

71st Street - Stony
Special Service Area Number 42
(South Shore Chamber Inc., Contractor)

Financial Statements

Year Ended December 31, 2013 and 2012

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
71st Street - Stony Special Service Area Number 42
(South Shore Chamber, Inc., Contractor)
Chicago, Illinois

We have audited the accompanying statement of financial position of 71st Street - Stony Special Service Area Number 42 (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. These financial statements are the responsibility of the Organization's 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 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 audit provides 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 71st Street - Stony (a taxing district authorized by the City of Chicago), as of December 31, 2013 and 2012, 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenses and budget variances on pages 8 and 9 and the comparative schedule of tax levy revenue and interest income on page 10 are presented for purposes of additional analysis and is 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 has been subjected to the auditing procedures applied in the audit 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 or to 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.

Bravos & Associates C.P.A.'s

March 29, 2014
Bloomington, Illinois

71st Street - Stony
Special Service Area Number 42
(South Shore Chamber Inc., Contractor)
Comparative Statement of Financial Position
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 3,382	\$ 22,926
Total Assets	<u>\$ 3,382</u>	<u>\$ 22,926</u>
<u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Line of Credit payable	\$ 105,000	\$ 50,000
Accounts payable	56,735	16,198
Due to South Shore Chamber	<u>-</u>	<u>32,329</u>
Total Current Liabilities	161,735	98,527
Net assets, unrestricted (deficit)	<u>(158,353)</u>	<u>(75,601)</u>
Total Liabilities and Net Assets	<u>\$ 3,382</u>	<u>\$ 22,926</u>

71st Street - Stony
Special Service Area Number 42
(South Shore Chamber Inc., Contractor)
Comparative Statement of Activities
For the Years Ended December 31, 2013 and 2012

	2013			2012		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>Changes in Unrestricted Net Assets:</u>						
<u>Revenues:</u>						
Tax Levy Revenue - Current Year	\$ 488,057	\$ 564,969	\$ (76,912)	\$ 529,677	\$ 570,344	\$ (40,667)
Interest Income	11	-	11	21	-	21
<u>Total Revenues</u>	<u>488,069</u>	<u>564,969</u>	<u>(76,900)</u>	<u>529,698</u>	<u>570,344</u>	<u>(40,646)</u>
<u>Expenses:</u>						
<u>Program costs:</u>						
1.00 Advertising & Promotion	105,380	48,500	56,880	83,323	83,500	(177)
2.00 Public Way Maintenance	114,161	110,000	4,161	124,631	115,000	9,631
3.00 Public Way Aesthetics	17,247	25,000	(7,753)	42,620	38,500	4,120
4.00 Tenant Retention/Attraction	-	-	-	7,375	7,500	(125)
5.00 Façade Improvements	5,595	11,000	(5,405)	2,972	10,000	(7,028)
6.00 Parking/Transit/Accessibility	-	-	-	4,810	5,500	(690)
7.00 Safety Programs	189,481	195,000	(5,519)	173,193	185,000	(11,807)
8.00 District Planning	-	10,000	(10,000)	-	-	-
10.00 Personnel	107,465	100,689	6,776	106,573	102,677	3,896
<u>Total Program Expense</u>	<u>539,329</u>	<u>500,189</u>	<u>39,140</u>	<u>545,497</u>	<u>547,677</u>	<u>(2,180)</u>
<u>Administration</u>						
11.00 Administrative Support	31,492	23,200	8,292	31,743	30,387	1,356
12.00 Tax Levy Loss Collection	-	19,438	(19,438)	-	19,513	(19,513)
<u>Total Administration expenses</u>	<u>31,492</u>	<u>42,638</u>	<u>(11,146)</u>	<u>31,743</u>	<u>49,900</u>	<u>(18,157)</u>
<u>Total Expenses</u>	<u>570,821</u>	<u>542,827</u>	<u>27,994</u>	<u>577,240</u>	<u>597,577</u>	<u>(20,337)</u>
Increase (Decrease) in Net Assets	(82,752)	22,142	(104,894)	(47,542)	(27,233)	(20,309)
<u>Unrestricted Net Assets: (Deficit)</u>						
Beginning of Year	(75,601)			(28,059)		
End of Year	\$ (158,353)			\$ (75,601)		

