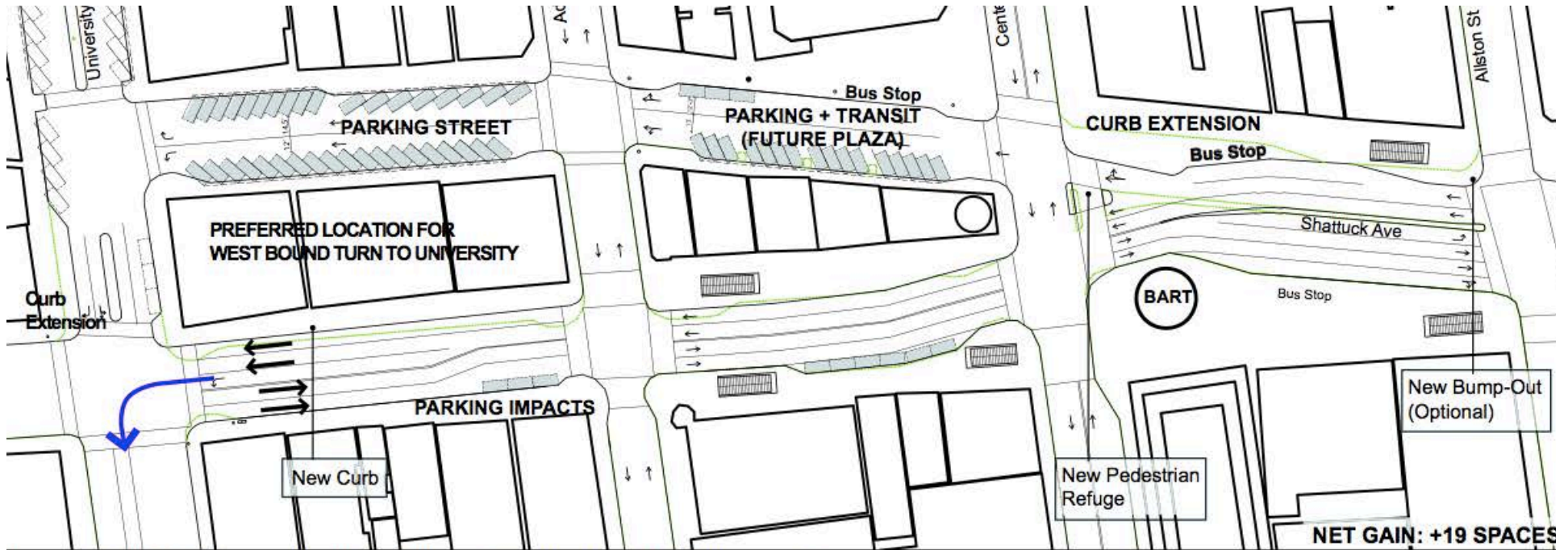


BART Plaza Redesign



- New placemaking innovative design and art
- Welcoming vibrant space welcoming all times of day
- Sidewalk seating and café or other active use on plaza
- Transparent open space for programming, events, holidays

