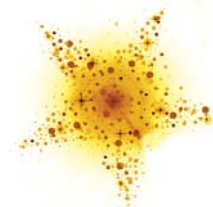


Celebrating 16 Years of the Capitol Hill BID

SWEET SIXTEEN

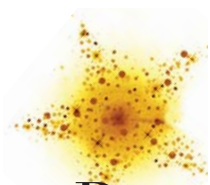






Overview of the BID

The Capitol Hill Business Improvement District (BID) is an award-winning 501(c)(6) nonprofit organization focused on maintaining and beautifying Capitol Hill's commercial streets and sidewalks and supporting local businesses by creating a clean and vibrant environment. From marketing and community events, to streetscape improvements and economic development, the Capitol Hill BID has contributed to the vitality and quality of life on the Hill since its inception in 2003. There are currently a total of eleven BIDs throughout the District of Columbia that have had an important impact on the renaissance of our Nation's Capital. Although the Capitol Hill BID is not the largest BID by the numbers, it has established a leadership position in the community and was the first to pilot important initiatives such as public space recycling and work-rehabilitation programs. The Capitol Hill BID's signature program is Ready, Willing and Working (RWW), which employs more than 50 individuals who were once homeless or formerly incarcerated. The program, founded in 2008, provides top-quality street cleaning services not only in Capitol Hill but, through contracts, a range of Main Street Programs and BIDs throughout the city. RWW not only provides sustainable employment to these team members but supportive services that touch every aspect of their lives. The BID is led by a dynamic board of directors representing a cross section of Capitol Hill stakeholders, including merchants, tenants, property owners, cultural and nonprofit organizations and ex-officio representatives. The purpose of this report is to summarize the operations of the BID, provide transparency regarding the programs and spending priorities of the BID and highlight specific beautification and marketing contributions the BID has brought to Capitol Hill.



Board and Staff Listing

Chairman of the Board

Don Denton, Coldwell Banker Real Estate

Vice Chairman

Carol Quillian, Property Owner

Treasurer

John B. Gordon, National Capital Bank

Secretary

Michael Phillips, The UPS Store

Board Members

Hamood Abutaa, Metro Motor

Gwendolyn Blade, Bernstein Management

John Boyle, Property Owner

Ken Golding, Stanton Development

Jesse Heier, Jade Fitness

Risa Hirao, Pascal, Weiss & Hirao

Mark Holler, Gingko Gardens

Gary Jankowski, Coldwell Banker Real Estate

Brad Johnson, Johnson Law Group

Eric Korsvall, The Heritage Foundation

Luke Moeller, Property Group Partners

Susan Perry, Consultant

Bill Rouchell

Phillip S. Smith, Captel

Beverley Swaim-Staley, Union Station

Redevelopment Corporation

Robert A. Weinstein, architrave p.c. architects

Ex-Officio

Julie Aaronson, CHAMPS

Ken Jarboe, Community Representative

Martin Smith, Barracks Row Main Street

Judy Wood, CPA

Staff



Patty Brosmer
President



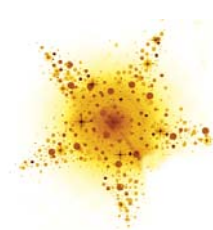
Andrew Lee
Vice President of Operations



Arnold Lee
Director of Field Operations



Lissette Cohen
Marketing and Events Manager



Letter from the Chairman



Dear Members and Friends of the Capitol Hill BID:

The theme of this report is “Sweet 16” to celebrate sixteen years of BID services and how life has truly become SWEETER in those years on The Hill for those who visit, work, live, shop and dine here.

Over 16 years ago, when many of us met to discuss creating a BID, we had a vision of what that BID would look like and what we could accomplish. I am very proud to say that 16 years later, we have exceeded our wildest expectations. Our BID has become a model for every neighborhood in this great country. Our streets are cleaner and safer and our commercial community has pulled together as a single entity.

In this report you will see that our BID clean and hospitality services have elevated the perception of safety on The Hill from just 8% safe in 2003 to nearly 100% safe or relatively safe today, and the perception of cleanliness went from 86% trashy in 2003 to over 95% clean today. Those are truly SWEET statistics!