Special Service Area Number 42
(South Shore Chamber Inc., Contractor)
Comparative Statement of Cash Flows
For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from operating activities:		
Increase (decrease) in unrestricted net assets	\$ (82,752)	\$ (47,542)
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
(Increase) decrease in:		
Accounts receivable	-	8,920
(Decrease) increase in:		
Line of Credit payable - net	55,000	-
Accounts payable and accrued expenses	40,537	(595)
Due to South Shore Chamber	<u>(32,329)</u>	<u>(50,856)</u>
Net cash flows from operating activities:	\$ (19,544)	(90,073)
Cash and Cash Equivalents		
Beginning of the year	<u>22,926</u>	<u>112,999</u>
End of the year	<u>\$ 3,382</u>	<u>\$ 22,926</u>
Supplemental disclosures:		
Interest Paid	<u>\$ 4,887</u>	<u>\$ 2,673</u>
Taxes Paid	<u>\$ -</u>	<u>\$ -</u>

71st Street - Stony Special Service Area Number 42
(South Shore Chamber, Inc., Contractor)
Notes to Financial Statements
For the Year Ended December 31, 2013 and 2012

Summary of Accounting Policies

Nature of Organization

South Shore Chamber, Inc., Contractor for 71st Street - Stony Special Service Area Number 42 (Organization) is a not-for-profit corporation organized under the laws of the State of Illinois. The Organization was formed to revitalize the 71st Street - Stony district. The organization is located within the boundaries of the City of Chicago.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 116, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 116, 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. The Organization had no temporarily or permanently restricted net assets, as of December 31, 2013 and 2012 the organization has unrestricted net assets (deficit) in the amount of \$ (158,353) and \$ (75,601) respectfully.

Cash and Cash Equivalents

Cash and cash equivalents is defined 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 organization maintains its cash in bank accounts, which, at times, may exceed the federally insured limits. The organization has not experienced any losses in such accounts. The organization believes it is not exposed to any significant credit risk on cash and cash equivalents. The organization has established a separate checking account at the Harris Bank in Chicago, Illinois and all tax revenue funds are automatically deposited into this checking account. The Contractor did not commingle Service Tax funds with funds from any other source.

Revenue Recognition

The organization'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. Accounts receivable represent amounts earned, but not received at year end.

Income Taxes

The organization is a part of the South Shore Chamber, Inc., which is a not-for-profit organization that is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and is not classified by the Internal Revenue Service as a private foundation.

71st Street - Stony Special Service Area Number 42
(South Shore Chamber, Inc., Contractor)
Notes to Financial Statements
For the Year Ended December 31, 2013 and 2012

Summary of Accounting Policies – Continued

Related Party Transactions

71st Street – Stony Special Service Area Number 42 does share office space, equipment and employees through its affiliation with South Shore Chamber, Inc. 71st Street – Stony Special Service Area Number 42 has no employees of its own, but reimburses South Shore Chamber, Inc. for payroll and related costs of the individuals working on the programs. The 71st Street – Stony Special Service Area Number 42 had funds due to South Shore Chamber, Inc. as of December 31, 2013 and 2012 in the amount of \$ 0 and \$ 32,329 respectfully.

Use of Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Special Service Area Agreement

The Organization entered into an agreement with the City of Chicago, whereby the City has establish a special service area known and designated as “71st Street – Stony Special Service Area Number 42” to provide special services in addition to those services generally provided by the City. South Shore Chamber, Inc., Contractor has been designated as “Contractor” under terms of the agreement. The City has authorized a levy not to exceed 1.00% of the equalized assessed value of all property within the area to produce sufficient revenues to provide those special services. The agreement is renewed annually.