Berkeley & Shattuck Sq. Reconfiguration

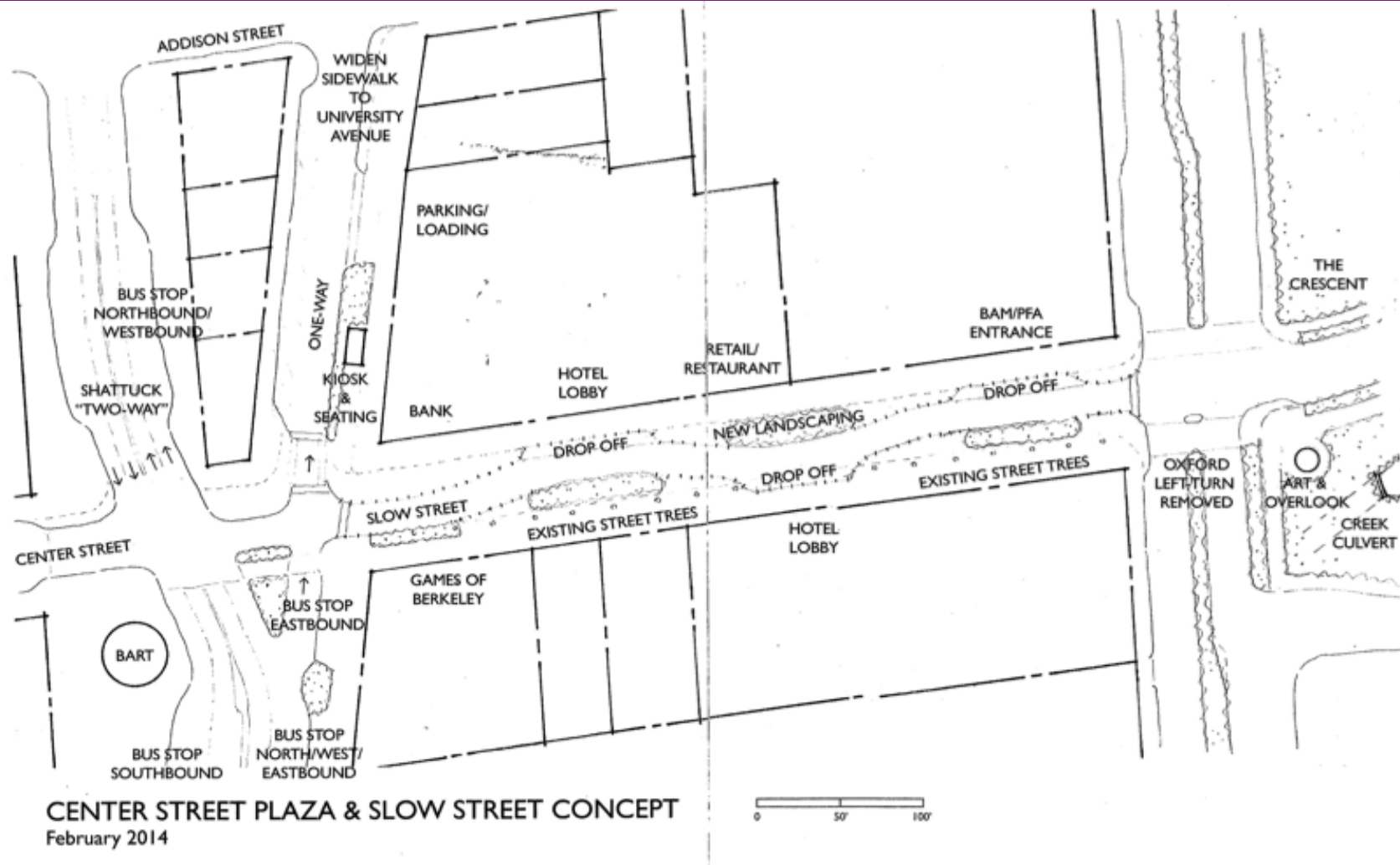


- Two-way traffic west side of Berkeley & Shattuck Sq.
- Slow street and angled parking on east side creating potential shopping corridor
- Loss of parking west side, but 19 overall spaces gained
- Safer crossing of University Avenue

Hearst Complete Streets



Center St. Plaza/Slow Street Concept



it starts here.

**DOWNTOWN
BERKELEY**

Downtown Post Office

**FOR
SALE**



2000 ALLSTON WAY
BERKELEY, CALIFORNIA

CBRE

:: OFFERING MEMORANDUM

Katherine Kelleher | Mark Kol | Jake Norton

Berkeley's Innovation Ecosystem



SkyDeck | Berkeley



- Over 70 startups in Downtown Berkeley
- Growing number of co-working spaces
- NextSpace Berkeley opened Spring 2013
- Coming soon: 50,000 square feet of new tech or co-working space in Ten Capital Building



Startup Accelerator with 24 teams and over 12 graduated companies

Berkeley Art Museum / Pacific Film Archive



Berkeley Music Group at UC Theatre



City Council Items Under Consideration

- Minimum wage - City Council Meeting May 1
- Store front vacancy tax
- Residential rental tax increase
- Sugar beverage tax
- Other

it starts here.

DOWNTOWN
BERKELEY

it starts here.

DOWNTOWN
BERKELEY



DOWNTOWN BERKELEY ASSOCIATION

**FINANCIAL STATEMENTS
COMPILATION REPORT**

Year Ended December 31, 2013

**MAX M. RANJBAR
CERTIFIED PUBLIC ACCOUNTANT**

DOWNTOWN BERKELEY ASSOCIATION

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STATEMENTS OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6 - 9

MMR

MAX M. RANJBAR

Certified Public Accountant

46 Shattuck Square, Suite 22 Berkeley California 94704 . (510) 849-2142 . Fax (510) 849-1345

Independent Accountant's Compilation Report

**Board of Directors and Management
Downtown Berkeley Association
Berkeley, California**

We have compiled the accompanying statement of financial position of **Downtown Berkeley Association** (a nonprofit corporation) as of December 31, 2013 with comparative totals for the year ended December 31, 2012 and the related statements of activities and changes in net assets and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.



Max M. Ranjbar

April 22, 2014

DOWNTOWN BERKELEY ASSOCIATION

STATEMENT OF FINANCIAL POSITION

**Year Ended December 31, 2013
(With Comparative Totals for 2012)**

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Cash and Cash Equivalents - NOTE C	\$ 202,016	\$ 267,292
Accounts Receivable - NOTE E	3,885	3,625
Property and Equipment - NOTE B Net of Accumulated Depreciation of \$29,930 and \$28,521 respectively	5,734	3,164
Rent Deposit	<u>825</u>	<u>-</u>
Total Assets	<u>212,460</u>	<u>274,081</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Accounts Payable	80,962	69,661
Other Current Liabilities	631	20,959
Deferred Income - NOTE G	<u>-</u>	<u>118,232</u>
Total Liabilities	81,593	208,852
Commitments - NOTE H	-	-
Net Assets - Unrestricted	<u>130,867</u>	<u>65,229</u>
Total Liabilities and Net assets	<u>212,460</u>	<u>274,081</u>

