

**Oakland Ave.
Business Improvement District #13**

**OPERATING PLAN FOR YEAR 28:
2020**

SUBMITTED BY:

**THE OAKLAND AVENUE BUSINESS IMPROVEMENT DISTRICT
BOARD OF DIRECTORS**

PREPARED BY: Michael D'Amato, BID Director

**OPERATING PLAN
BID #13**

2020: Year 28

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I. INTRODUCTION

In 1984, the Wisconsin legislature created s. 66.608 of the Statutes enabling cities to establish Business Improvement Districts (BIDs) upon the petition of at least one property owner within the proposed district. The purpose of the law is "... to allow businesses within those districts to develop, to manage and promote the districts and to establish an assessment method to fund these activities." (1983 Wis. Act 184, Section 1, legislative declaration.) On November 9, 1993, the Common Council of the City of Milwaukee, by Resolution File Number 931058, created BID #13 (Oakland Avenue: University Square) and adopted its initial operating plan. Section 66.1109 Wis. Stats., requires that a BID Board "shall annually consider and make changes to the operating plan... The board shall then submit the operating plan to the local legislative body for its approval." The Board of BID #13 submits this 2019 Operating Plan in fulfillment of the statutory requirement.

This plan proposes a continuation of activities described in the initial (November 1993) BID Operating Plan and subsequent years' University Square Operating Plans. Therefore, it incorporates by reference the all earlier plans as adopted by the Common Council. This plan emphasizes the elements that are required by Sec. 661109 Wis. Stats and the changes for 2020. It does not repeat the background information which is contained in the previous plans nor include the Business Improvement District Statute, original petitions from property owners or BID #13 By-Laws. The link to the State Statute is here: <https://docs.legis.wisconsin.gov/statutes/statutes/66/XI/1109>

II. DISTRICT BOUNDARIES

Boundaries of the proposed district are North Oakland Avenue, between East Linwood on the north and East Newberry Blvd, on the south and along East Locust Street a half-block to each alleyway both east and west of North Oakland Ave. A listing of the properties included in the district is provided in the attached Excel Spreadsheet entitled BID #13 2020 Assessments.

III. PROPOSED OPERATING PLAN

A. Plan Objective

The Plan Objectives of Business Improvement District #13 involve utilizing available funds to continue to improve the business climate for existing and new district merchants. The available funds will be utilized for continued existence of critical projects such as the graffiti removal, street sanitation maintenance, flower planting, holiday lights and streetscaping.

Additional funds are utilized for general operating expenses of the BID, Other improvements may be made as decided by the BID members.

The priorities of the BID Board for 2020 are as stated:

1. Act as a catalyst for private investment by owners and tenants in their properties through continuation of the street re-building process.
2. Continue our landscaping program initiated in 2003 using planter baskets. In 2018 the BID reinvested in landscaping through the purchase of new pole attached flower baskets. The BID also professionalized the service of these plantings by engaging a professional landscaping firm. That relationship has

produced a noticeable improvement and will be continued.

3. Continue existing programs including, the Graffiti Removal Program, the Street Maintenance program along with ongoing assessment of critical general safety and cleanliness matters for improvement of the overall appearance of the district.
4. Revive exploration of possible streetscape improvements, utilizing existing funds, that will help create an identity for the district, keep customers on the street 18 hours/day and bolster pedestrian safety.
5. Maintain Holiday decorations to be mounted on existing harp lights. As well, explore the design and purchase of banners to erect on harp lights.
6. Work with Milwaukee Police Department, Milwaukee City Attorney's office and the Milwaukee County District Attorney's office to enhance safety in the area, combat the sale of illegal substances and improve the health, safety and welfare of citizens on the street to improve the shopping and dining experience.

Meeting these objectives will enhance the business area's competitiveness relative to other shopping areas that are also currently undergoing rehabilitation, while enhancing the surrounding neighborhood. The BID will continue to work with DCD, DPW, the City Council and area merchants to achieve stated objectives.

