

SPECIAL SERVICE AREA #33
Managed by the Wicker Park & Bucktown
Chamber of Commerce
(a taxing district authorized by the City of Chicago)
FINANCIAL STATEMENTS
YEARS ENDED
DECEMBER 31, 2013 AND 2012

SPECIAL SERVICE AREA #33
(a taxing district authorized by the City of Chicago)
FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

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To the Commissioners of
Special Service Area #33
Chicago, Illinois

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of financial position of **SPECIAL SERVICE AREA #33** (a taxing district authorized by the City of Chicago) as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years 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

Our responsibility is to express an opinion on these financial statements based on our audits. 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 whether the financial statements are free of 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, we 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.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **SPECIAL SERVICE AREA #33** as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures with budget variances on pages 8 through 10 and the schedule of audit findings on page 11 are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information was subject to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

J. Smith LLC

March 17, 2014
Oak Park, Illinois

SPECIAL SERVICE AREA #33
(a taxing district authorized by the City of Chicago)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2013 AND 2012

ASSETS

CURRENT ASSETS	<u>2013</u>	<u>2012</u>
Cash and Cash Equivalents	\$ 141,438	\$ 302,565
Due from City of Chicago	10,117	10,545
Due from Wicker Park & Bucktown Chamber of Commerce	910	-
Security Deposit	<u>1,250</u>	<u>1,250</u>
 Total Assets	 <u>\$ 153,715</u>	 <u>\$ 314,360</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	<u>\$ 62,822</u>	<u>\$ 79,963</u>
 Total Liabilities	 <u>62,822</u>	 <u>79,963</u>
 NET ASSETS		
Unrestricted	<u>90,893</u>	<u>234,397</u>
 Total Net Assets	 <u>90,893</u>	 <u>234,397</u>
 Total Liabilities and Net Assets	 <u>\$ 153,715</u>	 <u>\$ 314,360</u>

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

SPECIAL SERVICE AREA #33
(a taxing district authorized by the City of Chicago)
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013		2012			
	Budget	Actual	Over (Under) Variance	Budget	Actual	Over (Under) Variance
REVENUES						
Tax Levy Revenue	\$ 1,389,030	\$ 1,026,235	\$ (362,795)	\$ 1,562,714	\$ 1,179,731	\$ (382,983)
Interest Income	-	333	333	-	822	822
Miscellaneous Income	-	(1,115)	(1,115)	-	-	-
Less: Loss Collection Expense	(70,000)	(19,981)	50,019	(150,000)	(27,853)	122,147
Total Revenue	<u>1,319,030</u>	<u>1,005,472</u>	<u>(313,558)</u>	<u>1,412,714</u>	<u>1,152,700</u>	<u>(260,014)</u>
EXPENSES						
1.00 Advertising & Promotion	208,000	192,587	(15,413)	234,500	251,116	16,616
2.00 Public Way Maintenance	415,400	348,607	(66,793)	281,604	387,455	105,851
3.00 Public Way Aesthetics	365,000	330,425	(34,575)	476,500	361,603	(114,897)
4.00 Tenant Retention/Attraction	6,000	5,403	(597)	7,000	-	(7,000)
5.00 Facade Improvements	40,497	34,105	(6,392)	52,500	45,179	(7,321)
6.00 Parking/Transit/Accessibility	12,000	1,500	(10,500)	53,000	36,019	(16,981)
7.00 Safety Programs	4,500	3,980	(520)	19,500	4,883	(14,617)
8.00 District Planning	2,500	2,124	(376)	33,513	32,115	(1,398)
Total Services Expense	<u>1,053,897</u>	<u>918,731</u>	<u>(135,166)</u>	<u>1,158,117</u>	<u>1,118,370</u>	<u>(39,747)</u>
10.00 Personnel	187,408	181,209	(6,199)	171,772	155,255	(16,517)
11.00 Non-Personnel	77,725	49,035	(28,690)	82,825	52,453	(30,372)
Total Administration Expense	<u>265,133</u>	<u>230,245</u>	<u>(34,888)</u>	<u>254,597</u>	<u>207,708</u>	<u>(46,889)</u>
Total Expense	<u>1,319,030</u>	<u>1,148,976</u>	<u>(170,054)</u>	<u>1,412,714</u>	<u>1,326,078</u>	<u>(86,636)</u>
INCREASE (DECREASE) IN NET ASSETS	<u>\$ -</u>	<u>(143,504)</u>	<u>\$ (143,504)</u>	<u>\$ -</u>	<u>(173,378)</u>	<u>\$ (173,378)</u>
UNRESTRICTED NET ASSETS BEGINNING OF YEAR		<u>234,397</u>			<u>407,775</u>	
UNRESTRICTED NET ASSETS END OF YEAR		<u>\$ 90,893</u>			<u>\$ 234,397</u>	

