

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

**Financial Statements**

**Year Ended December 31, 2011 and 2010**

<u>Contents</u>	<u>Page</u>
Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5-6
Independent Auditor's Report on the Supplementary Information	7
Comparative Schedule of Revenue and Expenditures with Budget Variances	8-9
Schedule of Findings	10

# 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 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, 2011 and 2010, 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, 2011 and 2010, 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 schedule of expenses and budget variances on pages 8 and 9 is 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*

February 7, 2012  
Bloomington, Illinois

Special Service Area Number 29  
(West Town Chamber of Commerce, Contractor)  
Statement of Financial Position  
December 31, 2011 and 2010

---

	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 433,286	\$ 230,351
Accounts receivable	7,223	26,528
Prepaid Insurance	<u>1,343</u>	<u>1,098</u>
Total Assets	<u>\$ 441,852</u>	<u>\$ 257,977</u>
<u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ 18,158	\$ 4,833
Net assets, unrestricted	<u>423,694</u>	<u>253,144</u>
Total Liabilities and Net Assets	<u>\$ 441,852</u>	<u>\$ 257,977</u>

Special Service Area Number 29  
(West Town Chamber of Commerce, Contractor)  
Statement of Activities  
For the Years Ended December 31, 2011 and 2010

	2011			2010		
	<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 - Current Year	\$ 420,060	\$ 431,378	\$ (11,318)	\$ 359,161	\$ 440,006	\$ (80,845)
Interest Income	924	-	924	548	-	548
<u>Total Revenues</u>	<u>420,985</u>	<u>431,378</u>	<u>(10,393)</u>	<u>359,709</u>	<u>440,006</u>	<u>(80,297)</u>
<u>Expenses:</u>						
<u>Program costs:</u>						
1.00 Advertising & Promotion	50,064	62,481	(12,417)	36,660	96,546	(59,886)
2.00 Public Way Maintenance	105,334	117,000	(11,666)	107,490	126,245	(18,755)
3.00 Public Way Aesthetics	23,295	101,000	(77,705)	46,967	71,600	(24,633)
4.00 Tenant Retention/Attraction	-	-	-	5,818	10,300	(4,482)
5.00 Façade Improvements	25,202	44,000	(18,798)	31,551	47,708	(16,157)
6.00 Parking/Transit/Accessibility	966	1,000	(34)	670	1,200	(530)
7.00 Safety Programs	-	-	-	955	1,300	(345)
8.00 District Planning	19,195	54,000	(34,805)	5,729	12,000	(6,271)
9.00 Other Technical Assistance	-	1,000	(1,000)	-	-	-
<u>Total Program Expense</u>	<u>224,056</u>	<u>380,481</u>	<u>(156,425)</u>	<u>235,840</u>	<u>366,899</u>	<u>(131,059)</u>
<u>Administration</u>						
10.00 Operational & Administrative Support	26,379	30,897	(4,518)	27,553	33,107	(5,554)
11.00 Tax Levy Loss Collection	-	20,000	(4,000)	-	40,000	(40,000)
<u>Total Administration expenses</u>	<u>26,379</u>	<u>50,897</u>	<u>(8,518)</u>	<u>27,553</u>	<u>73,107</u>	<u>(45,554)</u>
<u>Total Expenses</u>	<u>250,435</u>	<u>431,378</u>	<u>(164,943)</u>	<u>263,393</u>	<u>440,006</u>	<u>(176,613)</u>
Increase (Decrease) in Net Assets	170,550			96,316		
<u>Unrestricted Net Assets:</u>						
Beginning of Year	253,144			156,828		
End of Year	\$ 423,694			\$ 253,144		

Special Service Area Number 29  
(West Town Chicago Chamber of Commerce, Contractor)  
Statement of Cash Flows  
For the Years Ended December 31, 2011 and 2010

---

	<u>2011</u>	<u>2010</u>
Cash Flows from operating activities:		
Increase (decrease) in unrestricted net assets	\$ 170,550	\$ 96,316
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Accounts receivable	19,305	(17,188)
Prepaid Insurance	(245)	(1,098)
Accounts payable	<u>13,325</u>	<u>(5,507)</u>
Net cash flows from operating activities:	\$ 202,935	72,523
Cash and Cash Equivalents		
Beginning of the year	<u>230,351</u>	<u>157,828</u>
End of the year	<u>\$ 433,286</u>	<u>\$ 230,351</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, 2011 and 2010

---

**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, 2011 and 2010 the organization has unrestricted net assets in the amount of \$ 423,694 and \$ 253,144 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, 2011 and 2010

---

**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 \$ 2,666 and \$ 4,833 due to West Town Chamber of Commerce as of December 31, 2011 and 2010 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 on November 29, 2004, which expires November 29, 2013, 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.



