

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

Financial Statements and
Required Supplementary and
Supplementary Information

Years Ended December 31, 2016 and 2015
with Independent Auditor's Report

MaherDuessel
Certified Public Accountants

Pittsburgh | Harrisburg | Butler

Pursuing the profession while promoting the public good®
www.md-cpas.com

OAKLAND BUSINESS IMPROVEMENT DISTRICT (OF THE CITY OF PITTSBURGH)

YEARS ENDED DECEMBER 31, 2016 AND 2015

TABLE OF CONTENTS

Independent Auditor's Report

Management's Discussion and Analysis i

Financial Statements:

Statements of Net Position	1
Statements of Revenues, Expenses, and Changes in Net Position	2
Statements of Cash Flows	3
Notes to Financial Statements	4

Supplementary Information:

Budgetary Comparison Report	10
Combining Statement of Net Position	14
Combining Statement of Revenues, Expenses, and Changes in Net Position	15

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, 2016 and 2015, 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, 2016 and 2015, 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.

Maher Duessel

Pittsburgh, Pennsylvania
August 2, 2017

Oakland Business Improvement District
(of the City of Pittsburgh)
Management's Discussion and Analysis
Year Ended December 31, 2016

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, 2016.

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

Financial Highlights

Total revenue for 2016 was \$872,942 compared to \$1,146,468 in 2015, a decrease of \$273,526. The 2016 assessment revenue – \$313,010 – was an increase of approximately 2% from 2015 – which was \$306,232. Non-assessment revenues for 2016 were \$559,932, a decrease of approximately 34% from 2015 – which was \$840,236. The decrease was primarily due to grant revenue in the prior year related to specific Innovation Oakland projects.

Total expenses for 2016 were \$953,612 compared to \$870,051 in 2015, an increase of \$83,561. The increase was primarily due to activity in the Innovation Oakland project in the current year.

Total assets as of December 31, 2016 were \$657,119 compared to \$936,531 in 2015. The decrease was primarily due to fixed asset additions in the prior year related to the Innovation Oakland project.

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 \$648,403 at December 31, 2015 to \$567,733 at December 31, 2016, due to the excess of expenses over revenues for 2016. Net position at December 31, 2016 consists of \$385,952 invested in capital assets, \$19,546 restricted for Innovation Oakland, and \$162,235 unrestricted.

OAKLAND BUSINESS IMPROVEMENT DISTRICT (OF THE CITY OF PITTSBURGH)

STATEMENTS OF NET POSITION

DECEMBER 31, 2016 AND 2015

	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 211,861	\$ 167,563
Certificate of deposit	10,668	10,668
Assessment receivable	23,651	20,934
Grants receivable	24,987	248,233
Prepaid expenses	-	834
Total current assets	271,167	448,232
Capital assets:		
Office and plaza equipment	566,012	566,012
Accumulated depreciation	(180,060)	(77,713)
Total capital assets	385,952	488,299
Total Assets	\$ 657,119	\$ 936,531
Liabilities and Net Position		
Liabilities:		
Accounts payable	\$ 42,473	\$ 163,598
Unearned revenue	44,068	123,997
Other withholding	2,845	533
Total Liabilities	89,386	288,128
Net Position:		
Net investment in capital assets	385,952	488,299
Restricted	19,546	19,546
Unrestricted	162,235	140,558
Total Net Position	567,733	648,403
Total Liabilities and Net Position	\$ 657,119	\$ 936,531

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, 2016 AND 2015

	2016	2015
Operating Revenues:		
Assessment revenue - current	\$ 296,049	\$ 302,572
Assessment revenue - prior year	16,961	3,660
Fair share contributions	147,500	147,500
In-kind revenue - Innovation Oakland	86,825	179,925
In-kind revenue - other	39,142	27,950
Penalty income	1,147	10
Events income	30,484	10,396
Donation income	500	5,550
	618,608	677,563
Total operating revenues		
Operating Expenses:		
Improvement district operations	507,755	473,264
Innovation Oakland operations	208,501	146,636
In-kind expense - Innovation Oakland	86,825	179,925
In-kind expense - other	39,142	27,950
Assessment write-offs	9,042	13,857
	851,265	841,632
Total operating expenses		
Operating Loss	(232,657)	(164,069)
Nonoperating Revenues (Expenses):		
Grant income	43,436	23,565
Grant income - Innovation Oakland	208,501	442,160
Interest income	146	117
Miscellaneous income	2,251	3,063
Depreciation expense	(102,347)	(28,419)
	151,987	440,486
Total nonoperating revenues (expenses)		
Change in Net Position	(80,670)	276,417
Net Position:		
Beginning of year	648,403	371,986
End of year	\$ 567,733	\$ 648,403

See accompanying notes to financial statements.