See independent accountant's compilation report and accompanying notes

DOWNTOWN BERKELEY ASSOCIATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2013
(With Comparative Totals for 2012)

	<u>2013</u>	<u>2012</u>
<u>REVENUES AND SUPPORTS</u>		
PBID Assessment -NOTE B	1,208,526	1,157,285
Annual BID Assessment	\$ 4,612	\$ 34,942
North Shattuck	28,500	-
Solano Avenue	14,857	-
Movie Nights	4,700	-
Special Event	3,240	-
Berkeley Startup Cluster	3,125	9,375
EZ Park	-	2,560
Buy Local Berkeley	-	586
Other Revenues	1,340	1,098
Interest Income	20	436
	<hr/>	<hr/>
Total Revenue and Support	1,268,920	1,206,281
<u>EXPENSES</u>		
<u>PROGRAM SERVICES</u>		
Salaries, Wages and Employee Benefits	205,304	206,541
Clean and Safe Services	870,160	868,816
Downtown Publicity	7,413	85,535
Events	11,686	3,391
New Market / Econ Dev. Program	37,903	7,528
Berkeley Startup Cluster	4,405	9,375
Berkeley Host Ambassadors	-	22,630
EZ Park	-	5,837
Buy Local Berkeley	-	1,550
	<hr/>	<hr/>
Total Program Services	1,136,871	1,211,204
<u>GENERAL AND ADMINISTRATION</u>		
Member Services and Communications	12,120	6,694
Occupancy	21,696	21,696
Telephone and Internet	8,097	7,140
Insurance	4,683	4,628
Legal and Professional	8,991	11,101
Depreciation - NOTE B	1,409	532
Other Administration	9,415	10,341
	<hr/>	<hr/>
Total Management and Administration	66,411	62,131
Total Expenses	1,203,282	1,273,335

See independent accountant's compilation report and accompanying notes

DOWNTOWN BERKELEY ASSOCIATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

**Year Ended December 31, 2013
(With Comparative Totals for 2012)**

	<u>2013</u>	<u>2012</u>
Change in Net Assets	\$ 65,638	\$ (67,055)
Net Assets at Beginning of Year	<u>65,229</u>	<u>132,284</u>
Net Assets at End of Year	<u><u>130,867</u></u>	<u><u>65,229</u></u>

See independent accountant's compilation report and accompanying notes.

DOWNTOWN BERKELEY ASSOCIATION

STATEMENTS OF CASH FLOWS

**Year Ended December 31, 2013
(With Comparative Totals for 2012)**

<u>OPERATING ACTIVITIES</u>	<u>2013</u>	<u>2012</u>
Change in Net Assets - Excess (Deficiency) of Revenues over Expenses	\$ 65,638	\$ (67,055)
Depreciation	1,409	532
Increase (Decrease) in Operating Assets:		
Increase in accounts receivable	(260)	16,857
Increase in rent deposit	(825)	0
Increase/decrease in accounts payable	11,301	66,956
Decrease in other current liabilities	(20,328)	20,160
Decrease in Deferred Income	<u>(118,232)</u>	<u>(89,210)</u>
Total Adjustment	<u>(126,935)</u>	<u>15,295</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(61,297)	(51,760)
NET CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of machinery and equipment	<u>(3,979)</u>	<u>(2,398)</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES:	<u>(3,979)</u>	<u>(2,398)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(65,276)	(54,158)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>267,292</u>	<u>321,450</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>202,016</u></u>	<u><u>267,292</u></u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:		
Interest Paid	<u>-</u>	<u>-</u>
Income Tax Paid	<u>-</u>	<u>-</u>

See independent accountant's compilation report and accompanying notes

DOWNTOWN BERKELEY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2013

NOTE A - ORGANIZATION

Downtown Berkeley Association (DBA) is a nonprofit organization incorporated in 1990 under the laws of the State of California. The Downtown Berkeley Association provides support for DBA member businesses through advocacy, promotions, and communications.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Financial Statement presentation

The books of accounts are maintained, and the financial statements have been prepared, on the accrual basis of accounting. The accompanying financial statements are presented on the basis of unrestricted, temporary restricted, and permanently restricted net assets.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of imposed restrictions. Accordingly, net assets of the Downtown Berkeley Association and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to any imposed restrictions.

Temporarily restricted net assets – Net assets subject to imposed restriction that may or will be met, either by actions of the Downtown Berkeley Association and/or 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.

Permanently restricted net assets – Net assets subject to imposed restrictions that The Downtown Berkeley Association maintains them permanently. Generally, the contributor(s) of these assets permit the Downtown Berkeley Association to use all or part of the income earned on any related investments for general/specific purposes.

There were no temporarily or permanently restricted net assets as of December 31, 2013.

