MILITARY AVENUE BUSINESS IMPROVEMENT DISTRICT
GREEN BAY, WISCONSIN

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

MILITARY AVENUE BUSINESS IMPROVEMENT DISTRICT
GREEN BAY, WISCONSIN
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CliftonLarsonAllen LLP
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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Members of the Board
Military Avenue Business Improvement District
Green Bay, Wisconsin

We have reviewed the accompanying financial statements of the governmental activities and major fund of the Military Avenue Business Improvement District, Green Bay, Wisconsin (the District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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 the 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. 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.

We are required to be independent of Military Avenue Business Improvement District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountants' 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.

Prior-Year Comparative Information

We have previously reviewed the District's 2020 financial statements, in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants, the basic financial statements of the District as of and for the year ended December 31, 2020 (not presented herein), and have issued our report thereon dated February 9, 2021 in which based on our review, we were not aware of any material modifications to the financial statements as presented.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. The results of our review of the basic financial statements are not affected by this missing information.

CliftonLarsonAllen LLP

Green Bay, Wisconsin
February 4, 2022

BASIC FINANCIAL STATEMENTS

MILITARY AVENUE BUSINESS IMPROVEMENT DISTRICT
GREEN BAY, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	Governmental Activities	
	2021	2020
ASSETS		
Cash	$ 95,029	$ 88,238
Inventories and Prepaid Items	-	2,700
Total Assets	95,029	90,938
LIABILITIES		
Accounts Payable	1,125	708
Total Liabilities	1,125	708
NET POSITION		
Unrestricted	$ 93,904	$ 90,230
Total Net Position	$ 93,904	$ 90,230

See accompanying Notes to Basic Financial Statements.

MILITARY AVENUE BUSINESS IMPROVEMENT DISTRICT
GREEN BAY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

		Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Totals	
Functions/Programs	Expenses				2021	2020
GOVERNMENTAL ACTIVITIES						
Management and General	$ 64,336	$ -	$ -	$ -	$ (64,336)	$ (66,886)
Physical Improvements	15,442	-	-	-	(15,442)	(14,367)
Business Development	7,500	-	-	-	(7,500)	(522)
Events	27,047	25,402	-	-	(1,645)	2,504
Marketing	6,685	-	-	-	(6,685)	(6,224)
Total Governmental Activities	$ 121,010	$ 25,402	$ -	$ -	(95,608)	(85,495)
GENERAL REVENUES						
District Assessments					99,124	99,588
Miscellaneous					158	1,185
Total General Revenues					99,282	100,773
CHANGE IN NET POSITION					3,674	15,278
Net Position - Beginning of Year					90,230	74,952
NET POSITION - END OF YEAR					$ 93,904	$ 90,230

See accompanying Notes to Basic Financial Statements.

MILITARY AVENUE BUSINESS IMPROVEMENT DISTRICT
GREEN BAY, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUND
DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	General Fund	
	2021	2020
ASSETS		
Cash	$ 95,029	$ 88,238
Prepaid Items	-	2,700
Total Assets	$ 95,029	$ 90,938
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$ 1,125	$ 708
FUND BALANCE		
Nonspendable for Prepaid Items	-	2,700
Unassigned	93,904	87,530
Total Fund Balance	93,904	90,230
Total Liabilities and Fund Balance	$ 95,029	$ 90,938

See accompanying Notes to Financial Statements.

MILITARY AVENUE BUSINESS IMPROVEMENT DISTRICT
GREEN BAY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	General Fund	
	2021	2020
REVENUES		
District Assessments	$ 99,124	$ 99,588
Event Revenue	25,402	9,183
Grant Revenue	-	4,000
Miscellaneous	158	1,185
Total Revenues	124,684	113,956
EXPENDITURES		
Management and Operations:		
Wages and Benefits	45,534	47,105
Operating	15,542	16,056
Other	3,260	3,725
BID Programs:		
Physical Improvements	15,442	14,367
Business Development	7,500	522
Events	27,047	10,679
Marketing	6,685	6,224
Total Expenditures	121,010	98,678
NET CHANGE IN FUND BALANCE	3,674	15,278
Fund Balance - Beginning of Year	90,230	74,952
FUND BALANCE - END OF YEAR	$ 93,904	$ 90,230

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Military Avenue Business Improvement District, Green Bay, Wisconsin (the District), have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described below:

A. Reporting Entity

Wisconsin Statutes allow for the creation of Business Improvement Districts (BID). A BID is a geographic area within a municipality consisting of contiguous parcels, which are subject to assessments, where the assessment revenue must be used to benefit the BID. The purpose was to authorize cities, villages, and towns to create one or more business improvement districts to allow businesses within those districts to develop, manage, maintain, and promote their districts and to establish an assessment method to fund these activities. A BID affords property owners and business people a very real role in directing those affairs within the district, which influences their investment and environment. It also ensures that the beneficiaries of district programs participate in the funding of the programs.