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

SPECIAL SERVICE AREA #33
(a taxing district authorized by the City of Chicago)
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (143,504)	\$ (173,378)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Changes in operating assets and liabilities -		
Due from City of Chicago	428	28,400
Due (from) to Wicker Park & Bucktown Chamber of Commerce	(910)	242
Accounts Payable	(17,141)	(18,743)
Net Cash Used in Operating Activities	(161,127)	(163,479)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(161,127)	(163,479)
CASH AND CASH EQUIVALENTS -		
Beginning of Year	302,565	466,044
End of Year	\$ 141,438	\$ 302,565
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest Expense	\$ 1,441	\$ - 1,368

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

SPECIAL SERVICE AREA #33
(a taxing district authorized by the City of Chicago)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - Special Service Area #33 (the Taxing District) is a taxing district authorized by the City of Chicago located in the Wicker Park & Bucktown neighborhoods of Chicago, Illinois. It is managed by the Wicker Park & Bucktown Chamber of Commerce. Its scope of services is to coordinate and supervise various activities with regard to the area. These services include coordinating marketing and promotional activities, sidewalk maintenance, beautification activities, and other technical assistance activities to promote commercial and economic development in the area. The Taxing District is supported through property taxes levied on neighborhood residential and commercial properties which are collected by the City of Chicago.

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 other financial instruments that can be reduced to cash in thirty days or less. 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 in such accounts. The Taxing District believes it is not exposed to any significant credit risk on cash and cash equivalents.

Basis of Presentation - The Organization follows generally accepted accounting principles specific to non-for-profit accounting. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. At December 31, 2013 and 2012, the Organization had no temporarily or permanently restricted net assets.

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 #33 between the City of Chicago and Wicker Park & Bucktown Chamber of Commerce. The Taxing District had unrestricted net assets of \$90,893 and \$234,397 as of December 31, 2013 and 2012, respectively.

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 Wicker Park & Bucktown Chamber of Commerce is the service provider for SSA #33, 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.

SPECIAL SERVICE AREA #33
(a taxing district authorized by the City of Chicago)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Accounting Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Subsequent Events - Subsequent events have been evaluated through March 17, 2014, the date the financial statements were available to be issued.

2. LINE OF CREDIT

The Taxing District can use a line of credit obtained by the Wicker Park & Bucktown Chamber of Commerce which expires October 15, 2014. This line of credit has a maximum principal balance of \$200,000 for one year at prime plus 2%. The Taxing District did not use the line of credit in the years ended December 31, 2013 and 2012.

3. RELATED PARTY TRANSACTION

The Taxing District's contractor is the Wicker Park & Bucktown Chamber of Commerce. Most shared expenses are paid separately by each Organization. However, the Chamber of Commerce is reimbursed for ongoing expenses including staff fringe benefits and grant funding. During the years ended December 31, 2013 and 2012, the Taxing District paid its contractor \$36,514 and \$65,619, respectively. As of December 31, 2013, the Taxing District had \$910 due from its contractor.