Line of Credit

The Organization has an \$ 120,000 line of credit with the Harris Bank N.A., which will mature on September 16, 2014. This note is subject to a variable interest rate, based upon the prime rate. Currently the interest rate is 6.000% and as of December 31, 2013 the Organization has used \$ 105,000 of the line.

Bravos & Associates

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors
71st Street - Stony Special Service Area Number 42
South Shore Chamber, Inc., Contractor
Chicago, Illinois

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information which follows is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Bravos & Associates CPAs

March 29, 2014
Bloomington, Illinois

71st Street - Stony
Special Service Area Number 42
(South Shore Chamber Inc., Contractor)
Comparative Schedule of Expenses with Budget Variances
December 31, 2013 and 2012

Expenses: Programs:	2013			2012		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>1.00 Advertising & Promotion</u>						
1.01 Website/Technology	\$ -	2,500	\$ (2,500)	\$ 2,312	2,500	\$ (188)
1.02 Public/Media Relations Services	-	1,000	(1,000)	-	1,000	(1,000)
1.03 Special Events	104,639	40,000	64,639	77,085	75,000	2,085
1.04 Display Ads	478	2,500	(2,022)	3,926	2,500	1,426
1.05 Print Materials	263	2,500	(2,237)	-	2,500	(2,500)
Totals	105,380	48,500	56,880	83,323	83,500	(177)
<u>2.00 Public Way Maintenance</u>						
2.01 Sidewalk Cleaning	93,286	90,000	3,286	84,162	90,000	(5,838)
2.02 Sidewalk Snow Plowing	-	20,000	(20,000)	34,424	20,000	14,424
2.03 Sidewalk Power Washing	20,875	-	20,875	-	-	-
2.05 Equipment/Purchase /Maintenance	-	-	-	1,045	-	1,045
2.09 Other: Window Washing	-	-	-	5,000	5,000	-
Totals	114,161	110,000	4,161	124,631	115,000	9,631
<u>3.00 Public Way Aesthetics</u>						
3.01 Streetscape Elements	-	-	-	8,040	6,500	1,540
3.02 Decorative Banner	7,548	15,000	(7,452)	29,905	27,000	2,905
3.05 Landscaping	9,699	10,000	(301)	-	-	-
3.08 Other: Public Way Art	-	-	-	4,675	5,000	(325)
Totals	17,247	25,000	(7,753)	42,620	38,500	4,120
<u>4.00 Tenant Retention/Attraction</u>						
4.02 Site Marketing Materials	-	-	-	7,375	7,500	(125)
Totals	-	-	-	7,375	7,500	(125)

71st Street - Stony
Special Service Area Number 42
(South Shore Chamber Inc., Contractor)
Comparative Schedule of Expenses with Budget Variances
December 31, 2013 and 2012

	2013			2012		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>Expenses:</u>						
<u>Programs:</u>						
5.00 Façade Improvements						
5.00 Façade Enhancement Program - Rebates	\$ -	\$ 2,500	(2,500)	\$ -	\$ -	-
5.02 Awning Program -Rebates		2,500	(2,500)			
5.03 Signage Program- Rebates	5,595	6,000	(405)	2,972	10,000	(7,028)
Totals	5,595	11,000	(5,405)	2,972	10,000	(7,028)
6.00 Parking/Transit/Accessibility						
6.04 Bicycle Transit Enhancements	-	-	-	4,810	5,500	(690)
Totals	-	-	-	4,810	5,500	(690)
7.00 Safety Programs						
7.02 Security Services	189,481	195,000	(5,519)	173,193	185,000	(11,807)
Totals	189,481	195,000	(5,519)	173,193	185,000	(11,807)
9.00 Other Technical Assistance						
9.01 Wifi District Infrastructure		5,000	(5,000)			
9.02 District Branding	-	5,000	(5,000)	-	-	-
Totals	-	10,000	(10,000)	-	-	-
10.00 Personnel						
10.01 Executive Director	29,979	26,928	3,051	35,492	40,407	(4,915)
10.02 Program Manager	51,243	51,984	(741)	49,135	44,500	4,635
10.03 Office Manager	22,745	19,468	3,277	20,262	17,770	2,492
10.04 Student Intern	3,498	2,309	1,189	1,684	-	1,684
Totals	107,465	100,689	6,776	106,573	102,677	3,896

