

Uptown Special Service Number 34

(Uptown United, Contractor)

Financial Statements

Years Ended December 31, 2013 and 2012

Uptown Special Service Area Number 34

(Uptown United, Contractor)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Uptown Special Service Area Number 34
(Uptown United, Contractor)
Chicago, Illinois

We have audited the accompanying statement of financial position of Uptown Special Service Area Number 34 (a taxing district authorized by the City of Chicago) as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Uptown Special Service Area Number 34 as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The comparative schedule of tax levy revenue and interest income on page 8 and the schedule of expenses and budget variances on pages 9 through 12 are 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 audit 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.

Bravos & Associates

March 26, 2014
Bloomington, Illinois

Uptown Special Service Area Number 34

(Uptown United, Contractor)

Comparative Statement of Financial Position

December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 153,545	\$ 386,011
Due from Uptown United	<u>-</u>	<u>12,006</u>
<u>Total Assets</u>	<u>\$ 153,545</u>	<u>\$ 398,017</u>
<u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Accounts payable & Accrued Expenses	\$ 5,094	\$ 2,617
Due to Uptown United	<u>-</u>	<u>-</u>
<u>Total Current Liabilities</u>	5,094	2,617
<u>Net Assets</u>		
<u>Net assets, unrestricted (Deficit)</u>	<u>148,451</u>	<u>395,400</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 153,545</u>	<u>\$ 398,017</u>

Uptown Special Service Area Number 34
(Uptown United, Contractor)
Comparative Statement of Activities
For the Years Ended December 31, 2013 and 2012

	2013			2012		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>Changes in Unrestricted Net Assets:</u>						
Revenues:	<u>428,797</u>	<u>486,904</u>	<u>(58,107)</u>	<u>490,740</u>	<u>503,279</u>	<u>(12,539)</u>
<u>Program costs:</u>						
1.00 Advertising & Promotion	37,223	48,183	(10,960)	27,824	45,000	(17,176)
2.00 Public Way Maintenance	330,999	348,395	(17,396)	334,946	364,500	(29,554)
3.00 Public Way Aesthetics	153,179	157,949	(3,770)	66,284	134,375	(68,091)
4.00 Tenant Retention/Attraction	317	2,000	(1,683)	-	2,500	(2,500)
6.00 Parking Transit Accessibility	387	5,500	(5,113)	14,485	16,000	(1,515)
7.00 Safety Programs	9,230	10,900	(1,270)	5,768	14,800	(9,032)
8.00 District Planning	-	20,000	(20,000)	-	2,000	(2,000)
<u>Total Program Expense</u>	<u>531,335</u>	<u>592,927</u>	<u>(60,192)</u>	<u>449,307</u>	<u>579,175</u>	<u>(129,868)</u>
<u>Administration</u>						
10.00 Personnel	124,382	124,418	(36)	105,004	108,389	(3,385)
11.00 Administrative Non-Personnel	20,029	20,914	(885)	19,502	19,525	(23)
12.00 Loss Collection	-	10,141	(10,141)	-	13,165	(13,165)
13.00 Loss Collection & Interest thereon	-	20,680	(20,680)	-	13,165	(13,165)
<u>Total Administration expenses</u>	<u>144,411</u>	<u>176,153</u>	<u>(31,742)</u>	<u>124,506</u>	<u>154,244</u>	<u>(29,738)</u>
<u>Total Expenses</u>	<u>675,746</u>	<u>769,080</u>	<u>(91,934)</u>	<u>573,813</u>	<u>733,419</u>	<u>(159,606)</u>
Increase (Decrease) in Net Assets	(246,949)	<u>(282,176)</u>	<u>33,827</u>	(83,073)	<u>(230,140)</u>	<u>147,067</u>
<u>Unrestricted Net Assets:</u>						
Beginning of Year (Deficit)	<u>395,400</u>			<u>478,473</u>		
End of Year	<u>\$ 148,451</u>			<u>\$ 395,400</u>		

Uptown Special Service Area Number 34

(Uptown United, Contractor)

