

UPTOWN SPECIAL SERVICE AREA #34

FINANCIAL STATEMENTS
December 31, 2010 and 2009

UPTOWN SPECIAL SERVICE AREA #34

**FINANCIAL STATEMENTS
December 31, 2010 and 2009**

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March 21, 2011

To the Commissioners
Uptown Special Services Area #34

Independent Auditors' Report

We have audited the accompanying Statements of Assets, Liabilities and Net Assets of Uptown Special Services Area #34 as of December 31, 2010 and 2009 and the related Statements of Revenues, Expenditures and Changes in Net Assets, Statements of Cash Flows and Summary Schedule of Audit Findings for the years then ended. These financial statements are the responsibility of Uptown Special Services Area #34 management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 audits provided a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph above present fairly, in all material respects, the financial position of Uptown Special Services Area #34 as of December 31, 2010 and 2009, and its revenues, expenditures, changes in net assets, cash flows and summary schedule of audit findings for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The 2010 and 2009 budget amounts, which were arrived at by the Uptown Special Services Area #34 and are shown in the Statement of Revenue, Expenditures and Changes in Net Assets, are presented for comparison purposes only. We have not performed any auditing procedures on the budget amounts and therefore, express no opinion on them.



EILTS & ASSOCIATES, INC.

UPTOWN SPECIAL SERVICES AREA #34

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS
December 31, 2010 and 2009

ASSETS

| | <u>2010</u> | <u>2009</u> |
|------------------------|-------------------|-------------------|
| CURRENT ASSETS | | |
| Cash | \$ 349,034 | \$ 293,575 |
| Due from Public Allies | - | 984 |
| Prepaid expense | - | 1,891 |
| | <u>349,034</u> | <u>296,450</u> |
| Net current assets | | |
| | <u>349,034</u> | <u>296,450</u> |
| TOTAL ASSETS | <u>\$ 349,034</u> | <u>\$ 296,450</u> |

LIABILITIES AND NET ASSETS

| | | |
|---|-------------------|-------------------|
| CURRENT LIABILITIES | | |
| Accrued expenses | \$ 33,855 | \$ 33,395 |
| Due to Uptown United | 13,291 | 9,465 |
| | <u>47,146</u> | <u>42,860</u> |
| Total current liabilities | | |
| | <u>47,146</u> | <u>42,860</u> |
| TOTAL LIABILITIES | 47,146 | 42,860 |
| NET ASSETS | | |
| Unrestricted net assets | <u>301,888</u> | <u>253,590</u> |
| | <u>301,888</u> | <u>253,590</u> |
| Total net assets | | |
| | <u>301,888</u> | <u>253,590</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 349,034</u> | <u>\$ 296,450</u> |

The accompanying notes are an integral part of the financial statements

UPTOWN SPECIAL SERVICES AREA #34

**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
For the Years Ended December 31, 2010 and 2009**

| | <u>2010</u> | <u>2009</u> |
|---|-------------------|-------------------|
| SUPPORT AND REVENUE | | |
| Property tax levy revenue | \$ 439,217 | \$ 500,675 |
| Interest income | 1,673 | 1,017 |
| Grant Income - Public Allies | <u>7,015</u> | <u>3,938</u> |
| Total support and revenue | 447,905 | 505,630 |
| EXPENSES | | |
| Wages, payroll taxes and benefits | 61,828 | 59,053 |
| Grant expense - Public Allies | 16,930 | 7,509 |
| Office and occupancy expenses | 7,517 | 7,228 |
| Sidewalk maintenance/snow removal/landscaping | 299,580 | 306,474 |
| Holiday decorations | 2,222 | 1,394 |
| Banner program | - | 3,000 |
| Safety programs | - | 300 |
| District planning | 4,995 | - |
| Administrative expenses | 744 | 906 |
| SSA liability insurance | 3,254 | 2,506 |
| Professional services | <u>2,537</u> | <u>3,056</u> |
| Total program expenses | 399,607 | 391,426 |
| Increase/(decrease) in net assets | 48,298 | 114,204 |
| Net assets, beginning of period | <u>253,590</u> | <u>139,386</u> |
| Net assets, end of period | <u>\$ 301,888</u> | <u>\$ 253,590</u> |

