

Special Service Area Number 29
(West Town Chicago Chamber of Commerce, Contractor)

Financial Statements

Year Ended December 31, 2012 and 2011

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Special Service Area Number 29
West Town Chamber of Commerce, Contractor
Chicago, Illinois

We have audited the accompanying statement of financial position of Special Service Area Number 29 (a taxing district authorized by the City of Chicago) as of December 31, 2012 and 2011, 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 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 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 Special Service Area Number 29 as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years 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 and 10 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 22, 2013
Bloomington, Illinois

Special Service Area Number 29
(West Town Chicago Chamber of Commerce, Contractor)
Comparative Statement of Financial Position
December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 330,519	\$ 433,286
Accounts receivable	-	7,223
Prepaid Insurance	-	1,343
	<hr/>	<hr/>
Total Assets	<u>\$ 330,519</u>	<u>\$ 441,852</u>
 <u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ 37,766	\$ 18,158
	<hr/>	<hr/>
Net assets, unrestricted	292,754	423,694
	<hr/>	<hr/>
Total Liabilities and Net Assets	<u>\$ 330,519</u>	<u>\$ 441,852</u>

Special Service Area Number 29
 (West Town Chicago Chamber of Commerce, Contractor)
 Comparative Statement of Activities
 For the Years Ended December 31, 2012 and 2011

	2012			2011		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
Changes in Unrestricted Net Assets:						
Revenues:						
Tax Levy Revenue - Current Year	\$ 514,961	\$ 541,439	\$ (26,478)	\$ 420,060	\$ 376,276	\$ 43,784
Interest Income	1,667	-	1,667	924	-	924
Total Revenues	516,630	541,439	(24,809)	420,984	376,276	44,708
Expenses:						
Program costs:						
1.00 Advertising & Promotion	111,584	128,400	(16,816)	33,565	45,481	(11,916)
2.00 Public Way Maintenance	154,236	158,300	(4,064)	98,510	110,000	(11,490)
3.00 Public Way Aesthetics	136,060	144,116	(8,056)	14,536	92,000	(77,464)
4.00 Tenant Retention/Attraction	5,775	5,500	275	-	-	-
5.00 Façade Improvements	61,396	85,000	(23,604)	21,332	40,000	(18,668)
6.00 Parking/Transit/Accessibility	-	200	-	-	-	-
8.00 District Planning	95,561	111,000	(15,439)	10,436	45,000	(34,564)
9.00 Other Technical Assistance	-	-	-	-	1,000	(1,000)
Total Program Expense	564,612	632,516	(67,704)	178,379	333,481	(155,102)
Administration						
10.00 Personal	61,431	62,420	(989)	50,922	52,397	(1,475)
11.00 Operational & Administrative Support	21,527	30,050	(8,523)	21,133	25,500	(4,367)
12.00 Loss Collection	-	-	-	-	20,000	(20,000)
Total Administration expenses	82,958	92,470	(9,512)	72,055	97,897	(25,842)
Total Expenses	647,570	724,986	(77,216)	250,434	431,378	(180,944)
Increase (Decrease) in Net Assets	(130,940)	(183,547)	52,407	170,550	(55,102)	225,652
Unrestricted Net Assets:						
Beginning of Year	423,694			253,144		
End of Year	\$ 292,754			\$ 423,694		

Special Service Area Number 29
(West Town Chicago Chamber of Commerce, Contractor)
Comparative Statement of Cash Flows
For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash Flows from operating activities:		
Increase (decrease) in unrestricted net assets	\$ (130,940)	\$ 170,550
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Accounts receivable	7,223	19,305
Prepaid Insurance	1,343	(245)
Accounts payable	<u>19,607</u>	<u>13,325</u>
Net cash flows from operating activities:	\$ (102,767)	202,935
Cash and Cash Equivalents		
Beginning of the year	<u>433,286</u>	<u>230,351</u>
End of the year	<u>\$ 330,519</u>	<u>\$ 433,286</u>
Supplemental disclosures:		
Interest Paid	<u>\$ -</u>	<u>\$ -</u>
Taxes Paid	<u>\$ -</u>	<u>\$ -</u>

Special Service Area Number 29
(West Town Chamber of Commerce, Contractor)
Notes to Financial Statements
For the Year Ended December 31, 2012 and 2011

Summary of Accounting Policies

Nature of Organization

West Town Chamber of Commerce, Contractor for Special Service Area Number 29 (Organization) is a not-for-profit corporation organized under the laws of the State of Illinois. The Organization was formed to revitalize the West Chicago Avenue business district. The organization is located within the boundaries of the City of Chicago.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 116, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 116, 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. The Organization had no temporarily or permanently restricted net assets. As of December 31, 2012 and 2011 the organization has unrestricted net assets in the amount of \$ 292,754 and \$ 423,694 respectfully.