Comparative Statement of Cash Flows

December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from operating activities:		
Increase (decrease) in net assets	\$ (246,949)	\$ (83,073)
Increase (decrease) in unrestricted net assets		
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
(Increase) decrease in assets:		
Due from Uptown United	12,006	(12,006)
Increase (decrease) in liabilities:		
Accounts payable & accrued expenses	2,477	(33,671)
Due to Uptown United	<u> -</u>	<u> (7,798)</u>
Net cash (used) provided by operating activities:	<u> (232,466)</u>	<u> (136,548)</u>
Cash and Cash Equivalents		
Beginning of the year	<u> 386,011</u>	<u> 522,559</u>
End of the year	<u>\$ 153,545</u>	<u>\$ 386,011</u>
Supplemental disclosures:		
Interest Paid	<u>\$ -</u>	<u>\$ -</u>
Taxes Paid	<u>\$ -</u>	<u>\$ -</u>

Uptown Special Service Area Number 34
(Uptown United, Contractor)
Notes to Financial Statements
December 31, 2013 and 2012

Summary of Accounting Policies

Nature of Organization

Uptown United (Organization) is a not-for-profit corporation organized under the laws of the State of Illinois. The Organization was formed to revitalize the Uptown business districts.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets temporarily restricted net assets and permanently restricted net assets. At December 31, 2013 and 2012, the Organization had no temporarily or permanently restricted net assets.

Special Service Area Agreement

The Organization entered into an agreement with the City of Chicago, whereby the City has establish a special service area known and designated as "Uptown Special Service Area Number 34" to provide special services in addition to those services generally provided by the City. Uptown United has been designated as "Contractor" under terms of the agreement. The City has authorized a levy not to exceed 1% of the equalized assessed value of all property within the area to produce sufficient revenues to provide those special services.

The maximum amount to be paid to the Organization is the lesser of \$ 553,560 or the amount of service tax funds collected during the years of 2013 and 2012. For each subsequent year of the agreement, the maximum amount to be paid is the lesser of the budget for that year or the amount of service tax funds actually collected for the preceding tax year. The agreement is renewable annually.

Use of Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Uptown Special Service Area
Special Service Area Number 34
Notes to Financial Statements
December 31, 2013 and 2012

Summary of Accounting Policies – Continued

Concentration of Credit Risk

The Organization maintains its cash balances at three financial institutions in the Chicago metropolitan area, which are federally insured up to prescribed limits.

Income Tax Status

The Organization is exempt from Federal Income tax under Section 501(c) (3) of the Internal Revenue Code.

Revenue Recognition

Revenue from property taxes levied is recognized in the year that it becomes available.

Related Party Transactions

Uptown Special Service Area Number 34 shares office space, equipment and employees through its affiliation Uptown United, the contractor.

Uptown Special Service Area Number 34 has no employees of its own, but reimburses the contractor for the payroll and related costs of the individuals working on the programs. In addition, the contractor also receives reimbursements for a portion of its operating expenses, and use of office equipment and supplies.

As of December 31, 2013, the Special Service Area has no amounts due to Uptown United

Uptown Special Service Area Number 34
(Uptown United, Contractor)
Comparative Sscheduel of Tax Levy Revenue and Interest Income
December 31, 2013 and 2012

Tax Levy Revenue and Interest Income received from the City of Chicago

	<u>2013</u>	<u>2012</u>
	<u>Income</u>	<u>Income</u>
	<u>(Returned to City)</u>	<u>(Returned to City)</u>
<u>Tax Levy Revenue</u>		
Tax Year 2006 & Prior	-	(374)
Tax Year 2007	(3,429)	(3,255)
Tax Year 2008	(491)	(4,859)
Tax Year 2009	(6,733)	(1,922)
Tax Year 2010	(6,862)	13,310
Tax Year 2011	14,952	486,569
Tax Year 2012	<u>430,359</u>	<u>-</u>
 Total received during year - Cash Basis	 427,796	 489,469
<u>Accrual adjustments - Accounts Receivable</u>		
Beginning of year	-	-
End of year	<u>-</u>	<u>-</u>
 <u>Total tax levy revenue - Accrual basis</u>	 <u>427,796</u>	 <u>489,469</u>
 <u>Interest Income</u>		
Interest earned - Bank accounts	991	1,250
Interest paid by City of Chicago	<u>10</u>	<u>21</u>
<u>Total Interest income earned</u>	<u>1,001</u>	<u>1,271</u>
 <u>Total Tax Levy Revenue and Interest Income</u>	 <u>\$ 428,797</u>	 <u>\$ 490,740</u>

