

**West Town Chicago Chamber of Commerce
Special Service Area 29
(a taxing district authorized by the City of Chicago)**

**Financial Statements
12/31/2014**

**West Town Chicago Chamber of Commerce
Special Service Area 29**

**Financial Statements
December 31, 2014**

Index

<u>Financial Statements</u>	<u>Page</u>
Independent Auditor's Report	1-2
Statement of Net Position and Governmental Fund Balance Sheet December 31, 2014	3
Statement of Activities and Governmental/ Fund, Revenues, Expenditures and Changes in Fund Balance December 31, 2014	4
Notes to the Financial Statements - For the Year Ended December 31, 2014	5-9
 <u>Supplementary Information</u>	
Schedule of Revenues and Expenditures - Budget and Actual December 31, 2014	10
Summary Schedule of Findings For the Year Ended December 31, 2014	11

Independent Auditor's Report

To the Commissioners
West Town Chicago Chamber of Commerce
Special Service Area 29

We have audited the accompanying financial statements of West Town Chicago Chamber of Commerce - Special Service Area 29, which comprise the statement of net position and governmental fund balance sheet as of December 31, 2014, and the related statement of activities and governmental fund / revenues, expenditures and changes in fund balance 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 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 audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of West Town Chicago Chamber of Commerce - Special Service Area 29 as of December 31, 2014, and its statement of activities and governmental fund / revenues, expenditures and changes in fund balance, and summary schedule of audit findings for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

During 2014, Special Service Area 29 changed its basis of accounting to follow the standards established by the Government Accounting Standards Board (GASB) applicable to governmental entities. Previously, the SSA was following a basis of accounting similar to a not-for-profit entity under the standards of the Financial Accounting Standards Board (FASB).

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of revenues and expenditures - budget and actual on page 10, are presented for comparison and analysis purposes only. The supplementary information is not a required part of the basic financial statements. We have not performed any auditing procedures on the budget amounts and therefore, express no opinion on them.

Eilts & Associates, Inc.

EILTS & ASSOCIATES, INC.
Chicago, Illinois
April 2, 2015

**West Town Chicago Chamber of Commerce
Special Service Area Number 29
Statement of Net Position and
Governmental Fund Balance Sheet
December 31, 2014**

	Governmental fund	Adjustments	Statement of Net position
ASSETS			
Cash and cash equivalents	\$ 147,243	\$ -	\$ 147,243
Property tax receivable, net allowance for uncollectable taxes of \$0	1,563	-	1,563
Other receivables	12,216	-	12,216
 Total Assets	 \$ 161,022	 \$ -	 \$ 161,022
 FUND BALANCE / NET POSITION			
Unassigned	161,022	(161,022)	-
 Total Fund Balance	 \$ 161,022		
 Net Position - Restricted		 \$ 161,022	 \$ 161,022

See notes to the financial statements

**West Town Chicago Chamber of Commerce
Special Service Area Number 29
Statement of Activities and Governmental Fund /
Revenues, Expenditures
and Changes in Fund Balance
December 31, 2014**

	<u>Governmental fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
REVENUES			
Property taxes and interest	\$ 520,730	\$ -	\$ 520,730
TIF rebates	5,367	-	5,367
Interest	265	-	265
	<hr/>	<hr/>	<hr/>
Total Revenues	526,362	-	526,362
EXPENDITURES			
Advertising and promotion	73,531	-	73,531
Public way maintenance	164,716	-	164,716
Public way aesthetics	71,929	-	71,929
Fascade improvements	55,816	-	55,816
District planning	39,952	-	39,952
Personnel	97,983	-	97,983
Admin non-personnel	30,190	-	30,190
	<hr/>	<hr/>	<hr/>
Total expenditures	534,117	-	534,117
Excess of revenues over expenditures	<hr/> (7,755)	<hr/> -	<hr/> (7,755)
Change in Net Position	(7,755)	-	(7,755)
Fund Balance/Net Position			
Beginning of the Year	<hr/> 168,777	<hr/> -	<hr/> 168,777
End of the Year	<hr/> <u>\$ 161,022</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ 161,022</u>

See notes to the financial statements

**West Town Chicago Chamber of Commerce
Special Service Area 29
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**Notes to Financial Statements
For the Year Ended December 31, 2014**

NOTE 1 – Summary of Significant Accounting Policies

a. Nature of Activities and reporting entity

The Organization entered into an agreement with the City of Chicago in 2004, which expired in 2014, and the annual agreement is based upon the calendar year whereby the City has establish 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 Chicago Chamber of Commerce has been designated as SSA 29's "Contractor / Sole service provider" under terms of the agreement.