Cash and Cash Equivalents

Cash and cash equivalents is defined 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 organization maintains its cash in bank accounts, which, at times, may exceed the federally insured limits. The organization has not experienced any losses in such accounts. The organization believes it is not exposed to any significant credit risk on cash and cash equivalents. The organization has established a separate checking account at the North Community Bank in Chicago, Illinois and all tax revenue funds are automatically deposited into this checking account. The Contractor did not commingle Service Tax funds with funds from any other source.

Revenue Recognition

The organization'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. Accounts receivable represent amounts earned, but not received at year end.

Income Taxes

The organization is a part of the West Town Chamber of Commerce, 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.

Special Service Area Number 29
(West Town Chamber of Commerce, Contractor)
Notes to Financial Statements
For the Year Ended December 31, 2012 and 2011

Summary of Accounting Policies – Continued

Related Party Transactions

Special Service Area Number 29 shares office space, equipment and employees through its affiliation with West Town Chamber of Commerce. Special Service Area Number 29 has no employees of its own, but reimburses West Town Chamber of Commerce for payroll and related costs of the individuals working on the programs. It also reimburses West Town Chamber of Commerce for a portion of its operating expenses, allocation of rent and utilities. The Special Service Area Number 29 had \$ 0 and \$ 2,666 due to West Town Chamber of Commerce as of December 31, 2012 and 2011 respectfully.

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.

Special Service Area Agreement

The Organization entered into an agreement with the City of Chicago, and the annual agreement is based upon the calendar year whereby the City has established a special service area known and designated as “Special Service Area Number 29” to provide special services in addition to those services generally provided by the City. West Town Chamber of Commerce, Contractor has been designated as “Contractor” under terms of the agreement. The City has authorized a levy not to exceed 0.47% 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 is the lesser of the budget for that year or the amount of service tax funds actually collected for the preceding tax year.

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INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors
Special Service Area Number 29
West Town Chamber of Commerce, Contractor
Chicago, Illinois

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information which follows is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Bravos & Associates

March 22, 2013
Bloomington, Illinois

Special Service Area Number 29
(West Town Chicago Chamber of Commerce, Contractor)
Comparative Schedule of Tax Levy Revenue and Interest Income
December 31, 2012 and 2011

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

	<u>2012</u>	<u>2011</u>
	<u>Income</u> <u>(Returned to City)</u>	<u>Income</u> <u>(Returned to City)</u>
<u>Tax Levy Revenue</u>		
Tax Year 2004	\$ -	\$ -
Tax Year 2005	249	(311)
Tax Year 2006	89	(1,407)
Tax Year 2007	2,830	(1,543)
Tax Year 2008	3,238	(2,005)
Tax Year 2009	24,697	99,855
Tax Year 2010	<u>491,081</u>	<u>344,776</u>
Total received during year - Cash Basis	522,184	439,365
 <u>Accrual adjustments - Accounts Receivable</u>		
Beginning of year	(7,223)	(26,528)
End of year	<u>-</u>	<u>7,223</u>
 <u>Total tax levy revenue accrual basis</u>	 <u>\$ 514,961</u>	 <u>\$ 420,060</u>
 <u>Interest Income</u>		
Interest earned - Bank accounts	\$ 1,600	\$ 857
Interest paid by City of Chicago	<u>67</u>	<u>67</u>
<u>Total Interest income earned</u>	<u>1,667</u>	<u>924</u>

Special Service Area Number 29
 (West Town Chicago Chamber of Commerce, Contractor)
 Comparative Schedule of Expenses with Budget Variances
 December 31, 2012 and 2011

