

SPECIAL SERVICE AREA #21
Managed by the Lincoln Square Chamber of Commerce
(a taxing district authorized by the City of Chicago)

FINANCIAL STATEMENTS

DECEMBER 31, 2011

(TOGETHER WITH INDEPENDENT AUDITOR'S REPORT)

SPECIAL SERVICE AREA #21
Managed by the Lincoln Square Chamber of Commerce
(a taxing district authorized by the City of Chicago)

December 31, 2011

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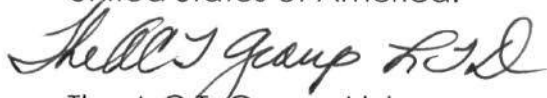
INDEPENDENT AUDITOR'S REPORT

To The Commissioners of
Special Service Area #21
Chicago, Illinois

We have audited the accompanying statement of financial position of Special Service Area #21 (a taxing district authorized by the City of Chicago) as of December 31, 2011, and the related statements of activities – budget versus actual and changes in net assets for the two years ended December 31, 2010 and 2011 and cash flows for the year ended December 31, 2011. 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 present fairly, in all material respects, the financial position of the Special Service Area #21 as of December 31, 2011, 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.


The A.C.T. Group, Ltd.
Certified Public Accountants
February 18, 2012

SPECIAL SERVICE AREA #21
 Managed by The Lincoln Square Chamber of Commerce
 (a taxing district authorized by the City of Chicago)
 STATEMENT OF FINANCIAL POSITION
 DECEMBER 31, 2011

ASSETS:

Current Assets

Cash (note 1)	\$ 112,774
Accounts Receivable (note 2)	1,586
TOTAL ASSETS	<u>\$ 114,360</u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable (note 3)	\$ 5,194
TOTAL LIABILITIES	<u>\$ 5,194</u>

Net Assets

Unrestricted	\$ 109,166
TOTAL NET ASSETS	<u>\$ 109,166</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 114,360</u>
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The accompanying notes are an integral part of the financial statements.

SPECIAL SERVICE AREA #21
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 STATEMENT OF ACTIVITIES - BUDGET VERSUS ACTUAL AND CHANGES IN NET ASSETS
 FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	BUDGET 2011	ACTUAL 2011	VARIANCE \$	BUDGET 2010	ACTUAL 2010	VARIANCE \$
REVENUES:						
SSA #21 Tax Revenue	\$ 148,400	145,898	\$ (2,502)	\$ 147,214	\$ 166,390	\$ 19,176
Miscellaneous Income		795	795	-	795	795
Bank Refund / Interest Income		-	-	-	-	-
Loss collection	(14,000)	-	14,000	(17,000)	-	17,000
Total Revenue	\$ 134,400	146,693	\$ 12,293	\$ 130,214	\$ 167,185	\$ 36,971
EXPENSES:						
Program Services:						
Area Maintenance:						-
Sidwalk Cleaning & Snow Removal	69,400	69,955	555	84,564	59,755	(24,809)
Area Maintenance		53	53	-	52	52
Advertising	2,200	200	(2,000)	2,444	-	(2,444)
Public Way Aesthetics	48,320	39,764	(8,556)	28,824	37,622	8,798
Community Garden		2,178	2,178			
Total Program Expense	\$ 119,920	112,149	\$ (7,771)	\$ 115,832	\$ 97,429	\$ (18,404)
Management & Administration:						
Administrative - Management	11,980	11,740	(240)	12,382	26,460	14,078
Administrative - Management: Audit	2,500	2,750	250	2,000	2,750	750
Total Management Expense	\$ 14,480	14,490	\$ 10	\$ 14,382	\$ 29,210	\$ 14,828
TOTAL EXPENSES	\$ 134,400	126,639	\$ (7,761)	\$ 130,214	\$ 126,639	\$ (3,576)
Net Surplus	\$ -	20,054	\$ 20,054	\$ -	\$ 40,546	\$ 40,547
INCREASE (DECREASE) IN NET ASSETS						
Unrestricted		20,054			\$ 22,967	
Net Assets Released from Restrictions		-			-	
		20,054			\$ 22,967	
BEGINNING OF YEAR						
Unrestricted Net Assets		89,112			\$ 66,145	
Temporarily Restricted Net Assets		-			-	
		89,112			\$ 66,145	
END OF YEAR						
Unrestricted Net Assets		109,166			\$ 89,112	
Temporarily Restricted Net Assets		-			-	
		109,166			\$ 89,112	

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SPECIAL SERVICE AREA #21
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 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2011

Cash Flows From Operating Activities

Change in Net Assets	\$	20,054
Adjustments to Reconcile Net Surplus to Net Cash Provided by Operating Activities		
Decrease in Accounts Receivable		18,905
Increase in Accounts Payable		<u>3,119</u>
Net Cash Provided By Operating Activities		<u>42,079</u>
Cash At Beginning Of Year		<u>70,695</u>
Cash At End Of Year -- 12/31/11	\$	112,774

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SPECIAL SERVICE AREA #21
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

1. Nature of Activities and Significant Accounting Policies

Nature of Activities: Special Service Area #21 (the Taxing District) is a taxing district authorized by the City of Chicago located in Chicago, Illinois. It is managed by the Lincoln Square Chamber of Commerce. Its scope of services is to coordinate and supervise various activities with regard to the Lincoln Square area. These services include coordinating marketing and promotional activities, sidewalk maintenance, beautification activities, and other technical assistance activities to promote commercial and economic development in the area. The primary source of SSA funds is from real estate taxes on non-exempt commercial property located in the area, which are collected by 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 #21 between the City of Chicago and Lincoln Square Chamber of Commerce. As of December 31, 2011, the Taxing District had net unrestricted net assets of \$109,166.

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

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

unrestricted net assets and reported in the statement of activities as net assets released from restrictions. As of December 31, 2011, all net assets were unrestricted.

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 Lincoln Square Chamber of Commerce is the service provider for SSA #21, 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.

Subsequent Events: Subsequent events have been evaluated through February 18, 2012, which is the date the financial statements were available to be issued.

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.

2. Accounts Receivable

Accounts receivable consist of 2011 tax revenue received by the SSA in 2012. Actual cash received by the SSA in 2011 was \$164,803.

3. Accounts Payable

Accounts payable consists of contractor work performed in 2011 but paid in 2012.

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

4. Related Party Transaction

The Taxing District's Contractor is the Lincoln Square Chamber of Commerce. The Chamber of Commerce is reimbursed for ongoing administration expenses including staff compensation, and allocations of rent and utilities in addition to grant funding. As of December 31, 2011, the Taxing District paid \$26,450 for administrative fees and expense reimbursements.

5. Future Plans

The Commissioners of SSA#21 are starting a strategic plan for future cityscape in the area. They plan on using funds that have accumulated for this strategic plan.

SPECIAL SERVICE AREA #21
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SUMMARY SCHEDULE OF AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

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 Planning and Development, we have read the requirements contained in the Agreement for Special Service Area #21 between the City of Chicago and Lincoln Square Chamber of Commerce and no exceptions were noted.

Per Article 5.03, the Contractor (SSA #21) established two separate checking accounts at local banks in Chicago, Illinois. All Service Tax Funds were automatically deposited into this checking account. The Contractor did not commingle Service Tax Funds with funds from any other source.