



August 27, 2021

VIA ELECTRONIC MAIL

Ms. Tammie Grossman  
Director, Development Customer Services  
Village of Oak Park  
123 Madison Street  
Oak Park, IL 60302

Dear Ms. Grossman,

Thank you, again, for everything you and your staff are doing to steer the Village of Oak Park through the COVID-19 pandemic.

As requested, I wanted to submit Visit Oak Park's calendar year 2022 budget request to the Village of Oak Park.

As you know, the COVID-19 pandemic has been devastating for Visit Oak Park, resulting in a loss of state and local funding that canceled all marketing and advertising expenditures, and severely impacted the bureau's ability to meet its contractual obligations last year. While operating on a small cash reserve for most of last year, Visit Oak Park was only able to sustain a bare-bones operation in which its President & CEO was furloughed, and only its website and social media channels were being maintained as the bureau awaited a funding commitment from the Village of Oak Park for calendar year 2021.

Pandemic notwithstanding, Visit Oak Park is thankful for Governor Pritzker's funding commitment to the state tourism bureaus, including \$293,000 for the bureau's FY21 through June of this year. The bureau is also thankful for the Village of Oak Park's funding commitment last December of \$155,000 for calendar year 2021, an amount to keep Visit Oak Park viable and avoid forfeiting valuable grant funds available from the State of Illinois.

Visit Oak Park has worked diligently to restore operations over the past several months. The bureau launched a \$200,000 digital advertising campaign earlier this summer to begin supporting Oak Park's economic recovery. The full results of the campaign will be known later this fall. The bureau also secured over \$180,000 in earned media coverage for our local attractions and small businesses since May.

For calendar year 2022, Visit Oak Park is requesting local funding from the Village of Oak Park totaling \$271,000, or \$23,000 per month, an amount which represents a 50% local funding match required by the State of Illinois and avoids forfeiting full grant funding commitment of \$543,000 for July 2021 to June 2022 that Governor Pritzker recently made. Visit Oak Park operates on a fiscal year from July 1 until June 30; therefore the 2022 calendar year budget is a projection based on Governor Pritzker's proposed funding commitment for FY23 that assumes funding continues at the same level for July 2022 through December 2022.



It is important to keep in mind that for every \$25,000 of funding not committed by the Village of Oak Park, Visit Oak Park will lose \$50,000 of funding from the State of Illinois. Additionally, the State of Illinois limits administrative spending to 10%, or \$54,000, of the grant. Funding from the Village of Oak Park is needed to not only meet the local funding match requirement, but to cover administrative costs not allowed by the grant.

Since local funding must be received prior to spending state grant funds, any inconsistency in the Village of Oak Park's month payments puts Visit Oak Park at risk of having to return state grant funds. Due to a reduction in the Village's hotel/motel tax revenue because of the pandemic, the bureau hopes the Village of Oak Park will identify a creative budget solution to fund Visit Oak Park again next year, including the strategic use of ARPA funds until the Village's hotel/motel tax revenue can fully recover.

With a 2018 strategic restructuring, Visit Oak Park significantly reduced personnel and administrative costs, enabling a substantial increase in marketing and advertising spending over the past two years. As a result, Visit Oak Park plans to spend \$525,000 in advertising in 2022, which is 64% of the budget and is, to the best of our knowledge, more money than any other Village-funded partner agency can invest.

Enclosed is Visit Oak Park's calendar year 2022 budget request, which aligns with the board's goal of supporting the Village's vibrant and diverse communities and focusing on Oak Park's business and economic recovery from the COVID-19 pandemic. Please find the following requested documents:

- 2022 Agency and Program Budget
- Chart of Existing Staff and Interns detailing salary and benefits
- 2021 Budget and YTD Actuals
- Report of 2021 Accomplishments-to-Date
- FY20 Audit

Thank you, in advance, for your time and consideration of Visit Oak Park's budget request. I would just like to reiterate the critical importance of Village of Oak Park's funding at this time, which keeps Visit Oak Park viable and unlocks valuable state grant funds. The Village's funding commitment is also critical as Visit Oak Park seeks additional opportunities to secure supplemental ARPA funding from Cook County and the State of Illinois that could accelerate Oak Park's economic recovery.

