

103rd Street - Roseland
Special Service Area Number 41
(Calumet Area Industrial Commission, Contractor)

Financial Statements

Year Ended December 31, 2010 and 2009

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
103rd Street - Roseland Special Service Area Number 41
(Calumet Area Industrial Commission, Contractor)
Chicago, Illinois

We have audited the accompanying statement of financial position of 103rd Street - Roseland Special Service Area Number 41 (Calumet Area Industrial Commission, Contractor) (a nonprofit organization) as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the year 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 103rd Street - Roseland Special Service Area Number 41 (Calumet Area Industrial Commission, Contractor), as of December 31, 2010 and 2009, 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 information included in the accompanying Schedule 1 is presented for supplemental analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the audit of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

Bravos & Associates

April 23, 2011
Bloomington, Illinois

103rd Street - Roseland
Special Service Area Number 41
(Calumet Area Industrial Commission, Contractor)
Statement of Financial Position
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 52,465	\$ 36,686
Accounts receivable	<u>12,852</u>	<u>5,736</u>
Total Assets	<u>\$ 65,317</u>	<u>\$ 42,422</u>
 <u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ 6,738	\$ 16,806
Line of Credit - US Bank	<u>48,800</u>	<u>-</u>
Total Current Liabilities	55,538	16,806
<u>Net assets</u>		
Net assets, unrestricted	<u>9,779</u>	<u>25,616</u>
Total Liabilities and Net Assets	<u>\$ 65,317</u>	<u>\$ 42,422</u>

103rd Street - Roseland
Special Service Area Number 41
(Calumet Area Industrial Commission, Contractor)
Comparative Statement of Activities
For the Years Ended December 31, 2010 and 2009

	Year Ended December 2010			Year End December 2009		
	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Variance</u>
<u>Changes in Unrestricted Net Assets:</u>						
<u>Revenues:</u>						
Tax Levy Revenue & Related Interest Income	\$ 126,477	\$ 217,550	\$ (81,560)	\$ 114,375	\$ 223,902	\$ (109,527)
<u>Expenses:</u>						
<u>Program costs:</u>						
1.00 Advertising & Promotion	5,000	8,000	(3,000)	6,241	8,000	(1,759)
2.00 Public Way Maintenance	32,201	65,000	(32,799)	47,657	65,000	(17,343)
3.00 Public Way Aesthetics	9,690	21,000	(11,310)	16,050	21,000	(4,950)
4.00 Tenant Retention/Attraction	1,000	-	1,000	-	-	-
5.00 Façade Improvements	15,000	11,000	4,000	5,000	11,000	(6,000)
7.00 Safety Programs	46,632	86,102	(39,470)	89,215	86,102	3,113
8.00 District Planning	2,000	6,000	(4,000)	2,000	6,000	(4,000)
Total Program Expense	<u>111,523</u>	<u>197,102</u>	<u>(85,579)</u>	<u>166,163</u>	<u>197,102</u>	<u>(30,939)</u>
<u>Administration</u>						
9.00 Operational & Administrative Support	30,791	18,400	12,391	19,195	18,400	795
10.00 Tax Levy Loss Collection	-	8,400	(8,400)	-	8,400	(8,400)
Total Administration expenses	<u>30,791</u>	<u>26,800</u>	<u>3,991</u>	<u>19,195</u>	<u>26,800</u>	<u>(7,605)</u>
Total Expenses	<u>142,314</u>	<u>223,902</u>	<u>(81,588)</u>	<u>185,358</u>	<u>223,902</u>	<u>(38,544)</u>
Increase in Net Assets	(15,837)			(70,983)		
<u>Unrestricted Net Assets:</u>						
Beginning of Year	<u>25,616</u>			<u>96,599</u>		
End of Year	<u>\$ 9,779</u>			<u>\$ 25,616</u>		

