

**ANDERSONVILLE CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #22**

**FINANCIAL STATEMENTS
For the Years Ended December 31, 2011 and 2010**

TABLE OF CONTENTS

	<u>Page</u>
ACCOUNTANTS' REPORT ON FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	7
Notes to Financial Statements	8
Summary Schedule of Audit Findings	10



P.K. Johnson &
Associates, LLC

To the Commissioners
Andersonville Chamber of Commerce
Special Service Area #22
Chicago, Illinois

Independent Auditors' Report

1550 Spring Road, Suite 308
Oak Brook, IL 60523

paul@pkjassoc.com
Telephone 630.468.2833
Fax 630.468.2831

Member of American Institute
of Certified Public Accountants
and Illinois CPA Society

Paul K. Johnson, CPA
Phillip I. Coleman, CPA
Of Council

We have audited the accompanying Statements of Financial Position of Andersonville Chamber of Commerce Special Service Area #22 as of December 31, 2011 and 2010 and the related statements of activities and statements of cash flows for the years then ended. These financial statements are the responsibility of Andersonville Special Service Area #22 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 and requirements applicable to financial audits established by the City of Chicago Department of Housing and Economic Development. 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 in the first paragraph, present fairly, in all material respects, the financial position of Andersonville Chamber of Commerce Special Service Area #22 as of December 31, 2011 and 2010, and results of its operations and its cash flows for the years then ended, in the conformity with accounting principles generally accepted in the United States of America.

The 2011 and 2010 budget amounts, which were arrived at by the city of Chicago and the Andersonville Chamber of Commerce Special Service Area #22 and are shown in the statement of activities, as required by the City of Chicago Department of Housing and Economic Development, are presented for comparison purposes. We have not performed any auditing procedures on the budget amounts and therefore, express no opinion on them. The summary schedule of audit findings is a requirement of the City of Chicago Department of Housing and Economic Development and not a required part of the basic financial statements. The city requires we disclose any exceptions to the contract between the city and the SSA.

P.K. Johnson & Associates, LLC

P.K. JOHNSON & ASSOCIATES, LLC
Oak Brook, Illinois
March 16, 2012

ANDERSONVILLE CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #22

STATEMENT OF FINANCIAL POSITION
As of December 31, 2011 and 2010

ASSETS

	<u>2011</u>	<u>2010</u>
Cash	\$ <u>177,531</u>	\$ <u>79,984</u>
TOTAL ASSETS	\$ <u>177,531</u>	\$ <u>79,984</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ <u>3,956</u>	\$ <u>19</u>
TOTAL LIABILITIES	\$ <u>3,956</u>	\$ <u>19</u>
Net assets	<u>173,575</u>	<u>79,965</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>177,531</u>	\$ <u>79,984</u>

See Accompanying Notes

**ANDERSONVILLE CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #22**

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2011**

	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>Variance Over (Under)</u>
REVENUES			
Real estate taxes current period	\$ 217,948	\$ 223,192	\$ (5,244)
Real estate taxes prior period	59,586	-	59,586
Interest income	<u>374</u>	<u>-</u>	<u>374</u>
Total Operating Revenue	<u>277,908</u>	<u>223,192</u>	<u>54,716</u>
EXPENDITURES			
Advertising and Promotion			
Display Ads	8,564	10,800	(2,236)
Public/Media Relation Services	2,863	1,588	1,275
Print Material	10,754	10,900	(146)
Service Provider Direct Services	<u>4,700</u>	<u>4,700</u>	<u>-</u>
Total Advertising and Promotion	<u>26,881</u>	<u>27,988</u>	<u>(1,107)</u>
Public Way Maintenance			
Sidewalk Cleaning	20,785	22,000	(1,215)
Sidewalk Washing	11,460	11,460	-
Snow Plowing	29,610	32,000	(2,390)
Service Provider Direct Services	<u>1,625</u>	<u>1,625</u>	<u>-</u>
Total Public Way Maintenance	<u>63,480</u>	<u>67,085</u>	<u>(3,605)</u>
Public Way Aesthetics			
Holiday Decorations	8,926	10,600	(1,674)
Landscaping	9,634	25,000	(15,366)
Streetscape	-	4,100	(4,100)
Service Provider Direct Services	<u>3,615</u>	<u>3,615</u>	<u>-</u>
Total Public Way Aesthetics	<u>22,175</u>	<u>43,315</u>	<u>(21,140)</u>
Tenant Retention/Attraction			
Tenant Relations	-	400	(400)
Site Marketing Materials	500	500	-
Service Provider Direct Services	<u>3,090</u>	<u>3,090</u>	<u>-</u>
Total Tenant Retention/Attraction	<u>3,590</u>	<u>3,990</u>	<u>(400)</u>
Facade Improvements			
Facade Enhancement Program	13,454	23,200	(9,746)
Green Building Program	2,823	6,000	(3,177)
Service Provider Direct Services	<u>4,120</u>	<u>4,120</u>	<u>-</u>
Total Facade Improvements	<u>20,397</u>	<u>33,320</u>	<u>(12,923)</u>