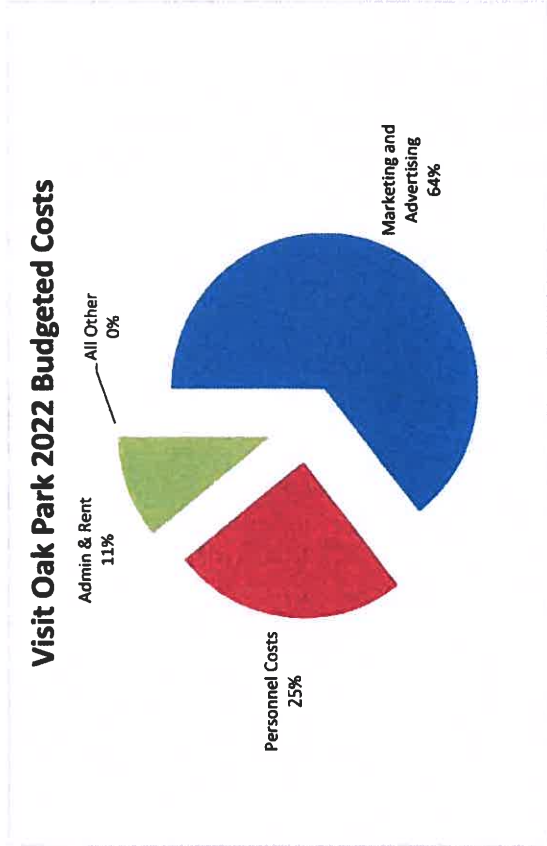
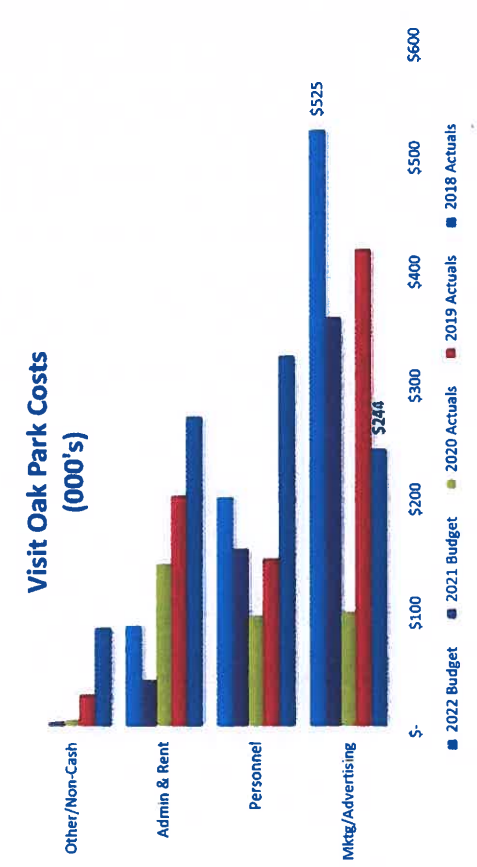
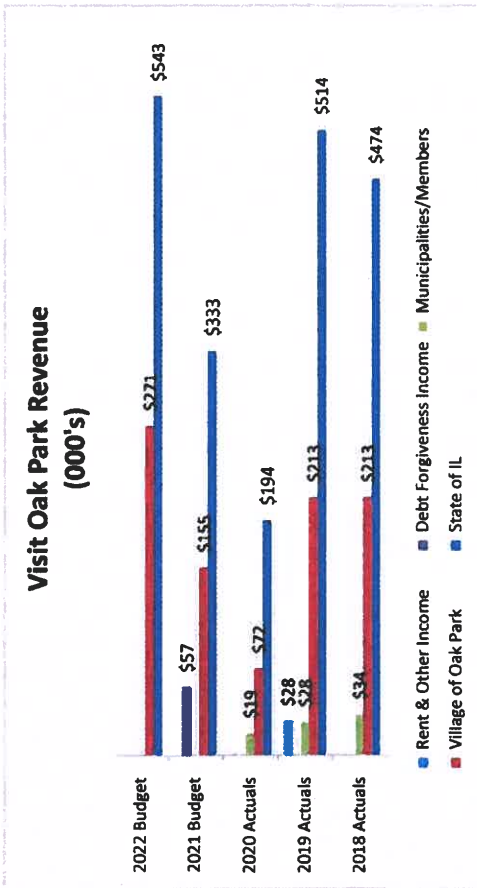
I am happy to meet with you at any time in the coming weeks to discuss Visit Oak Park's request and answer any questions you might have.

Respectfully,

A handwritten signature in black ink, appearing to read "Eric C. Wagner".