Uptown Special Service Area Number 34
(Uptown United, Contractor)
Comparative Schedule of Expenses with Budget Variances
For the Years Ended December 31, 2013 and 2012

<u>Expenses:</u> <u>Programs:</u>	2013			2012		
	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u> <u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u> <u>Variance</u>
<u>1.00 Advertising & Promotion</u>						
1.01 Website/Social Media	\$ 3,933	\$ 4,000	\$ (67)	\$ 11,402	\$ 12,000	\$ (598)
1.02 Public/Media Relations	525	1,000	(475)	-	10,000	(10,000)
1.03 Special Events	19,337	28,183	(8,846)	5,000	5,000	-
1.04 Display Advertising	4,614	6,000	(1,386)	2,477	10,000	(7,523)
1.05 Print Materials	3,174	3,000	174	8,945	8,000	945
1.06 Pride Flags, other events	5,640	6,000	(360)	-	-	-
<u>Totals</u>	<u>37,223</u>	<u>48,183</u>	<u>(10,960)</u>	<u>27,824</u>	<u>45,000</u>	<u>(17,176)</u>
<u>2.00 Public Way Maintenance</u>						
2.01 Sidewalk Cleaning	249,722	249,725	(3)	247,491	267,000	(19,509)
2.02 Sidewalk Snow Plowing	54,348	69,020	(14,672)	59,662	62,500	(2,838)
2.03 Sidewalk Power Washing	-	2,000	(2,000)	4,075	10,000	(5,925)
2.08 Liability/Property Insurance	2,883	1,000	1,883	2,994	3,000	(6)
2.09 Graffiti Removal	24,046	26,650	(2,604)	20,724	22,000	(1,276)
<u>Totals</u>	<u>330,999</u>	<u>348,395</u>	<u>(17,396)</u>	<u>334,946</u>	<u>364,500</u>	<u>(29,554)</u>
<u>3.00 Public Way Aesthetics</u>						
3.01 Streetscape Elements	41,976	48,000	(6,024)	-	38,000	(38,000)
3.02 Decorative/ Holiday Decorations	28,162	25,000	3,162	30,297	32,875	(2,578)
3.04 Public Art	2,940	3,000	(60)	5,000	6,000	(1,000)
3.05 Landscaping	60,843	64,500	(3,657)	30,987	55,000	(24,013)
3.09 Property Insurance	-	1,000	-	-	-	-
3.10 Other Service/Maintenance	-	1,000	(1,000)	-	2,500	(2,500)
3.11 Wilson Yard Streetscape	19,258	15,449	3,809	-	-	-
<u>Totals</u>	<u>153,179</u>	<u>157,949</u>	<u>(3,770)</u>	<u>66,284</u>	<u>134,375</u>	<u>(68,091)</u>

Uptown Special Service Area Number 34
(Uptown United, Contractor)
Comparative Schedule of Expenses with Budget Variances
For the Years Ended December 31, 2013 and 2012

	2013			2012		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>Expenses:</u>						
<u>Programs:</u>						
<u>4.00 Tenant Retention/Attraction</u>						
4.02 Site Marketing Materials	317	\$ 2,000	\$ (1,683)	-	\$ 2,500	\$ (2,500)
<u>Totals</u>	<u>317</u>	<u>2,000</u>	<u>(1,683)</u>	<u>-</u>	<u>2,500</u>	<u>(2,500)</u>
<u>6.00 Parking/Transit/Accessibility</u>						
6.04 Equipment Purchase/Maintenance	387	4,500	(4,113)	14,485	16,000	(1,515)
6.10 Liability Insurance	-	1,000	(1,000)	-	-	-
<u>Totals</u>	<u>387</u>	<u>5,500</u>	<u>(5,113)</u>	<u>14,485</u>	<u>16,000</u>	<u>(1,515)</u>
<u>7.00 Safety Programs</u>						
7.03 Security Rebate Program	5,390	6,000	(610)	5,768	14,000	(8,232)
7.05 Panhandling Abatement Program	-	400	-	-	-	-
7.06 Safety Seminars	-	-	-	-	500	(500)
7.07 Security Subcontractor	3,840	4,500	(660)	-	300	(300)
<u>Totals</u>	<u>9,230</u>	<u>10,900</u>	<u>(1,270)</u>	<u>5,768</u>	<u>14,800</u>	<u>(9,032)</u>
<u>8.00 District Planning</u>						
8.01 SSA Work Plans, Visioning, Dtc.	-	5,000	(5,000)	-	-	-
8.04 District Master Plan, Plans	-	15,000	(15,000)	-	-	-
8.05 Economic Impact Study, Market Study, Banding Study, Etc	-	-	-	-	2,000	(2,000)
8.06 Parking/Transit Plan	-	-	-	-	-	-
<u>Totals</u>	<u>-</u>	<u>20,000</u>	<u>(20,000)</u>	<u>-</u>	<u>2,000</u>	<u>(2,000)</u>