B. Highlights of Activity from Year 26- 2018

- The BID participated in the regular annual activity of keeping the street in a clean and maintained condition through our cleaning service with Riverworks Cleans.
- The BID Board continued to monitor the most recent assessment cases and decisions that are negatively affecting local small business owners on the street. Due to some recent court decisions and the reaction of the Assessor to threatened legal action small business owners on the street feel as if they are now carrying a larger portion of the burden The Board continues to investigate whether additional action may be taken.
- Construction on a new catalytic mixed-use development at the northeast corner of Oakland and Locust (2900 Apartments) replacing a run-down Cousin's Subs location. The new development, which includes 55 new apartments along with 10,000 sq. ft of new retail space represents the first major new construction on Oakland Avenue over the past 10 years. The BID has been actively involved in supporting the new development as well as acting as a liaison between the developer/general contractor and local businesses. The BID is assisting in identifying retail tenants that will add to the mix of businesses on the street.
- Worked with other BID's on the east side to organize a family biking event that could encompass multiple BID areas. Decided to pursue instead in 2020.

BID staff remained active with the City of Milwaukee BID Council and the working group assembled to review and advocate for legislation that benefits BID's, local business and local property owners at the State and local level.

C. Proposed Activities — Year 27

The principal activities to be undertaken by the district during its 27th year of operation to achieve stated objectives will include:

1. Continue work on business recruitment and retention initiatives. Fortunately, the district has had nearly 100% retail occupancy in recent years. Efforts will be made to work with new owners to improve properties and fill storefronts. In particular with the space that formerly housed Monster Pizza and Black Rose Pub, a key location within the district in a building that has traditionally been an anchor. Staff will continue to provide technical assistance to new and existing businesses regarding location, improvements or expansion. Cooperative efforts of the BID Members, merchants, City officials and staff will be necessary to achieve desired outcomes. Staff will continue to work with the developer of 2900 Apartments to help coordinate their effort with area businesses and complete the necessary construction and opening.
2. Coordination and monitoring of the Graffiti Removal and Street Maintenance Program for area merchants.
3. Continued communication of BID Board Activities to members of the BID.
4. Coordinate new ideas for business district identity.
5. Identify and execute projects that will enhance the physical environment in order to attract and retain customers in the district such as the introduction of "parklets" to the street to encourage outdoor dining in areas that do not have the public space to do so now.
6. Work with BIDs from East Side, Downer, Brady and Shorewood to plan and execute family friendly biking event that will access all 5 Bids.
7. Design, purchase and erect new banners for harp lights.

D. Proposed Expenditures – Year Twenty-Seven

Program Expenses

Purchase, design, erect new banners for harp lights	\$ 15,000
Streetscape Maintenance Program:	\$ 7,000
Planter landscaping:	\$ 10,000
Graffiti Removal Expenses:	\$ 1,000
Marketing:	\$ 1,000
Professional Services:	\$ 3,600
Holiday Lighting installation	\$ 4,500
Utilities	\$ 600
<hr/>	
Total expenditures:	\$ 42,700

Operating Revenues:

Adopted Year 28 Special Assessments (City Milw.):	\$ 25,000
Carry Over, 2018 funds:	\$ 70,000 (est.)
<hr/>	
Total available revenues:	\$ 95,000 (est)

E. Financing Method

It is estimated that the district will carry forward approximately \$95,000 from 2019. On October 1, 2013, the Board voted to collect \$25,000 from district property owners. This reflects 50% of the traditional annual amount of \$50,000 collected from the BID's inception to 1994. The BID will collect \$25,000 (approx.) from property owners through the special assessment and use approximately \$70,000 in reserves to pay for the services and projects that they have determined to be essential to the health of the district and endeavor on new projects that will move the street forward and improve the health and vitality of the district.

F. Organization of BID Board

The Board's primary responsibility will be implementation of this Operating Plan. This will require the Board to negotiate with providers of services and materials to carry out the Plan; to enter into various contracts; to monitor development activity; to periodically revise the Operating Plan; to ensure district compliance with the provisions of applicable statutes and regulations; and to make reimbursements for any overpayment of BID assessments.