Eric C. Wagner  
President & CEO  
Visit Oak Park

**Visit Oak Park  
Funding Request from Village of Oak Park  
Calendar Year 2022  
Submitted August 2021**



**Visit Oak Park  
Funding Request from Village of Oak Park  
Calendar Year 2022  
Submitted August 2021**

P&L Line Item	Calendar Year Results - Accrual Basis *					2022 Budget Incr/(Decr) to 2021 Budget
	2019 Full Year Actuals	2020 Full Year Actuals ****	Jan to June 2021 Actuals	2021 FY Calendar Budget	Proposed Full Year 2022 Budget	
State of IL	514,312	193,944	146,431	332,669	542,695	210,026
Village of Oak Park	212,500	72,003	77,500	155,000	271,348	116,348
Other Municipalities/Other Contributions	27,580	18,500	-	-	-	-
<b>Subtotal Revenue Prior to Visitor Center</b>	<b>754,392</b>	<b>284,447</b>	<b>223,930</b>	<b>487,668</b>	<b>814,043</b>	<b>326,374</b>
<b>Memo: Village of Oak Park Rev as % of Total</b>	<b>28%</b>	<b>25%</b>	<b>35%</b>	<b>32%</b>	<b>33%</b>	
Rental Income	28,134					-
Debt Forgiveness Income (PPP) ***				56,748		(56,748)
Interest Income	336	400	123	123		(123)
Visitor Center & Other Income	10	1,030	-	-		-
<b>Total Revenue</b>	<b>782,872</b>	<b>285,876</b>	<b>224,054</b>	<b>544,540</b>	<b>814,043</b>	<b>269,503</b>
Visitor Center - Cost of Product/Merchant Fees	1,715					-
Visitor Center - Rent **	74,380	69,349	(45,606)	(45,606)		45,606
Visitor Center - All Other Costs (Excl Personnel)	1,858	457				-
<b>Subtotal Visitor Center Costs</b>	<b>77,953</b>	<b>69,806</b>	<b>(45,606)</b>	<b>(45,606)</b>	<b>-</b>	<b>45,606</b>
<b>Total Advertising &amp; Marketing</b>	<b>420,036</b>	<b>99,980</b>	<b>130,281</b>	<b>359,647</b>	<b>524,621</b>	<b>164,974</b>
<b>Memo: % of Total Revenue</b>	<b>54%</b>	<b>35%</b>	<b>58%</b>	<b>66%</b>	<b>64%</b>	
<b>Personnel Costs (Visitor Center &amp; Admin Office)</b>	<b>147,236</b>	<b>96,821</b>	<b>57,928</b>	<b>155,873</b>	<b>201,198</b>	<b>45,325</b>
<b>Memo: % of Total Revenue</b>	<b>19%</b>	<b>34%</b>	<b>26%</b>	<b>29%</b>	<b>25%</b>	
Professional Fees	60,528	42,033	18,581	53,581	59,500	5,919
Rent of Admin Office	29,628	12,600	3,600	7,200	7,200	-
All Other Admin Costs	34,777	17,811	11,348	25,243	21,427	(3,816)
<b>Subtotal Admin</b>	<b>124,933</b>	<b>72,443</b>	<b>33,528</b>	<b>86,023</b>	<b>88,127</b>	<b>2,104</b>
Non Cash - Depreciation **	16,850	5,685	3,895	3,895		(3,895)
Non Cash - Visitor Guide Amort & All Other	9,882					-
Fees, Interest Exp. & Other	1,202	(357)	142	200	96	(104)
<b>Subtotal Other **</b>	<b>27,935</b>	<b>5,328</b>	<b>4,037</b>	<b>4,095</b>	<b>96</b>	<b>(3,999)</b>
<b>Total Costs</b>	<b>798,092</b>	<b>344,377</b>	<b>180,169</b>	<b>560,033</b>	<b>814,043</b>	<b>254,010</b>
<b>Net Income(Loss) - Accrual Basis</b>	<b>(15,220)</b>	<b>(58,501)</b>	<b>43,885</b>	<b>(15,493)</b>	<b>(0)</b>	<b>15,493</b>

\* Visit Oak Park operates on a fiscal year that begins on July 1st and ends on June 30th of the following year. However, the above information is stated on a calendar year to align with the Village of Oak Park calendar year planning cycle.

\*\* Visit Oak Park's reorganization and the closing of the Visitor's Center took place in December 2018. However, the lease was not terminated until March 2021. At termination, the lessor waived the payment of a portion of the outstanding balance due, which is why there is a credit to rent in the 2021 budget. The final amortization of the leasehold improvements occurred in 2021.

\*\*\* Visit Oak Park received two PPP loans, both of which are expected to be forgiven in 2021.

**Visit Oak Park**  
**Funding Request from Village of Oak Park**  
**Salaries & Benefits**  
**Calendar Year 2022**

<u>Position</u>	<u>Full or Part Time</u>	<u>2022 Salary</u>	<u>2022 Payroll Taxes</u>	<u>2022 Benefits &amp; IRA</u>	<u>Total Personnel Costs</u>
President & CEO	Full-Time	96,408	8,308	13,534	118,251
Marketing Specialist	Full-Time	66,950	6,055	9,943	82,947
<b>Total</b>		<b>163,358</b>	<b>14,363</b>	<b>23,477</b>	<b>201,198</b>

**Visit Oak Park  
Funding Request from Village of Oak Park  
Marketing & Advertising Program Detail  
Calendar Year 2022**