See Accompanying Notes

**ANDERSONVILLE CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #22**

**STATEMENT OF ACTIVITIES (continued)
For the Year Ended December 31, 2011**

	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>Variance Over (Under)</u>
District Planning			
District Branding	\$ -	\$ 2,000	\$ (2,000)
District Market Study	1,800	-	1,800
Service Provider Direct Services	<u>2,575</u>	<u>2,575</u>	<u>-</u>
Total District Planning	<u>4,375</u>	<u>4,575</u>	<u>(200)</u>
Operational & Administrative Support			
Audit	2,500	3,500	(1,000)
Bookkeeping	2,472	2,472	-
Meeting Expense	150	200	(50)
Office Equipment	841	865	(24)
Office Rent	3,893	3,893	-
Office Supplies	968	968	-
Utilities/Telephone	762	762	-
Postage	1,009	1,009	-
Other	1,125	1,125	-
Service Provider Administrative Support	<u>29,680</u>	<u>29,680</u>	<u>-</u>
Total Operational & Administrative Support	<u>43,400</u>	<u>44,474</u>	<u>(1,074)</u>
Less Contingency	<u>-</u>	<u>11,200</u>	<u>(11,200)</u>
Total Expenditures	<u>184,298</u>	<u>235,947</u>	<u>(51,649)</u>
Change in Net Assets	93,610	(12,755)	106,635
NET ASSETS			
Beginning of Year	<u>79,965</u>		
END OF YEAR	<u>\$ 173,575</u>		

See Accompanying Notes

**ANDERSONVILLE CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #22**

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010**

	<u>2010 Actual</u>	<u>2010 Budget</u>	<u>Variance Over (Under)</u>
REVENUES			
Real estate taxes current period	\$ 165,182	\$ 229,678	\$ (64,496)
Real estate taxes prior period	15,671	-	15,671
Interest income	<u>216</u>	<u>-</u>	<u>216</u>
Total Operating Revenue	<u>181,069</u>	<u>229,678</u>	<u>(48,609)</u>
EXPENDITURES			
Advertising and Promotion			
Display Ads	12,608	12,754	(146)
Print Material	4,485	8,820	(4,335)
Service Provider Direct Services	<u>4,524</u>	<u>4,524</u>	<u>-</u>
Total Advertising and Promotion	<u>21,617</u>	<u>26,098</u>	<u>(4,481)</u>
Public Way Maintenance			
Sidewalk Cleaning	20,208	22,260	(2,052)
Sidewalk Washing	11,460	13,000	(1,540)
Snow Plowing	31,750	29,400	2,350
Service Provider Direct Services	<u>1,575</u>	<u>1,575</u>	<u>-</u>
Total Public Way Maintenance	<u>64,993</u>	<u>66,235</u>	<u>(1,242)</u>
Public Way Aesthetics			
Holiday Decorations	8,376	10,300	(1,924)
Landscaping	19,344	24,200	(4,856)
Streetscape	7,000	5,000	2,000
Service Provider Direct Services	<u>3,150</u>	<u>3,150</u>	<u>-</u>
Total Public Way Aesthetics	<u>37,870</u>	<u>42,650</u>	<u>(4,780)</u>
Tenant Retention/Attraction			
Tenant Relations	-	1,000	(1,000)
Site Marketing Materials	-	1,000	(1,000)
Service Provider Direct Services	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Total Tenant Retention/Attraction	<u>(3,000)</u>	<u>5,000</u>	<u>(2,000)</u>
Facade Improvements			
Facade Enhancement Program	11,424	26,200	(14,776)
Green Building Program	1,000	3,000	(2,000)
Service Provider Direct Services	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Total Facade Improvements	<u>16,424</u>	<u>33,200</u>	<u>(16,776)</u>