IV. METHOD OF ASSESSMENT

A. Assessment Rate and Method

The principle behind the assessment methodology is that each property should contribute to the BID in proportion to the benefit derived from the BID. The method of assessment is a 50% split between assessed value and linear front footage. Property owners believe this to be a method that takes into account all characteristics of a property in relation to benefits derived. The formula is identical to the formula adopted by the board for 2019. For the first time in 2018 the BID was required to comply with a new state law that limits the collections received from mixed use properties to proportion of assessed value that is used for non-residential purposes. There were 14 properties that had their assessments reduced because of this change in state law.

Excluded/Exempt Property and Residential Hotel Assessment

The BID law requires explicit consideration of certain classes of property. In compliance with the law the following statements are provided.

1. State Statute 66.1109: The district will contain property used exclusively for manufacturing purposes, as well as properties used in part for manufacturing. These properties will be assessed according to the method set forth in this plan because it is assumed that they will benefit from development in the district.
2. State Statute 66.1109: Property known to be used exclusively for residential purposes will not be assessed; such properties will be identified as BID Exempt Properties in Appendix A, as revised each year.
3. In accordance with the interpretation of the City Attorney regarding State Statute 66.1109, property exempt from general real estate taxes has been excluded from the district. Privately owned tax-exempt property adjoining the district and which is expected to benefit from district activities may be asked to make a financial contribution to the district on a voluntary basis.
4. Property determined to be a residential hotel will be assessed at half the rate of normal assessment per BID By-laws.

V. RELATIONSHIP TO MILWAUKEE COMPREHENSIVE PLAN AND ORDERLY DEVELOPMENT OF THE CITY

A. City Plans

BID #13 was actively involved in the development of the adopted Northeast Side plan and will pursue improvements to the area that are consistent with that plan.

B. City Role in District Operations

The City of Milwaukee has committed to helping private property owners in the district. To this end, the City expected to play a significant role in the creation of the Business Improvement District and in the implementation of the Operating Plan. In particular, the City will:

- Provide technical assistance to the proponents of the district through adoption of the Plan and provide assistance as appropriate thereafter.
- Monitor and, when appropriate, apply for outside funds that could be used in support of the district. Work with the BID to identify a city contribution to assist with a major streetscape project.
- Collect assessments, maintain in a segregated account, and disburse the monies of the district.
- Receive annual audits as required per sec. 66.1109 of the BID law.
- Provide the Board, through the Tax Commissioner's Office on or before June 1st of each Plan year, with the official city records on the assessed value of each tax key number with the district, as of January 1st each Plan year, for purposes of calculating the BID assessments.
- Encourage the State of Wisconsin, Milwaukee County and other units of government to support the activities of the district.
- Prepare, with the participation of the BID Board, the development agreement described in section III.B. and section III.D of this plan and submit the draft agreement to the BID Board and the appropriate city officials for their consideration.

VI. FUTURE YEAR OPERATING PLANS

A. Phased Development

It is anticipated that the BID will continue to revise and develop the Operating Plan annually, in response to changing development needs and opportunities in the district, in accordance with the purposes and objectives defined in the initial Operating Plan.

Section 66.1109 of the BID law requires the Board and the City to annually review and make changes as appropriate in the Operating Plan. Therefore, while this document outlines in general terms the complete development program, it focuses upon Year 28 activities, and information on specific assessed values, budget amounts and assessment amounts are based on Year 27 condition. Greater detail about subsequent year's activities will be provided in the required annual Plan updates, and approval by the Common Council of such Plan updates shall be conclusive evidence of compliance with this Plan and the BID law.

In later years, the BID Operating Plan will continue to apply the assessment formula, as adjusted, to raise funds to meet the next annual budget. However, the method of assessing shall not be materially altered, except with the consent of the City of Milwaukee.