As shown on page 9 of this report, brand new light pole decorations and enhanced community tree and menorah lighting events SWEETENED the holidays in 2018!

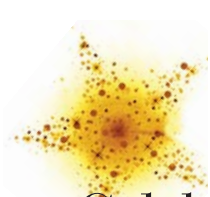
There is a section in this report that describes our on-going commitment to Ready, Willing and Working (RWW) which has given us a distinction that elevates us above many of our colleagues. This year, with our support, RWW launched an in-house GED program in addition to the already comprehensive supportive services available to our formerly homeless/formerly incarcerated clean team members. We have not only accomplished our mission of social responsibility in stellar fashion, we have given hope and opportunity for a SWEETER life to a population that is all too often forgotten as prosperity elevates a neighborhood.

As you will see in the financial section of this report, the BID is financially sound and has received its fifteenth straight “clean” audit. By careful planning, utilizing creative ways to provide clean and safe services and with a talented staff, we have increased our retained earnings and reduced our administrative costs to below 12%, enabling your tax dollars to have the greatest impact.

While “Sweet 16” is a light-hearted theme, I assure you the management of your BID tax dollars is serious business to the staff and the Board of Directors who oversee the operations. We have a strong partnership with our commercial tax payers, the Capitol Hill neighborhood and with Ready, Willing & Working that should sustain us for another 16 years.

Thank you for your continued support!

Don Denton
Chairman of the Board



Celebrating 16 Years of Capitol Hill BID

Clean, Safe and Beautiful

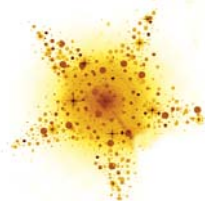
As we conclude our sixteenth year of providing services, the Capitol Hill BID continues to be dedicated to our core mission of creating and sustaining a beautiful, clean and safe place to live, work and conduct the business of our Nation's Capital. In 2018, our Clean Team collected 1,663 tons of trash, over 187 tons of recyclables and removed 820 graffiti tags from public space areas on the Hill.

Highlights

- Our Safety Ambassadors assisted 44,770 people at our weekend information tent at the Eastern Market Metro Plaza in FY 18.
- The BID's landscaping team planted and replaced liriopse as needed in the BID's 400 tree beds.

- Through our service contract with the Barracks Row Main Street, we planted and maintained 53 public place planters and light pole baskets along 8th Street, SE.
- For the 16th Year in a row, our Clean & Hospitality Teams assisted the Capitol Hill Classic 10K in Stanton Park. Our Hospitality Ambassadors handed out bottled water to runners while our Clean Team picked up trash and emptied receptacles.
- Throughout the year, the BID helps to maintain the Eastern Market Metro Plaza by mowing the grass as needed and trimming the rose bushes around our community tree "Big George," as well as making sure the plaza is clean and trash-free.





Recycling Initiatives

In 2018, the BID collected over 187 tons of recyclables from the blue receptacles stationed within the BID’s boundaries. By continuing to increase the presence of recycling on Capitol Hill, the BID hopes to see an increase in recycling and a steady decline in the amount of rubbish collected by our teams.