103rd Street- Roseland
Special Service Area Number 41
(Calumet Area Industrial Commission, Contractor)
Comparative Statement of Cash Flows
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash Flows from operating activities:		
Increase (decrease) in unrestricted net assets	\$ (15,837)	\$ (70,983)
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Accounts receivable	(7,116)	(5,736)
Accounts payable	<u>(10,068)</u>	<u>16,806</u>
Total cash Provided (Used)	(33,021)	(59,913)
Cash Flows from Financing activities:		
Line of Credit	<u>48,800</u>	<u>-</u>
Total Cash Provided (Used)	15,779	(59,913)
Cash and Cash Equivalents		
Beginning of the year	<u>36,686</u>	<u>96,599</u>
End of the year	<u>\$ 52,465</u>	<u>\$ 36,686</u>
Supplemental disclosures:		
Interest Paid	<u>\$ 1,359</u>	<u>\$ -</u>
Taxes Paid	<u>\$ -</u>	<u>\$ -</u>

103rd Street - Roseland
Special Service Area Number 41
(Calumet Area Industrial Commission, Contractor)
Notes to Financial Statements
December 31, 2010 and 2009

Summary of Accounting Policies

Nature of Organization

Calumet Area Industrial Commission (Organization) is a not-for-profit corporation organized under the laws of the State of Illinois and is the contractor for 103rd Street – Roseland Special Service Area Number 41. The Organization was formed to attract, develop and retained industrial businesses in the Calumet Area, and the special service area formed to revitalize the Calumet area industrial and business district. The special service area 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. 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, 2010 and 2009, 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 on December 1, 2007 whereby the City has establish a special service area known and designated as “Michigan Avenue- Roseland Special Service Area Number 41” to provide special services in addition to those services generally provided by the City. Calumet Area Industrial Commission has been designated as “Contractor” under terms of the agreement. The City had originally approved Regional Redevelopment Corporation; but later removed them as the contractor. The City has authorized a levy not to exceed 1.50% 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 \$ 248,728 or the amount of service tax funds collected for the year 2010 and 2009. 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 shall continue through December 31, 2015.

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.

103rd Street - Roseland
Special Service Area Number 41
(Calumet Area Industrial Commission, Contractor)
Notes to Financial Statements
December 2010 and 2009

Summary of Accounting Policies – Continued

Concentration of Credit Risk

The Organization maintains its cash balances at a financial institution in the Chicago metropolitan area, which is 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

Michigan Avenue- Roseland Special Service Area Number 41 shares office space, equipment and employees through its affiliation with Calumet Area Industrial Commission, the contractor.

Michigan Avenue- Roseland Special Service Area Number 41 has no employees of its own, but reimburses the contractor for the payroll and related costs of the individuals working on the programs. Michigan Avenue- Roseland Special Service Area Number 41 also reimburses the contractor for a portion of its operating expenses and pays for use of Calumet Area Industrial Commission's office equipment and supplies.

Credit Line of Credit

The Special Service Area Number 41 has obtained a line of credit in the amount of \$ 50,000, from US Bank. The line of credit bears an interest rate of 1% over the prime rate of the bank. The interest rate will not exceed the annual rate of 6%. This note matures on July 1, 2011 and is expected to be renewed. This note is guaranteed by the contractor.

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INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Commissioners
103rd Street - Roseland Special Service Area Number 41
(Calumet Area Industrial Commission, 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

April 23, 2011
Bloomington, Illinois

103rd Street - Roseland Special Service Area Number 41

(Calumet Area Industrial Commission, Contractor)