See independent accountant's compilation report and accompanying notes

DOWNTOWN BERKELEY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended December 31, 2013

Support and Revenue

The Downtown Berkeley Association's support and revenue come primarily through annual contract with the City of Berkeley to implement the new Downtown Berkeley Property Based Business Improvement District (PBID) Management Plan (Management Plan), approved by Berkeley property owners and Berkeley City Council on June 28, 2011, and confirmed by Council on July 17, 2012.

Downtown Berkeley Association Management Plan Action will implement the new environmental and economic enhancements that augment base level City Services. The Downtown Berkeley Association shall report annual and quarterly progress reports to the Office of Economic Development, City of Berkeley.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Property and Equipment

All acquisitions of property and equipment and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives and increase the value of assets are capitalized. Property and equipment are recorded at cost. Depreciation expense is calculated using double declining method over estimated useful life of the assets, ranging from five to seven years.

Interest Income

Interest income is recorded when received.

See independent accountant's compilation report and accompanying notes

DOWNTOWN BERKELEY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended December 31, 2013

Income Tax

Downtown Berkeley Association revenue and support are exempt from federal and the state of California income taxes under the Internal Revenue Code Section 501(c) (6) and the California Franchise Tax Board Revenue and Taxation Code Section 23701(e). Tax years 2010 through 2013 are open to examination by taxing authorities.

Prior Year Information

Prior year information (year 2012 balances) has been presented in aggregate for comparative purpose only.

NOTE C - CASH AND CASH EQUIVALENTS

Cash and cash equivalents include deposits in checking and savings held for operating purposes. Downtown Berkeley Association considers all unrestricted liquid investments with initial maturity at the date of purchase of three months or less to be cash and cash equivalents.

NOTE D - CONCENTRATION OF RISK - UNINSURED CASH BALANCE

At the statement of financial position date, Downtown Berkeley Association's aggregate amount of deposits in one financial institution does not exceed federally insured limit by Federal Deposit Insurance Corporation (FDIC).

NOTE E - ACCOUNTS RECEIVABLE

Accounts receivable at the statement of financial position date are current and fully collectible. No allowance for doubtful accounts, therefore, has been provided in the financial statements.

See independent accountant's compilation report and accompanying notes

DOWNTOWN BERKELEY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended December 31, 2013

NOTE F - CONTINGENCY

Contract made with City of Berkeley is subject to the Berkeley City Charter, and the City Auditor's Office may conduct an audit of Downtown Berkeley Association's financial statements, performance and compliance records maintained in connection with the operations and services performed under the contract. Occasionally, such audit may not comply with the established criteria that govern them. In such cases, Downtown Berkeley Association could be held responsible for repayments of the costs or be subject to the reduction of future funding in the amount of the cost. City of Berkeley may terminate its contract with the Downtown Berkeley Association without cause upon thirty (30) days written notice.

NOTE G - DEFERRED INCOME

Deferred income of \$118,232 represents 2013 revenues received in advance in December 2012 from County of Alameda, UC Berkeley and Berkeley Unified School District.

NOTE H - COMMITMENTS

Downtown Berkeley Association contracts its general, administration and certain maintenance services on an annual basis. The contracts are generally cancelable on 30 to 60 days notice.

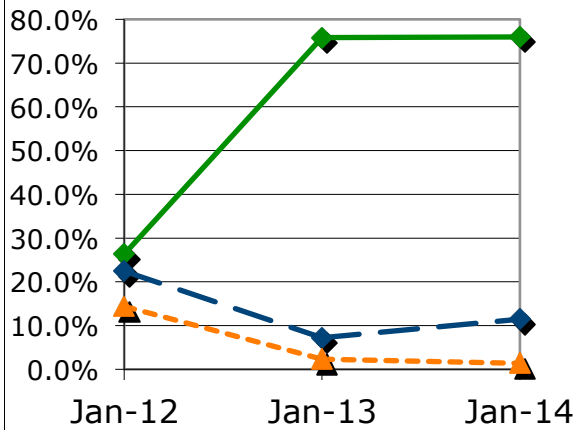
NOTE I - SUBSEQUENT EVENTS

Events subsequent to December 31, 2013 have been evaluated through April 22, 2014, the date these financial statements were available to be issued, to determine whether they should be disclosed to keep the financial statements from being misleading. Management found no subsequent events to be disclosed.

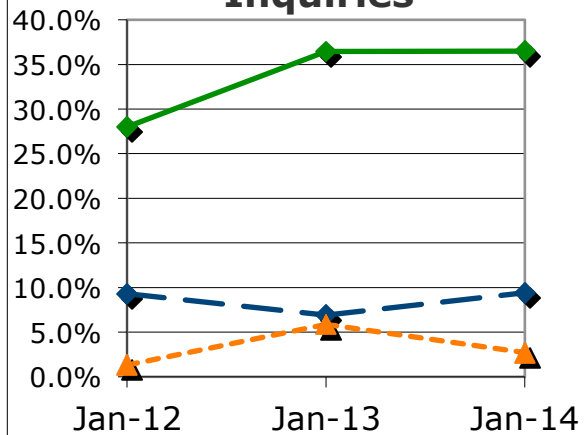
See independent accountant's compilation report and accompanying notes

