

**SIX CORNERS
SPECIAL SERVICE AREA #28**

FINANCIAL STATEMENTS

For the Year Ended December 31, 2010

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To The Commissioners
Six Corners
Special Service Area #28
Chicago, Illinois

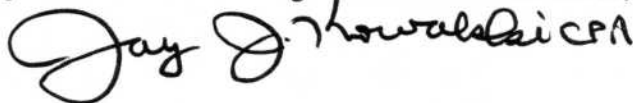
Independent Auditors' Report

We have audited the accompanying Statements of Assets, Liabilities and Net Assets of Six Corners Special Service Area #28 as of December 31, 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 Six Corners Special Service Area #28 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 Six Corners Special Service Area #28 as of December 31, 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 2010 and 2009 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 21, 2011

SIX CORNERS SPECIAL SERVICE AREA #28
STATEMENT OF ASSETS, LIABILITIES
AND NET ASSETS
As of December 31, 2010
(With comparative Totals for 2009)

ASSETS

	<u>2010</u>	<u>2009</u>
Cash	\$108,162	\$157,979
Accounts Receivable	51,337	1,272
Prepaid Health Insurance	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>\$159,499</u>	<u>\$159,251</u>

LIABILITIES AND NET ASSETS

Accounts Payable	\$ 22,475	\$ 21,007
Loans Payable	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL LIABILITIES	<u>\$ 22,475</u>	<u>\$ 21,007</u>
Net assets	<u>\$137,024</u>	<u>\$138,244</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$159,499</u>	<u>\$159,251</u>

See Accompanying Notes

Six Corners Special Services Area #28
Statement of Revenue and Expenditures
For the Year Ended December 31, 2010
(With Comparative Totals for 2009)

	2010	2010		2009	2009	
	Actual	Budget	Variance	Actual	Budget	Variance
REVENUES						
Interest Earnings	395	1,000	(605)	534	2,000	(1,466)
Membership dues	0	0	0	0	0	0
Real Estate tax levy (Note 2)	219,139	216,352	2,787	218,576	218,576	0
Services	0	0	0	0	0	0
Sponsorships	1,453	1,500	(47)	2,020	1,500	520
Total Revenue	220,987	218,852	2,135	221,130	222,076	(946)
EXPENDITURES						
Advertising & Promotion						
Display Ads	17,165	18,000	(835)	17,057	19,250	(2,193)
Holiday/Seasonal Promos	2,729	4,050	(1,321)	1,329	2,500	(1,171)
Print Materials	5,775	4,300	1,475	9,989	2,000	7,989
Public /Media Relations	3,425	1,185	2,240	1,275	1,500	(225)
Special Events	387	4,300	(3,913)	2,165	7,700	(5,535)
Website/Technology	1,875	1,000	875	588	0	588
Service Provider Comp.	6,965	8,200	(1,235)	8,856	11,564	(2,708)
Payroll Taxes	396	0	396	662	0	662
Other-Portage Theatre Grants	3,694	5,000	(1,306)	5,504	5,500	4
Other-Six Cornucopia	9,696	5,000	4,696	8,407	6,500	1,907
Other-Streetfests	7,500	0	7,500	0	0	0
Total Advertising & Promotion	59,607	51,035	8,572	55,832	56,514	(682)
Public Way Maintenance						
Equipment Purch/Maint.	0	0	0	100	0	100
Graffiti Removal	298	0	298	1,090	1,500	(410)
Liability/Property Insurance	0	0	0	0	0	0
Sidewalk Cleaning	18,000	18,000	0	18,273	19,200	(927)
Sidewalk Power Washing	0	0	0	0	0	0
Sidewalk Snow Plowing	15,723	28,000	(12,277)	22,860	29,500	(6,640)
Staff Wages and Benefits	0	0	0	0	0	0
Supplies	583	0	583	230	250	(20)
Service Provider Comp.	7,491	5,652	1,839	8,390	8,400	(10)
Payroll Taxes	425	0	425	610	0	610
Other (SCA vests)	0	0	0	0	0	0
Total Public Way Maintenance	42,520	51,652	(9,132)	51,553	58,850	(7,297)
Public Way Aesthetics						
Decorative Banners	2	0	2	0	3,000	(3,000)
Holiday Decorations	17,085	11,120	5,965	9,282	15,620	(6,338)
Landscaping	12,865	5,500	7,365	9,984	17,500	(7,516)
Property Insurance	0	0	0	0	0	0
Streetscape Elements	1,184	102,341	(101,157)	3,246	78,586	(75,340)
Wayfinding/Signage	0	0	0	581	750	(169)
Service Provider Comp.	9,367	8,621	746	10,780	10,430	350
Payroll Taxes	537	0	537	727	0	727
Other	0	0	0	0	0	0
Total Public Way Aesthetics	41,040	127,582	(86,542)	34,600	125,886	(91,286)
See Accompanying Notes						
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Six Corners Special Services Area #28
Statement of Revenue and Expenditures
For the Year Ended December 31, 2010
(With Comparative Totals for 2009)