B. Amendment, Severability and Expansion

This BID has been created under authority of /66/XI/1109of the Statutes of the State of Wisconsin. Should any court find any portion of this Statute invalid or unconstitutional its decision will not invalidate or terminate the BID and this BID Plan shall be amended to conform to the law without need of re-establishment. Should the legislature amend the Statute to narrow or broaden the process of a BID so as to exclude or include as assessable properties a certain class or classes of properties, then this BID Plan may be amended by the Common Council of the City of Milwaukee as and when it conducts its annual Operating Plan approval and without necessity to undertake any other act. This is specifically authorized under State statutes/66/XI/1109

APPENDIX A

2019 BOARD OF DIRECTORS BID #13 – Oakland and Locust

Clark Kaufmann, President/Treasurer –
Owner of Clark Graphics, 2915 N. Oakland Avenue

Sal Lococo, Secretary –
Owner of Sal's on Oakland, 2919 N. Oakland Avenue

Jesse Vanderlinden, Member –
Manager of Goodwill, 2830 N. Oakland Avenue

Tom Aldridge, Member –
Owner of George Webb's, 2935 N. Oakland Avenue

Michael Vitucci, Member
Owner of property at 2847 – 2851 N. Oakland Avenue

Josh Brown, Member

Co-Owner of Good Land Wing Company - 2911 N. Oakland Avenue

Vacant

APPENDIX B

OAKLAND AVENUE BID #13 - FINAL ASSESSMENTS FOR 2020

TAX KEY NO.	HOUSE	STREET	OWNER NAME	ADJUSTMENT FACTOR	ASSESSMENT	ADJUSTED TOTAL FOR 2967 OAKLAND	MIXED USE FACTOR	MIXED USED ASSESSED VALUE ADJUSTMENT	FRONT FT	ADJUSTED FRONT FT FOR 2967	MIXED USE FRONT FT ADJUSTMENT	ASSESSMENT PER VALUE	ASSESSMENT PER FRONT FT	Final 2020 BID ASSESSMENT
3150002000	2977	OAKLAND	2877-79 N. Oakland Ave. LLC	1	\$332,800	\$332,800	39%	\$129,792	31	31	12.09	\$268.06	\$204.67	\$236.37
3150003000	2975	OAKLAND	JEREMIAH R FASS	1	\$264,600	\$264,600	41%	\$108,486	30	30	12.30	\$224.06	\$208.23	\$216.15
3150004000	2967	OAKLAND	SOON JA CHOI	0.5	\$1,215,400	\$607,700	100%	\$607,700	60	30	30.00	\$1,255.09	\$507.88	\$681.49
3150005000	2961	OAKLAND	Gary J Bloggino	1	\$440,200	\$440,200	55%	\$242,110	30	30	16.50	\$500.03	\$279.33	\$389.68
3150006000	2957	OAKLAND	MICHAEL BONGIORNO & JANET	0	\$168,200	\$0	0%	\$0	0	0	0.00	\$0.00	\$0.00	\$0.00
3150007000	2955	OAKLAND	Mary Lou Kelley Trust	1	\$186,000	\$186,000	100%	\$186,000	30	30	30.00	\$384.15	\$507.88	\$446.02
3150008000	2949	OAKLAND	M & J OAKLAND LLC	1	\$216,500	\$216,500	52%	\$112,580	30	30	15.60	\$232.51	\$264.10	\$248.31
3150009000	2945	OAKLAND	2835 M LLC	1	\$262,300	\$262,300	23%	\$60,329	30	30	6.90	\$124.60	\$116.81	\$120.71
3150010000	2943	OAKLAND	H&A Property MGMT LLC	1	\$259,900	\$259,900	39%	\$101,351	30	30	11.70	\$209.34	\$198.07	\$203.71
3150301000	2937	OAKLAND	Matthew Kahl	0	\$194,500	\$0	0%	\$0	0	0	0.00	\$0.00	\$0.00	\$0.00
