

## **Board of Directors Oakland Business Improvement District**

We have audited the financial statements of the Oakland Business Improvement District (District) for the year ended December 31, 2023. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our conversation with the Finance Committee Chair about planning matters on May 28, 2024. Professional standards also require that we communicate to you the following information related to our audit.

### **Our Responsibility under Auditing Standards Generally Accepted in the United States of America**

As stated in our engagement letter dated January 19, 2024, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

In addition, our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the system of internal control of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

### **Significant Accounting Policies**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2023. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

### **Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because

of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We noted no sensitive estimates affecting the financial statements.

### Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We noted no sensitive disclosures affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. All misstatements detected as a result of audit procedures that were material, either individually or in the aggregate, to the financial statements taken as a whole, were corrected by management. The attached schedule summarizes corrected misstatements of the financial statements.

### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 27, 2024.

### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a

determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### Other Matters

Matters involving internal controls and the District's operations are detailed in a separately issued management letter.

#### *Supplementary Information*

We were engaged to report on the supplementary information which accompanies the financial statements but is not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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This information is intended solely for the use of the Board of Directors and management of the District, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Mahe Duessel*

Pittsburgh, Pennsylvania  
September 27, 2024

**OBID**

Year End: December 31, 2023

Adjusting Journal Entries

Date: 1/1/2023 To 12/31/2023

Prepared by	Reviewed by
HA1 7/10/2024	HA1 7/10/2024

**A-05**

Number	Date	Name	Account No	Reference	Debit	Credit
1	12/31/2023	Accumulated Amortization	16200	A-03-01		64,880.00
1	12/31/2023	Lease Liability - Pop-Up Patios Lease	27000	A-03-01	53,065.00	
1	12/31/2023	Placemaking:Streateries	64583	A-03-01		58,425.00
1	12/31/2023	Amortization Expense - Pop-Up Patios Lease	69000	A-03-01	64,880.00	
1	12/31/2023	Interest Expense - Pop-Up Patios Lease	69001	A-03-01	5,360.00	
To record FY23 lease activity						
2	12/31/2023	Accumulated Deprecileation Equipment	15151	K-01		4,994.00
2	12/31/2023	Computer Equipment/Software	64510	K-01		4,172.00
2	12/31/2023	OBID Depreciation	64590	K-01	4,994.00	
2	12/31/2023	Innovation Oakland FFE	15150-1	K-01	4,172.00	
To record CY depreciation expense and fixed asset addition						
3	12/31/2023	OBID I/O In-Kind Revenue	10-44515-000-160	U-03		169,938.00
3	12/31/2023	OBID I/O Services (In Kind)	10-64572-000-160	U-03	169,938.00	
To record In-Kind revenues and expenses						
4	12/31/2023	A/R Current Assessments	15000	E-01		1,781.00
4	12/31/2023	A/R Other	15003	E-01	266,621.00	
4	12/31/2023	A/R Other	15003	E-01		88,966.00
4	12/31/2023	A/R Other	15003	E-01		
4	12/31/2023	A/R Other	15003	E-01		
4	12/31/2023	A/R Other	15003	E-01		21,004.00
4	12/31/2023	Undeposited Funds	15100	E-01		2,500.00
4	12/31/2023	Deferred Revenue	24010	E-01		226,471.00
4	12/31/2023	Assessment Revenue	44500	E-01	1,781.00	
4	12/31/2023	URA Revenue	44516	E-01		40,000.00
4	12/31/2023	County/CITF	44522	E-01	88,966.00	
4	12/31/2023	Glowland Sponsorship	44554	E-01		
4	12/31/2023	Glowland Sponsorship	44554	E-01	21,004.00	
4	12/31/2023	Glowland Sponsorship	44554	E-01		
4	12/31/2023	Misc. Revenue	44555	E-01		650.00
4	12/31/2023	AR Innovation Oakland Other	15003-1	E-01	3,000.00	
To adjust AR balances due to incorrect entries posted to 2023 from the 2022 audit and amounts received as of 12/31/23						
5	12/31/2023	Accounts Payable-Oper.	20010	T-01	5,153.00	
5	12/31/2023	Accounts Payable-Oper.	20010	T-01	17,242.00	
5	12/31/2023	Employee Deductions 403b	25106	T-01	12,730.00	
5	12/31/2023	Retained Earnings	30000	T-01		5,153.00
5	12/31/2023	Retained Earnings	30000	T-01		12,730.00
5	12/31/2023	Retained Earnings	30000	T-01		17,201.00
5	12/31/2023	Postage	64506	T-01		41.00

**OBID**

Year End: December 31, 2023

Adjusting Journal Entries

Date: 1/1/2023 To 12/31/2023

Prepared by	Reviewed by
HA1 7/10/2024	HA1 7/10/2024

A-05-1

Number	Date	Name	Account No	Reference	Debit	Credit
To roll net assets						
6	12/31/2023	A/R Current Assessments	15000	E-01		160,636.00
6	12/31/2023	A/R Other	15003	E-01	160,636.00	
To reclass AR balances to the correct account						
7	12/31/2023	Accounts Payable-Oper.	20010	N-01		17,200.00
7	12/31/2023	Retail - Argyle Studio	64803	N-01	17,200.00	
To record 2023 services as AP at year end						
8	12/31/2023	Deferred Revenue	24010	U-05	5,628.00	
8	12/31/2023	Grants - Hillman	44552	U-05		5,628.00
To adjust unearned revenue for current year grant awards and expenses incurred based on discussions with Georgia						
9	12/31/2023	A/R Other	15003	E-01	40,000.00	
9	12/31/2023	URA Revenue	44516	E-01		40,000.00
To record AR related to \$40K NIF grant						
10	12/31/2023	A/R Other	15003	A-05-3		1,500.00
10	12/31/2023	A/R Other	15003	A-05-3		3,000.00
10	12/31/2023	Glowland Sponsorship	44554	A-05-3	1,500.00	
10	12/31/2023	Glowland Sponsorship	44554	A-05-3	3,000.00	
10	12/31/2023	Placemaking	64535	A-05-3	11,500.00	
10	12/31/2023	Ask My Accountant	64901	A-05-3		11,500.00
10	12/31/2023	Ask My Accountant	64901	A-05-3	773.00	
10	12/31/2023	Glowland Sponsorship:Glowland Merchandise S	44554-1	A-05-3		773.00
PBC entry to reclass deposits and expenses to proper accounts						
11	12/31/2023	Accounts Payable-Oper.	20010	A-05-4		12,945.00
11	12/31/2023	Retail - Argyle Studio	64803	A-05-4	12,945.00	
To record November & December 2023 ULead invoices as payable						
					<b>972,088.00</b>	<b>972,088.00</b>
<b>Net Income (Loss)</b>			<b>404,107.00</b>			