OAKLAND BUSINESS IMPROVEMENT DISTRICT (OF THE CITY OF PITTSBURGH)

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Cash Flows From Operating Activities:		
Cash received from assessments	\$ 301,251	\$ 294,669
Cash received from fair share contributions	147,500	147,500
Cash received from events	30,484	10,396
Cash received from donation income	500	5,550
Cash received from penalties	1,147	10
Cash payments for operating expenses	(761,653)	(474,911)
Net cash provided by (used in) operating activities	(280,771)	(16,786)
Cash Flows From Noncapital Financing Activities:		
Grants received	395,254	231,921
Other income received	2,251	3,063
Net cash provided by (used in) noncapital financing activities	397,505	234,984
Cash Flows From Capital and Related Financing Activities:		
Purchase of capital assets	(72,582)	(295,524)
Net cash provided by (used in) capital and related financing activities	(72,582)	(295,524)
Cash Flows From Investing Activities:		
Interest received on investments	146	117
Increase (Decrease) in Cash and Cash Equivalents	44,298	(77,209)
Cash and Cash Equivalents:		
Beginning of year	167,563	244,772
End of year	\$ 211,861	\$ 167,563
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities:		
Operating loss	\$ (232,657)	\$ (164,069)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Change in operating assets:		
Assessment receivable	(2,717)	2,294
Prepaid expenses	834	18,821
Change in operating liabilities:		
Accounts payable	(48,543)	125,764
Other withholding	2,312	404
Net cash provided by (used in) operating activities	\$ (280,771)	\$ (16,786)

See accompanying notes to financial statements.

OAKLAND BUSINESS IMPROVEMENT DISTRICT (OF THE CITY OF PITTSBURGH)

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

1. ORGANIZATION

The Oakland Business Improvement District (District) was created by the City of Pittsburgh on March 18, 1999 and has a termination date of March 2019. 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. 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.

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.

OAKLAND BUSINESS IMPROVEMENT DISTRICT (OF THE CITY OF PITTSBURGH)

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

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 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 grant income, 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 \$19,546 and \$19,546 of net position at December 31, 2016 and 2015, respectively, restricted for the Innovation Oakland project.
- Unrestricted – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

OAKLAND BUSINESS IMPROVEMENT DISTRICT (OF THE CITY OF PITTSBURGH)

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

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.

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, 2016 and 2015, 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:

	<u>FDIC Insured</u>	<u>Bank Balance</u>	<u>Carrying Value</u>
Deposits:			
December, 31 2016	<u>\$ 229,195</u>	<u>\$ 229,195</u>	<u>\$ 222,529</u>
December 31, 2015	<u>\$ 179,357</u>	<u>\$ 179,357</u>	<u>\$ 178,231</u>

OAKLAND BUSINESS IMPROVEMENT DISTRICT (OF THE CITY OF PITTSBURGH)

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

4. SOURCES OF REVENUES

The primary sources of revenues are as follows:

	<u>2016</u>	<u>2015</u>
Net assessment revenue - current year	\$ 296,049	\$ 302,572
Fair share contributions	147,500	147,500
Grant income	<u>251,938</u>	<u>465,725</u>
	<u>\$ 695,487</u>	<u>\$ 915,797</u>

The assessments in both 2016 and 2015 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, 2016 and 2015, 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, 2016 AND 2015

5. CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance at January 1, 2016	Additions	Deletions	Balance at December 31, 2016
<u>Capital assets, not being depreciated:</u>				
Construction in progress	\$ -	\$ -	\$ -	\$ -
<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	\$ 488,299	\$ (102,347)	\$ -	\$ 385,952
	Balance at January 1, 2015	Additions	Deletions	Balance at December 31, 2015
<u>Capital assets, not being depreciated:</u>				
Construction in progress	\$ 210,313	\$ -	\$ (210,313)	\$ -
<u>Capital assets, being depreciated:</u>				
Office and plaza equipment	60,175	505,837	-	566,012
Accumulated depreciation	(49,294)	(28,419)	-	(77,713)
Net being depreciated	10,881	477,418	-	488,299
Total capital assets, net	\$ 221,194	\$ 477,418	\$ (210,313)	\$ 488,299

In October 2015, the Forbes Plaza construction was completed and the LED screens were placed into service. In addition, approximately \$295,000 of construction costs related to this project were capitalized during 2015.

