

**WEST BURLEIGH STREET
BUSINESS IMPROVEMENT DISTRICT #27**

REPORT ON FINANCIAL STATEMENTS

For the year ended December 31, 2018

**WEST BURLEIGH STREET
BUSINESS IMPROVEMENT DISTRICT NO. 27
For the years ended December 31, 2017**

<u>CONTENTS</u>	<u>PAGE</u>
Independent Auditors' Report	1
Statement of Financial Position	2
Statement of Activities and Net Assets	3
Statement of Functional Expenses	4
Statement of Cash flows	5
Notes to Financial Statements	6-8

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
West Burleigh Street Business Improvement District No. 27

Report on the Financial Statements

We have reviewed the accompanying statement of financial statements of West Burleigh Street Business Improvement District No. 27 (the Organization) which comprise the Statement of Financial Position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 the financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with standards for Accounting and Review Services promulgated by Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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

Binson and Associates, LLC.

Milwaukee, Wisconsin
August 2, 2019

**WEST BURLEIGH STREET BUSINESS
IMPROVEMENT DISTRICT NO. 27
STATEMENT OF FINANCIAL POSITION
As of December 31, 2018**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents \$ 58,886

Total current assets 58,886

FIXED ASSETS:

Furniture and equipment 40,138

Less: Accumulated depreciation (36,087)

Total net fixed assets 4,051

Total assets \$ 62,937

LIABILITIES AND NET ASSETS

NET ASSETS:

Unrestricted 62,937

Total net assets 62,937

Total liabilities and net assets \$ 62,937

See notes to financial statements

**WEST BURLEIGH STREET BUSINESS
IMPROVEMENT DISTRICT NO. 27
STATEMENT OF ACTIVITIES AND NET ASSETS
For the year ended December 31, 2018**

REVENUES:

City of Milwaukee Bid Assessment	\$ <u>32,799</u>
Total revenue	32,799

EXPENSES:

Program Services	10,370
Management and Supporting Services	<u>22,199</u>
Total expenses	<u>32,569</u>

Change in net assets 230

NET ASSETS, beginning of year 62,707

NET ASSETS, end of year \$ 62,937

See notes to financial statements

**WEST BURLEIGH STREET BUSINESS
IMPROVEMENT DISTRICT NO. 27
SCHEDULE OF FUNCTIONAL EXPENSES
For the year ended December 31, 2018**

	<u>Program Services</u>	<u>Management and Supporting Services</u>	<u>Total</u>
EXPENSES:			
Marketing and Promotion	\$ -	\$ -	\$ -
Neighborhood improvements	10,370	-	10,370
Management Fee	-	11,500	11,500
Professional Fees	-	3,500	3,500
General liability insurance	-	1,600	1,600
Office Administration	-	704	704
Depreciation Expense	<u>-</u>	<u>4,895</u>	<u>4,895</u>
Total expenses	<u>\$ 10,370</u>	<u>\$ 22,199</u>	<u>\$ 32,569</u>

See notes to financial statements

**WEST BURLEIGH STREET BUSINESS
IMPROVEMENT DISTRICT NO. 27
STATEMENT OF CASH FLOWS
For the year ended December 31, 2018**

**CASH FLOWS FROM
OPERATING ACTIVITIES:**

Changes in net assets	\$ 230
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	<u>4,895</u>
Net cash used by operating activities	<u>5,125</u>
Net decrease in cash and equivalents	5,125
CASH AND EQUIVALENTS, beginning of period	<u>53,761</u>
CASH AND EQUIVALENTS, end of period	<u>\$ 58,886</u>

See notes to financial statements

WEST BURLEIGH STREET BUSINESS IMPROVEMENT DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2018

NOTE A - NATURE OF ORGANIZATION

The West Burleigh Street Business Improvement District No. 27 (BID #27) was created by the Common Council of the City of Milwaukee pursuant to Wisconsin Statutes. The law enables cities to establish Business improvement districts (BIDs) for the purpose of allowing businesses within those districts to develop, manage and promote the districts and to establish an assessment method to fund these activities. BID No 27 was created for the purpose of revitalizing and improving the business area. The organization's mission is to develop, to manage and promote the area along Burleigh Street between Sherman Boulevard and 60th Street in the City of Milwaukee, Wisconsin.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The financial statements for BID No. 27 are prepared on the accrual basis, whereby revenues are recognized when earned rather than received and expenses are recognized when incurred rather than when they are paid.

Assets, liabilities, revenues and expenses are recognized on the accrual basis method of accounting. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Without Donor Restrictions:

Net assets that are not subject to donor-imposed stipulations or Board imposed restrictions.

With Donor Restriction:

Net assets subject to restrictions imposed by the Board of Directors and determined to be unavailable for general use.

Permanently restricted net assets include contributed net assets which require, by donor imposed restriction, that the corpus be invested in perpetuity and only the income be made available for the program operations in accordance with donor restrictions.

As of December 31, 2018, all of BID No. 27's net assets were without donor restrictions

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("USGAAP") 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 revenue and expenses during the reporting period. Actual results could differ from these estimates.

Subsequent Events

The Organization has evaluated subsequent events through August 2, 2019, the date on which the financial statements were available to be distributed. There were no subsequent events that required recognition or disclosure.

Revenue Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged. Revenues are reported in unrestricted net assets, unless use of the related assets is limited by the donor-imposed restrictions. Donor-restricted contributions, grants and investment income whose restrictions are met within the same year as received are reflected in the change in temporarily restricted net assets. Contributions to be received after one year are discounted at a rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue and used in accordance with donor-imposed restrictions, if any, on the contributions.

BID No. 27 reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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. Donor-restricted contributions whose restrictions are met in same reporting period are reported as unrestricted support.

Sponsorship revenue received in advance of the event is recorded as deferred revenue and is recognized as income in the period the event occurs.

Cash and Cash Equivalents

The Organization considers all short-term investments in interest-bearing bank accounts, securities and other instruments having an original maturity of three months or less, to be equivalent to cash.

Fixed Assets

Expenditures for the acquisitions of property and equipment are capitalized at cost. The fair value of donated property at the date of gift is similarly capitalized. It is the Organization's policy to capitalize all property and equipment expenditures greater than \$1,000. Certain expenditures less than \$1,000 may be capitalized at the discretion of management. The Organization classifies property and equipment as designated unrestricted net assets on the statements of financial position. Depreciation is computed by the straight-line method over the following estimated useful lives of 5 to 7 years for equipment. Expenditures that materially extend the life of an asset are capitalized. Expenditures for repairs are expensed as incurred.

Depreciation expense during 2018 is \$4,895.

Income Taxes

BID No. 27 is considered part of the City of Milwaukee and as such is covered under the City of Milwaukee's tax reporting requirements. Therefore, no provision for income taxes has been included in these financial statements.

The Organization policy is to evaluate, at least annually, the potential for income tax exposure from unrelated business income or from loss of nonprofit status. Tax year ending December 31, 2014 and after are currently open to potential audits.

The Organization receives property tax assessment income from the City of Milwaukee. The Organization's operations rely on the availability of these funds. Approximately 100% of the Organization's revenues were from the City of Milwaukee for the year ended December 31, 2018.

Related Party Transactions

Occasionally, BID No. 27 will contract the services of one of the local businesses in the area whose principal officer and/or owner also serves on the board of BID No. 27. During the year, BID No. 27 did not have any related party transactions during 2018.