

EDGEWATER CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #26
(a taxing district authorized by the City of Chicago)
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010

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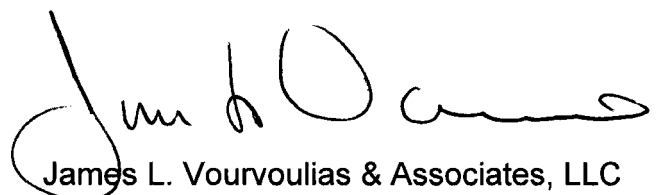
To the Commissioners of
Edgewater Chamber of Commerce
Special Service Area # 26
Chicago, Illinois

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying Statement of Financial Position of the Edgewater Chamber of Commerce Special Service Area # 26 (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 year then ended. These financial statements are the responsibility of the Edgewater Chamber of Commerce Special Service Area # 26's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits 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 audits provide 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 the Edgewater Chamber of Commerce Special Service Area # 26 as of December 31, 2011 and 2010, 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.


James L. Vourvoulias & Associates, LLC

April 24, 2012

**EDGEWATER CHAMBER OF COMMERCE
SPECIAL SERVICE AREA # 26
(a taxing district authorized by the City of Chicago)
STATEMENT OF FINANCIAL POSITION
As of December 31, 2011 and 2010**

ASSETS

	<u>2011</u>	<u>2010</u>
Cash and cash equivalents	\$ 91,122	\$ 60,514
TOTAL ASSETS	<u>\$ 91,122</u>	<u>\$ 60,514</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts Payable	\$ 38,027	\$ 21,898
TOTAL LIABILITIES	<u>38,027</u>	<u>21,898</u>
NET ASSETS		
Unrestricted	<u>53,095</u>	<u>38,616</u>
TOTAL NET ASSETS	<u>53,095</u>	<u>38,616</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 91,122</u>	<u>\$ 60,514</u>

The accompanying notes are an integral part
of the financial statements.

**EDGEWATER CHAMBER OF COMMERCE
SPECIAL SERVICE AREA # 26
(a taxing district authorized by the City of Chicago)**

**STATEMENT OF ACTIVITIES
For the Years Ended December 31, 2011 and 2010**

	2011 Budget	2011 Actual	2011 Variance	2010 Budget	2010 Actual	2010 Variance
REVENUES						
SSA #26 Tax Revenue	\$ 407,482	\$ 381,202	\$ (26,280)	\$ 336,228	\$ 322,999	\$ (13,229)
Interest Income	-	176	176	-	71	71
TOTAL REVENUES	<u>407,482</u>	<u>381,378</u>	<u>(26,104)</u>	<u>336,228</u>	<u>323,070</u>	<u>(13,158)</u>
EXPENSES						
Services:						
Advertising & Promotion	7,141	3,218	(3,923)	6,229	2,978	(3,251)
Public Way Maintenance	120,444	145,660	25,216	113,394	94,064	(19,330)
Public Way Aesthetics	160,577	129,118	(31,459)	137,519	168,705	31,186
Facade Improvements	1,000	-	(1,000)	250	-	(250)
Parking / Transit	1,000	-	(1,000)	250	-	(250)
Safety Programs	9,761	2,974	(6,787)	14,154	6,048	(8,106)
District Planning	64,511	62,209	(2,302)	4,654	-	(4,654)
Total Services Expense	<u>364,434</u>	<u>343,179</u>	<u>(21,255)</u>	<u>276,450</u>	<u>271,795</u>	<u>(4,655)</u>
Administration:						
Audit / Bookkeeping	3,500	4,050	550	3,500	3,500	-
Meeting Expense	500	-	(500)	500	-	(500)
Office Expense	240	-	(240)	300	1,026	726
Office Rent	5,700	5,700	-	6,420	5,700	(720)
Office Supplies	300	300	-	600	377	(223)
Office Utilities / Telephone	2,100	2,100	-	600	2,100	1,500
Postage	300	-	(300)	100	-	(100)
Office Printing	100	-	(100)	300	-	(300)
Service Provider Comp (25%)	12,783	11,570	(1,213)	10,958	10,206	(752)
Direct Economic Stimulus	-	-	-	19,750	9,081	(10,669)
Total Administration Expense	<u>25,523</u>	<u>23,720</u>	<u>(1,803)</u>	<u>43,028</u>	<u>31,990</u>	<u>(11,038)</u>
Loss Collection	<u>17,525</u>	<u>-</u>	<u>(17,525)</u>	<u>16,750</u>	<u>-</u>	<u>(16,750)</u>
TOTAL EXPENSES	<u>407,482</u>	<u>366,899</u>	<u>(40,583)</u>	<u>336,228</u>	<u>303,785</u>	<u>(32,443)</u>
DECREASE IN UNRESTRICTED NET ASSETS						
	-	14,479	14,479	-	19,285	19,285
UNRESTRICTED NET ASSETS:						
Beginning of Year	-	38,616	38,616	-	19,331	19,331
End of Year	<u>-</u>	<u>\$ 53,095</u>	<u>53,095</u>	<u>\$ -</u>	<u>\$ 38,616</u>	<u>38,616</u>

The accompanying notes are an integral part of the financial statements.