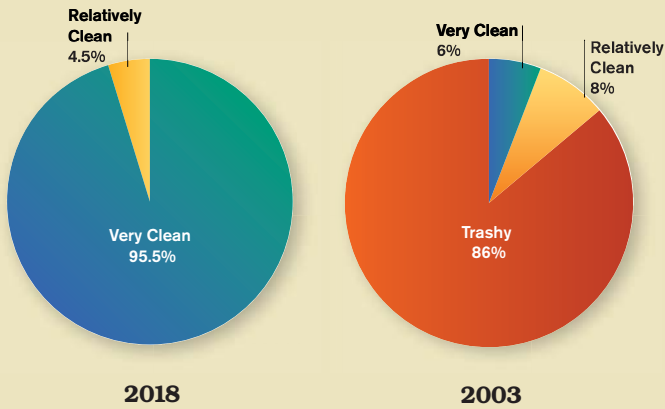


Homeless Outreach and Assistance

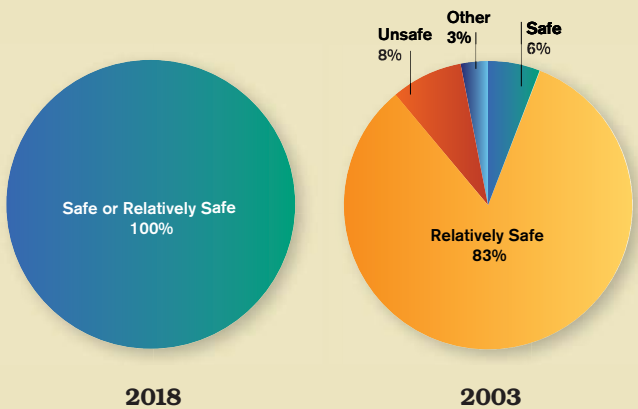
All of our safety and hospitality ambassadors are trained to assist the homeless and direct them to services where they can find food, shelter or employment in DC. In the cold winter months our ambassadors keep their eyes open for cases of possible hypothermia among the homeless population and during the hot summer months they provide bottled water and directions to nearby cooling centers. In FY 2018, BID safety and hospitality ambassadors performed 209 homeless assists.



Perceptions of Cleanliness



Perceptions of Safety





Marketing Capitol Hill

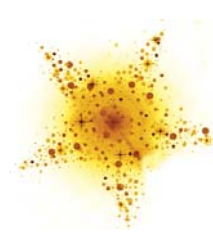
In addition to creating a clean and safe business district, the BID also promotes Capitol Hill as a premier shopping and dining destination. In 2018, the BID continued its efforts of producing a weekly e-newsletter along with building a strong presence on social media to connect with residents and visitors. The BID continues to collaborate with fellow business organizations like CHAMPS, Barracks Row Main Street and Eastern Market Main Street to further market Capitol Hill as a world-class destination.

2018 Highlights

- **I Love Capitol Hill!** — On Valentine's Day, BID Hospitality Ambassadors handed out Hershey kisses and I ♥ Capitol Hill buttons to share the love for Capitol Hill.
- **Bike to Work Day** — The Capitol Hill BID hosted a Pit Stop at the Eastern Market Metro Plaza on Friday, May 18. Over 300 registered participants stopped by to pick up their official BTWD t-shirt and enjoy prizes and refreshments from local sponsors including Trader Joe's, Giant Food, City Bikes, District Doughnuts, Bullfrog Bagels, Takorean, goDCgo, DC Dentist, Realignment Studio and East City Bookshop.

- **International Outreach** — The U.S. Department of State's International Visitor Leadership Program (IVLP) hosted the BID for a discussion on how business improvement districts enhance government services and revitalize communities. Shortly after, the IVLP extended an invite for the BID to host a delegation of business owners from Libya, who were interested in learning more about maintaining Capitol Hill's commercial district, the impact Ready, Willing & Working (RWW) has made in the community and how BIDs support economic development.
- **Fourth of July Community Parade** — Everything was coming up roses on Capitol Hill this year in honor of America's birthday. The BID trucks were decorated in red, white and blue, as our "men in blue" pushed garland-wrapped buckets handing out candy, beads and roses to spectators.
- **Halloween on the Hill** — On Halloween, our "superheroes in blue" were seen sporting royal blue capes and crowns as they took to the streets to combat trash and litter and create a sense of fun.





The Hill Is Alive for the Holidays!

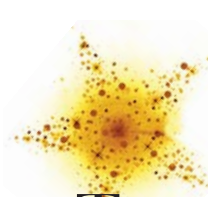
In 2018, the Capitol Hill Business Improvement District created an even more memorable holiday program experience by providing enhanced sound, stage and lighting for our holiday tree and menorah lighting events. A record number of attendees participated in what has come to be a true holiday tradition here on the Hill.