SPECIAL SERVICE AREA #33
(a taxing district authorized by the City of Chicago)
SCHEDULE OF EXPENDITURES WITH BUDGET VARIANCES
YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013			2012		
	Budget	Actual	Over (Under) Variance	Budget	Actual	Over (Under) Variance
EXPENSES						
Services						
Advertising & Promotion						
1.01 Website/Social Media	\$ 2,000	\$ 1,442	\$ (558)	\$ 1,000	\$ 5,039	\$ 4,039
1.02 Public/Media Relations	53,500	48,837	(4,663)	42,000	32,818	(9,182)
1.03 Special Events	96,500	91,639	(4,861)	95,500	141,797	46,297
1.04 Display Advertising	500	425	(75)	1,000	1	(999)
1.05 Print Materials	500	136	(364)	20,000	1,136	(18,864)
1.06 Other - Grants	55,000	50,108	(4,892)	75,000	70,325	(4,675)
Total Advertising & Promotion	208,000	192,587	(15,413)	234,500	251,116	16,616
Public Way Maintenance						
2.01 Sidewalk Cleaning	188,000	183,039	(4,961)	-	-	-
2.02 Sidewalk Snow Plowing	125,000	90,846	(34,154)	-	-	-
2.03 Sidewalk Power Washing	15,000	375	(14,625)	-	90,519	90,519
2.04 Acid Removal/Prevention	36,000	28,872	(7,128)	13,000	20,015	7,015
2.05 Sidewalk Cleaning	-	-	-	170,000	179,887	9,887
2.07 Sidewalk Snow Plowing	-	-	-	94,604	93,394	(1,210)
2.09 Other-Neigh./Comm. Recycle	51,400	45,475	(5,925)	4,000	3,640	(360)
Total Public Way Maintenance	415,400	348,607	(66,793)	281,604	387,455	105,851
Public Way Aesthetics						
3.01 Streetscape Elements	72,500	25,850	(46,650)	103,000	48,190	(54,810)
3.02 Banners/Decorations	80,500	103,010	22,510	90,000	88,999	(1,001)
3.04 Public Art	76,000	77,041	1,041	117,500	86,250	(31,250)
3.05 Landscaping	135,000	124,524	(10,476)	165,000	136,964	(28,036)
3.10 Other-Landscape Inventory	1,000	-	(1,000)	1,000	1,200	200
Total Public Way Aesthetics	365,000	330,425	(34,575)	476,500	361,603	(114,897)

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

SPECIAL SERVICE AREA #33
(a taxing district authorized by the City of Chicago)
SCHEDULE OF EXPENDITURES WITH BUDGET VARIANCES
YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013			2012		
	Budget	Actual	Over (Under) Variance	Budget	Actual	Over (Under) Variance
Tenant Retention/Attraction						
4.01 Data Collection	\$ 500	\$ -	\$ (500)	\$ 6,500	\$ -	\$ (6,500)
4.02 Site Marketing	5,500	5,403	(97)	500	-	(500)
Total Tenant Retention/Attraction	6,000	5,403	(597)	7,000	-	(7,000)
Facade Improvements						
5.01 Facade Enhancement Program	21,000	15,170	(5,830)	40,000	28,508	(11,492)
5.05 Other-Graffiti Abatement	19,497	18,935	(562)	12,500	16,671	4,171
Total Facade Improvements	40,497	34,105	(6,392)	52,500	45,179	(7,321)
Parking/Transit/Accessibility						
6.04 Bicycle Transit Enhancement	12,000	1,500	(10,500)	44,000	27,719	(16,281)
6.05 Public Transit Enhancement	-	-	-	9,000	8,300	(700)
Total Parking/Transit/Accessibility	12,000	1,500	(10,500)	53,000	36,019	(16,981)
Safety Programs						
7.02 Security Services	4,400	3,889	(511)	-	4,883	4,883
7.03 Safety Improvement Program	-	-	-	4,500	-	(4,500)
7.05 Lighting, Tree Pruning	-	-	-	5,000	-	(5,000)
7.06 Bike Program	100	91	(9)	-	-	-
7.06 Other-Security Fencing	-	-	-	10,000	-	(10,000)
Total Safety Programs	4,500	3,980	(520)	19,500	4,883	(14,617)
District Planning						
8.01 SSA Designation/Reconst.	1,100	777	(323)	9,000	4,516	(4,484)
8.05 Economic Impact Study/Etc	1,400	1,347	(53)	15,000	27,599	12,599
8.06 Parking/Transit Plan	-	-	-	9,513	-	(9,513)
Total District Planning	2,500	2,124	(376)	33,513	32,115	(1,398)
Total Services Expense	1,053,897	918,731	(135,166)	1,158,117	1,118,370	(39,747)