Vendor (if Known)	Description of Activities	Calendar Year Budget (000's)
Sojern, Comcast, and others	Digital, TV, print ad creation and placement	\$ 322
Ripson	Public relations and earned media	\$ 60
Writer	Website & E-Newsletter Content Development	52
Inbound Back Office	Website SEO	21
Tectonic	Video creation & production	20
CrowdRiff	Software providing user-generated content for marketing	12
D.M. Burton	Social Media	12
Hubspot	Software for tracking & growing marketing campaigns	10
Bandwango	Website itineraries and travel incentives	10
Wednesday Journal	Tourism Op Eds	6
Network Solutions	Website Domains	0
<b>Total</b>		<b>\$ 525</b>



## **Visit Oak Park Accomplishments-To-Date**

Visit Oak Park has worked diligently to restore operations over the past several months. The bureau launched a \$200,000 digital advertising campaign earlier this summer to begin supporting Oak Park's economic recovery. The full results of the campaign will be known later this fall. The bureau also secured over \$180,000 in earned media coverage for our local attractions and small businesses since May.

- Initiated an organizational restructuring to advance bureau's core mission, reducing administrative costs and increasing annual marketing/advertising spending from \$244k to \$420k during 2018-2019, with \$513k in planned 2020 spending and \$210k in 2021. Utilized contractors and agency partners to decrease personnel costs and bundle services for discounts.
- Reimagined the Visitor Center, creating the Visit Oak Park Ambassador Program to provide in-person bureau volunteers at local attractions and save up to \$155k annually in Visitor Center operating costs. Deployed deft diplomacy, media messaging, and excitement to achieve critical buy-in. The transformative initiative built a new layer of partnership and rapport with attractions, energized volunteers with new opportunities, and provided excellent stewardship of taxpayer dollars.
- Led efforts to rebrand Visit Oak Park, creating the Meet Us Here brand to showcase the area's diverse amenities and incorporate partner communities into the bureau's marketing and advertising campaigns.
- Transitioned the bureau from a membership base to a partnership program with the bureau's service-area communities, raising \$25k in revenue from the Villages of Brookfield and Riverside in 2019, the most ever from bureau partners.
- Created Visit Oak Park's Destination Marketing Services, a program to provide bureau partners with new marketing services and co-op advertising opportunities that raised over \$60K in committed, pre-pandemic revenue during 2020.
- Developed a new, year-round digital marketing strategy, creating the Visit Oak Park Marketing Hub as a new platform for incorporating digital marketing partnerships.
- Launched the bureau's first digital and paid social media advertising campaigns, resulting in 2.7M impressions and 5.5M impressions, respectively. Launched digital and paid social media advertising campaigns for the Villages of Brookfield and Riverside, resulting in 2.7M impressions and 164K impressions, respectively.



- Built the new VisitOakPark.com, an innovative website providing a customized user experience and data collection tools for retargeting consumers, resulting in nearly 38K new users within six months of launch.
- Released the new Visit Oak Park Inspiration Guide, executing a new polybagging strategy with Midwest Living and Chicago Magazine that directly targeted 500k Midwest travel enthusiasts in six states.
- Produced Visit Oak Park's first television commercial with Comcast, showcasing Oak Park's famed architectural gems and tours.
- Produced bureau's first brand video and new marketing videos for Villages of Brookfield and Riverside, completing 15 video shoots.
- Reimagined bureau's Urban Local Made program into a new small business initiative, producing seven marketing videos.
- Deployed a new website content strategy, generating 75+ website articles and travel itineraries, including the Oak Park Craft Beer Trail.
- Partnered anew with the Chicago Architecture Center to co-host Open House Chicago in Oak Park, bringing nearly 10K visitors to the village. Partnered with Illinois Office of Tourism, The Legacy Project Chicago, Oak Park Area Lesbian and Gay Association, and the 19th Century Club to host Amazing for All, an LGBTQ History Exhibit attracting over 2,600 visitors. Partnership with ChiTown Gangster Tours and Kinslahger Brewing Company to create a new gangster tour and beer-tasting experience.
- Collaborated with the Illinois Office of Tourism to host local familiarization tours, hosting 30+ travel writers and social media influencers from around the world.



**VISIT OAK PARK  
FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020  
(With comparative financial statements  
for the fiscal year ended June 30, 2019)**

VISIT OAK PARK  
FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020  
(With comparative financial statements  
for the fiscal year ended June 30, 2019)

TABLE OF CONTENTS

	<u>Page No(s).</u>
<u>Independent Auditor's Report</u>	
<u>Financial Statements:</u>	
Statement of Financial Position .....	1
Statement of Activities .....	2
Statement of Functional Expenses .....	3
Statement of Cash Flows .....	4
Notes to the Financial Statements .....	5-9
 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	   10

**J**ames M. Babic, PC  
Certified Public Accountant  
6414 Sinclair Avenue #220  
Berwyn, IL 60402

Phone: (708) 749-7030  
Fax: (312) 896-9431  
email: jimbabic@aol.com

### Independent Auditors' Report

The Board of Directors  
Visit Oak Park  
193 N. Marion, Suite 208  
Oak Park, Illinois 60301

I have audited the accompanying financial statements of Visit Oak Park (VOP), an Illinois nonprofit organization, which comprise of the statement of financial position as of June 30, 2020 and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of VOP as of June 30, 2020 and the changes in its net assets and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Report on Prior Year Financial Statements Presented for Comparative Purposes

The financial statements as of and for the fiscal year ended June 30, 2019, presented for comparative purposes, were audited by other auditors.. Their report dated December 10, 2019 expressed an unmodified opinion on those financial statements.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated December 8, 2020, on my consideration of VOP's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering VOP's internal control over financial reporting and compliance.