Ambassador Services

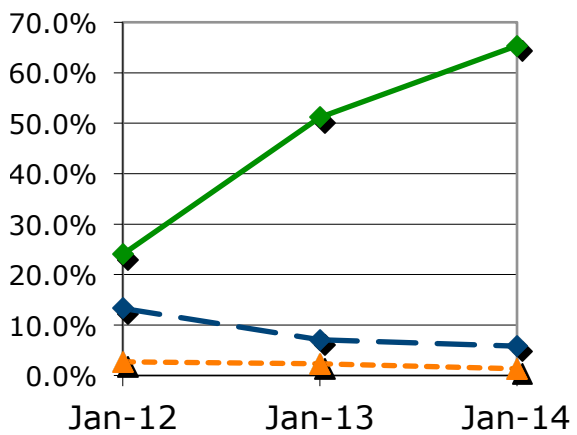
Ambassador Visibility



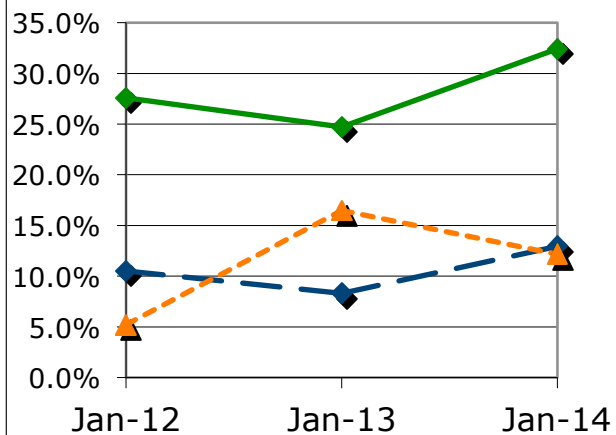
Responsiveness to Inquiries



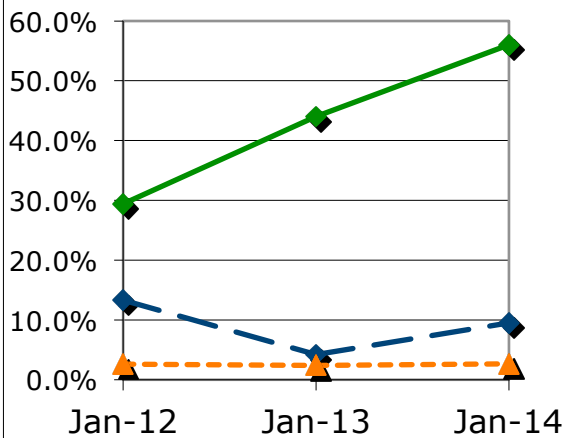
Business Hospitality



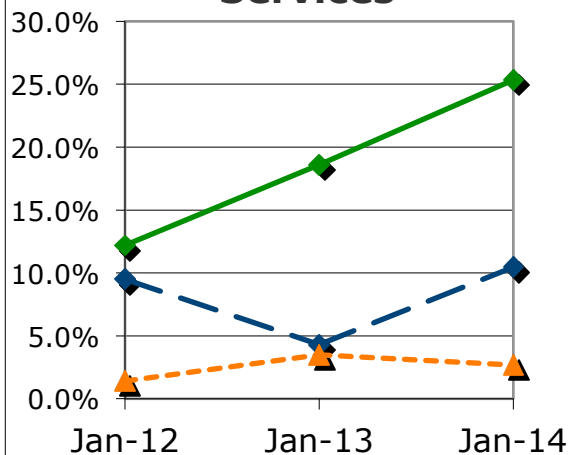
Visitor Hospitality



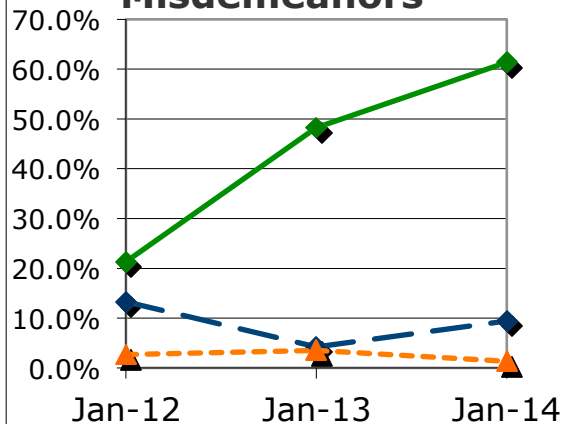