OAKLAND BUSINESS IMPROVEMENT DISTRICT (OF THE CITY OF PITTSBURGH)

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

6. LEASE COMMITMENTS

The District rents office space from a community non-profit organization. A three-year lease was signed during 2014 that expires June 30, 2017. Monthly rent under the lease was \$1,006 and then increased to \$1,042 on July 1, 2015. Rent expense for the years ended December 31, 2016 and 2015 was \$12,512 and \$12,294, respectively.

Future rental payments under the agreement are as follows:

2017	<u>\$ 6,256</u>
------	-----------------

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 become vested after three years of service. As of December 31, 2016 and 2015, one employee had been vested in the Plan. Pension expense was \$6,571 and \$4,392 for the years ended December 31, 2016 and 2015, 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, 2016 and 2015.

Supplementary Information

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

BUDGETARY COMPARISON REPORT

YEAR ENDED DECEMBER 31, 2016

	Actual	Original Budget	Final Budget	Variance with Final Budget Positive (Negative)
Revenues:				
Assessment income - current	\$ 296,049	\$ 294,531	\$ 294,531	\$ 1,518
Assessment income - prior years	16,961	-	-	16,961
Grant income and in-kind revenue	377,905	290,626	290,626	87,279
Fair share contributions	147,500	147,500	147,500	-
Interest income	146	100	100	46
Penalty income	1,147	100	100	1,047
Miscellaneous income	2,250	5,100	5,100	(2,850)
Events income	30,484	2,500	2,500	27,984
Donation income	500	2,000	2,000	(1,500)
Total revenues	872,942	742,457	742,457	130,485
Expenses:				
Personnel:				
Salaries	121,268	121,204	121,204	(64)
FICA-ER	9,277	9,272	9,272	(5)
SUI-ER	789	757	757	(32)
Health coverage	11,199	9,479	9,479	(1,720)
Benefits - mutual	7,584	7,518	7,518	(66)
Total personnel	150,117	148,230	148,230	(1,887)

(Continued)

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

BUDGETARY COMPARISON REPORT

YEAR ENDED DECEMBER 31, 2016

(Continued)

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operations:				
Rent expense	12,512	12,512	12,512	-
Telephone	4,046	4,260	4,260	214
Postage	177	250	250	73
Printing	160	300	300	140
Filing fees/admin. expense	923	1,100	1,100	177
Office supplies	422	995	995	573
Computer equipment and software	1,014	1,150	1,150	136
Small equipment	-	300	300	300
Travel/parking	7,599	5,900	5,900	(1,699)
Staff/board development	1,509	3,000	3,000	1,491
Dues/subscriptions	899	1,000	1,000	101
Insurance expense	13,083	7,620	7,620	(5,463)
Computer consulting	1,980	2,000	2,000	20
Advertising/marketing	2,106	2,200	2,200	94
Meeting expense	339	150	150	(189)
Board meeting/annual	8,095	2,500	2,500	(5,595)
Miscellaneous expense	13,500	13,750	13,750	250
Payroll service	1,621	1,500	1,500	(121)
General office expense	1,296	1,300	1,300	4
Financial management/audit expense	23,933	23,433	23,433	(500)
Annual report	90	1,000	1,000	910
In-kind service expense	39,142	1,000	1,000	(38,142)
	<u>134,446</u>	<u>87,220</u>	<u>87,220</u>	<u>(47,226)</u>
Total operations				

(Continued)

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

BUDGETARY COMPARISON REPORT

YEAR ENDED DECEMBER 31, 2016

(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	224,331	224,331	224,331	-
Cleaning equipment expense	670	500	500	(170)
Total public space maintenance	<u>225,001</u>	<u>224,831</u>	<u>224,831</u>	<u>(170)</u>
Public space improvement:				
Flower baskets	3,569	3,000	3,000	(569)
Total public space improvement	<u>3,569</u>	<u>3,000</u>	<u>3,000</u>	<u>(569)</u>
Destination marketing:				
Marketing material printing	4,471	-	-	(4,471)
Events	13,959	7,500	7,500	(6,459)
Advertising	4,516	1,000	1,000	(3,516)
Total destination marketing	<u>22,946</u>	<u>8,500</u>	<u>8,500</u>	<u>(14,446)</u>

(Continued)

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

BUDGETARY COMPARISON REPORT

YEAR ENDED DECEMBER 31, 2016

(Continued)