Uptown Special Service Area Number 34
(Uptown United, Contractor)
Comparative Schedule of Expenses with Budget Variances
For the Years Ended December 31, 2013 and 2012

	2013			2012		
	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Variance</u>
<u>Expenses:</u>						
<u>Programs:</u>						
<u>Administration:</u>						
<u>10.00 Personnel</u>						
10.01 President - CEO	\$ 42,533	\$ 40,449	\$ 2,084	27,721	\$ 28,462	\$ (741)
10.02 Administrative - Assistant Director	56,995	56,799	196	54,345	54,077	268
10.03 Public Ally	-	-	-	7,494	7,500	(6)
10.04 Program Assistant	24,854	27,170	(2,316)	15,444	18,350	(2,906)
<u>Totals</u>	<u>124,382</u>	<u>124,418</u>	<u>(36)</u>	<u>105,004</u>	<u>108,389</u>	<u>(3,385)</u>
<u>11.00 Administrative Support Non-Personnel</u>						
11.01 SSA Annual Report	-	1,000	(1,000)	-	1,300	(1,300)
11.02 SSA Audit	3,200	3,200	-	2,500	2,500	-
11.03 Bookkeeping	2,660	3,000	(340)	1,294	1,200	94
11.04 Office Rent	6,802	7,344	(542)	7,719	7,800	(81)
11.05 Office Utilities/Telephone	2,779	2,700	79	2,919	2,800	119
11.06 Office Supplies	657	570	87	581	275	306
11.07 Office Equipment Lease/Maintenance	1,052	1,140	(88)	2,161	200	1,961
11.08 Office Printing	-	60	(60)	275	1,400	(1,125)
11.09 Postage	120	120	-	921	850	71
11.10 Meeting Expense	1,137	330	807	617	200	417
11.11 Subscriptions/dues	1,622	1,350	272	515	500	15
11.12 Bank Service Charges	-	-	-	-	-	-
11.13 Monitoring/Compliance	-	100	(100)	-	500	(500)
<u>Totals</u>	<u>20,029</u>	<u>20,914</u>	<u>(885)</u>	<u>19,502</u>	<u>19,525</u>	<u>(23)</u>

Uptown Special Service Area
Special Service Area Number 34
Schedule of Findings
Year ended December 31, 2013 and 2012

Finding # 1

We have reviewed the Agreement for Special Service Area Number 34 between the City of Chicago and the Contractor for the year ended December 31, 2013 and 2012.

We noted no exceptions

State of Illinois

Department of Financial and Professional Regulation Division of Professional Regulation

LICENSE NO.
066.003838
065.009475

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

EXPIRES:
11/30/2015

**PUBLIC ACCOUNTING FIRM
SOLE PROPRIETORSHIP**

**BRAVOS & ASSOCIATES
324 RIDGEWOOD DR
BLOOMINGDALE, IL 60108**



Susan J. Gold

SUSAN J. GOLD
ACTING SECRETARY

Jay Stewart

JAY STEWART
DIRECTOR

The official status of this license can be verified at www.idfpr.com

7292846

State of Illinois

Department of Financial and Professional Regulation Division of Professional Regulation

LICENSE NO.
065.009475

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

EXPIRES:
09/30/2015

**LICENSED
CERTIFIED PUBLIC ACCOUNTANT**

**THOMAS WILLIAM BRAVOS
324 RIDGEWOOD DR
BLOOMINGDALE, IL 60108**



Brent E. Adams

BRENT E. ADAMS
SECRETARY

Jay Stewart

JAY STEWART
DIRECTOR

The official status of this license can be verified at www.idfpr.com

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