**James M. Babic, PC**  
December 8, 2020

**VISIT OAK PARK**  
**STATEMENT OF FINANCIAL POSITION**  
(Without Donor Restrictions)

	As of:	
	June 30, 2020	June 30, 2019
<b><u>ASSETS</u></b>		
Current assets:		
Cash and cash equivalents (Note 4)	\$ 224,264	\$ 115,643
Prepaid expenses and other	2,404	-
Total current assets	226,668	115,643
Leasehold improvements and office furniture, fixtures, and equipment, at cost net of accumulated depreciation (Note 5)	3,894	9,580
Other assets:		
Facility lease security deposits	7,168	6,254
Total other assets	7,168	6,254
Total assets	\$ 237,730	\$ 131,477
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current liabilities		
Revolving line of credit (Note 6)	\$ -	\$ -
Accounts payable	15,032	-
Accrued payroll and payroll liabilities	-	413
Refund of unspent grant proceeds (Note 7)	175,538	-
Deferred sublease income	-	4,168
Deferred rent	2,784	2,988
Total current liabilities	193,354	7,569
Long-term liabilities:		
Deferred rent	-	2,784
Total liabilities	193,354	10,353
Net assets, without donor restrictions (Note 4)	44,376	121,124
Total liabilities and net assets	\$ 237,730	\$ 131,477

The accompanying notes are an integral part of these financial statements

**VISIT OAK PARK  
STATEMENT OF ACTIVITIES  
AND CHANGE IN NET ASSETS  
(Without Donor Restrictions)**

	<u>For the Fiscal Year Ended</u>	
	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<b>Public support and revenue:</b>		
<b>Public support:</b>		
Grants and contributions (Note 8)	\$ 483,642	\$ 698,473
<b>Revenues:</b>		
Membership dues	-	37,780
Merchandise sales net of cost of goods sold (Note	-	18,090
Ticket sales	-	11,248
Sublease income (Note 10)	8,834	19,300
Interest income	430	199
Other	-	20
<b>Total revenues</b>	<u>9,264</u>	<u>86,637</u>
<b>Total public support and revenues</b>	<u>492,906</u>	<u>785,110</u>
<b>Expenses:</b>		
<b>Program services</b>		
Marketing and promotion	432,002	455,463
Visitor services	-	225,926
<b>Total program services</b>	<u>432,002</u>	<u>681,389</u>
<b>Supporting services:</b>		
Management and general	92,118	125,122
Resource development	45,534	34,066
<b>Total supporting services expenses</b>	<u>137,652</u>	<u>159,188</u>
<b>Total expenses</b>	<u>569,654</u>	<u>840,577</u>
<b>Net decrease in net assets</b>	(76,748)	(55,467)
<b>Net assets, without donor restrictions:</b>		
Beginning of the year	<u>121,124</u>	<u>176,591</u>
End of the year	<u>\$ 44,376</u>	<u>\$ 121,124</u>

The accompanying notes are an integral part of these financial statements

**VISIT OAK PARK**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
(With summarized comparative totals for the fiscal year ended June 30, 2019)

	<u>Program Services</u>	<u>Supporting Services</u>			<u>Grand Totals</u>	
	<u>Marketing and Promotion</u>	<u>Management and General</u>	<u>Resource Develop- ment</u>	<u>Total</u>	<u>2020</u>	<u>2019</u>
Staff salaries and wages	\$ 88,759	\$ 9,500	\$ 23,750	\$ 33,250	\$ 122,009	\$ 190,676
Employer retirement plan contributions (Note 11)	1,124	140	351	491	1,615	-
Other staff benefits	5,701	877	2,193	3,070	8,771	20,997
Employer payroll taxes	4,687	502	1,254	1,756	6,443	16,788
Professional services	23,435	31,935	-	31,935	55,370	63,693
Contract services	-	2,498	-	2,498	2,498	6,579
Advertising and promotion	216,254	-	-	-	216,254	295,624
Information technology	12,422	13,954	-	13,954	26,376	76,495
Market research	1,800	-	-	-	1,800	7,300
Tour expenses	363	-	-	-	363	12,254
Facility occupancy (Note 12)	67,219	7,195	17,986	25,181	92,400	105,456
Equipment lease and maintenance	-	6,423	-	6,423	6,423	6,104
Office supplies and expenses	-	884	-	884	884	1,767
Insurance	-	5,461	-	5,461	5,461	(1,629)
Telecommunications	-	2,185	-	2,185	2,185	4,034
Postage and courier	-	10	-	10	10	2,360
Travel	-	1,827	-	1,827	1,827	4,799
Special event sponsorship	3,025	-	-	-	3,025	2,704
Meetings and conferences	1,300	-	-	-	1,300	4,409
Dues and subscriptions	2,860	-	-	-	2,860	2,250
Interest expense, line of credit	-	-	-	-	-	200
Depreciation and amortization	-	5,685	-	5,685	5,685	16,850
Write-off uncollectible receivables	-	-	-	-	-	770
Grant refund	3,053	-	-	-	3,053	-
Other	-	3,042	-	3,042	3,042	97
<b>Total functional expenses</b>	<b>\$ 432,002</b>	<b>\$ 92,118</b>	<b>\$ 45,534</b>	<b>\$ 137,652</b>	<b>\$ 569,654</b>	<b>\$ 840,577</b>

