

AIRPORT GATEWAY BUSINESS IMPROVEMENT DISTRICT #40

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2008

AIRPORT GATEWAY BUSINESS IMPROVEMENT DISTRICT #40

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Independent Auditor's Report

Board of Directors
Airport Gateway Business Improvement District #40

We have audited the accompanying balance sheet of Airport Gateway Business Improvement District #40 (a nonprofit organization) as of December 31, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Airport Gateway Business Improvement District #40's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Airport Gateway Business Improvement District #40 as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Airport Gateway Business Improvement District #40 taken as a whole. The accompanying schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
August 26, 2009

Ritz Holman LLP
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**AIRPORT GATEWAY BUSINESS IMPROVEMENT DISTRICT #40
BALANCE SHEET
DECEMBER 31, 2008**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 162,419	
Prepaid Expenses	10,856	
Total Current Assets	173,275	\$ 173,275

TOTAL ASSETS		\$ 173,275
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ ---	
Total Liabilities	---	\$ ---

NET ASSETS

Unrestricted		
Operating	\$ 173,275	
Total Net Assets	173,275	173,275

TOTAL LIABILITIES AND NET ASSETS		\$ 173,275
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The accompanying notes are an integral part of these financial statements.

**AIRPORT GATEWAY BUSINESS IMPROVEMENT DISTRICT #40
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Unrestricted	
REVENUE		
Assessment Income	\$ 321,663	
Investment Income	3,208	
Total Revenue		\$ 324,871
EXPENSES		
Program Services	\$ 238,013	
Management and General	42,935	
Total Expenses		280,948
CHANGE IN NET ASSETS		\$ 43,923
Net Assets, Beginning of Year		129,352
NET ASSETS, END OF YEAR		\$ 173,275

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

**AIRPORT GATEWAY BUSINESS IMPROVEMENT DISTRICT #40
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 43,923
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
(Increase) Decrease in Prepaid Expenses	3,290
Increase (Decrease) in Accounts Payable	<u>(2,500)</u>
Net Cash Provided by Operating Activities	<u>\$ 44,713</u>
Net Increase in Cash and Cash Equivalents	\$ 44,713
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>117,706</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 162,419</u></u>

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

AIRPORT GATEWAY BUSINESS IMPROVEMENT DISTRICT #40

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2008

**AIRPORT GATEWAY BUSINESS IMPROVEMENT DISTRICT #40
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE A - Summary of Significant Accounting Policies

Organization

Airport Gateway Business Improvement District #40 (BID #40) was created by the Common Council of the City of Milwaukee pursuant to Wisconsin Statutes. The purpose of BID #40 is to develop, improve, and promote the section of Milwaukee surrounding the airport. The Organization area is roughly bounded by Layton Avenue to the north, 13th Street to the west, College Avenue to the south, and the Milwaukee/Cudahy border to the east.

Airport Gateway Business Improvement District #40 is exempt from tax as an affiliate of a governmental unit under Section 501(a) of the Internal Revenue Code.

Accounting Method

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

Fixed Assets

Fixed Assets are recorded at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

Basis of Presentation

Financial Statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards SFAS No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Assets of the restricted classes are created only by donor-imposed restrictions.

Contributions

BID #40 accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. 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.

AIRPORT GATEWAY BUSINESS IMPROVEMENT DISTRICT #40
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE A - Summary of Significant Accounting Policies (continued)

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.

NOTE B - Management Arrangement

Under an arrangement with Wisconsin Association Management, the Organization was provided with certain management and administrative duties. Under this contract, the administrative fees were \$42,935 for the year ended December 31, 2008.

NOTE C - Concentration of Risk

The Organization maintains its cash balances at one financial institution. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2008, the Organization had no uninsured cash balances.

**AIRPORT GATEWAY BUSINESS IMPROVEMENT DISTRICT #40
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Program Services	Management and General	Total
Administration and Basic Office	\$ ---	\$ 42,935	\$ 42,935
Design, Beautification and Maintenance	8,593	---	8,593
Public Safety Initiative	56,678	---	56,678
Marketing and Promotion	118,793	---	118,793
Consulting	4,949	---	4,949
Airport Gateway Business Association	49,000	---	49,000
Totals	<u>\$ 238,013</u>	<u>\$ 42,935</u>	<u>\$ 280,948</u>