

SPECIAL SERVICE AREA #4

Managed by the 95<sup>th</sup> Street Beverly Hills Business Association, Contractor  
(a taxing district authorized by the City of Chicago)

FINANCIAL STATEMENTS

DECEMBER 31, 2012

(TOGETHER WITH INDEPENDENT AUDITOR'S REPORT)

SPECIAL SERVICE AREA #4  
Managed by the 95<sup>th</sup> Street Beverly Hills Business Association, Contractor  
(a taxing district authorized by the City of Chicago)

As of December 31, 2012

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of 95<sup>th</sup> Street Beverly Hills Business Association and  
Commissioners of Special Service Area #4  
Chicago, Illinois

**Report on the Financial Statements**

We have audited the accompanying financial statements of Special Service Area #4 (a taxing district authorized by the City of Chicago), which comprise the statements of financial position as of December 31, 2012, and the related statements of activities, cash flows and functional expenses for the year 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 the 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**

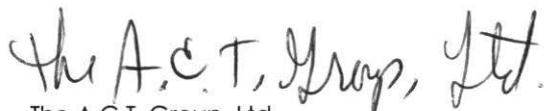
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 unqualified audit opinions.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Special Service Area #4 as of December 31, 2012, 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.



The A.C.T. Group, Ltd.  
Certified Public Accountants  
Chicago, Illinois  
June 24, 2013

SPECIAL SERVICE AREA #4  
(a taxing district authorized by the City of Chicago)  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2012

ASSETS

Current Assets

Cash and Cash Equivalents	\$	57,050
Accounts Receivable, Net		40
Due from City of Chicago		<u>2,694</u>
Total Current Assets		59,784

Equipment, net		<u>399</u>
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TOTAL ASSETS	\$	<u><u>60,183</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$	1,864
Due to 95th Street Beverly Hills Business Association		<u>49,180</u>

TOTAL LIABILITIES		<u>51,044</u>
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Net Assets

Unrestricted		<u>9,139</u>
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TOTAL NET ASSETS		<u>9,139</u>
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TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>60,183</u></u>
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The accompanying notes are in integral part of the financial statements.

SPECIAL SERVICE AREA #4  
(a taxing district authorized by the City of Chicago)  
STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2012 and 2011

	BUDGET 2012	ACTUAL 2012	VARIANCE \$	BUDGET 2011	ACTUAL 2011	VARIANCE \$
<b>REVENUES:</b>						
SSA #4 Tax Revenue	\$ 85,800	76,284	\$ (9,516)	\$ 85,800	\$ 86,404	\$ 604
Interest Income	-	64	64	-	32	32
Miscellaneous Income	-	530	530	-	2,365	2,365
<b>Total Revenue</b>	<b>85,800</b>	<b>76,878</b>	<b>(8,922)</b>	<b>85,800</b>	<b>88,801</b>	<b>3,001</b>
<b>EXPENSES:</b>						
<b>Services:</b>						
Advertising & Promotion	2,710	4,913	2,203	5,650	10,365	4,715
Public Way Maintenance	29,400	26,702	(2,698)	32,500	28,663	(3,837)
Public Way Aesthetics	25,000	21,348	(3,652)	29,900	23,804	(6,096)
Tenant Retention/Attraction	-	-	-	2,150	1,600	(550)
District Planning	-	-	-	2,500	1,800	(700)
<b>Total Services Expense</b>	<b>57,110</b>	<b>52,963</b>	<b>(4,147)</b>	<b>72,700</b>	<b>66,232</b>	<b>(6,468)</b>
<b>Administration:</b>						
Personnel	18,150	15,573	(2,577)	-	-	-
Audit / Bookkeeping	3,500	4,644	1,144	3,000	3,881	881
Meeting Expense	700	914	214	700	848	148
Office Supplies	800	483	(317)	800	637	(163)
Office Utilities / Telephone	1,500	1,323	(177)	1,500	1,442	(58)
Postage	700	180	(520)	700	225	(475)
Office Printing/Copier	200	102	(98)	200	210	10
Service Provider / Admin. Support	2,940	-	(2,940)	2,000	1,000	(1,000)
Other - Computer Assistance	-	123	123	-	92	92
Subscriptions/Dues	200	-	(200)	200	74	(126)
Other - Transportation Travel	-	79	79	3,000	2,206	(794)
Other - Technical Assistance	-	-	-	2,000	1,600	(400)
Other - Loss on Disposal of Fixed Asset	-	5,895	5,895	-	-	-
<b>Total Admin - non-personnel</b>	<b>10,540</b>	<b>13,743</b>	<b>3,203</b>	<b>14,100</b>	<b>12,215</b>	<b>(1,885)</b>
<b>Total Administration</b>	<b>28,690</b>	<b>29,316</b>	<b>626</b>	<b>14,100</b>	<b>12,215</b>	<b>(1,885)</b>
<b>TOTAL EXPENSES</b>	<b>85,800</b>	<b>82,279</b>	<b>(3,521)</b>	<b>86,800</b>	<b>78,447</b>	<b>(8,353)</b>
<b>Net Surplus/(Deficits)</b>	<b>\$ -</b>	<b>(5,401)</b>	<b>\$ (5,401)</b>	<b>\$ (1,000)</b>	<b>10,354</b>	<b>\$ 11,354</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>						
Unrestricted		(5,401)			10,354	
Net Assets Released from Restrictions		-			-	
		<u>(5,401)</u>			<u>10,354</u>	
<b>BEGINNING OF YEAR</b>						
Unrestricted Net Assets		14,540			4,186	
Temporarily Restricted Net Assets		-			-	
		<u>14,540</u>			<u>4,186</u>	
<b>END OF YEAR</b>						
Unrestricted Net Assets		9,139			14,540	
Temporarily Restricted Net Assets		-			-	
		<u>\$ 9,139</u>			<u>\$ 14,540</u>	