3150302000	2935	OAKLAND	Joel E. Garber 2012 TR D/6/20/	1	\$354,500	\$354,500	100%	\$354,500	30	30	30.00	\$732.15	\$507.88	\$620.02
3150303000	2929	OAKLAND	Legerman Dental LLC	1	\$265,200	\$265,200	60%	\$159,120	30	30	18.00	\$328.63	\$304.73	\$316.68
3150304000	2927	OAKLAND	Locust Bremen LLC	1	\$307,800	\$307,800	31%	\$95,418	30	30	9.30	\$197.07	\$157.44	\$177.26
3150305000	2921	OAKLAND	2921-2923 N. OAKLAND AVENUE, LLC	1	\$432,200	\$432,200	57%	\$246,354	45	45	25.65	\$508.80	\$474.23	\$471.52
3150306100	2915	OAKLAND	2915 N. OAKLAND AV LLC	1	\$270,900	\$270,900	100%	\$270,900	45	45	45.00	\$559.49	\$761.81	\$660.65
3150307110	2907	OAKLAND	SO-FEE PROPERTIES LTD	1	\$1,317,800	\$1,317,800	100%	\$1,317,800	91	91	91.00	\$2,721.66	\$1,540.56	\$2,131.11
3151201000	1719	LOCUST	WASH BUILDING LLC	1	\$296,200	\$296,200	100%	\$296,200	60	60	60.00	\$611.74	\$1,015.75	\$813.75
3151202000	2857	OAKLAND	ALLAN R RAMUSSEN	1	\$700,500	\$700,500	60%	\$420,300	91	91	54.60	\$868.05	\$924.33	\$896.19
3151203000	2853	OAKLAND	ALLAN & DANUTA, LLC	1	\$493,400	\$493,400	66%	\$325,644	30	30	19.80	\$672.55	\$335.20	\$603.88
3151204000	2845	OAKLAND	2845 OAKLAND LLC	1	\$764,200	\$764,200	51%	\$389,742	60	60	30.60	\$604.94	\$518.03	\$661.49
3151301000	2831	OAKLAND	Little Caesar's Enterprises	1	\$184,700	\$184,700	100%	\$184,700	120	120	120.00	\$381.46	\$2,031.50	\$1,206.48
3160078000	1814	NEWBERRY	KEVIN B DUINN	0	\$333,400	\$0	0%	\$0	0	0	0.00	\$0.00	\$0.00	\$0.00
3160079000	1806	NEWBERRY	MURRAY HILLS INVESTMENT	0	\$362,000	\$0	0%	\$0	0	0	0.00	\$0.00	\$0.00	\$0.00
3160080000	1802	NEWBERRY	MICHAEL BRODERICK	0	\$321,800	\$0	0%	\$0	0	0	0.00	\$0.00	\$0.00	\$0.00
3160081000	2812	OAKLAND	GERALD P BRODERICK	0	\$234,000	\$0	0%	\$0	0	0	0.00	\$0.00	\$0.00	\$0.00
3160753111	2830	OAKLAND	OAKLAND AVENUE II LLC	1	\$919,200	\$919,200	100%	\$919,200	184	184	184.00	\$1,898.43	\$3,114.97	\$2,506.70
3160754000	2840	OAKLAND	Olympia IV LLC	1	\$601,800	\$601,800	100%	\$601,800	60	60	60.00	\$1,242.90	\$1,015.75	\$1,129.33
3160755000	2850	OAKLAND	OLYMPIA-KALTS LLC	1	\$1,083,990	\$1,083,990	56%	\$606,994	116	116	64.96	\$1,233.61	\$1,099.72	\$1,176.67
3160756000	2864	OAKLAND	WCP INVESTMENTS LLC	1	\$705,800	\$705,800	54%	\$381,132	31	31	16.74	\$787.15	\$283.39	\$335.27
3161891000	2900	OAKLAND	LOCUST PROPCO, LLC	1	\$1,117,900	\$1,117,900	100%	\$1,117,900	91	91	91.00	\$2,388.80	\$1,540.56	\$1,924.68
3161119100	2974	OAKLAND	LINWOOD/OAKLAND LLC	1	\$399,700	\$399,700	100%	\$399,700	60	60	60.00	\$825.50	\$1,015.75	\$920.63
3161120000	2968	OAKLAND	LILAC PROPERTIES LLC	0	\$935,300	\$0	0%	\$0	0	0	0.00	\$0.00	\$0.00	\$0.00
3161871000	2950	OAKLAND	OAKLAND AVE ASSOC LLC	1	\$2,469,000	\$2,469,000	100%	\$2,469,000	361	361	361.00	\$5,099.24	\$6,111.43	\$5,605.34
TOTAL:					\$16,411,600	\$15,254,700		\$12,104,752	1806	1776	1476.74	\$25,000	\$25,000	\$25,000