The accompanying notes are an integral part of these financial statements

**VISIT OAK PARK  
STATEMENT OF CASH FLOWS**

	Fiscal Year Ended June 30,	
	2020	2019
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net decrease in net assets	\$ (76,748)	\$ (55,467)
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation and amortization	5,685	16,850
Write-off of uncollectible receivables	-	770
(Increase) decrease in:		
Accounts receivable	-	5,250
Inventory	-	53,714
Prepaid supplies	-	41,740
Prepaid expenses	(2,404)	-
Security deposit	(914)	-
Increase (decrease) in:		
Accounts payable	15,033	(7,678)
Accrued payroll and payroll liabilities	(413)	4,168
Refund of unspent grant proceeds	175,538	-
Deferred sublease income	(4,168)	-
Deferred rent	(2,988)	(1,743)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>108,621</b>	<b>57,604</b>
<b>CASH USED IN FINANCING ACTIVITIES</b>		
Principal payments on note payable	-	(10,965)
<b>NET INCREASE IN CASH</b>	<b>108,621</b>	<b>46,639</b>
<b>CASH, BEGINNING OF THE YEAR</b>	<b>115,643</b>	<b>69,004</b>
<b>CASH, END OF THE YEAR</b>	<b>\$ 224,264</b>	<b>\$ 115,643</b>

The accompanying notes are an integral part of these financial statements

VISIT OAK PARK  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 1 - HISTORY AND NATURE OF THE ORGANIZATION**

Visit Oak Park (VOP), an Illinois not-for-profit organization, is the state-certified convention and visitors bureau for Western Cook County, representing the communities of Bellwood, Berkeley, Broadview, Brookfield, Elmwood Park, Forest Park, Franklin Park, Hillside, Maywood, Melrose Park, Northlake, North Riverside, Oak Park, River Forest, River Grove, Riverside, Schiller Park, and Westchester.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of accounting and presentation**

The financial statements are prepared on the accrual basis of accounting.

Financial statement presentation follows the Financial Accounting Standards Board *Accounting Standards Codification* (ASC) No. 958-605 and No. 958-205.

Under ASC No. 958-605 contributions are recognized in the period received, or in the period in which an unconditional promise to give is made.

Under ASC 958-205, VOP is required to report information regarding its financial position according to two classes of net assets: net assets without donor restrictions, net assets with donor restrictions. Such classification of net assets is based on the absence or existence of donor-imposed restrictions.

**Donor-imposed restrictions**

All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions which increases that net asset class. However, donor-restricted support that is received and fulfilled within the same fiscal year is reported as support without donor restrictions.

**Income taxes**

VOP is exempt from federal taxes under Section 501(c)6 of the Internal Revenue Code. VOP's management has determined that FASB ASC 740-10, which addresses accounting for uncertainty in income taxes, has no effect on its financial statements due to VOP's tax-exempt status.

**Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles may require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenditures. Actual results could differ from those estimates.

**Expense allocation**

The cost of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Expenses specifically identifiable as program, general management & administrative, or resource development are fully allocated to those respective categories. Staff salaries, payroll taxes, and benefits are allocated on the basis of estimated time and effort. General overhead expenses such as office rent and other such expenses are allocated on the same basis as staff salaries.

**Donated Services**

VOP benefitted from the services volunteers that helped meet VOP's goals and objectives. These donated services are not reported as contributions in the financial statements because they do not meet the criteria of skilled services required to be reported under FASB ASC 958-605-25-16.

(Continued on the following page)



VISIT OAK PARK  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Advertising Costs**

Advertising costs, except for costs associated with direct-response advertising, are charged to operations when incurred. The costs of direct-response advertising are capitalized and amortized over the period during which future benefits are expected to be received. VOP has no costs associated with direct-response advertising. Advertising expense for the fiscal years ended June 30, 2020 and June 30, 2019 were \$216,254 and \$302,032, respectively.