	2012			2011		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
Expenses:						
Programs:						
<u>1.00 Advertising & Promotion</u>						
1.01 Website/Technology	\$ 1,400	\$ 1,400	\$ -	\$ -	\$ 5,481	\$ (5,481)
1.02 Public/Media Relations Services	20,833	22,000	(1,167)	500	5,000	(4,500)
1.03 Special Events	39,930	50,000	(10,070)	18,065	20,000	(1,935)
1.04 Display Advertising	13,747	14,000	(253)	-	-	-
1.05 Print Materials	374	1,000	(626)	-	-	-
1.06 Other: Smart phone application	30,418	35,000	(4,583)	-	-	-
1.07 Other: Graphic Design & Branding	4,883	5,000	(118)	-	-	-
1.08 Other: Marketing Initiatives	-	-	-	15,000	15,000	-
Totals	111,584	128,400	(16,816)	33,565	45,481	(11,916)
<u>2.00 Public Way Maintenance</u>						
2.01 Sidewalk Cleaning	73,600	77,000	(3,400)	42,947	60,000	(17,053)
2.02 Sidewalk Snow Plowing	29,917	30,000	(83)	18,000	30,000	(12,000)
2.03 Sidewalk Power Washing	41,210	41,300	(90)	37,563	20,000	17,563
2.04 Acid Etching & Graffiti Removal/Prevention	9,509	10,000	(491)	-	-	-
Totals	154,236	158,300	(4,064)	98,510	110,000	(11,490)
<u>3.00 Public Way Aesthetics</u>						
3.01 Streetscape Elements	-	-	-	101	10,000	(9,899)
3.02 Decorative Banner/Holiday Decorations	121,007	110,000	11,007	13,977	63,000	(49,023)
3.05 Landscaping	5,488	4,116	1,372	-	4,000	(4,000)
3.08 Other: Public Way Art	-	-	-	458	15,000	(14,542)
3.10 Other: Tree Survey & Maintenance	9,565	30,000	(20,435)	-	-	-
Totals	136,060	144,116	(8,056)	14,536	92,000	(77,464)
<u>4.00 Tenant Retention/Attraction</u>						
4.01 Data Collection	5,775	5,000	775	-	-	-
4.04 Other: Survey and Evaluation	-	500	(500)	-	-	-
Totals	5,775	5,500	275	-	-	-
<u>5.00 Façade Improvements</u>						
5.01 Façade Enhancement Program	61,396	85,000	(23,604)	21,332	40,000	(18,668)
Totals	61,396	85,000	(23,604)	21,332	40,000	(18,668)

Special Service Area Number 29
 (West Town Chicago Chamber of Commerce, Contractor)
Comparative Schedule of Expenses with Budget Variances
 December 31, 2012 and 2011

	2012			2011		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
Expenses:						
Programs:						
6.00 Parking/Transit/Accessibility						
6.04 Bicycle Transit Enhancements	\$ -	\$ 200	-	\$ -	\$ -	-
Totals	-	200	-	-	-	-
8.00 District Planning						
8.01 SSA Start-Up or Reconstitution Costs	63,057	75,000	(11,943)	117	35,000	(34,883)
8.02 Commission Development (Policy Governance, etc.)	32,503	36,000	(3,497)	-	-	-
8.04 District Master Plan, Corridor, Streetscape Plans	-	-	-	10,319	10,000	319
Totals	95,561	111,000	(15,439)	10,436	45,000	(34,564)
9.00 Other Technical Assistance						
9.01 Other: Assistance to Businesses	-	-	-	-	1,000	(1,000)
Totals	-	-	-	-	1,000	(1,000)
10.00 Personal						
10.01 Executive Director	9,346	9,671	(325)	8,396	8,396	-
10.02 Program Manager	43,135	43,060	75	34,342	34,342	-
10.03 Assistant Director	4,969	5,167	(198)	4,041	4,041	-
10.04 Bookkeeper	3,285	3,230	55	3,702	3,702	-
10.05 Intern	697	1,292	(595)	441	441	-
Totals	61,431	62,420	(989)	50,922	50,922	-
11.00 Operational & Administrative Support						
11.02 Other: Director, Officer & WC Insurance	-	-	-	-	-	-
11.02 Audit	2,200	2,200	-	2,200	2,500	(300)
11.03 Bookkeeping	354	600	(246)	352	600	(248)
11.04 Office Rent	13,500	15,300	(1,800)	13,200	13,200	-
11.05 Office Utilities/Telephone	2,557	5,300	(2,743)	2,585	3,000	(415)
11.06 Office Supplies	980	3,500	(2,520)	1,497	3,500	(2,003)
11.09 Postage	-	500	(500)	18	500	(482)
11.10 Meeting Expense	593	600	(7)	90	150	(60)
11.14 Other: Workers Comp/State UC	1,343	2,050	(707)	1,191	2,050	(859)
Totals	21,527	30,050	(8,523)	21,133	25,500	(4,367)

Special Service Area Number 29
(West Town Chamber of Commerce, Contractor)
Summary Schedule of Findings
Years ended December 31, 2012 and 2011

Finding # 1 -

We have reviewed the Agreement for the Special Service Area, between the City of Chicago and the Contractor for the year ended December 31, 2012 and 2011.

We noted no exceptions.