# 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  
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*

February 7, 2012  
Bloomington, Illinois

Special Service Area Number 29  
(West Town Chamber of Commerce, Contractor)  
Schedule of Expenses with Budget Variances  
December 31, 2011 and 2010

	2011			2010		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>Expenses:</u>						
<u>Programs:</u>						
<u>1.00 Advertising &amp; Promotion</u>						
1.01 Display Ads	\$ -	\$ -	\$ -	\$ 600	\$ 5,196	\$ (4,596)
1.04 Public/Media Relations Services	500	5,000	(4,500)	-	-	-
1.05 Special Events	18,065	20,000	(1,935)	30,000	35,000	(5,000)
1.06 Website/Technology	-	5,481	(5,481)	-	50,000	(50,000)
1.07 Service Provider Direct Services	16,499	17,000	(501)	6,060	6,350	(290)
1.08 Other: Marketing Initiatives	15,000	15,000	-	-	-	-
Total	50,064	62,481	(12,417)	36,660	96,546	(59,886)
<u>2.00 Public Way Maintenance</u>						
2.05 Sidewalk Cleaning	42,947	60,000	(17,053)	53,915	58,000	(4,085)
2.06 Sidewalk Power Washing	37,563	20,000	17,563	14,795	31,500	(16,705)
2.07 Sidewalk Snow Plowing	18,000	30,000	(12,000)	26,232	23,595	2,637
2.14 Service Provider Direct Services	6,824	7,000	(176)	12,548	13,150	(602)
Total	105,334	117,000	(11,666)	107,490	126,245	(18,755)
<u>3.00 Public Way Aesthetics</u>						
3.01 Decorative Banner	250	33,000	(32,750)	5,555	15,000	(9,445)
3.02 Holiday Decorations	13,727	30,000	(16,273)	20,096	17,000	3,096
3.03 Landscaping	-	4,000	(4,000)	5,600	5,600	-
3.05 Streetscape Elements	101	10,000	(9,899)	600	4,000	(3,400)
3.07 Service Provider Direct Services	8,759	9,000	(241)	14,316	15,000	(684)
3.08 Other: Public Way Art	458	15,000	(14,542)	800	15,000	(14,200)
Total	23,295	101,000	(77,705)	46,967	71,600	(24,633)
<u>4.00 Tenant Retention/Attraction</u>						
4.03 Site Marketing Materials	-	-	-	-	4,200	(4,200)
4.04 Technical Assistance to Businesses	-	-	-	-	-	-
4.06 Service Provider Direct Services	-	-	-	5,818	6,100	(282)
4.07 Other: Postage	-	-	-	-	-	-
Total	-	-	-	5,818	10,300	(4,482)
<u>5.00 Façade Improvements</u>						
5.01 Façade Enhancement Program	21,332	40,000	(18,668)	22,532	37,658	(15,126)
5.04 Service Provider Direct Services	3,870	4,000	(130)	9,019	9,450	(431)
5.05 Other: Postage	-	-	-	-	600	(600)
Total	25,202	44,000	(18,798)	31,551	47,708	(16,157)

Special Service Area Number 29  
(West Town Chamber of Commerce, Contractor)  
Schedule of Expenses with Budget Variances  
December 31, 2011 and 2010

	2011			2010		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>Expenses:</u>						
<u>Programs:</u>						
<u>6.00 Parking/Transit/Accessibility</u>						
6.01 Bicycle Advocacy	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ (500)
6.13 Service Provider Direct Services	966	1,000	(34)	670	700	(30)
Total	966	1,000	(34)	670	1,200	(530)
<u>7.00 Safety Programs</u>						
7.05 Lighting, Tree Pruning	-	-	-	-	300	(300)
7.09 Service Provider Direct Services	-	-	-	955	1,000	(45)
Total	-	-	-	955	1,300	(345)
<u>8.00 District Planning</u>						
8.02 District Branding	-	-	-	-	2,800	(2,800)
8.03 District Market Study, Impact Analysis	-	-	-	-	5,500	(5,500)
8.04 District Master Plan, Corridor, Streetscape Plan	10,319	10,000	319	2,200	-	2,200
8.06 SSA Start-Up or Reconstitution Costs	117	35,000	(34,883)	-	-	-
8.07 Service Provider Direct Services	8,759	9,000	(241)	3,529	3,700	(171)
Total	19,195	54,000	(34,805)	5,729	12,000	(6,271)
<u>9.00 Other Technical Assistance</u>						
9.01 Other: Assistance to Businesses	-	1,000	(1,000)	-	-	-
	-	1,000	(1,000)	-	-	-
<u>10.00 Operational &amp; Administrative Support</u>						
10.01 Audit	2,200	2,500	(300)	2,200	2,100	100
10.02 Bookkeeping	352	600	(248)	397	348	49
10.03 Meeting Expense	90	150	(60)	-	-	-
10.04 Office Rent	13,200	13,200	-	10,138	10,160	(22)
10.06 Office Supplies	1,498	3,500	(2,002)	2,719	3,500	(781)
10.07 Office Utilities/Telephone	2,585	3,000	(415)	1,991	5,827	(3,836)
10.08 Postage	18	500	(482)	44	1,000	(956)
10.10 Service Provider Administrative Support	5,245	5,397	(152)	9,112	9,550	(438)
10.12 Other: Director, Officer & WC Insurance	1,191	2,050	(859)	952	622	330
Total	26,379	30,897	(4,518)	27,553	33,107	(5,554)

**Special Service Area Number 29**  
(West Town Chamber of Commerce, Contractor)  
Summary Schedule of Findings  
Years ended December 31, 2011 and 2010

---

Finding # 1 - Budget

We have reviewed the Agreement for the Special Service Area, between the City of Chicago and the Contractor for the year ended December 31, 2011 and 2010.

We noted no exceptions.