- **12th Annual Capitol Hill Holiday Tree Lighting** — Hundreds of Hill residents and visitors gathered at the Northeast Quadrant of Eastern Market Metro Plaza to celebrate the start of the holiday season at the 12th Annual Capitol Hill Holiday Tree Lighting. The 45-foot tree, affectionately called “Big George,” was planted in 2007 to honor the BID’s founding chairman George Didden III for his many contributions to the Capitol Hill community. Throughout the evening, the BID’s “men and women in blue” served hot chocolate, coffee and doughnuts while local musical groups Joyous Voices, Washington Youth Choir and Capitol Hill Arts Workshop’s Suzuki Strings performed holiday favorites. The 12th Annual Capitol Hill Holiday Tree Lighting was broadcasted live on NBC Washington New Channel 4 and covered by *The Hill is Home* and *Hill Rag*.



- **5th Annual Capitol Hill Menorah Lighting** — Members of the Capitol Hill community and Hill Havurah congregation gathered in the Northeast Quadrant of Eastern Market Metro Plaza to celebrate the first night of Hanukkah at the 5th Annual Capitol Hill Menorah Lighting. The BID’s “men and women in blue” served traditional Hanukkah treats including jelly doughnuts and potato latkes prepared by Ted’s Bulletin, as well as hot chocolate, coffee and gelt. The 9-foot public space menorah was purchased in 2013 and is dedicated to BID Past Chairman Paul Pascal. Mr. Pascal passed away in April 2018, and his son, Bruce Pascal, carried on his legacy by lighting the menorah to celebrate the first night of the Jewish Festival of Lights.
- **Light Pole Wreaths Debut on The Hill** — Capitol Hill looked extra festive this holiday season with the installation of approximately 100 new lighted wreaths with bright red bows and blue, silver and gold ornaments. The new 6’ wreaths replaced lighted snowflakes that were used for almost 20 years. These dazzling seasonal decorations line 5 linear miles of Capitol Hill within the BID, providing a festive holiday feeling.



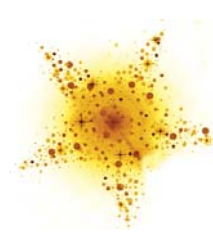


Transportation

Public transportation improvements are an important part of Capitol Hill's economic prosperity and sustainability. The BID continues to support and promote District transportation amenities, including Capital Bikeshare and the DC Circulator bus service. Established by a partnership between DC BIDS, DDOT and WMATA, the DC Circulator continues to grow in popularity throughout the District and on Capitol Hill. Since 2009, the Circulator has been an efficient, low-cost neighborhood bus route and provides the quickest way for Hill residents, workers and visitors to travel between Union Station to the Capitol Riverfront and east of the Anacostia River. The BID also holds a seat on the DC Sustainable Transportation (DCST) Board. Capital Bikeshare began its presence with a just a few small stations on the Hill in 2010 and since has seen a significant impact in the way people travel around Washington. Today, Capital Bikeshare offers eleven stations within the BID's

boundaries, which at maximum capacity can dock over 180 bikes, providing an innovative and environmentally-friendly way to get around and explore Capitol Hill.





Ready, Willing & Working

The BID continues to remain socially responsible through the management of Ready, Willing & Working (RWW); a solution to homelessness and criminal recidivism in Washington, D.C. Since 2008, maintenance service areas have expanded beyond Capitol Hill to Adams Morgan, Barracks Row, Capitol Riverfront, Mid-City and Pennsylvania Avenue West. RWW currently provides work opportunities to over 50 formerly homeless and incarcerated individuals.

2018 Highlights

- In January, RWW competed against 48 other non-profit organizations in the Sugarlands Distilling Company Year of Giving Moonshare Grant program. After three rounds of voting, RWW was among the top six organizations to receive a \$10,000 grant.
- Thanks to support from the Capitol Hill Community Foundation and National Capital Bank, RWW launched an in-house General Education Diploma (GED) program to provide a safe, comfortable and supportive learning environment for participants to earn their GED certificate. Students meet with tutors three times a week to study math, science, reading and writing in preparation for the exam.