	2010 Actual	2010 Budget	Variance	2009 Actual	2009 Budget	Variance
Tenant Retention/Attract.						
Owner/Broker/Tenant Relat.	3,010	1,324	1,686	3,313	2,605	708
Pre-Development Costs	384	7,000	(6,616)	0	0	0
Site Marketing materials	1,564	1,100	464	995	1,000	(5)
Service Provider Comp.	1,807	8,373	(6,566)	1,656	2,486	(830)
Payroll Taxes	103	0	103	147	0	147
Other	3,375	10,000	(6,625)	0	0	0
Total Tenant Retention/Attract.	10,243	27,797	(17,554)	6,111	6,091	20
Facade Improvements						
Facade Enhancement Program	5,966	3,000	2,966	922	2,250	(1,328)
Signage Removal Program	2,800	0	2,800	0	0	0
Service Provider Comp.	4,935	4,186	749	5,625	6,000	(375)
Payroll Taxes	283	0	283	416	0	416
Façade Makeover Program	277	1,500	(1,223)	0	0	0
Total Facade Improvements	14,261	8,686	5,575	6,963	8,250	(1,287)
Parking/Transit/Access.						
Parking Fee Subsidy	0	0	0	0	0	0
Parking Facility Enhancement	3,666	0	3,666	998	0	998
Parking Wayfinding/Signage	0	3,000	(3,000)	0	2,500	(2,500)
Service Provider Comp.	2,450	4,186	(1,736)	2,570	2,371	199
Payroll Taxes	142	0	142	188	0	188
Total Parking/Transit/Access.	6,258	7,186	(928)	3,756	4,871	(1,115)
Safety Programs						
Panhandling Abatement	2,580	3,500	(920)	5,238	5,500	(262)
Security Subcontractor	2,860	3,120	(260)	780	0	780
Service Provider Comp.	1,222	2,093	(871)	1,512	2,371	(859)
Payroll Taxes	71	0	71	116	0	116
Total Safety Programs	6,733	8,713	(1,980)	7,646	7,871	(225)
District Planning						
Master/Streetscape Plans	1,061	0	1,061	0	0	0
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	7,563	8,000	(437)
Other	0	0	0	0	0	0
Service Provider Comp.	1,222	1,046	176	1,102	948	154
Payroll Taxes	71	0	71	107	0	107
Total District Planning	2,354	1,046	1,308	8,772	8,948	(176)

See Accompanying Notes

Six Corners Special Services Area #28
Statement of Revenue and Expenditures
For the Year Ended December 31, 2010
(With Comparative Totals for 2009)

	2010	2010		2009	2009	
	Actual	Budget	Variance	Actual	Budget	Variance
Management						
Audit/Bookkeeping	2,940	3,312	(372)	2,145	2,500	(355)
Meeting Expense	4,351	1,000	3,351	2,037	2,000	37
Office Equip Purch/Maint.	1,401	375	1,026	2,043	2,100	(57)
Office Rent	4,800	4,800	0	4,000	4,050	(50)
Office Supplies	2,000	1,125	875	738	1,125	(387)
Office Utilities/Telephone	3,272	3,350	(78)	3,203	3,194	9
Postage	497	250	247	390	400	(10)
Office Printing	2,570	4,680	(2,110)	2,499	1,125	1,374
Service Provider Comp.	3,448	3,349	99	6,317	6,500	(183)
Subscription/dues	470	505	(35)	425	428	(3)
Training	195	2,500	(2,305)	545	473	72
Insurance	1,457	0	1,457	478	500	(22)
Payroll Processing	1,069	0	1,069	854	900	(46)
Payroll Taxes	197	0	197	462	0	462
Total Management	28,667	25,246	3,421	26,136	25,295	841
Loss Collection	6,453	10,750	(4,297)	3,093	11,000	(7,907)
Total Expenditures	218,136	319,693	(101,557)	204,462	313,576	(109,114)
Excess of Revenue over Expenditures	2,851	(100,841)	103,692	16,668	(91,500)	108,168
See Accompanying Notes						
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SIX CORNERS SPECIAL SERVICE AREA #28
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2010
(With Comparative Totals for 2009)

	<u>2010</u>	<u>2009</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Increase (decrease) in net assets	\$ (1,220)	\$ 43,708
Adjustment to reconcile increase in Net assets to net cash provided by operating activities:		
(Increase) decrease in accounts receivable	(50,065)	(1,272)
(Increase) decrease in prepaid insurance	0	1,161
Increase (decrease) in accounts/loans payable	<u>1,468</u>	<u>15,031</u>
Net cash provided by operating activities	<u>(49,817)</u>	<u>58,628</u>
Net increase (decrease) in cash	(49,817)	58,628
Cash at the beginning of the year	<u>157,979</u>	<u>99,351</u>
Cash at the end of year	<u>\$108,162</u>	<u>\$ 157,979</u>

See Accompanying Notes

**SIX CORNERS SPECIAL SERVICE AREA #28
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of organization- Six Corners Special Service Area #28 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 #28 generates revenue for the sole purpose of improving and enhancing the business district of six corners the boundaries of which are generally properties fronting Irving Park Road, Milwaukee Avenue and Cicero Avenue within a two block radius of the six corners intersection. 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, Six Corners Special Service Area #28 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 Six Corners Special Service Area #28 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.

SIX CORNERS SPECIAL SERVICE AREA #28

SUMMARY SCHEDULE OF AUDIT FINDINGS

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