The accompanying notes are an integral part of the financial statements

UPTOWN SPECIAL SERVICES AREA #34

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2010 and 2009

| | <u>2010</u> | <u>2009</u> |
|--|--------------------------|--------------------------|
| Cash Flows from Operating Activities: | | |
| Net income/(loss) | \$ 48,298 | \$ 114,204 |
| Adjustments to reconcile net income to net cash provided by operations: | | |
| (Increase)/Decrease in: | | |
| Due from Public Allies | 984 | (984) |
| Prepaid expenses | 1,891 | 101 |
| Increase/(Decrease) in: | | |
| Accounts payable and accrued expenses | 4,286 | 531 |
| Net Cash Provided by/(Used by) Operating Activities | <u>55,459</u> | <u>113,852</u> |
| Net Increase/(Decrease) in Cash | 55,459 | 113,852 |
| Cash at the beginning of year | <u>293,575</u> | <u>179,723</u> |
| Cash at the end of year | <u><u>\$ 349,034</u></u> | <u><u>\$ 293,575</u></u> |

The accompanying notes are an integral part of the financial statements

UPTOWN SPECIAL SERVICE AREA #34

NOTES TO FINANCIAL STATEMENTS For the Years Ended December 31, 2010 and 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization – Uptown Special Service Area #34 was created by the City of Chicago to provide additional services to the Uptown community. The primary source of funds is from real estate taxes on certain property in the Special Service Area. Special Service Area #34 generates revenue for the sole purpose of improving and enhancing the business districts of the Uptown neighborhood. The boundaries of which are generally properties fronting Broadway and Sheridan south of Foster and north of Montrose, Broadway between Montrose and Irving Park Road, Lawrence from Marine Drive to St. Boniface Cemetery and Wilson from Marine Drive to Dover Street.

Activities and services funded include: cleaning and beautification activities, coordination of advertising and promotional events, attraction and recruitment of new quality businesses to the area, and technical assistance to existing and potential businesses.

Basis of Accounting - The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Based on the information provided by the Department of Planning and Development, the recognition of revenue by the SSA when received would be considered within generally accepted accounting principles. This allows Special Service Areas to prepare financial statements on the accrual basis of accounting.

Cash and Cash Equivalents - Cash and cash equivalents are held in the name of Uptown Special Services Area #34 without physical segregation as to various restricted portions. All earnings on such are allocated to unrestricted revenue. For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

UPTOWN SPECIAL SERVICE AREA #34

**NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2010 and 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - REAL ESTATE TAX REVENUE

The Organization's principal source of revenue is from real estate taxes levied on certain property located in the boundaries listed in Note 1. The taxes are assessed and collected by Cook County, and paid to the City of Chicago, which then remits to the Organization. Taxes are levied in one year, but paid in two installments the following year by the property owners. The Organization recognizes this revenue in the year in which the funds become available.

For 2010 and 2009 the tax levy revenue consisted of:

| | <u>2010</u> | <u>2009</u> |
|--------------------------|-------------------|-------------------|
| 2005 tax levy collected | \$ (1,668) | \$ (3,969) |
| 2006 tax levy collected | (4,673) | (5,263) |
| 2007 tax levy collected | (2,592) | 21,268 |
| 2008 tax levy collected | 35,738 | 488,639 |
| 2009 tax levy collected | 412,412 | - |
| Total tax levy collected | <u>\$ 439,217</u> | <u>\$ 500,675</u> |

NOTE 3 - CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

The Organization maintains its cash balances in two financial institutions located in Chicago, Illinois. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization's cash balance did not exceed the insurance level as of December 31, 2010 at each bank.

UPTOWN SPECIAL SERVICE AREA #34

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2010 and 2009

NOTE 4 - RELATED PARTY TRANSACTIONS

The taxing district's contractor is Uptown United. Uptown United is paid a management fee and is also reimbursed for ongoing administration expenses such as rent, utilities, postage and etc. During 2010 and 2009, SSA#34 paid Uptown United \$61,828 and \$59,053, respectively for service provided support. As of December 31, 2010 and 2009, the taxing district had a balance due to Uptown United of \$13,291 and \$9,465 respectively.