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Education and outreach:				
Newsletter	1,536	2,000	2,000	464
OBID website	318	3,000	3,000	2,682
Marketing/rebranding	492	-	-	(492)
Events	7,963	9,500	9,500	1,537
Printing	87	500	500	413
Postage	422	500	500	78
Total education and outreach	<u>10,818</u>	<u>15,500</u>	<u>15,500</u>	<u>4,682</u>
Innovation Oakland:				
Consultant	27,994	22,108	22,108	(5,886)
Financial management/audit expense	3,732	4,740	4,740	1,008
Grant expense	165,925	-	-	(165,925)
Spring event	1,963	1,000	1,000	(963)
Community outreach	7,000	-	-	(7,000)
Project administration	1,887	6,540	6,540	4,653
In-kind expense	86,825	-	-	(86,825)
Total Innovation Oakland	<u>295,326</u>	<u>34,388</u>	<u>34,388</u>	<u>(260,938)</u>
Depreciation expense	<u>102,347</u>	<u>1,179</u>	<u>1,179</u>	<u>(101,168)</u>
Assessment write-off	<u>9,042</u>	<u>9,800</u>	<u>9,800</u>	<u>758</u>
Total expenses	<u>953,612</u>	<u>532,648</u>	<u>532,648</u>	<u>(420,964)</u>
Excess (Deficiency) of Revenues Over Expenses	<u>\$ (80,670)</u>	<u>\$ 209,809</u>	<u>\$ 209,809</u>	<u>\$ (290,479)</u>

(Concluded)

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

COMBINING STATEMENT OF NET POSITION

DECEMBER 31, 2016

<u>Assets</u>	<u>OBID - General</u>	<u>Innovation Oakland</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents	\$ 162,132	\$ 49,729	\$ 211,861
Certificate of deposit	10,668	-	10,668
Assessment receivable	23,651	-	23,651
Grants receivable	19,339	5,648	24,987
Prepaid expenses	-	-	-
Total current assets	<u>215,790</u>	<u>55,377</u>	<u>271,167</u>
Capital assets:			
Office and plaza equipment	10,175	555,837	566,012
Accumulated depreciation	<u>(7,816)</u>	<u>(172,244)</u>	<u>(180,060)</u>
Total capital assets	<u>2,359</u>	<u>383,593</u>	<u>385,952</u>
Total Assets	<u><u>\$ 218,149</u></u>	<u><u>\$ 438,970</u></u>	<u><u>\$ 657,119</u></u>
Liabilities and Net Position			
Liabilities:			
Accounts payable	\$ 36,824	\$ 5,649	\$ 42,473
Unearned revenue	13,886	30,182	44,068
Other withholding	<u>2,845</u>	<u>-</u>	<u>2,845</u>
Total Liabilities	<u>53,555</u>	<u>35,831</u>	<u>89,386</u>
Net Position:			
Net investment in capital assets	2,359	383,593	385,952
Restricted	-	19,546	19,546
Unrestricted	<u>162,235</u>	<u>-</u>	<u>162,235</u>
Total Net Position	<u>164,594</u>	<u>403,139</u>	<u>567,733</u>
Total Liabilities and Net Position	<u><u>\$ 218,149</u></u>	<u><u>\$ 438,970</u></u>	<u><u>\$ 657,119</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, 2016

	OBID - General	Innovation Oakland	Total
Operating Revenues:			
Assessment revenue - current	\$ 296,049	\$ -	\$ 296,049
Assessment revenue - prior year	16,961	-	16,961
Fair share contributions	147,500	-	147,500
In-kind revenue - Innovation Oakland	-	86,825	86,825
In-kind revenue - other	39,142	-	39,142
Penalty income	1,147	-	1,147
Events income	30,484	-	30,484
Donation income	500	-	500
	<hr/>	<hr/>	<hr/>
Total operating revenues	531,783	86,825	618,608
Operating Expenses:			
Improvement district operations	507,755	-	507,755
Innovation Oakland operations	-	208,501	208,501
In-kind expense - Innovation Oakland	-	86,825	86,825
In-kind expense - other	39,142	-	39,142
Assessment write-offs	9,042	-	9,042
	<hr/>	<hr/>	<hr/>
Total operating expenses	555,939	295,326	851,265
	<hr/>	<hr/>	<hr/>
Operating Loss	(24,156)	(208,501)	(232,657)
Nonoperating Revenues (Expenses):			
Grant income	43,436	-	43,436
Grant income - Innovation Oakland	-	208,501	208,501
Interest income	146	-	146
Miscellaneous income	2,251	-	2,251
Depreciation expense	(1,180)	(101,167)	(102,347)
	<hr/>	<hr/>	<hr/>
Total nonoperating revenues (expenses)	44,653	107,334	151,987
	<hr/>	<hr/>	<hr/>
Change in Net Position	20,497	(101,167)	(80,670)
Net Position:			
Beginning of year	144,097	504,306	648,403
	<hr/>	<hr/>	<hr/>
End of year	\$ 164,594	\$ 403,139	\$ 567,733
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>