**EDGEWATER CHAMBER OF COMMERCE
SPECIAL SERVICE AREA # 26
(a taxing district authorized by the City of Chicago)**

**STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2011 and 2010**

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 14,479	\$ 19,285
Adjustments to reconcile increase in net assets to net cash provided by (used by) operating activities -		
Increase (decrease) in accounts payable	16,129	(8,965)
Net Cash Provided by (Used by) Operating Activities	30,608	10,320
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	30,608	10,320
CASH AND CASH EQUIVALENTS - Beginning of year	60,514	50,194
CASH AND CASH EQUIVALENTS - End of year	\$ 91,122	\$ 60,514
 SUPPLEMENTAL DISCLOSURE		
Cash paid for - Interest	\$ -	\$ -

The accompanying notes are an integral part
of the financial statements.

EDGEWATER CHAMBER OF COMMERCE
SPECIAL SERVICE AREA # 26
(a taxing district authorized by the City of Chicago)
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2011 and 2010

1 . SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization - Special Service Area # 26 (the Taxing District) is a taxing district authorized by the City of Chicago and located in Chicago, Illinois. It is managed by the Edgewater Chamber of Commerce. The Taxing District is supported through taxes levied on neighborhood businesses which are collected by the City of Chicago. The Taxing District utilizes this tax revenue for the sole purpose of improving and enhancing the Broadway Commercial District. 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 business.

Cash and Cash Equivalents - The Taxing District defines cash and cash equivalents as short term liquid investments such as cash in banks, money markets, and all highly liquid investments with maturities of three months or less when purchased. Cash and cash equivalents are held in the name of Edgewater Chamber of Commerce Special Service Area # 26 without physical segregation as to various restricted portions. All earnings on such funds are allocated to unrestricted revenue. The Taxing District maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. The Taxing District has not experienced any losses on these accounts and does not believe it is exposed to any significant concentration of credit risk.

Financial Statement Presentation - The Taxing District is required to present information regarding its financial position and activities according to Article 3.07 of the Agreement for Special Service Area # 26 between the City of Chicago and the Edgewater Chamber of Commerce. As of December 31, 2011 and 2010, the Taxing District had unrestricted net assets of \$53,095 and \$38,616, respectively.

Contributions - Under the Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made," contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. As of December 31, 2011 and 2010, all of the Taxing District's net assets were classified as unrestricted.

Revenue Recognition - The Taxing District'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.

Income Taxes - The Edgewater Chamber of Commerce is the service provider for Special Service Area # 26, 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.

**EDGEWATER CHAMBER OF COMMERCE
SPECIAL SERVICE AREA # 26
(a taxing district authorized by the City of Chicago)
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2011 and 2010**

1 . SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of Accounting 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

2 . REAL ESTATE TAX REVENUE

The Taxing District's principal source of revenue is from real estate taxes levied on certain property located within 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 funds to the Taxing District. Taxes are levied in one year and paid in two installments the following year by property owners. The Chamber recognizes the revenue in the year in which the funds become available.

3 . SSA RECONSTITUTION AND EXPANSION

The Taxing District is beginning the process necessary to undergo reconstitution. Each taxing district authorized by the City of Chicago exists for a finite period of time, at which point it must undergo reconstitution. The taxing district was originally established to exist from the tax year 2003 through the tax year 2012. As a result, the taxing district has begun to undergo the process of reconstitution which, among other things, helps to establish the districts boundaries going forward.

4 . DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through April 24, 2012, the date which the financial statements were issued.

**EDGEWATER CHAMBER OF COMMERCE
SPECIAL SERVICE AREA # 26
(a taxing district authorized by the City of Chicago)
SUMMARY SCHEDULE OF AUDIT FINDINGS
For the Years Ended December 31, 2011 and 2010**

As part of our audit and as required by the Special Service Area Annual Audited Financial Statement Guidelines prepared by the City of Chicago Department of Planning and Development, we have read the requirements contained in the Agreement for Special Service Area # 26 between the City of Chicago and the Edgewater Chamber of Commerce. After conducting our audit, we have determined that no exceptions were noted.

The accompanying notes are an integral part
of the financial statements.