

**Oakland Business  
Improvement District  
(of the City of Pittsburgh)**

Financial Statements and  
Required Supplementary and  
Supplementary Information

Years Ended December 31, 2017 and 2016  
with Independent Auditor's Report

**MaherDuessel**

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# OAKLAND BUSINESS IMPROVEMENT DISTRICT (OF THE CITY OF PITTSBURGH)

YEARS ENDED DECEMBER 31, 2017 AND 2016

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## Independent Auditor's Report

**Board of Directors  
Oakland Business  
Improvement District**

We have audited the accompanying financial statements of the Oakland Business Improvement District (District), as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **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 misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. 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 audits 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 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of December 31, 2017 and 2016, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page i be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison report and combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison report and combining financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with

auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison report and combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Mahe Duessel*

Pittsburgh, Pennsylvania  
July 31, 2018

Oakland Business Improvement District  
(of the City of Pittsburgh)  
Management's Discussion and Analysis  
Year Ended December 31, 2017

This section of the Oakland Business Improvement District's (District) annual financial report presents management's discussion and analysis of the District's financial performance during the year ended December 31, 2017.

Please read it in conjunction with the District's financial statements which immediately follow the section.

**Financial Highlights**

Total revenue for 2017 was \$707,240 compared to \$872,942 in 2016, a decrease of \$165,702. The 2017 assessment revenue – \$296,758 – was an increase of less than 1% from 2016 – which was \$296,049. Non-assessment revenues for 2017 were \$410,482, a decrease of approximately 27% from 2016 – which was \$410,482. The decrease was primarily due to grant revenue in the prior year related to specific Innovation Oakland projects.

Total expenses for 2017 were \$856,312 compared to \$953,612 in 2016, a decrease of \$97,300. The decrease was primarily due to less activity in the Innovation Oakland project in the current year.

Total assets as of December 31, 2017 were \$509,586 compared to \$657,119 in 2016. The decrease was primarily due to less cash received in the current year as there were fewer grants.

**Overview of the Financial Statements**

The financial section of this annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements including related notes to financial statements, and supplementary information.

The financial statements provide both long-term and short-term information about the District's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of supplementary information that further explains and supports the information in the financial statements.

***NET POSITION***

Net position decreased from \$567,733 at December 31, 2016 to \$418,661 at December 31, 2017, due to the excess of expenses over revenues for 2017. Net position at December 31, 2017 consists of \$283,605 invested in capital assets, \$19,547 restricted for Innovation Oakland, and \$115,509 unrestricted.

# OAKLAND BUSINESS IMPROVEMENT DISTRICT (OF THE CITY OF PITTSBURGH)

## STATEMENTS OF NET POSITION

DECEMBER 31, 2017 AND 2016

	2017	2016
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 145,150	\$ 211,861
Certificate of deposit	10,668	10,668
Assessment receivable	24,346	23,651
Grants receivable	45,817	24,987
Total current assets	225,981	271,167
Capital assets:		
Office and plaza equipment	566,012	566,012
Accumulated depreciation	(282,407)	(180,060)
Total capital assets	283,605	385,952
<b>Total Assets</b>	<b>\$ 509,586</b>	<b>\$ 657,119</b>
<b>Liabilities and Net Position</b>		
Liabilities:		
Accounts payable	\$ 79,696	\$ 42,473
Unearned revenue	10,901	44,068
Other withholding	328	2,845
Total Liabilities	90,925	89,386
Net Position:		
Net investment in capital assets	283,605	385,952
Restricted	19,547	19,546
Unrestricted	115,509	162,235
Total Net Position	418,661	567,733
<b>Total Liabilities and Net Position</b>	<b>\$ 509,586</b>	<b>\$ 657,119</b>

See accompanying notes to financial statements.