UPTOWN SPECIAL SERVICE AREA #34

**SUMMARY OF SCHEDULE OF AUDIT FINDINGS
For the Year Ended December 31, 2010**

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 Uptown Special Services Area #34. 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

UPTOWN SPECIAL SERVICES AREA #34

STATEMENTS OF REVENUES AND EXPENDITURES - BUDGET vs. ACTUAL
For the Years Ended December 31, 2010 and 2009

| | 2010 | | | 2009 | | |
|---|------------|------------|----------------------------------|------------|------------|----------------------------------|
| | Budget | Actual | Actual Over (Under) Budget | Budget | Actual | Actual Over (Under) Budget |
| REVENUE | | | | | | |
| Contract - SSA | \$ 511,510 | \$ 439,217 | \$ (72,293) | \$ 525,210 | \$ 500,674 | \$ (24,536) |
| Interest income | - | 1,673 | 1,673 | - | 1,018 | 1,018 |
| Grant Income - Public Allies | - | 7,015 | 7,015 | - | 3,938 | 3,938 |
| Total support and revenue | 511,510 | 447,905 | (63,605) | 525,210 | 505,630 | (19,580) |
| EXPENDITURES | | | | | | |
| 1.00 Advertising & Promotion | | | | | | |
| 1.01 Display Ads | 5,000 | - | (5,000) | 5,000 | - | (5,000) |
| 1.02 Holiday/Seasonal Promotions | 5,000 | - | (5,000) | 5,000 | - | (5,000) |
| 1.03 Printed Materials | 5,000 | - | (5,000) | 5,000 | - | (5,000) |
| 1.04 Public/Media Relations Services | 5,000 | - | (5,000) | 5,000 | - | (5,000) |
| 1.07 Service Provider Direct Services | 5,000 | 5,564 | 564 | 5,000 | 5,276 | 276 |
| Total Advertising & Promotion | 25,000 | 5,564 | (19,436) | 25,000 | 5,276 | (19,724) |
| 2.00 Public Way Maintenance | | | | | | |
| 2.04 Liability / Property Insurance | 4,000 | 3,254 | (746) | 4,000 | (148) | (4,148) |
| 2.05 Sidewalk Cleaning | 262,500 | 247,092 | (15,408) | 250,000 | 247,296 | (2,704) |
| 2.07 Sidewalk Snow Plowing | 65,500 | 52,114 | (13,386) | 65,000 | 58,791 | (6,209) |
| 2.10 Supplies | 1,000 | 374 | (626) | 1,000 | 387 | (613) |
| 2.14 Service Provider Direct Services | 36,495 | 29,057 | (7,438) | 25,495 | 28,005 | 2,510 |
| Grant - Public Allies | - | 16,930 | 16,930 | 8,000 | 7,509 | (491) |
| Total 2.14 Service Provider Direct Services | 36,495 | 45,987 | (20,674) | 33,495 | 35,514 | (11,655) |
| Total Public Way Maintenance | 369,495 | 348,821 | (20,674) | 353,495 | 341,840 | (11,655) |
| 3.00 Public Way Aesthetics | | | | | | |
| 3.01 Decorative Banner Purch./Installation/Maint. | 3,000 | - | (3,000) | 3,000 | 3,000 | - |
| 3.02 Holiday Decorations | 25,000 | 2,222 | (22,778) | 32,000 | 1,394 | (30,606) |
| 3.03 Landscaping | 15,000 | - | (15,000) | 15,000 | - | (15,000) |
| 3.04 Property Insurance | - | - | - | 3,000 | 2,655 | (345) |
| 3.05 Streetscape Elements Purch/Install/Maint | 10,000 | - | (10,000) | 10,000 | - | (10,000) |
| 3.06 Wayfinding/Signage | 15,000 | - | (15,000) | 15,000 | - | (15,000) |
| 3.07 Service Provider Direct Services | 8,000 | 9,274 | 1,274 | 8,000 | 8,796 | 796 |
| Total Public Way Aesthetics | 76,000 | 11,496 | (64,504) | 86,000 | 15,845 | (70,155) |
| 4.00 Tenant Retention/Attraction | | | | | | |
| 4.04 Technical Assistance to Businesses | 500 | - | (500) | - | - | - |
| 4.06 Service Provider Direct Services | 1,000 | - | (1,000) | - | - | - |
| Total Tenant Retention/Attraction | 1,500 | - | (1,500) | - | - | - |
| 7.00 Safety Programs | | | | | | |
| 7.02 Security Rebate Program | 8,000 | - | (8,000) | 10,000 | - | (10,000) |
| 7.03 Panhandling Abatement Programs | 1,000 | - | (1,000) | 2,000 | - | (2,000) |
| 7.06 Safety Seminars | 5,000 | - | (5,000) | 3,000 | 300 | (2,700) |
| 7.08 Juvenile/Adult Court and CAPS | 1,000 | - | (1,000) | 1,000 | - | (1,000) |
| 7.09 Service Provider Direct Services | 9,000 | 9,892 | 892 | 9,000 | 9,377 | 377 |
| Total Safety Programs | 24,000 | 9,892 | (14,108) | 25,000 | 9,677 | (15,323) |

