

Greek Town - Halsted Street
Special Service Area Number 16
(United Hellenic American Congress, Contractor)

Financial Statements

Year Ended December 31, 2012 and 2011

<u>Contents</u>	<u>Page</u>
Independent Auditor's Report	1
Financial Statements	
Comparative Statement of Financial Position	2
Comparative Statement of Activities	3
Comparative Statement of Cash Flows	4
Notes to Financial Statements	5-6
Independent Auditor's Report on the Supplementary Information	7
Comparative Schedule of Tax Levy Revenue and Interest Income	8
Comparative Schedule of Revenue and Expenditures with Budget Variances	9-11
Schedule of Findings	12

Bravos & Associates

Certified Public Accountants

324 Ridgewood Drive

Bloomington, Illinois 60108

(630) 893 - 6753

Fax (630) 893-7296 email: bravostw@Comcast.net

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Greek Town - Halsted Street Special Service Area Number 16
(United Hellenic American Congress, Contractor)
Chicago, Illinois

We have audited the accompanying statement of financial position of Greek Town - Halsted Street Special Service Area Number 16 (United Hellenic American Congress, Contractor) (a nonprofit organization) 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 Greek Town - Halsted Street Special Service Area Number 16 (United Hellenic American Congress, Contractor), as of December 31, 2012 and 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.

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 11 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 23, 2013
Bloomington, Illinois

Greek Town - Halsted Street
Special Service Area Number 16
(United Hellenic American Congress, 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	\$ 78,010	\$ 63,467
Prepaid expense	<u>2,527</u>	<u>2,388</u>
 Total Assets	 <u>\$ 80,537</u>	 <u>\$ 65,855</u>
 <u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Accounts payable	<u>\$ 32,569</u>	<u>\$ 4,410</u>
 Net assets, unrestricted	 <u>47,968</u>	 <u>61,445</u>
 Total Liabilities and Net Assets	 <u>\$ 80,537</u>	 <u>\$ 65,855</u>

Greek Town - Halsted Street
Special Service Area Number 16
(United Hellenic American Congress, Contractor)
Comparative Statement of Activities
For the Years Ended December 31, 2012 and 2011

	2012		2011	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
<u>Changes in Unrestricted Net Assets:</u>				
<u>Revenues:</u>				
Tax Levy Revenue - Current Year	\$ 106,616	\$ 73,743	\$ 131,450	\$ 119,029
Interest Income	4	-	20	-
Total Revenues	<u>106,620</u>	<u>73,743</u>	<u>131,470</u>	<u>119,029</u>
<u>Expenses:</u>				
<u>Program costs:</u>				
1.00 Advertising & Promotion	43,200	44,954	33,834	43,958
2.00 Public Way Maintenance	27,967	25,589	21,528	20,139
3.00 Public Way Aesthetics	12,998	24,000	7,243	19,081
Total Program Expense	<u>84,165</u>	<u>94,543</u>	<u>62,605</u>	<u>83,178</u>
Administration				
10.00 Personnel	4,500	4,500	4,500	4,500
11.00 Operational & Administrative Support	31,432	19,986	35,672	34,960
Total Administration expenses	<u>35,932</u>	<u>24,486</u>	<u>40,172</u>	<u>39,460</u>
Total Expenses	<u>120,097</u>	<u>119,029</u>	<u>102,777</u>	<u>122,638</u>
Increase (Decrease) in Net Assets	<u>(13,477)</u>	<u>1,463</u>	<u>28,693</u>	<u>(19,861)</u>
<u>Unrestricted Net Assets:</u>				
Beginning of Year	61,445		45,286	
Distribution from non-SSA cash account	-		(12,534)	
End of Year	<u>\$ 47,968</u>		<u>\$ 61,445</u>	