# OAKLAND BUSINESS IMPROVEMENT DISTRICT (OF THE CITY OF PITTSBURGH)

## STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
<b>Operating Revenues:</b>		
Assessment revenue - current	\$ 296,758	\$ 296,049
Assessment revenue - prior year	-	16,961
Grant income	32,377	43,436
Grant income - Innovation Oakland	126,009	208,501
Fair share contributions	147,500	147,500
In-kind revenue - Innovation Oakland	67,325	86,825
In-kind revenue - other	18,304	39,142
Penalty income	-	1,147
Events income	500	30,484
Donation income	7,500	500
	696,273	870,545
<b>Operating Expenses:</b>		
Improvement district operations	522,556	507,755
Innovation Oakland operations	136,738	208,501
In-kind expense - Innovation Oakland	67,325	86,825
In-kind expense - other	18,304	39,142
Assessment write-offs	9,042	9,042
	753,965	851,265
<b>Operating Income (Loss)</b>	(57,692)	19,280
<b>Nonoperating Revenues (Expenses):</b>		
Interest income	133	146
Miscellaneous income	10,834	2,251
Depreciation expense	(102,347)	(102,347)
	(91,380)	(99,950)
<b>Change in Net Position</b>	(149,072)	(80,670)
<b>Net Position:</b>		
Beginning of year	567,733	648,403
End of year	\$ 418,661	\$ 567,733

See accompanying notes to financial statements.

# OAKLAND BUSINESS IMPROVEMENT DISTRICT (OF THE CITY OF PITTSBURGH)

## STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
<b>Cash Flows From Operating Activities:</b>		
Cash received from assessments	\$ 287,021	\$ 301,251
Cash received from fair share contributions	147,500	147,500
Cash received from events	500	30,484
Cash received from donation income	7,500	500
Cash received from penalties	-	1,147
Cash payments for operating expenses	(624,588)	(761,653)
Net cash provided by (used in) operating activities	(182,067)	(280,771)
<b>Cash Flows From Noncapital Financing Activities:</b>		
Grants received	104,389	395,254
Other income received	10,834	2,251
Net cash provided by (used in) noncapital financing activities	115,223	397,505
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Purchase of capital assets	-	(72,582)
Net cash provided by (used in) capital and related financing activities	-	(72,582)
<b>Cash Flows From Investing Activities:</b>		
Interest received on investments	133	146
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	(66,711)	44,298
<b>Cash and Cash Equivalents:</b>		
Beginning of year	211,861	167,563
End of year	\$ 145,150	\$ 211,861
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>		
Operating income (loss)	\$ (57,692)	\$ 19,280
Cash received from operating grants	(158,386)	(251,937)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Change in operating assets:		
Assessment receivable	(695)	(2,717)
Prepaid expenses	-	834
Change in operating liabilities:		
Accounts payable	37,223	(48,543)
Other withholding	(2,517)	2,312
Net cash provided by (used in) operating activities	\$ (182,067)	\$ (280,771)

See accompanying notes to financial statements.

# OAKLAND BUSINESS IMPROVEMENT DISTRICT (OF THE CITY OF PITTSBURGH)

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

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### 1. Organization

The Oakland Business Improvement District (District) was created by the City of Pittsburgh on March 18, 1999 and will be terminated in 2022. Under the Business Improvement District Act (Act), owners of office and retail buildings, parking facilities, and hotels located within the designated area shall be subject to the special assessment authorized by the Act. The Internal Revenue Service has determined that the District is a part of the City of Pittsburgh and is not required to file federal income or information returns.

The amount of funds the assessment is to raise annually is approximately \$290,000, but shall not exceed 3.8 mills based on the combined land and building values established by the Allegheny County Board of Property Assessment. Beginning in 2018, approximately \$472,808 can be raised annually for 2018 and 2019, \$578,258 in 2020, \$589,823 in 2021 and \$601,691 in 2022. The special assessment revenue shall be used solely for administrative services and improvements permitted by the Act and not for essential services provided by the City of Pittsburgh.