ANNUAL COST \$25,000

ADJUSTMENT FACTOR = 0: EXCLUSIVELY RESIDENTIAL PARCELS NOT ASSESSED

- Exempt Property
- Mixed Use Property

Business Improvement District #13

Year 27 – 2019

Annual Report

- The BID participated in the regular annual activity of keeping the street in a clean and maintained condition through our cleaning service with Riverworks Cleans.
- The BID continued working with KEI to provide professional planting and watering service. The results have been well received by business owners and customers alike.
- The BID Board continued to monitor the most recent assessment cases and decisions that are negatively affecting local small business owners on the street. Due to some recent court decisions and the reaction of the Assessor to threatened legal action small business owners on the street feel as if they are now carrying a larger portion of the burden. The Board continues to investigate whether additional action may be taken.
- Construction of a new catalytic mixed-use development at the northeast corner of Oakland and Locust (2900 Apartments) replacing a run-down Cousin's Subs location was coming to an end. The new development, which includes 55 new apartments along with 10,000 sq. ft of new retail space represents the first major new construction on Oakland Avenue over the past 10 years. The BID was actively involved in supporting the new development as well as acting as a liaison between the developer/general contractor and local businesses. BID has engaged in assisting to recruit the right mix of tenants for the space.
- BID staff remained active with the City of Milwaukee BID Council and the working group assembled to review and advocate for legislation that benefits BID's, local business and local property owners at the State and local level.

**BUSINESS IMPROVEMENT DISTRICT #13
MILWAUKEE, WISCONSIN**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2018 AND 2017**

BUSINESS IMPROVEMENT DISTRICT #13
MILWAUKEE, WISCONSIN

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KRAUSE & ASSOCIATES, S.C.
CERTIFIED PUBLIC ACCOUNTANT

1214 BRIDGE STREET
P.O. BOX 368
GRAFTON, WISCONSIN 53024

TELEPHONE: (262) 377-9988
FAX: (262) 377-9617

Independent Auditor's Report

Board of Directors
Business Improvement District #13
Milwaukee, Wisconsin

We have audited the accompanying financial statements of Business Improvement District #13, which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

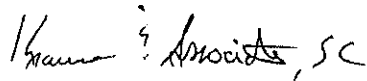
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, financial statements referred to above present fairly, in all material respects, the financial position of the Business Improvement District #13 as of December 31, 2018 and 2017 and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Krause & Associates, SC". The signature is written in a cursive style with a small mark above the 'i' in "Associates".

Krause & Associates, SC
Grafton, Wisconsin
May 30, 2019

BUSINESS IMPROVEMENT DISTRICT #13
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 73,230	\$ 83,278
Prepaid expenses	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 73,230</u>	<u>\$ 83,278</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 1,200	\$ 2,275
TOTAL LIABILITIES	1,200	2,275
NET ASSETS		
Without donor restrictions	<u>72,030</u>	<u>81,003</u>
TOTAL NET ASSETS	<u>72,030</u>	<u>81,003</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 73,230</u>	<u>\$ 83,278</u>

The accompanying notes are an integral part of these financial statements.