Greek Town - Halsted Street
Special Service Area Number 16
(United Hellenic American Congress, 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	\$ (13,477)	\$ 28,693
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
(Increase) decrease in:		
Accounts receivable	-	22,042
Prepaid expense	(139)	(2,388)
Increase (decrease) in:		
Accounts payable & accrued expenses	<u>28,159</u>	<u>(8,037)</u>
Net cash flows from operating activities:	\$ 14,543	40,310
Cash Flows from Financial activities:		
Distribution from non-SSA cash account	<u>-</u>	<u>(12,534)</u>
Total cash provided (Used)	14,543	27,776
Cash and Cash Equivalents		
Beginning of the year	<u>63,467</u>	<u>35,691</u>
End of the year	<u>\$ 78,010</u>	<u>\$ 63,467</u>
Supplemental disclosures:		
Interest Paid	<u>\$ -</u>	<u>\$ -</u>
Taxes Paid	<u>\$ -</u>	<u>\$ -</u>

Greek Town - Halsted Street Special Service Area Number 16
(United Hellenic American Congress, Contractor)
Notes to Financial Statements
For the Year Ended December 31, 2012 and 2011

Summary of Accounting Policies

Nature of Organization

United Hellenic American Congress, Contractor for Greek Town - Halsted Street Special Service Area Number 16 (Organization) is a not-for-profit corporation organized under the laws of the State of Illinois. The Organization was formed to revitalize the Greek Town - Halsted Street 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 \$ 47,968 and \$ 61,445 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 Gold Coast 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 United Hellenic American Congress, 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.

Greek Town - Halsted Street Special Service Area Number 16
(United Hellenic American Congress, Contractor)
Notes to Financial Statements
For the Year Ended December 31, 2012 and 2011

Summary of Accounting Policies – Continued

Related Party Transactions

Greek Town - Halsted Street Special Service Area Number 16 does not share office space, but equipment and employees through its affiliation with United Hellenic American Congress. Greek Town - Halsted Street Special Service Area Number 16 has no employees of its own, but reimburses United Hellenic American Congress for payroll and related costs of the individuals working on the programs. The Greek Town - Halsted Street Special Service Area Number 16 had no funds due to United Hellenic American Congress as of December 31, 2012 and 2011.

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, whereby the City has establish a special service area known and designated as “Greek Town - Halsted Street Special Service Area Number 16” to provide special services in addition to those services generally provided by the City. United Hellenic American Congress, Contractor has been designated as “Contractor” under terms of the agreement. The City has authorized a levy not to exceed 1.00% 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 \$ 121,760 or the amount of service tax funds collected for the tax year 2012 and 2011. 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.

Distribution from non-SSA cash account:

The contractor raised donations from the local businesses and the public a few years ago for the Grecian Urn program. These funds were deposited into a separate bank account under the SSA because the Urn program would cover the same physical area as the SSA does. The city informed the commissioners that these funds could not be used for SSA matters; the funds are disbursed this year to various charities which the donors had selected.

Bravos & Associates

Certified Public Accountants

324 Ridgewood Drive

Bloomington, Illinois 60108

(630) 893 - 6753

Fax (630) 893-7296 email: bravostw@Comcast.net

INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors
Greek Town - Halsted Street Special Service Area Number 16
United Hellenic American Congress, 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 23, 2013
Bloomington, Illinois

Greek Town - Halsted Street
Special Service Area Number 16
 (United Hellenic American Congress, 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>Income</u>
	<u>(Returned to City)</u>	<u>(Returned to City)</u>
<u>Tax Levy Revenue</u>		
Tax Year 2005	\$ -	\$ -
Tax Year 2006	(408)	(108)
Tax Year 2007	-	(308)
Tax Year 2008	(1,891)	(1,592)
Tax Year 2009	(8,390)	38,196
Tax Year 2010	2,891	117,304
Tax Year 2011	<u>114,414</u>	<u>-</u>
Total received during year - Cash Basis	106,616	153,492
 <u>Accrual adjustments - Accounts Receivable</u>		
Beginning of year	-	(22,042)
End of year	<u>-</u>	<u>-</u>
<u>Total tax levy revenue accrual basis</u>	<u>\$ 106,616</u>	<u>\$ 131,450</u>
 <u>Interest Income</u>		
Interest earned - Bank accounts	\$ (16)	\$ 19
Interest paid by City of Chicago	<u>20</u>	<u>1</u>
Total Interest income earned	<u>\$ 4</u>	<u>\$ 20</u>