### 2. Summary of Significant Accounting Policies

The accompanying financial statements of the District conform to accounting principles generally accepted in the United States of America for governmental enterprise funds. The District has determined the optimal presentation of its financial statements is a stand-alone enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing the service to the general public, including depreciation, are financed or recovered primarily through user charges.

The following is a summary of the significant accounting policies of the District.

#### Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenses are recognized. The accompanying financial statements are presented on an accrual basis whereby revenues are recognized when earned, irrespective of when they are billed or collected, and expenses are recognized when incurred. The major sources of revenue are assessments, grants, and local contributions.

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# OAKLAND BUSINESS IMPROVEMENT DISTRICT (OF THE CITY OF PITTSBURGH)

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

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### Statements of Cash Flows

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

### Capital Assets

Capital assets are valued at historical cost. The District maintains a capitalization threshold for items exceeding a cost of \$2,500 with an estimated life greater than one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is recorded using the straight-line method based on the estimated useful life of the asset.

### Operating Income

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing operations. The principal operating revenues of the District are special assessments charged to certain properties located within the District, operating grants, and fair share contributions received from nonprofit organizations. Operating expenses for the District include the cost of district improvement activities and administrative expenses. Nonoperating revenues and expenses consist of interest income and expense, depreciation expense, and proceeds (loss) on sale of capital assets.

### Net Position

Net position is classified as follows:

- Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation. The District has no bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of their capital assets.
- Restricted – This component of net position consists of constraints placed on net position use. The District had \$19,547 and \$19,546 of net position at December 31, 2017 and 2016, respectively, restricted for the Innovation Oakland project.

# OAKLAND BUSINESS IMPROVEMENT DISTRICT (OF THE CITY OF PITTSBURGH)

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

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- Unrestricted – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

### Budgets and Budgetary Accounting

The District's annual budget is a management tool that assists users in analyzing financial activity for the year and is not a legally-imposed document.

### Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

### Reclassification

Certain prior year amounts in the 2015 financial statements were reclassified to conform to the current year presentation.

## **3. Cash, Cash Equivalents, and Deposits**

### Deposits

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk; however, as of December 31, 2017 and 2016, all of the District's bank balances were covered by federal depository insurance. If the District were to have deposits in excess of FDIC coverage, they would be collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name.

The following is a summary of the District's cash deposits (including certificate of deposits):

**OAKLAND BUSINESS IMPROVEMENT DISTRICT  
(OF THE CITY OF PITTSBURGH)**

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>FDIC Insured</u>	<u>Bank Balance</u>	<u>Carrying Value</u>
Deposits:			
December, 31 2017	\$ 162,908	\$ 162,908	\$ 155,818
December 31, 2016	\$ 229,195	\$ 229,195	\$ 222,529

**4. Sources of Revenues**

The primary sources of revenues are as follows:

	<u>2017</u>	<u>2016</u>
Net assessment revenue - current year	\$ 296,758	\$ 296,049
Fair share contributions	147,500	147,500
Grant income	158,386	251,937
	\$ 602,644	\$ 695,486

The assessments in both 2017 and 2016 are 3.2 mills of the combined assessed taxable land and building values of the properties within the specified area. Any assessments not paid within a year are written off and a lien is placed upon the property as soon as legally possible. Any money later collected is recognized in the period in which it is received.

As of December 31, 2017 and 2016, there were no fair share contributions receivable (due from tax-exempt entities).

Grant income is received from various sources, including governmental organizations, private foundations, and corporations. Unearned revenue was related to grants awarded but not yet spent for an eligible purpose.