BUSINESS IMPROVEMENT DISTRICT #13
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
REVENUE		
BID assessments	\$ 25,000	\$ 25,000
EXPENSES		
Program:		
Graffiti removal and trash maintenance	7,921	8,384
Holiday lighting	11,966	2,700
Plantings	8,807	4,465
Banners	-	2,093
Utilities	243	393
Advertising and promotion	<u>715</u>	<u>280</u>
Total program	29,652	18,315
Administrative expenses:		
Executive director	3,600	3,600
Professional fees	-	1,250
Office	<u>721</u>	<u>304</u>
Total administrative	<u>4,321</u>	<u>5,154</u>
Total expenses	<u>33,973</u>	<u>23,469</u>
Changes in net assets	(8,973)	1,531
Net assets, beginning of year	<u>81,003</u>	<u>79,472</u>
Net assets, at end of year	<u>\$ 72,030</u>	<u>\$ 81,003</u>

The accompanying notes are an integral part of these financial statements.

BUSINESS IMPROVEMENT DISTRICT #13
 STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (8,973)	\$ 1,531
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
(Increase) decrease in prepaid expenses	-	-
Increase (decrease) in accounts payable	<u>(1,075)</u>	<u>1,586</u>
Net cash provided by (used in) operating activities	<u>(10,048)</u>	<u>3,117</u>
Net increase (decrease) in cash and cash equivalents	(10,048)	3,117
Cash and cash equivalents, beginning of year	<u>83,278</u>	<u>80,161</u>
Cash and cash equivalents, end of year	<u>\$ 73,230</u>	<u>\$ 83,278</u>
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

BUSINESS IMPROVEMENT DISTRICT #13
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Organization and business activity

The Business Improvement District #13 (BID) represents the commercial crossroad neighborhood of North Oakland Avenue and East Locust Street on Milwaukee's East Side. Specifically, all commercial properties on the 2800 and 2900 blocks of North Oakland Avenue and the 1700 and 1800 blocks of East Locust Street are included in the BID.

The BID was formed to commence streetscaping for key streets as well as promotion and management of the district. Programs include weekly litter maintenance, graffiti removal, façade improvement grants, landscaping and marketing.

The Mayor and the Common Council created the BID in October 1994 under the authority granted by Wisconsin Statutes Section 66.1109. Operating and improvement funds are provided from special assessment taxes paid by commercial property owners in the district.

The BID is an association of property owners governed by nine board members. Members are appointed to three-year terms by the Mayor and confirmed by the Common Council. The BID is managed by a contracted executive director.

2. Cash and cash equivalents

Funds kept in checking, savings or money market accounts are considered cash or cash equivalents. The BID at times, maintains cash balances exceeding federally insured limits.

3. Prepaid expenses

Prepaid expenses represent disbursements paid in advance for the subsequent fiscal year.

BUSINESS IMPROVEMENT DISTRICT #13
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Net assets

The BID follows the accrual method of accounting wherein revenues and expenses are recorded in the period earned or incurred. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The BID reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

5. Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

6. Allocation of functional expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied, on the basis of estimates of time and effort.

BUSINESS IMPROVEMENT DISTRICT #13
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

7. Streetscape improvements

Streetscape improvements are not capitalized; rather they are expensed as incurred as they are considered part of the City of Milwaukee's public infrastructure.

8. Use of estimates

The preparation of the financial statements in conformity with U.S. 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.

9. Income taxes

The BID is a quasi-public entity which is exempt from Federal and Wisconsin income taxes.

The BID evaluates its tax positions and assesses their uncertainty, if any, through review and application of various sources of tax authority including statutes, regulations, rulings, court cases and widely held administrative practices.

10. Change in accounting principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The BID has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly.

11. Subsequent Events

Management has evaluated subsequent events for recognition and disclosure in the financial statements through May 30, 2019, which is the date that the financial statements were available to be issued.

BUSINESS IMPROVEMENT DISTRICT #13
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

B – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date of December 31, 2018, comprise the following:

Cash and cash equivalents	<u>\$ 73,230</u>
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As part of its liquidity plan, cash in excess of daily requirements remains in a checking account with a local bank.

C – MANAGEMENT SERVICES

The BID contracts for management services with a part-time administrator on a year-to-year basis at \$300 per month. The total paid in 2018 and 2017 under this contract was \$3,600 each year.