Greck Town - Halsted Street
Special Service Area Number 16
(United Hellenic American Congress, 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
<u>Expenses:</u>						
<u>Programs:</u>						
<u>1.00 Advertising & Promotion</u>						
1.01 Website/Social Media	\$ 2,900	\$ 254	\$ 2,646	\$ -	\$ 2,756	\$ (2,756)
1.02 Public/Media Relations Services	6,000	9,000	(3,000)	3,240	5,000	(1,760)
1.03 Special Events	18,700	18,700	-	23,700	24,202	(502)
1.05 Print Materials	15,600	17,000	(1,400)	6,894	12,000	(5,106)
Total	43,200	44,954	(1,754)	33,834	43,958	(10,124)
<u>2.00 Public Way Maintenance</u>						
2.01 Sidewalk Cleaning	2,500	-	2,500	-	-	-
2.03 Sidewalk Power Washing	2,995	4,531	(1,536)	2,995	7,081	(4,086)
2.05 Equipment Purchase and Maintenance	-	-	-	10,485	-	10,485
2.07 Storage fees	490	-	490	-	-	-
2.08 Liability/Property Insurance	5,693	6,058	(365)	3,520	6,058	(2,538)
2.09 Gates/Fence Maintenance	6,569	5,000	1,569	4,528	5,000	(472)
2.10 Other: Temple Cleaning	9,720	10,000	(280)	-	2,000	(2,000)
Total	27,967	25,589	2,378	21,528	20,139	1,389

Greek Town - Halsted Street
Special Service Area Number 16
(United Hellenic American Congress, Contractor)
Comparative Schedule of Expenses with Budget Variances
December 31, 2012 and 2011

	2012			2011		
	<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>						
3.02 Decorative Banner Purchase/Holiday Decoration	\$ 9,605	\$ 9,000	\$ (9,000)	\$ 6,043	\$ 9,081	\$ (3,038)
3.04 Public Art	-	10,000		-		
3.05 Landscaping	3,393	5,000	(1,607)	1,200	10,000	(8,800)
Total	<u>12,998</u>	<u>24,000</u>	<u>(10,607)</u>	<u>7,243</u>	<u>19,081</u>	<u>(11,838)</u>
<u>10.00 Personnel</u>						
10.01 SSA Program Manager	4,500	4,500	-	4,500	4,500	-
<u>Totals</u>	<u>4,500</u>	<u>4,500</u>	<u>-</u>	<u>4,500</u>	<u>4,500</u>	<u>-</u>

Greek Town - Halsted Street
Special Service Area Number 16
(United Hellenic American Congress, Contractor)
Comparative Schedule of Expenses with Budget Variances
December 31, 2012 and 2011

	2012			2011		
	<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>11.00 Operational & Administrative Support</u>						
11.02 SSA Audit	\$ 3,200	\$ 3,500	\$ (300)	\$ 3,200	\$ 1,500	\$ 1,700
11.03 Bookkeeping	2,100	2,100	-	2,100	-	2,100
11.04 Office Rent	8,950	-	8,950	14,400	14,400	-
11.06 Office Supplies	358	1,186	(828)	477	-	477
11.09 Postage	70	-	70	-	-	-
11.10 Meeting expense	52	-	52	-	-	-
11.11 Subscriptions/Dues	2,160	-	2,160	1,610	5,860	(4,250)
11.14 Other: Administrative Assistant	13,200	13,200	-	13,200	13,200	-
11.15 Other: Insurance	1,342	-	1,342	685	-	685
Total	31,432	19,986	11,446	35,672	34,960	712

The accompanying notes are an integral part of this statement.

Greek Town - Halsted Street Special Service Area Number 16
(United Hellenic American Congress, Contractor)
Summary Schedule of Findings
Years ended December 31, 2012 and 2011

Finding # 1

We have reviewed the Agreement for Special Service Area Number 16 between the City of Chicago and the Contractor for the year ended December 31, 2012 and 2011. We noted no exceptions