West Town Chicago Chamber of Commerce is an Illinois non-for-profit corporation that is exempt from federal taxes under Section 501(c)6 of the Internal Revenue Code. The Organization is dedicated to assist in the planning, developing and servicing of the West Chicago Avenue business district. The Organization, by contract with the City of Chicago, is the provider of special services to the West Chicago Avenue business district area and is funded by Special Service Area 29 taxes.

As of December 31, 2014, this specific special service area is no longer in existence. A new special service area was created and established as of January 1, 2015, which includes most, but not all, properties that existed in this (initial) special service area.

b. Governmental-Wide and Fund Financial Statements

The financial statements of the SSA have been prepared in conformity with accounting principles generally accepted in United States of America as applied to governmental units, hereinafter referred to as GAAP (generally accepted accounting principles). The accepted standard-setting body for establishing governmental accounting and financial reporting principles is GASB (the Governmental Accounting Standards Board).

**West Town Chicago Chamber of Commerce
Special Service Area 29
(a taxing district authorized by the City of Chicago)**

**Notes to Financial Statements
For the Year Ended December 31, 2014**

Governmental-Wide financial statements (statement of net position and statement of activities) are prepared using the economic resources measurement focus and the accrual basis of accounting for all of the SSA's activities. The Fund Financial Statements, which focus on the SSA's governmental funds current financial resources measurement focus, are prepared on the modified accrual basis.

The SSA accounts for its activities in one fund, its general fund.

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied.

The governmental fund financial statements are prepared on the modified accrual basis of accounting with only current assets and liabilities included on the balance sheet. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, both measurable and available to finance expenditures of the current period. Available means collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes as susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end. Expenditures are recorded when the liability is incurred.

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America 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 expenditures/expenses during the reported period. Actual results could differ from those estimates.

**West Town Chicago Chamber of Commerce
Special Service Area 29
(a taxing district authorized by the City of Chicago)**

**Notes to Financial Statements
For the Year Ended December 31, 2014**

d. Assets, Liabilities, and Net Position

Cash and cash equivalents

The SSA's cash and cash equivalents are considered to be 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.

Receivables

As of December 31, 2014, this specific special service area is no longer in existence. A new special service area was created and established as of January 1, 2015, which includes most, but not all, properties that existed in this (initial) special service area. Therefore, deferred property tax revenue, property tax receivable, and a related allowance has not been included in this report, as all these future funds will be transferred via City ordinance to the new established special service area and reported in their fund balance. Only property taxes received, from prior year levies (years 2010-2013), within the first 60 days subsequent to year end , in the amount of \$1,563, were included in property tax receivable at December 31, 2014.

Fund Equity / Net Positon

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by the SSA board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the SSA board. Unassigned fund balance is the net resources in excess of what can be property classified in one of the above four categories.

When both restricted and unrestricted fund balances are available for use, it is the SSA's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balance is reduced first,

**West Town Chicago Chamber of Commerce
Special Service Area 29
(a taxing district authorized by the City of Chicago)**

**Notes to Financial Statements
For the Year Ended December 31, 2014**

followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

For the government-wide financial statements, net position is reported as invested in capital assets net of related debt, restricted or unrestricted. Invested in capital assets, net of related debt, if applicable, is comprised of the net capital asset balance less any related debt. Restricted net position is when restrictions are placed on net assets from 1) externally imposed by creditors, grantors, contributors, or laws, or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation. The remaining net position is classified as unrestricted.

e. Subsequent Events

Subsequent events have been evaluated through April 2, 2015, which is the date the financial statements were available to be issued.