**OAKLAND BUSINESS IMPROVEMENT DISTRICT  
(OF THE CITY OF PITTSBURGH)**

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

**5. Capital Assets**

A summary of changes in capital assets is as follows:

	Balance at January 1, 2017	Additions	Deletions	Balance at December 31, 2017
<u>Capital assets, being depreciated:</u>				
Office and plaza equipment	\$ 566,012	\$ -	\$ -	\$ 566,012
Accumulated depreciation	(180,060)	(102,347)	-	(282,407)
Net being depreciated	385,952	(102,347)	-	283,605
Total capital assets, net	<u>\$ 385,952</u>	<u>\$ (102,347)</u>	<u>\$ -</u>	<u>\$ 283,605</u>

	Balance at January 1, 2016	Additions	Deletions	Balance at December 31, 2016
<u>Capital assets, being depreciated:</u>				
Office and plaza equipment	\$ 566,012	\$ -	\$ -	\$ 566,012
Accumulated depreciation	(77,713)	(102,347)	-	(180,060)
Net being depreciated	488,299	(102,347)	-	385,952
Total capital assets, net	<u>\$ 488,299</u>	<u>\$ (102,347)</u>	<u>\$ -</u>	<u>\$ 385,952</u>

**6. Lease Commitments**

The District rents office space from a community non-profit organization. A three-year lease was signed during 2014 that expired June 30, 2017 and one year lease extension signed that expires June 30, 2018. Monthly rent under the lease was \$1,042. Rent expense for the years ended December 31, 2017 and 2016 was \$12,784 and \$12,512, respectively. Subsequent to year-end, the District entered into a three-year lease extension. The agreement is cancellable at anytime with a six month notice.

# OAKLAND BUSINESS IMPROVEMENT DISTRICT (OF THE CITY OF PITTSBURGH)

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

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The 2018 rental payment under the agreement is \$6,528.

### **7. Retirement Plan**

The District maintains a 403(b) retirement plan (Plan) covering substantially all of its employees. Each year, the District contributes to the Plan an amount equal to 6% of employee compensation. Employees qualify for the District's contribution after one year of service. Employees become vested after three years of service. As of December 31, 2017 and 2016, one employee had been vested in the Plan. Pension expense was \$7,271 and \$6,571 for the years ended December 31, 2017 and 2016, respectively.

### **8. Commitments and Contingencies**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

There has been no reduction in insurance coverage from the previous year, nor have amounts of settlements exceeded coverage levels in the past three years.

There were no additional commitments or contingencies for which the District was liable as of December 31, 2017 and 2016.

## **SUPPLEMENTARY INFORMATION**

**OAKLAND BUSINESS IMPROVEMENT DISTRICT  
(OF THE CITY OF PITTSBURGH)**

BUDGETARY COMPARISON REPORT

YEAR ENDED DECEMBER 31, 2017

	Actual	Original Budget	Final Budget	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Assessment income - current	\$ 296,758	\$ 296,865	\$ 296,865	\$ (107)
Assessment income - prior years	-	-	-	-
Grant income and in-kind revenue	244,015	178,250	178,250	65,765
Fair share contributions	147,500	147,500	147,500	-
Interest income	133	100	100	33
Penalty income	-	-	-	-
Miscellaneous income	10,834	100	100	10,734
Events income	500	12,800	12,800	(12,300)
Donation income	7,500	2,000	2,000	5,500
<b>Total revenues</b>	<b>707,240</b>	<b>637,615</b>	<b>637,615</b>	<b>69,625</b>
<b>Expenses:</b>				
Personnel:				
Salaries	129,191	124,236	124,236	(4,955)
FICA-ER	9,883	10,560	10,560	677
SUI-ER	708	-	-	(708)
Health coverage	9,723	10,505	10,505	782
Benefits - mutual	8,374	8,451	8,451	77
<b>Total personnel</b>	<b>157,879</b>	<b>153,752</b>	<b>153,752</b>	<b>(4,127)</b>

(Continued)

**OAKLAND BUSINESS IMPROVEMENT DISTRICT  
(OF THE CITY OF PITTSBURGH)**

BUDGETARY COMPARISON REPORT

YEAR ENDED DECEMBER 31, 2017  
(Continued)