Homeless Outreach



Referral to City Services



Reporting Misdemeanors



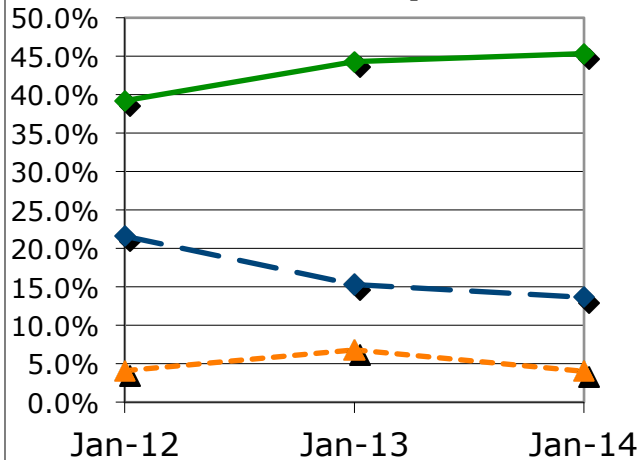
—◆— Very Good/Good

-◆- Fair

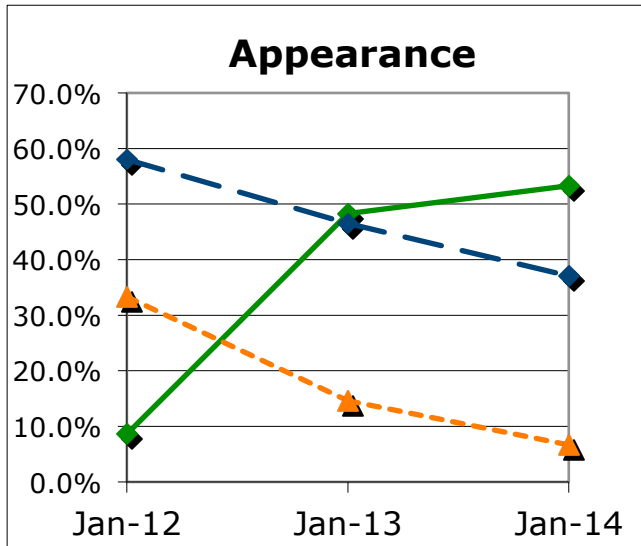
-▲- Poor/Very Poor

DBA Services

Advocacy

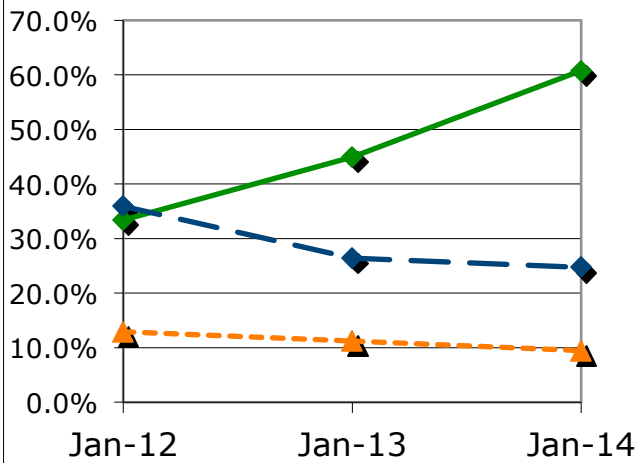


Downtown Berkeley Characteristics

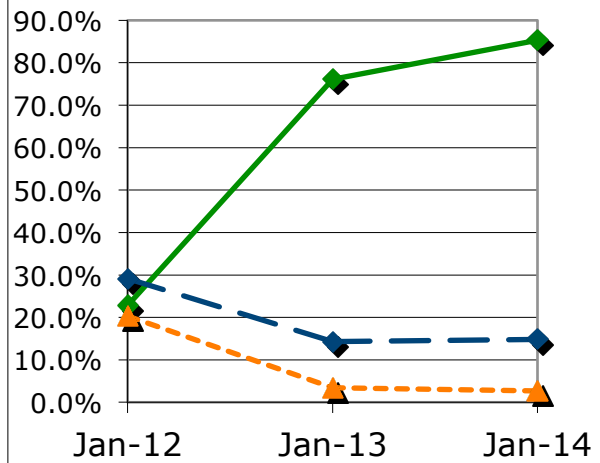