See Accompanying Notes

**ANDERSONVILLE CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #22**

**STATEMENT OF ACTIVITIES (continued)
For the Year Ended December 31, 2010**

	<u>2010 Actual</u>	<u>2010 Budget</u>	<u>Variance Over (Under)</u>
District Planning			
District Plan	\$ 1,691	\$ 3,000	\$ (1,309)
Service Provider Direct Services	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Total and District Planning	<u>4,191</u>	<u>5,500</u>	<u>(1,309)</u>
 Operational & Administrative Support			
Bookkeeping	2,400	2,400	-
Meeting Expense	-	200	(200)
Office Equipment	840	840	-
Office Rent	3,706	3,706	-
Office Supplies	940	940	-
Utilities/Telephone	740	740	-
Postage	1,730	1,730	-
Other Supplies	2,500	2,500	-
Insurance	1,270	1,270	-
Service Provider Administrative Support	<u>28,816</u>	<u>28,816</u>	<u>-</u>
Total Operational & Administrative Support	<u>42,942</u>	<u>43,142</u>	<u>(200)</u>
 Less Contingency	<u>-</u>	<u>10,797</u>	<u>(10,797)</u>
 Total Expenditures	<u>191,037</u>	<u>232,622</u>	<u>(41,585)</u>
 Changes in Net Assets	(9,968)	(2,944)	(7,024)
 NET ASSETS			
Beginning of Year	<u>89,933</u>		
 END OF YEAR	<u>\$ 79,965</u>		

See Accompanying Notes

ANDERSONVILLE CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #22

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

	<u>2011</u>	<u>2010</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Increase/(decrease) in net assets	\$ 93,610	\$ (9,968)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Increase/(decrease) in accounts payable	<u>3,937</u>	<u>-</u>
Net cash provided by operating activities	<u>97,547</u>	<u>(9,968)</u>
Net increase/(decrease) in cash	97,547	(9,968)
Cash at the beginning of the year	<u>79,984</u>	<u>89,952</u>
Cash at the end of year	<u>\$ 177,531</u>	<u>\$ 79,984</u>
Supplemental disclosure of cash flows		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Taxes paid	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes

**ANDERSONVILLE CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #22
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization - Andersonville Special Service Area #22 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 #22 generates revenue for the sole purpose of improving and enhancing the business district of Andersonville; the boundaries of which are generally properties fronting Clark from Victoria on the south to Ainslie on the north.

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.

Basis of Accounting - The accompanying financial statements have been prepared on the accrual method. Based on information provided by the Department of Housing and Economic Development, the recognition of revenue by the SSA when received is 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 Andersonville Special Service Area #22 as required by the City of Chicago. All cash and earnings on such are to be used only as allowed by the City of Chicago. For purposes of the statements of cash flows, the Special Service Area considers all highly liquid investments with an initial maturity of three months or less to be cash 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 – NET ASSETS

Should the City decide to terminate the SSA, any funds remaining in the checking account are required to be returned to the City. The City is required to use the returned funds to provide services to the SSA area.

NOTE 3 – RELATED PARTY TRANSACTIONS

Andersonville Chamber of Commerce has been selected by the City as contractor to provide the services mentioned in Note 1. The Chamber collects the funds and pays expenses to provide the agreed services. The Chamber was paid \$60,475 in 2011 \$59,190 in 2010 for administration of the SSA.

**ANDERSONVILLE CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #22
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 – REAL ESTATE TAX REVENUE

The Special Service Area'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 Special Service Area. Taxes are levied in one year, but paid in two installments the following year by the property owners. The Special Service Area recognizes this revenue in the year in which the funds become available. The use of the funds received is limited to expenditures agreed to by the City of Chicago based on a budget prepared by the SSA and approved by the City.

NOTE 5 – CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

The Special Service Area maintains its cash balances in one financial institution located in Chicago, Illinois. During 2011 and 2010, the balance was insured by the Federal Deposit Insurance Corporation up to \$250,000.

NOTE 6 – SUBSEQUENT EVENTS

Management believes that as of March 16, 2012, the date these financial statements were issued, that no subsequent events had occurred since December 31, 2011 which would be required to be disclosed in these financial statements.

**ANDERSONVILLE CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #22**

**SUMMARY SCHEDULE OF AUDIT FINDINGS
For the Year Ended December 31, 2011**

We have read the agreement between the City of Chicago and Special Service Area #22 and state there are no findings to report the status of.