**Subsequent Events**

VOP has evaluated subsequent events through December 8, 2020, the date financial statements were available to be issued.

**NOTE 3 - CONCENTRATION OF RISK**

During the fiscal years ended June 30, 2020 and June 30, 2019 VOP recognized \$321,892 and \$485,973 of grant revenue from the Illinois Department of Commerce and Economic Opportunity (ILDCEO), respectively. This funding accounted for 65% and 62% of VOP's total public support and revenue for the fiscal years ended June 30, 2020 and June 30, 2019, respectively. Continued funding from the ILDCEO is dependent on the state of Illinois future legislative deliberations.

During the fiscal years ended June 30, 2020 and June 30, 2019 VOP recognized \$161,750 and \$212,500 of grant revenue from the Village of Oak Park, Illinois (the Village), respectively. This funding accounted for 33% and 27% of VOP's total public support and revenue for the fiscal years ended June 30, 2020 and June 30, 2019, respectively. Continued funding from the Village is dependent on the Village's future legislative deliberations.

**NOTE 4 - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of demand deposits in financial institutions. As of June 30, 2020 VOP's demand deposits in financial institutions were fully insured under FDIC.

**NOTE 5 - LEASEHOLD IMPROVEMENTS, AND OFFICE FURNITURE, FIXTURES, AND EQUIPMENT**

Purchased leasehold improvements, and office furniture, fixtures, and equipment are recorded at cost. Donated leasehold improvements, office furniture, fixtures, and equipment are recorded at the estimated fair market value on the date received. Depreciation is provided on a straight-line basis over the estimated useful life of the asset. The estimated useful lives are five years for leasehold improvements and three to seven years for office furniture, fixtures, and equipment. VOP's capitalization policy requires a minimum per-unit value of \$1,500. As of June 30, 2020 and June 30, 2019, leasehold improvements, and office furniture fixtures and equipment were as follows:

	<u>06/30/2020</u>	<u>06/30/2019</u>
Leasehold improvements .....	\$ 25,963	\$ 25,963
Office furniture, fixtures, and equipment .....	-	25,026
Total cost of leasehold improvements, and office furniture, fixtures, and equipment .....	25,963	50,989
Less accumulated depreciation and amortization .....	(22,069)	(41,409)
Cost, net of accumulated depreciation and amortization .....	\$ 3,894	\$ 9,580

VISIT OAK PARK  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 6 - REVOLVING LINE OF CREDIT**

VOP maintains a \$30,000 revolving line of credit with Forest Park National Bank and Trust Company. The revolving line of credit commenced on January 10, 2019 and continues through January 10, 2021, has a variable interest rate equal to 1.5% over the prime rate, and is secured by the business assets of VOP under a UCC-1 financing statement filed with the Illinois Secretary of State. VOP did not utilize this revolving line of credit during the fiscal years ended June 30, 2020 and June 30, 2019.

**NOTE 7 - REFUND OF UNSPENT GRANT PROCEEDS**

During the fiscal year ended June 30, 2020 VOP received grant proceeds of \$497,430 under a grant agreement with the Illinois Department of Commerce and Economic Opportunity. Due to the COVID 19 pandemic VOP was not able to spend the entire amount of the proceeds in accordance with the terms of the grant. The \$175,538 liability as of June 30, 2020 represents the unspent portion of this grant. This liability was paid in full in September, 2020.

**NOTE 8 - GRANTS AND CONTRIBUTIONS**

VOP recognized contributions and grants from the below-listed grantors and contributors for the fiscal years ended June 30, 2020 and June 30, 2019:

<u>Grantor/Contributor:</u>	<u>06/30/2020</u>	<u>06/30/2019</u>
Illinois Department of Economic Opportunity .....	\$ 321,892	\$ 485,973
Village of Oak Park, Illinois .....	161,750	212,500
Total contributions and grants .....	<u>\$ 483,642</u>	<u>\$ 698,473</u>

**NOTE 9 - MERCHANDISE SALES, NET OF COST OF GOODS SOLD**

VOP operated a full-time visitors center, which included a gift shop featuring Chicago and Oak Park specific merchandise. The visitors center was closed on December 31, 2018. Listed below is a summary of merchandise sales and related cost of merchandise sales for the fiscal years ended June 30, 2020 and June 30, 2019.

	<u>06/30/2020</u>	<u>06/30/2019</u>
Merchandise sales .....	\$ -	\$ 94,104
Cost of Goods Sold:	-	
Merchandise purchased .....	-	17,028
Merchant service charges .....	-	5,537
Inventory valuation adjustment .....	-	53,449
Total cost of merchandise sold .....	<u>-</u>	<u>76,014</u>
Merchandise sales, net of cost of goods sold .....	<u>\$ -</u>	<u>\$ 18,090</u>

VISIT OAK PARK  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 10 - SUBLEASE INCOME**

VOP subleased rented space located 1010 Lake Street, Oak Park, Illinois under an agreement that commenced on February 1, 2019 and continued through August 31, 2019. VOP recognized sublease income of \$8,834 and \$19,300 under this agreement for the fiscal years ended June 30, 2020 and June 30, 2019, respectively.