- The 10th Annual Magic & Miracles gala was held on Wednesday, May 23, at The Heritage Foundation and featured legendary News Anchor Paul Berry as the Master of Ceremonies. Guests enjoyed delicious food from local restaurants, live music by the Herb Scott Jazz Quartet, dazzling silent auction and a special video presentation honoring George and Harriet McDonald of The Doe Fund, New York. To view the video, visit: <https://youtu.be/zdSGzjdVzKU>.
- In the Fall, RWW received a \$2,500 Community Grant from the Capitol Hill Community Foundation (CHCF).
- RWW served as the model program for “Colfax Works,” a pilot program launched by the Colfax Business Improvement District to provide employment opportunities, life-skills training and supportive services to homeless individuals in the greater Colfax community of Denver, Colorado.





RWW GED Student Spotlight

In Spring 2018, Ready, Willing & Working (RWW) launched an in-house General Education Diploma (GED) program for participants to earn their GED certificate. By offering this program, it will enhance their ability to obtain future employment when they're ready to move on from the RWW program.

A few months into the GED program, RWW launched a "Student Spotlight" marketing campaign to share why each participant is ready, willing and working towards their GED certificate. Each "Student Spotlight" received positive feedback on social media and the outpour of support from the community has helped motivate our participants to work even harder towards continuing their education.



Diarra Logan, Capitol Riverfront BID

"I'm working towards my GED because I want to better my education," said Diarra. "I hope to become an electrician one day and I know this will help me get into a good program."



Jeffrey Sledge, Capitol Hill BID

"I wasn't able to finish high school because of mistakes I made when I was young," said Jeffrey. "I'm happy to have this opportunity to challenge myself, better my education and finally earn my GED certificate."



Ron Williams, Capitol Hill BID

"I didn't get to finish my high school education because I hung around the wrong crowd," said Ron. "My dream is to earn my GED and travel across the country as a commercial truck driver!"



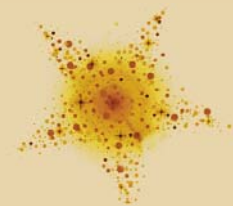
Gary Williams, Capitol Riverfront BID

"I've learned that in this day and age you need a good education to become successful," said Gary. "I've worked hard and learned different trades over the years, but now I'm ready to take this next step for myself and earn my GED."



Willie Taylor, Capitol Hill BID

"I did well in school until I had to put my education on hold because of substance abuse," said Willie. "I now own an apartment building and have recently started my own landscaping company. I know having a GED certificate will better my life and help me become the successful businessman I've always wanted to be!"



Financials

Board of Directors

The Capitol Hill Business Improvement District, Inc.

We have audited the accompanying financial statements of The Capitol Hill Business Improvement District, Inc., which comprise the statements of financial position as of September 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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 audit 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 Organization'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 Organization'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 financial position of The Capitol Hill Business Improvement District, Inc. as of September 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the accompanying financial statements have been prepared assuming that the Organization will be able, through management efforts, available legal options, property sales, and the passage of time, to collect all assessments receivable recorded as of September 30, 2018 and 2017. The Organization believes that all assessments receivable will either be received as due or will be collected via future property sales, tax sales, and liens. As such, it is likely that not all assessments receivable recorded as of September 30, 2018 and 2017 will be received in the near future, but it is unknown as to the length of time each assessment receivable may require before it is paid by the property owner. The accompanying financial statements do not include any adjustments to record an allowance for uncollectible assessments receivable or to allocate any portion of the assessments receivable to long term assets. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 13 - 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Katz, Abosch, Windesheim, Gershman & Freedman, P.A.