The District was created in 2014 to proactively support revitalization efforts and improve the business quality on Military Avenue in Green Bay, Wisconsin. The board is appointed by the Mayor and confirmed by the Common Council. The board is comprised of seven members. The board members represent different areas within the District, and include large and small businesses. The board is responsible for the management of the Business Improvement District. Responsibilities of the board include implementing the operating plan and preparing annual financial reports. The board will also annually consider and make changes to the operating plan and submit the operating plan to the Common Council for approval. The operating plan is considered a financial framework to manage the District's program activities and as such does not represent a legal budget governing line item expenditure limits. The District has identified the following related entity.

<u>Military Avenue, Inc.</u>
Military Avenue Business Association was created by the agency on March 1, 2010, and has since changed their name to Military Avenue, Inc. and became recognized as a 501(c)3 entity by the Internal Revenue Service on November 18, 2014. Military Avenue, Inc. is a separate entity from Military Avenue Business Improvement District, notwithstanding the fact that members, officers and directors of each may be shared. Military Avenue, Inc. contracts with the District in accordance with the District's Operating Plan.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. Governmental activities are primarily supported by assessments. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Assessments and other items not properly included among program revenues are reported instead as general revenues.

The District reports the following major governmental fund:

General Fund

This is the District's primary operating fund. It accounts for all financial resources of the District.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues are recognized when received in cash or when measurable and available.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all assessments.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

D. Assets, Liabilities, and Net Position or Fund Balance

1. Cash

Cash consists of deposits with financial institutions and is carried at cost.

2. Fund Equity

Governmental Fund Financial Statements

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable Fund Balance**. Amounts that are not in spendable form (such as inventory) or are legally or contractually required to remain intact.

- **Restricted Fund Balance**. Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

- **Committed Fund Balance**. Amounts that are constrained for specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Fund Balance (Continued)

2. Fund Equity (Continued)

- **Assigned Fund Balance**. Amounts a government intends to use for specific purpose; intent can be expressed by the governing body or by an official or body to which the government body delegates the authority. The board has not authorized a specific employee to assign fund balance.

- **Unassigned Fund Balance**. Amounts that are available for any purpose.

<u>Government-Wide Statements</u>
Equity is classified as net position and displayed in three components:

- **Net Investment in Capital Assets**. Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

- **Restricted Net Position**. Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

- **Unrestricted Net Position**. Net position that is neither classified as restricted nor as net investment in capital assets.

E. Use of Estimates

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

F. Prior Year Information

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the District's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

NOTE 2 STEWARDSHIP AND COMPLIANCE

A. Operating Plan

The 2021 Operating Plan, as approved by the City of Green Bay Common Council, included provisions for District assessments and other income to support related spending of $154,764. The 2022 Operating Plan includes provisions for District assessments and other income to support related spending of $168,020.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash

The District maintains various cash accounts, which are displayed on the financial statements as "Cash."

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

> Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the District's cash totaled $95,029 on December 31, 2021, and consisted entirely of deposits with financial institutions.

<u>Fair Value Measurements</u>
The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The District currently has no investments that are subject to fair value measurement.

Deposits of the District are subject to various risks. Presented below is a discussion of the District's deposits and the related risks.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash (Continued)

Custodial Credit Risk

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of $250,000 for the combined amount of all time and savings deposits and $250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of $250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of $400,000 per public depository above the amount provided by an agency of the U.S. government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2021, none of the District's deposits with financial institutions were in excess of federal and state depository insurance limits.

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The District completes an annual review of its insurance coverage to ensure adequate coverage. Settled claims have not exceeded coverage in any of the past three years.

B. Contingencies

From time to time, the District is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial position or results of operations.