NOTE 2 – Cash and cash equivalents

The SSA 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 SSA maintains its cash balance in a financial institution located in Chicago, IL. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. The SSA's cash balance did not exceed the insurance level as of December 31, 2014.

NOTE 3 – Property taxes

The SSA's principal source of revenue is from real estate taxes levied on certain property located in its boundaries. Property taxes become an enforceable lien on real property on January 1 of the year it is levied. Taxes are payable in two installments in the subsequent year. The first

**West Town Chicago Chamber of Commerce
Special Service Area 29
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**Notes to Financial Statements
For the Year Ended December 31, 2014**

installment is an estimate based on the prior year billed levy (55%) and is due March. The second installment is due in August or 30 days from the mailing of the tax bills, if issued later than July 1. The second installment is based on the remaining amount of the levy on file with the County. Bills are issued and collected by Cook County who remits the SSA's share to the City who then remits the monies to the SSA.

NOTE 4 – Other Receivables

As of December 31, 2014, a TIF rebate of \$5,367 was identified and reported to the SSA, by the City of Chicago. This rebate will be received in the near foreseeable future. Additionally, the City of Chicago agreed to reimburse the SSA for reconstitution expenses surrounding additional required mailings in the amount of \$6,849. Total other receivables due from the City of Chicago as of December 31, 2014 is \$12,216.

NOTE 5 – Fund Equity / Net Position

The SSA is required to present information regarding its financial position and activities according to the Agreement for Special Service Area #29 between the City of Chicago and West Town Chicago Chamber of Commerce. As of December 31, 2014, the SSA had unrestricted assets of \$161,022. These funds will be utilized in the new special service area once the City of Chicago approves such ordinance allowing the transfer of these funds into the new special service area established in 2015.

NOTE 6 – Related Party Transactions

The SSA is affiliated with West Town Chicago Chamber of Commerce, which acts as its sole service provider. Special service area 29 shares office space, equipment, and employees through this affiliation. Special Service Area 29 has no employees of their own, but reimburses West Town Chicago Chamber of Commerce for payroll and related costs of the individuals working on the programs. It also reimburses West Town Chicago Chamber of Commerce for a portion of its operating expenses, and allocation of rent and utilities.

Supplementary Information

**West Town Chicago Chamber of Commerce
Special Service Area Number 29
Schedule of Revenues and
Expenditures - Budget and Actual
December 31, 2014**

	Budget	Actual	Variance
REVENUE			
Property revenues - current year	\$ 556,842	\$ 506,309	\$ (50,533)
Late collections and interest thereon	-	14,406	14,406
SSA interest income	-	15	15
Interest income	-	265	265
TIF rebates	-	5,367	5,367
Less: Loss Collection	(20,000)	-	20,000
Total revenues	536,842	526,362	(10,480)
EXPENDITURES			
Advertising and promotion	91,764	73,531	18,233
Public way maintenance	253,527	164,716	88,811
Public way aesthetics	96,100	71,929	24,171
Tenant retention/attraction	7,700	-	7,700
Fascade improvements	71,580	55,816	15,764
Parking/transit/accessibility	300	-	300
District planning	52,170	39,952	12,218
Personnel	97,983	97,983	-
Admin non-personnel	34,495	30,190	4,305
Total expenditures	705,619	534,117	171,502
Excess of revenues over expenditures	\$ (168,777)	\$ (7,755)	\$ 161,022
CARRYOVER	168,777	-	(168,777)
Net revenues in excess of expenses	\$ -	\$ (7,755)	\$ (7,755)

See notes to the financial statements

**West Town Chicago Chamber of Commerce
Special Service Area 29
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**Summary Schedule of Findings
For the Year Ended December 31, 2014**

As part of our audit and request by the Special Service Area Annual Audited Financial and Accounting Guide prepared by the City of Chicago Department of Housing and Economic Development, we have read and understand the requirements contained in the Service Provider Agreement. After conducting the audit, we determined that no exceptions were noted

The auditor's report expresses an unqualified opinion on the financial statements of West Town Chicago Chamber Special Service Area 29. No significant deficiencies or material weaknesses were disclosed during the audit of the financial statements.

Findings – Financial Statement Audit

None found

Findings and Questioned Costs

None found