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operations:				
Rent expense	12,784	13,138	13,138	354
Telephone	4,060	4,260	4,260	200
Postage	234	950	950	716
Printing	315	749	749	434
Professional services	-	3,000	3,000	3,000
Filing fees/admin. expense	1,028	1,100	1,100	72
Office supplies	555	300	300	(255)
Computer equipment and software	993	1,450	1,450	457
Small equipment	-	-	-	-
Travel/parking	308	500	500	192
Staff/board development	5,365	3,000	3,000	(2,365)
Dues/subscriptions	983	1,000	1,000	17
Insurance expense	12,332	12,300	12,300	(32)
Computer consulting	1,815	2,000	2,000	185
Advertising/marketing	2,297	2,200	2,200	(97)
Meeting expense	828	200	200	(628)
Board meeting/annual	2,796	2,500	2,500	(296)
Miscellaneous expense	40,656	67,500	67,500	26,844
Payroll service	1,650	1,600	1,600	(50)
General office expense	1,404	300	300	(1,104)
Financial management/audit expense	24,855	24,450	24,450	(405)
Annual report	237	1,000	1,000	763
In-kind service expense	18,304	-	-	(18,304)
	<u>133,799</u>	<u>143,497</u>	<u>143,497</u>	<u>9,698</u>

(Continued)

**OAKLAND BUSINESS IMPROVEMENT DISTRICT  
(OF THE CITY OF PITTSBURGH)**

BUDGETARY COMPARISON REPORT

YEAR ENDED DECEMBER 31, 2017  
(Continued)

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Public space maintenance:				
Cleaning contract	224,216	224,216	224,216	-
Cleaning equipment expense	600	500	500	(100)
Total public space maintenance	<u>224,816</u>	<u>224,716</u>	<u>224,716</u>	<u>(100)</u>
Public space improvement:				
Flower baskets	4,460	3,500	3,500	(960)
Total public space improvement	<u>4,460</u>	<u>3,500</u>	<u>3,500</u>	<u>(960)</u>
Destination marketing:				
Marketing material printing	4,261	-	-	(4,261)
Events	4,259	7,000	7,000	2,741
Advertising	688	-	-	(688)
Total destination marketing	<u>9,208</u>	<u>7,000</u>	<u>7,000</u>	<u>(2,208)</u>

(Continued)

**OAKLAND BUSINESS IMPROVEMENT DISTRICT  
(OF THE CITY OF PITTSBURGH)**

BUDGETARY COMPARISON REPORT

YEAR ENDED DECEMBER 31, 2017  
(Continued)

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Education and outreach:				
Newsletter	1,120	2,500	2,500	1,380
OBID website	887	1,000	1,000	113
Marketing/rebranding	1,830	-	-	(1,830)
Events	5,513	9,000	9,000	3,487
Printing	522	-	-	(522)
Postage	826	-	-	(826)
Total education and outreach	<u>10,698</u>	<u>12,500</u>	<u>12,500</u>	<u>1,802</u>
Innovation Oakland:				
Consultant	33,423	62,100	62,100	28,677
Financial management/audit expense	1,784	2,300	2,300	516
Grant expense	99,406	-	-	(99,406)
Spring event	-	15,000	15,000	15,000
Community outreach	-	-	-	-
Project administration	2,125	2,040	2,040	(85)
In-kind expense	67,325	-	-	(67,325)
Total Innovation Oakland	<u>204,063</u>	<u>81,440</u>	<u>81,440</u>	<u>(122,623)</u>
Depreciation expense	<u>102,347</u>	<u>-</u>	<u>-</u>	<u>(102,347)</u>
Assessment write-off	<u>9,042</u>	<u>11,200</u>	<u>11,200</u>	<u>2,158</u>
Total expenses	<u>856,312</u>	<u>640,105</u>	<u>640,105</u>	<u>(216,207)</u>
<b>Excess (Deficiency) of Revenues Over Expenses</b>	<u>\$ (149,072)</u>	<u>\$ (2,490)</u>	<u>\$ (2,490)</u>	<u>\$ (146,582)</u>

(Concluded)