DBA Services

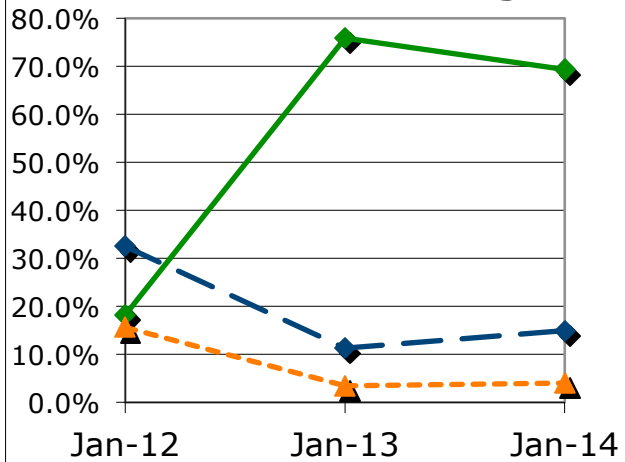
Marketing of Downtown



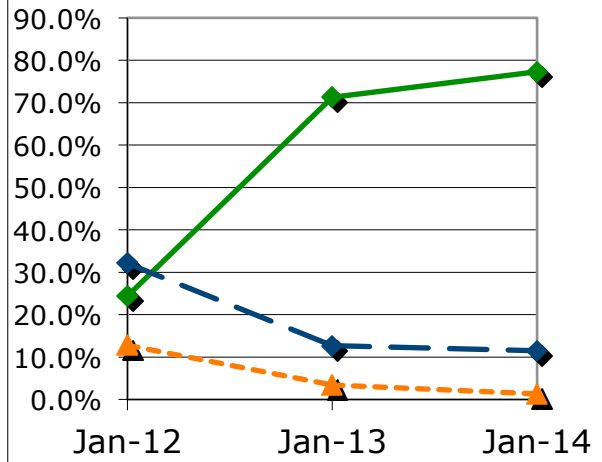
Landscaping



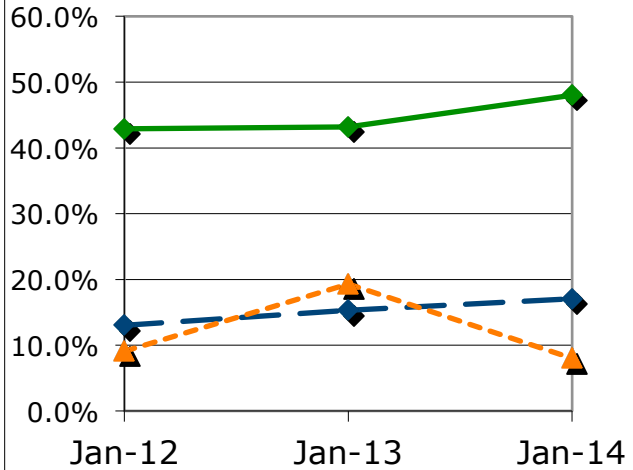
Sidewalk Cleaning



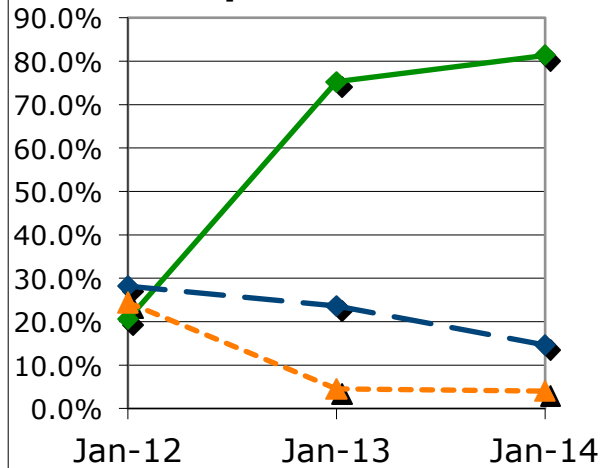
Graffiti Removal



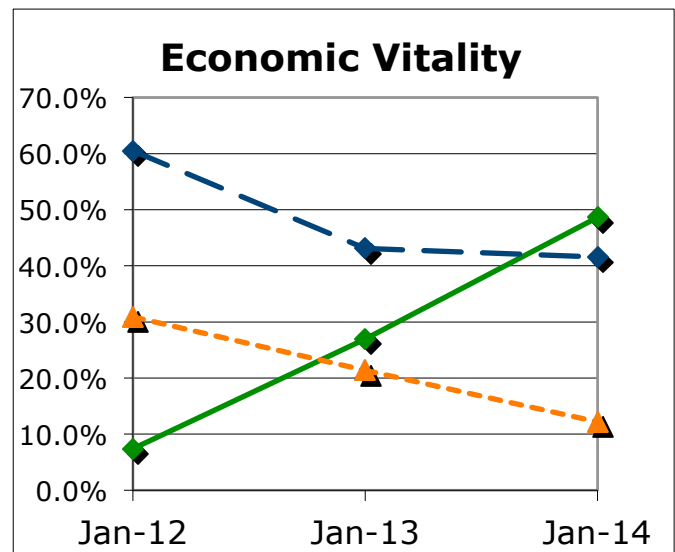
