

SPECIAL SERVICE AREA #38 NORTHCENTER

FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

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To The Commissioners
Special Service Area #38 Northcenter
Chicago, Illinois

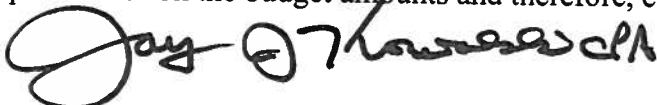
Independent Auditors' Report

We have audited the accompanying Statements of Assets, Liabilities and Net Assets of Special Service Area #38 Northcenter as of December 31, 2011 and 2010 and the related Statement of Revenues, Expenditures and Changes in Net Assets, Statement of Cash Flows and Summary Schedule of Audit Findings for the year then ended. These financial statements are the responsibility of Special Service Area #38 Northcenter 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 amount 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 provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph, present fairly, in all material respects, the financial position of Special Service Area #38 Northcenter as of December 31, 2011 and 2010 and its revenues, expenditures, changes in net assets, cash flows and summary schedule of audit findings for the year then ended in conformity with generally accepted auditing standards.

The 2011 and 2010 budget amounts, which were arrived at by the Special Service Area 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.



Jay J. Kowalski, CPA
April 20, 2012

**SPECIAL SERVICE AREA #38 NORTHCENTER
STATEMENT OF ASSETS, LIABILITIES
AND NET ASSETS
As of December 31, 2011
(With Comparative Totals for 2010)**

ASSETS

	<u>2011</u>	<u>2010</u>
Cash	\$118,546	\$108,092
TOTAL ASSETS	<u>\$118,546</u>	<u>\$108,092</u>

LIABILITIES AND NET ASSETS

Accounts Payable	\$ 0	\$ 0
Due to Chamber of Commerce	<u>\$ 12,518</u>	<u>\$12,518</u>
TOTAL LIABILITIES	<u>\$ 12,518</u>	<u>\$ 12,518</u>
Net assets	<u>\$ 106,028</u>	<u>\$95,574</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 118,546</u>	<u>\$108,092</u>

See Accompanying Notes

Special Services Area #38 NORTHCENTER

Statement of Revenue and Expenditures

For the Year Ended December 31,2011

(With Comparative Totals for 2010)

	2011	2011		2010	2010	
	Actual	Budget	Variance	Actual	Budget	Variance
REVENUES						
Interest Earnings	468	0	468	711	0	711
Membership dues	0	0	0	0	0	0
Real Estate tax levy (Note 2)	192,390	177,325	15,065	142,878	169,070	(26,192)
Services	0	0	0	0	0	0
Reimbursement	0	0	0	0	0	0
Total Revenue	192,858	177,325	15,533	143,589	169,070	(25,481)
EXPENDITURES						
Advertising & Promotion						
Display Ads	0	0	0	0	0	0
Holiday/Seasonal Promos	0	0	0	0	0	0
Print Materials	0	4,000	(4,000)	4,400	4,000	400
Public /Media Relations	0	0	0	0	0	0
Special Events	0	0	0	0	0	0
Website/Technology	0	0	0	0	0	0
Service Provider Comp.	8,500	8,500	0	8,500	8,500	0
Payroll Taxes	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Advertising & Promotion	8,500	12,500	(4,000)	12,900	12,500	400
Public Way Maintenance						
Sidewalk Cleaning	26,510	36,000	(9,490)	28,269	36,000	(7,731)
Sidewalk Power Washing	0	0	0	0	6,500	(6,500)
Sidewalk Snow Plowing	51,167	44,500	6,667	27,500	40,500	(13,000)
Service Provider Comp.	9,800	9,800	0	9,800	9,800	0
Payroll Taxes	0	0	0	0	0	0
Other (SCA vests)	0	0	0	0	0	0
Total Public Way Maintenance	87,477	90,300	(2,823)	65,569	92,800	(27,231)
Public Way Aesthetics						
Holiday Decorations	0	0	0	0	0	0
Landscaping	52,187	49,200	2,987	28,580	30,700	(2,120)
Property Insurance	0	0	0	0	0	0
Streetscape Elements	0	19,800	(19,800)	0	20,800	(20,800)
Wayfinding/Signage	0	0	0	0	0	0
Service Provider Comp.	9,500	9,500	0	9,500	9,500	0
Payroll Taxes	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Public Way Aesthetics	61,687	78,500	(16,813)	38,080	61,000	(22,920)
Tenant Retention/Attract.						
Owner/Broker/Tenant Relat.	0	0	0	0	0	0
Site Marketing materials	0	0	0	0	0	0
Service Provider Comp.	0	0	0	0	0	0
Payroll Taxes	0	0	0	0	0	0
Total Tenant Retention/Attract.	0	0	0	0	0	0