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

SPECIAL SERVICE AREA #33
(a taxing district authorized by the City of Chicago)
SCHEDULE OF EXPENDITURES WITH BUDGET VARIANCES
YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013			2012		
	Budget	Actual	Over (Under) Variance	Budget	Actual	Over (Under) Variance
Administration						
Personnel						
10.01 Personnel A	\$ 29,688	\$ 30,548	\$ 860	\$ 28,512	\$ 24,831	\$ (3,681)
10.02 Personnel B	56,790	53,875	(2,915)	54,540	48,972	(5,568)
10.03 Personnel C	39,627	41,290	1,663	30,240	26,997	(3,243)
10.04 Personnel D	18,493	14,592	(3,901)	19,980	18,638	(1,342)
10.05 Personnel E	20,617	22,424	1,807	19,800	20,694	894
10.06 Personnel F	16,244	11,478	(4,766)	14,300	10,567	(3,733)
10.07 Interns	5,949	7,002	1,053	4,400	4,556	156
Total Personnel	187,408	181,209	(6,199)	171,772	155,255	(16,517)
Non-Personnel						
11.01 SSA Annual Report	15,000	-	(15,000)	-	-	-
11.02 SSA Audit	5,000	6,000	1,000	5,000	3,494	(1,506)
11.03 Bookkeeping/Payroll Fees	1,000	110	(890)	850	256	(594)
11.04 Office Rent	22,000	18,561	(3,439)	20,500	18,384	(2,116)
11.05 Office Utilities	9,000	6,754	(2,246)	8,250	6,671	(1,579)
11.06 Office Supplies	3,000	2,690	(310)	3,000	4,652	1,652
11.07 Equip Lease/Maintenance	4,500	3,052	(1,448)	4,500	2,004	(2,496)
11.08 Office Printing	3,500	1,305	(2,195)	3,500	2,870	(630)
11.09 Postage	600	977	377	600	1,185	585
11.10 Meeting Expenses	3,250	3,168	(82)	3,250	3,206	(44)
11.11 Subscriptions	2,500	655	(1,845)	2,500	2,114	(386)
11.12 Banking Fees	2,500	1,441	(1,059)	2,500	1,368	(1,132)
11.13 Monitoring/Compliance	1,500	2,094	594	24,000	1,420	(22,580)
11.14 Other - Computer Assist.	3,000	743	(2,257)	3,000	3,120	120
11.15 Other - Recycling	500	80	(420)	500	215	(285)
11.16 Other - Insurance	875	1,405	530	875	1,494	619
Total Non-Personnel	77,725	49,035	(28,690)	82,825	52,453	(30,372)
Total Administration Expense	265,133	230,245	(34,888)	254,597	207,708	(46,889)
Total Expense	\$ 1,319,030	\$ 1,148,976	\$ (170,054)	\$ 1,412,714	\$ 1,326,078	\$ (86,636)

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

SPECIAL SERVICE AREA #33
(a taxing district authorized by the City of Chicago)
SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2013 AND 2012

As part of our audits and request by the Special Service Area Annual Audited Financial Statement Guidelines prepared by the City of Chicago Department of Housing and Economic Development, we have read the requirements contained in the Agreement for Special Service Area #33 between the City of Chicago and Wicker Park Bucktown Chamber of Commerce and note there are no findings on which to report the status.