SPECIAL SERVICE AREA #4  
(a taxing district authorized by the City of Chicago)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2012

Cash Flows From Operating Activities

Change in Net Assets	\$	(5,401)
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Adjustments to Reconcile Decrease in Net Assets to  
Cash provided by Operating Activities

Depreciation		1,631
Accounts Receivable		1,085
Due from City of Chicago		6,413
Loss on Sale of Equipment		5,895
Accounts Payable		(993)
Due to 95th Street Beverly Hills Business Association		<u>33,234</u>

Net Cash Provided by Operating Activities		<u>41,864</u>
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Cash Flows from Investing Activities

Proceeds from Sale of Equipment		<u>2,775</u>
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Net Cash Provided by Investing Activities		<u>2,775</u>
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Cash At Beginning Of Year		<u>12,411</u>
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Cash At End Of Year -- 12/31/12	\$	<u><u>57,050</u></u>
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Interest expense	\$	<u><u>-</u></u>
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The accompanying notes are an integral part of the financial statements.

SPECIAL SERVICE AREA #4  
(a taxing district authorized by the City of Chicago)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

1. Nature of Activities and Significant Accounting Policies

Nature of Activities: 95<sup>th</sup> Street Beverly Hills Business Association, Contractor for 95<sup>th</sup> Street Special Service Area Number 4 (Organization) is a not-for-profit corporation organized under the laws of the State of Illinois. The Organization was formed to revitalize the 95<sup>th</sup> Street Beverly Hills business district. The Organization is located within the boundaries of the City of Chicago.

Cash and Cash Equivalents: The Taxing District defines cash and cash equivalents as short term liquid investments such as cash in banks, money markets, and other financial instruments that can be reduced to cash in thirty days or less. The Taxing District maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. The Taxing District has not experienced any losses in such accounts. The Taxing District believes it is not exposed to any significant credit risk on cash and cash equivalents.

Financial Statement Presentation: The Taxing District is required to present information regarding its financial position and activities according to Article 3.07 of the Agreement for Special Service Area #4 between the City of Chicago and 95<sup>th</sup> Street Beverly Hills Business Association, Contractor. As of December 31, 2012, the Taxing District had net unrestricted net assets of 9,139.

Contributions: Under the Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made," whereby contributions received are recorded as unrestricted, temporarily unrestricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. As of December 31, 2012, all net assets were unrestricted.

SPECIAL SERVICE AREA #4  
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NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

Revenue Recognition: The Taxing District's financial statements are presented on the accrual basis of accounting. Revenues are recognized when the amount can be readily estimated or committed, and the payment is reasonably certain. Expenses are recorded when incurred.

Income Taxes: The 95<sup>th</sup> Street Beverly Hills Business Association, is the service provider for SSA #4, which is a not-for-profit organization that is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code and is not classified by the Internal Revenue Service as a private foundation.

The 95<sup>th</sup> Street Beverly Hills Business Association's Forms 990, Return of Organization Exempt from Income Tax, for the years ended 2012, 2011, and 2010 are subject to examination by the IRS, generally for three years after they were filed.

Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 reported period. Actual results could differ from those estimates.

Equipment: The Organization capitalizes all equipment in excess of \$500. Property and equipment are stated at cost. Depreciation is provided on the straight-line method over the useful lives of the assets.

Subsequent Events: Subsequent events have been evaluated through June 24, 2013, which is the date the financial statements were available to be issued.

2. Accounts receivable

Accounts receivable consists of amounts due for services rendered for a total amount of \$755. Management has determined that \$715 if this amount is not collectable and has established an allowance for bad debt in this amount.



SPECIAL SERVICE AREA #4  
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NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

3. Due from City of Chicago

This amount represents cash received for tax years 2011 and earlier from January 1, 2013 through February 28, 2013. Actual cash received by the SSA in 2012 was \$82,698.

4. Accounts Payable

Accounts payable consists mainly of amounts due to four contractors and businesses for work performed in 2012.

5. Related Party Transaction

The Taxing District's Contractor is the 95<sup>th</sup> Street Beverly Hills Business Association. Most shared expenses are paid separately by each Organization. However, the Association is reimbursed for salaries and staff fringe benefits. As of December 31, 2012, the Taxing District paid \$0, and had the amount of \$49,180 due to the Association.

6. Equipment

Equipment consists of the following as of December 31:

Flag pole	\$ 1,617
Computer	614
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	2,231
Less: Accumulated depreciation	<u>(1,832)</u>
	<u><u>\$ 399</u></u>

SPECIAL SERVICE AREA #4  
(a taxing district authorized by the City of Chicago)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

As part of our audit and request by the Special Service Area Annual Audited Financial Statement Guidelines prepared by the City of Chicago Department of Housing and Economic Development dated January 2005, we have read the requirements contained in the Agreement for Special Service Area #4 between the City of Chicago and 95<sup>th</sup> Street Beverly Hills Business Association.

Per Article 5.03, the Contractor (SSA #4) established a separate checking account at Suburban Bank & Trust in Elmhurst, Illinois. All service Tax Funds were automatically deposited into this checking account.