**OAKLAND BUSINESS IMPROVEMENT DISTRICT  
(OF THE CITY OF PITTSBURGH)**

COMBINING STATEMENT OF NET POSITION

DECEMBER 31, 2017

<u>Assets</u>	<u>OBID - General</u>	<u>Innovation Oakland</u>	<u>Total</u>
<b>Current assets:</b>			
Cash and cash equivalents	\$ 122,724	\$ 22,426	\$ 145,150
Certificate of deposit	10,668	-	10,668
Assessment receivable	24,346	-	24,346
Grants receivable	13,276	32,541	45,817
Prepaid expenses	-	-	-
Total current assets	<u>171,014</u>	<u>54,967</u>	<u>225,981</u>
<b>Capital assets:</b>			
Office and plaza equipment	10,175	555,837	566,012
Accumulated depreciation	<u>(8,995)</u>	<u>(273,412)</u>	<u>(282,407)</u>
Total capital assets	<u>1,180</u>	<u>282,425</u>	<u>283,605</u>
<b>Total Assets</b>	<u><u>\$ 172,194</u></u>	<u><u>\$ 337,392</u></u>	<u><u>\$ 509,586</u></u>
<b>Liabilities and Net Position</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 47,155	\$ 32,541	\$ 79,696
Unearned revenue	8,022	2,879	10,901
Other withholding	<u>328</u>	<u>-</u>	<u>328</u>
Total Liabilities	<u>55,505</u>	<u>35,420</u>	<u>90,925</u>
<b>Net Position:</b>			
Net investment in capital assets	1,180	282,425	283,605
Restricted	-	19,547	19,547
Unrestricted	<u>115,509</u>	<u>-</u>	<u>115,509</u>
Total Net Position	<u>116,689</u>	<u>301,972</u>	<u>418,661</u>
<b>Total Liabilities and Net Position</b>	<u><u>\$ 172,194</u></u>	<u><u>\$ 337,392</u></u>	<u><u>\$ 509,586</u></u>

**OAKLAND BUSINESS IMPROVEMENT DISTRICT  
(OF THE CITY OF PITTSBURGH)**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION**

YEAR ENDED DECEMBER 31, 2017

	<u>OBID - General</u>	<u>Innovation Oakland</u>	<u>Total</u>
<b>Operating Revenues:</b>			
Assessment revenue - current	\$ 296,758	\$ -	\$ 296,758
Assessment revenue - prior year	-	-	-
Grant income	32,377	-	32,377
Grant income - Innovation Oakland	-	126,009	126,009
Fair share contributions	147,500	-	147,500
In-kind revenue - Innovation Oakland	-	67,325	67,325
In-kind revenue - other	18,304	-	18,304
Penalty income	-	-	-
Events income	500	-	500
Donation income	7,500	-	7,500
	<u>502,939</u>	<u>193,334</u>	<u>696,273</u>
<b>Operating Expenses:</b>			
Improvement district operations	522,556	-	522,556
Innovation Oakland operations	-	136,738	136,738
In-kind expense - Innovation Oakland	-	67,325	67,325
In-kind expense - other	18,304	-	18,304
Assessment write-offs	9,042	-	9,042
	<u>549,902</u>	<u>204,063</u>	<u>753,965</u>
<b>Operating Loss</b>	<u>(46,963)</u>	<u>(10,729)</u>	<u>(57,692)</u>
<b>Nonoperating Revenues (Expenses):</b>			
Interest income	133	-	133
Miscellaneous income	105	10,729	10,834
Depreciation expense	(1,180)	(101,167)	(102,347)
	<u>(942)</u>	<u>(90,438)</u>	<u>(91,380)</u>
<b>Change in Net Position</b>	(47,905)	(101,167)	(149,072)
<b>Net Position:</b>			
Beginning of year	<u>164,594</u>	<u>403,139</u>	<u>567,733</u>
End of year	<u>\$ 116,689</u>	<u>\$ 301,972</u>	<u>\$ 418,661</u>