Comparitive Schedule of Expenses with Budget Variances

For the Years Ended December 31, 2010 and 2009

<u>Expenses:</u> <u>Programs:</u>	<u>Year Ended December 31, 2010</u>			<u>Year Ended December 31, 2009</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Variance</u>
<u>1.00 Advertising & Promotion</u>						
1.03 Print Materials	\$ -	\$ 1,000	(1,000)	-	\$ 1,000	\$ (1,000)
1.05 Special Events	-	1,000	(1,000)	241	1,000	(759)
1.06 Website/Technology	-	1,000	(1,000)	1,000	1,000	-
1.07 Service Provider Direct Services	5,000	5,000	-	5,000	5,000	-
Total	5,000	8,000	(3,000)	6,241	8,000	(1,759)
<u>2.00 Public Way Maintenance</u>						
2.01 Equipment Purchase & Maintenance	-	4,000	(4,000)	-	4,000	(4,000)
2.05 Sidewalk Cleaning	26,201	51,000	(24,799)	41,082	51,000	(9,918)
2.06 Sidewalk Power Washing	-	-	-	575	-	575
2.07 Sidewalk Snow Plowing	-	1,000	(1,000)	-	1,000	(1,000)
2.14 Service Provider Direct Services	6,000	6,000	-	6,000	6,000	-
2.15 Other: Anti-Litter campaign	-	3,000	(3,000)	-	3,000	(3,000)
Total	32,201	65,000	(32,799)	47,657	65,000	(17,343)
<u>3.00 Public Way Aesthetics</u>						
3.01 Decorative Banner	-	9,000	(9,000)	1,870	9,000	(7,130)
3.02 Holiday Decorations	4,690	6,000	(1,310)	6,432	6,000	432
3.03 Landscaping	-	1,000	(1,000)	2,748	1,000	1,748
3.05 Streetscape Elements Purchase/Install	-	-	-	-	-	-
3.07 Service Provider Direct Services	5,000	5,000	-	5,000	5,000	-
3.08 Other: Street Lamps	-	-	-	-	-	-
Total	9,690	21,000	(11,310)	16,050	21,000	(4,950)
<u>4.00 Tenant Retention/Attraction</u>						
4.04 Technical Assistance to Businesses	1,000	-	1,000	-	-	-
Total	1,000	-	1,000	-	-	-
<u>5.00 Façade Improvements</u>						
5.01 Façade Enhancement Program	15,000	10,000	5,000	4,000	10,000	-
5.04 Service Provider Direct Services	-	1,000	(1,000)	1,000	1,000	-
Total	15,000	11,000	4,000	5,000	11,000	-

103rd Street - Roseland Special Service Area Number 41

(Calumet Area Industrial Commission, Contractor)

Comparitive Schedule of Expenses with Budget Variances

For the Years Ended December 31, 2010 and 2009

Expenses:	Year Ended December 31, 2010			Year Ended December 31, 2009		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>Administration:</u>						
<u>7.00 Safety Programs</u>						
7.07 Security Subcontractor	41,632	81,102	(39,470)	84,215	81,102	3,113
7.09 Service Provider Direct Services	5,000	5,000	-	5,000	5,000	-
Total	46,632	86,102	(39,470)	89,215	86,102	3,113
<u>8.00 District Planning</u>						
8.01 SSA Work Plans, Visioning, etc	-	1,000	(1,000)	-	1,000	(1,000)
8.02 District Branding, Identity Development	-	1,000	(1,000)	-	1,000	(1,000)
8.03 District Market Study, Impact Analysis	-	1,000	(1,000)	-	1,000	(1,000)
8.04 District Master Plan, Corridor Plans	-	1,000	(1,000)	-	1,000	(1,000)
8.07 Service Provider Direct Services	2,000	2,000	-	2,000	2,000	-
Total	2,000	6,000	(4,000)	2,000	6,000	(4,000)
<u>10.00 Operational & Administrative Support</u>						
10.01 SSA Audit	2,500	-	2,500	-	-	-
10.02 Bookkeeping	3,000	5,500	(2,500)	5,500	5,500	-
10.03 Meeting Expense	249	250	(1)	250	250	-
10.04 Office Equipment Lease	2,000	-	2,000	-	-	-
10.05 Office Rent	6,000	600	5,400	600	600	-
10.06 Office Supplies	500	250	250	786	250	536
10.07 Office Utilities/Telephone	3,000	300	2,700	300	300	-
10.08 Postage	250	250	-	250	250	-
10.09 Office Printing	500	250	250	250	250	-
10.10 Service Provider Administrative Support	11,000	11,000	-	11,259	11,000	259
10.12 Interest expense Line of Credit	1,359	-	1,359	-	-	-
10.13 Bank service charges	433	-	433	-	-	-
Total	30,791	18,400	12,391	19,195	18,400	795

103rd Street - Roseland
Special Service Area Number 41
(Calumet Area Industrial Commission, Contractor)
Schedule of Findings
Year ended December 31, 2010 and 2009

Finding # 1

We have reviewed the Agreement for Special Service Area Number 41 between the City of Chicago and the Contractor for the year ended December 31, 2010 and 2009. We noted no exceptions