Timonium, Maryland
February 18, 2019

 **Katz Abosch**

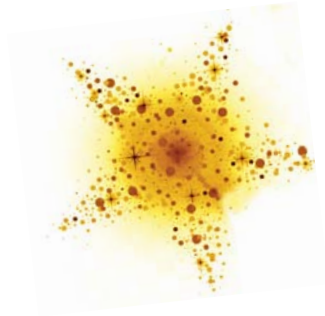


THE CAPITOL HILL BUSINESS IMPROVEMENT DISTRICT, INC.
STATEMENTS OF FINANCIAL POSITION _SEPTEMBER 30, 2018 AND 2017

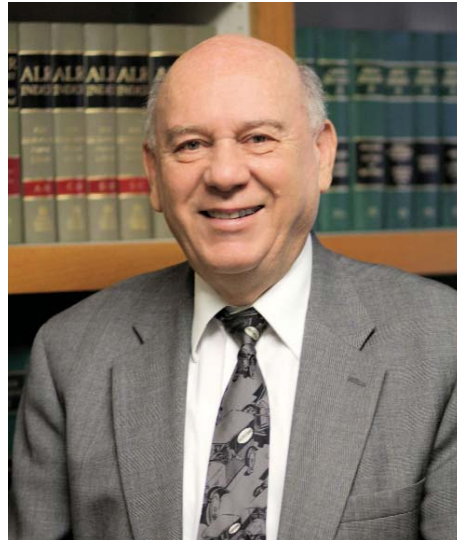
ASSETS	2018	2017
CURRENT ASSETS		
Cash	\$362,333	\$399,373
Assessments and contracts receivable	425,610	230,799
Prepaid expenses and other current assets	35,031	37,444
TOTAL CURRENT ASSETS	822,974	667,616
FIXED ASSETS NET	118,515	116,039
OTHER ASSETS		
Deposits	3,500	3,500
TOTAL ASSETS	\$944,989	\$787,155
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$26,203	\$11,494
Accrued expenses	36,564	9,011
Unearned assessment revenue	400,716	437,866
Current portion of long term debt	26,040	22,149
TOTAL CURRENT LIABILITIES	489,523	480,520
LONG TERM LIABILITIES		
Debt	71,016	59,814
TOTAL LIABILITIES	560,539	540,334
NET ASSETS		
Unrestricted	384,450	246,821
TOTAL LIABILITIES AND NET ASSETS	\$944,989	\$787,155

THE CAPITOL HILL BUSINESS IMPROVEMENT DISTRICT, INC.
STATEMENTS OF ACTIVITIES—FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018		2017	
	Unrestricted	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT				
Assessment revenue	\$ 1,557,296	\$ 1,342,858	\$ 0	\$ 1,342,858
Contracts income	1,705,203	1,350,734	0	1,350,734
Contributions and grants	39,814	43,671	0	43,671
Penalties and interest	48,729	48,465	0	48,465
Gain on disposal of fixed assets	10,000	0	0	0
TOTAL REVENUE AND SUPPORT	3,361,042	2,785,728	0	2,785,728
Net assets released from restrictions	0	5,172	(5,172)	0
TOTAL REVENUE, SUPPORT AND NET ASSETS RELEASED FROM RESTRICTIONS	3,361,042	2,790,900	(5,172)	2,785,728
EXPENSES AND LOSSES				
Functional expenses:				
Program services	2,854,891	2,505,840	0	2,505,840
Management and general	368,522	309,745	0	309,745
Loss on disposal of fixed assets	0	4,424	0	4,424
TOTAL EXPENSES AND LOSSES	3,223,413	2,820,009	0	2,820,009
Change in Net Assets	137,629	(29,109)	(5,172)	(34,281)
Net Assets Beginning of the Year	246,821	275,930	5,172	281,102
Net Assets End of the Year	\$384,450	\$246,821	\$0	\$246,821



Remembering Paul Pascal



As we celebrate all of the BID's achievements in 2018, we would like to also reflect on one very great loss. Paul Pascal, founding board member of the Capitol Hill BID, past Chairman of the Board and champion for Ready, Willing & Working (RWW) passed away on April 9, 2018 after a 3-year battle with cancer.

In 2014 when Paul stepped down after serving 7-years as Chairman of the Board, the BID purchased and dedicated a 9' public space menorah in his name. For the next 3 years, Paul, with his wife Brenda at his side, proudly flipped the switch to illuminate the first candle.

Paul's son Bruce Pascal carried on the tradition of lighting the menorah to celebrate the first night of Hanukkah after Paul's death.

Paul Pascal was a beloved member of the Capitol Hill community and will forever be remembered for his wit, good-nature, legal expertise and dedication to the causes he served.





BUSINESS IMPROVEMENT DISTRICT

Capitol Hill

1451 Pennsylvania Avenue, SE
Washington, DC 20003
202.842.3333
www.capitolhill.org
[@capitolhillBID](https://twitter.com/capitolhillBID)