The accompanying notes are an integral part of the financial statements

UPTOWN SPECIAL SERVICES AREA #34

STATEMENTS OF REVENUES AND EXPENDITURES - BUDGET vs. ACTUAL
For the Years Ended December 31, 2010 and 2009

| | 2010 | | | 2009 | | |
|---|--------------------|------------------|----------------------------------|--------------------|-------------------|----------------------------------|
| | Budget | Actual | Actual Over (Under) Budget | Budget | Actual | Actual Over (Under) Budget |
| 8.00 District Planning | | | | | | |
| 8.02 District Branding, Identity Development | 5,000 | 4,995 | (5) | 1,000 | - | (1,000) |
| 8.07 Service Provider Direct Services | 2,245 | 2,473 | 228 | 2,245 | 2,345 | 100 |
| Total District Planning | <u>7,245</u> | <u>7,468</u> | <u>223</u> | <u>3,245</u> | <u>2,345</u> | <u>(900)</u> |
| 10.00 Operational & Admin Support | | | | | | |
| 10.01 Audit/Bookkeeping | 5,300 | 2,537 | (2,763) | 3,500 | 3,056 | (444) |
| 10.03 Meeting | 200 | 10 | (190) | 200 | 228 | 28 |
| 10.04 Office Equipment Lease/Maintenance | 200 | 145 | (55) | 200 | - | (200) |
| 10.05 Office Rent | 4,950 | 5,175 | 225 | 4,950 | 4,951 | 1 |
| 10.06 Office Supplies | 250 | 524 | 274 | 250 | 520 | 270 |
| 10.07 Office Utilities/Telephone | 2,070 | 2,342 | 272 | 2,070 | 2,277 | 207 |
| 10.08 Postage | 100 | - | (100) | 100 | 18 | (82) |
| 10.09 Office Printing | 2,200 | 65 | (2,135) | 2,200 | - | (2,200) |
| 10.10 Service Provider Administrative Support | 5,000 | 5,568 | 568 | 5,000 | 5,253 | 253 |
| 10.11 Subscriptions/dues | - | - | - | - | 140 | 140 |
| Total Operational & Administrative Support | <u>20,270</u> | <u>16,366</u> | <u>(3,904)</u> | <u>18,470</u> | <u>16,443</u> | <u>(2,027)</u> |
| 11.00 Loss Collection | 20,000 | - | (20,000) | 25,000 | - | (25,000) |
| Total Loss Collection | <u>20,000</u> | <u>-</u> | <u>(20,000)</u> | <u>25,000</u> | <u>-</u> | <u>(25,000)</u> |
| Total Program Expenses | <u>543,510</u> | <u>399,607</u> | <u>(143,903)</u> | <u>536,210</u> | <u>391,426</u> | <u>(144,784)</u> |
| INCREASE/(DECREASE) IN NET ASSETS | <u>\$ (32,000)</u> | <u>\$ 48,298</u> | <u>\$ 80,298</u> | <u>\$ (11,000)</u> | <u>\$ 114,204</u> | <u>\$ 125,204</u> |
| carryover from prior year - per budget | 32,000 | | | 11,000 | | |

The accompanying notes are an integral part of the financial statements