**NOTE 11 - EMPLOYEE RETIREMENT PLAN**

VOP maintains a SIMPLE-IRA plan (the Plan) for its employees. The Plan became effective on January 1, 2020. Under the Plan VOP matches each participating employee's elective deferral in an amount equal to the lesser of the elective deferral or 3% of the employee's compensation. VOP's employer matching contributions to this plan were \$1,650 for the fiscal year ended June 30, 2020.

**NOTE 12 - FACILITY LEASE COMMITMENTS**

VOP leases its visitor center facility, located at 1010 Lake Street, 1st Floor, Oak Park Illinois, under a lease agreement that commenced March 10, 2016 and continues through March 31, 2021. Monthly base rent for the twelve month period of April 2019 through March 2020 was \$5,100. Monthly base rent for the twelve month period of April 2020 through March 2021 is \$5,250. In addition to the base rent VOP is also obliged to pay for its pro rata share of common area maintenance and real estate taxes. Total rent expense under this agreement for the fiscal years ended June 30, 2020 and June 30, 2019 (which includes common area maintenance and real estate taxes) was \$68,484 and \$73,390, respectively. VOP discontinued providing a visitors center on December 31, 2018, however VOP is required to meet its remaining obligations under this agreement. Future minimum obligations under this agreement as of June 30, 2020 are \$47,250.

Through October, 2019 VOP's office space was located at 1010 Lake Street, Suite 402, Oak Park, Illinois. VOP occupied this office space under a lease agreement that commenced on December 1, 2014 and ended on November 30, 2019. Total rent expense under this agreement for the fiscal years ended June 30, 2020 and June 30, 2019 (which includes common area maintenance and real estate taxes) was \$11,862 and \$29,217, respectively.

In October, 2019 VOP relocated its office to a facility located at 193 N. Marion Street, Oak Park, Illinois. VOP occupies this office space under a cowork member service agreement that commenced in October, 2019 and continues through September, 2020. Monthly rent under this agreement is \$1,200. Total rent expense under this agreement for the fiscal year ended June 30, 2020 was \$10,800. Beginning October 1, 2020 VOP rented office space at this location on a month-to-month basis for \$600 a month.

Aggregate facility rent expense for the fiscal years ended June 30, 2020 and June 30, 2019 were \$91,146 and \$102,607, respectively.

VISIT OAK PARK  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 13 - MANAGEMENT'S RESPONSE TO THE COVID 19 PANDEMIC**

The severe negative impact of the COVID 19 pandemic on the travel industry required VOP to assess it's future funding and expenses. Listed below is a summary of management's response to this assessment:

**Funding:**

The Illinois Department of Commerce and Economic Opportunity (ILDCEO) awarded a grant of \$292,861 to VOP for the fiscal year ending June 30, 2021. As of the date of this audit report VOP has received \$122,025 of this grant. VOP's management believes ILDCEO will pay the full mount of this grant on or before June 30, 2021.

The Village of Oak Park approved \$155,000 of funding for VOP in its budget for calendar year 2021, of which \$95,000 is guaranteed.

**Expenses:**

No advertising expenditures will be incurred prior to calendar year 2021.

No new employees will be hired in the fiscal year ended June 30, 2021.

The Finance Director's hours for the fiscal year ended June 30, 2021 will be reduced by approximately 30% from the hours worked in the preceeding fiscal year.

The Executive Director was furloughed at 20% for the months of July, 2020 through September, 2020. For October, 2020 and November, 2020 the Executive Director will work full time at 50% compensation. The Executive Director is expected to resume full time work at 100% compensation in December, 2020.

The lease obligation for the now defunct visitors center ends in March, 2021 and will not be renewed. VOP will realize a monthly savings of approximately \$6,000 once this lease ends.

Beginning October 1, 2020 monthly office rent decreased from \$1,200 a month to \$600 a month.

**J**ames M. Babic, PC  
Certified Public Accountant  
6414 Sinclair Avenue #220  
Berwyn, IL 60402

Phone: (708) 749-7030  
Fax: (312) 896-9431  
email: jimbabic@aol.com

**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards**

The Board of Directors  
Visit Oak Park  
193 N. Marion, Suite 208  
Oak Park, Illinois 60301

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Visit Oak Park (VOP), a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued my report thereon dated December 8, 2020.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered VOP's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of VOP's internal control. Accordingly, I do not express an opinion on the effectiveness of the VOP's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether VOP's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of VOP's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering VOP's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**James M. Babic, PC**  
December 8, 2020