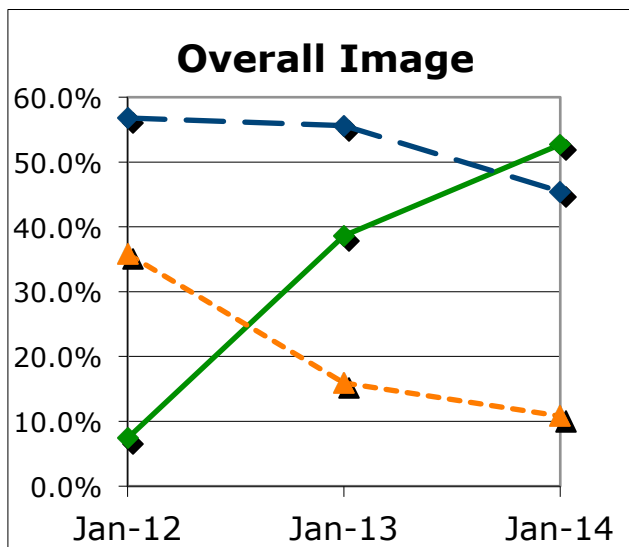
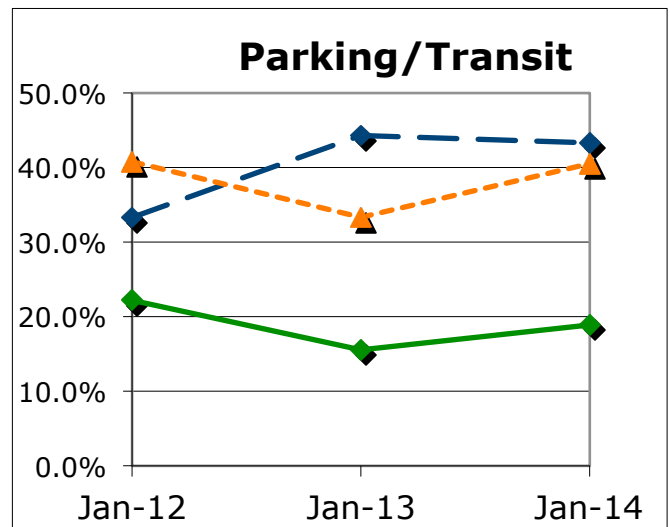
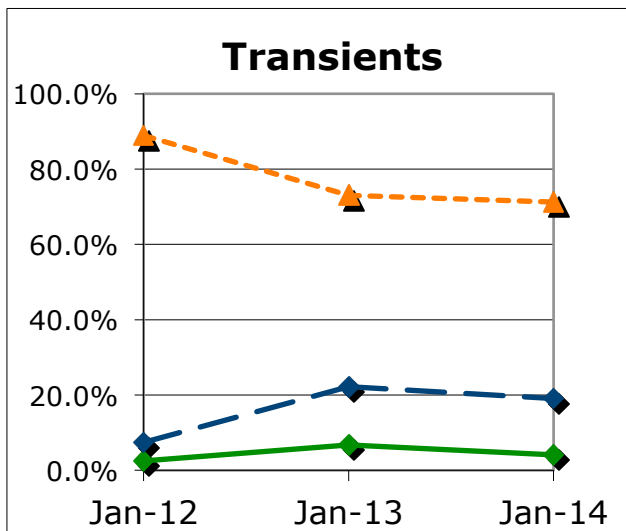
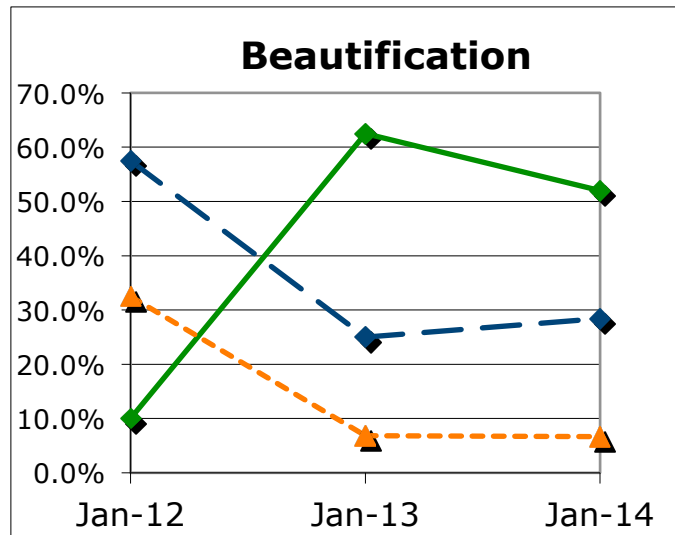
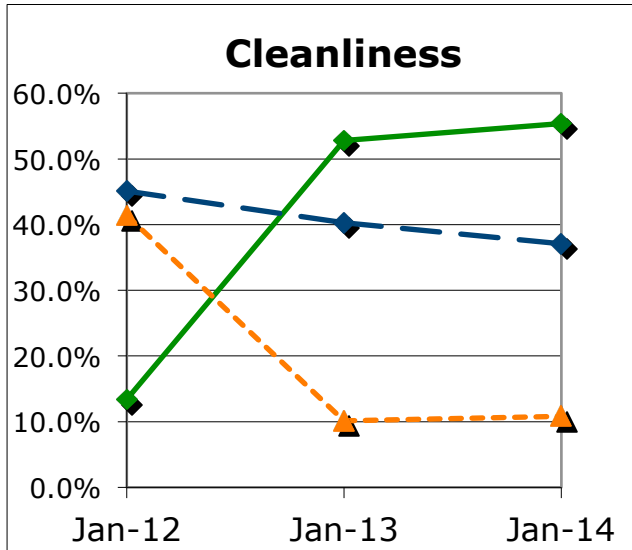
Litter Removal



Responsiveness



Downtown Berkeley Characteristics



Perceptions of Downtown Berkeley Characteristics in January 2014