See Accompanying Notes

Special Services Area #38 NORTHCENTER

Statement of Revenue and Expenditures

For the Year Ended December 31,2011

(With Comparative Totals for 2010)

	2011	2011		2010	2010	
	Actual	Budget	Variance	Actual	Budget	Variance
Facade Improvements						
Facade Enhancement Program	0	0	0	0	0	0
Awning Cleaning Program	0	0	0	0	0	0
Service Provider Comp.	0	0	0	0	0	0
Payroll Taxes	0	0	0	0	0	0
Total Facade Improvements	0	0	0	0	0	0
Parking/Transit/Access.						
Service Provider Comp.	0	0	0	0	0	0
Payroll Taxes	0	0	0	0	0	0
Total Parking/Transit/Access.	0	0	0	0	0	0
Safety Programs						
Safety Equipment	0	0	0	0	0	0
Security Subcontractor	0	0	0	0	0	0
Service Provider Comp.	0	0	0	0	0	0
Payroll Taxes	0	0	0	0	0	0
Total Safety Programs	0	0	0	0	0	0
District Planning						
Master/Streetscape Plans	0	9,000	(9,000)	0	24,000	(24,000)
SSA Work Plans, Visioning	0	0	0	0	0	0
Branding, Identity Dev.	0	0	0	0	0	0
District Market Study	0	0	0	0	0	0
SSA Start-up Costs	0	0	0	0	0	0
Service Provider Comp.	7,570	7,570	0	7,570	7,570	0
Payroll Taxes	0	0	0	0	0	0
Total District Planning	7,570	16,570	(9,000)	7,570	31,570	(24,000)
Management						
Audit/Bookkeeping	4,500	2,300	2,200	4,250	2,300	1,950
Meeting Expense	700	500	200	975	500	475
Office Equip Purch/Maint.	1,000	1,000	0	1,125	1,000	125
Office Rent	4,400	4,400	0	4,400	4,400	0
Office Supplies	500	500	0	500	500	0
Office Utilities/Telephone	1,000	1,000	0	1,000	1,000	0
Postage	250	250	0	250	250	0
Office Printing	250	250	0	250	250	0
Service Provider Comp.	4,500	4,500	0	4,500	4,500	0
Bank Service Charges	70	0	70	290	0	290
Subscription/dues	0	0	0	0	0	0
Training	0	0	0	0	0	0
Insurance	0	0	0	0	0	0
Payroll Processing	0	0	0	0	0	0
Payroll Taxes	0	0	0	0	0	0
Total Management	17,170	14,700	2,470	17,540	14,700	2,840
Loss Collection	0	16,000	(16,000)	0	16,000	(16,000)
Total Expenditures	182,404	228,570	(46,166)	141,659	228,570	(86,911)
Excess of Revenue over Expenditures	10,454	(51,245)	61,699	1,930	(59,500)	61,430
	See Accompanying Notes					
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**SPECIAL SERVICE AREA #38 NORTHCENTER
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2011
(With Comparative Totals for 2010)**

	<u>2011</u>	<u>2010</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Increase/(decrease) in net assets	\$ 10,454	\$ 1,930
Adjustment to reconcile increase in		
Net assets to net cash provided by operating activities:		
Increase(decrease) in accounts payable	0	(8,341)
Increase/(decrease) in Due to Chamber of Comm.	<u>0</u>	<u>12,518</u>
 Net cash provided by operating activities	 <u>10,454</u>	 <u>6,107</u>
 Net increase in cash	 10,454	 6,107
 Cash at the beginning of the year	 <u>108,092</u>	 <u>101,985</u>
 Cash at the end of year	 <u><u>\$118,546</u></u>	 <u><u>\$108,092</u></u>

See Accompanying Notes

**SPECIAL SERVICE AREA #38 NORTHCENTER
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of organization- Special Service Area #38 Northcenter was created by the City of Chicago to provide additional services to the area. The primary source of funds is from real estate taxes on certain property in the Special Service Area. Special Services Area #38 generates revenue for the sole purpose of improving and enhancing the business district of Northcenter., which are generally properties fronting Irving Park Road from Ravenswood to Western, Lincoln Avenue from Montrose to Addison, and Western Avenue from Montrose to Addison. 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.

In addition, Special Service Area #38 Northcenter funds the operation of a public services office in the heart of the commercial area, which is a resource to both businesses and area residents.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual method. Based on 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 Area's to prepare financial statements on the accrual method.

Cash and Cash Equivalents- Cash and cash equivalents are held in the name of Special Service Area #38 Northcenter 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 equivalents.

Estimates- The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

SPECIAL SERVICE AREA #38 NORTHCENTER

SUMMARY SCHEDULE OF AUDIT FINDINGS

I HAVE READ THE SERVICE PROVIDER AGREEMENT AND NO EXCEPTIONS
WERE NOTED.