71st Street - Stony
Special Service Area Number 42
(South Shore Chamber Inc., Contractor)
Comparative Schedule of Expenses with Budget Variances
December 31, 2013 and 2012

	2013			2012		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>Expenses:</u>						
<u>Programs:</u>						
11.00 Administrative Non-Personnel						
11.01 SSA Annual Report	\$ 2,000	\$ 2,500	\$ (500)	\$ 2,000	\$ 2,500	\$ (500)
11.02 Audit	4,500	4,000	500	3,200	6,000	(2,800)
11.03 Bookkeeping	2,250	3,000	(750)	3,125	1,500	1,625
11.04 Office Rent	6,270	6,600	(330)	4,800	5,940	(1,140)
11.05 Office Utilities/Telephone	2,145	2,000	145	1,430	2,860	(1,430)
11.06 Office Supplies	1,425	1,000	425	1,656	1,500	156
11.07 Office Equipment Lease/Maintenance	1,187	500	687	1,625	750	875
11.08 Office Printing	1,437	1,000	437	1,500	1,375	125
11.09 Postage	1,362	1,000	362	1,800	1,362	438
11.10 Meeting Expense	1,925	1,600	325	2,429	1,600	829
11.11 Subscriptions/dues	-	-	-	400	-	400
11.12 Bank Fees	185	-	185	105	-	105
11.13 Monitoring/Compliance	1,919	-	1,919	5,000	5,000	-
11.15 Interest Expense	4,887	-	4,887	2,673	-	2,673
Totals	31,492	23,200	8,292	31,743	30,387	1,356

71st Street - Story
Special Service Area Number 42

(South Shore Chamber Inc., Contractor)

Comparative Schedule of Tax Levy Revenue and Interest Income
December 31, 2013 and 2012

Tax Levy Revenue and Interest Income received from the City of Chicago

	<u>2013</u>	<u>2012</u>
	Income (Returned to City)	Income (Returned to City)
Tax Levy Revenue		
Tax Year 2006 & Prior	\$ (221)	\$ 167
Tax Year 2007	(3,391)	220
Tax Year 2008	(5,044)	316
Tax Year 2009	(9,231)	(2,018)
Tax Year 2010	(12,682)	43,373
Tax Year 2011	31,025	496,539
Tax Year 2012	<u>487,601</u>	<u>-</u>
Total received during year - Cash Basis	488,057	538,597
Accrual adjustments - Accounts Receivable		
Beginning of year	-	(8,920)
End of year	<u>-</u>	<u>-</u>
Total tax levy revenue - Accrual Basis	<u>\$ 488,057</u>	<u>\$ 529,677</u>
Interest Income		
Interest earned - Bank Accounts	\$ -	\$ -
Interest paid by City of Chicago	<u>11</u>	<u>21</u>
Total Interest Income	<u>\$ 11</u>	<u>\$ 21</u>

71st Street - Stony Special Service Area Number 42
(South Shore Chamber, Inc., Contractor)
Summary Schedule of Findings
Years ended December 31, 2013 and 2012

We have reviewed the agreement for Special Service Area Number 42 between the City of Chicago and the Contractor for the years ended December 31, 2013 and 2011.

We noted no exceptions

State of Illinois

Department of Financial and Professional Regulation Division of Professional Regulation

LICENSE NO.
066.003838
065.009475

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

EXPIRES
11/30/2015

**PUBLIC ACCOUNTING FIRM
SOLE PROPRIETORSHIP**

**BRAVOS & ASSOCIATES
324 RIDGEWOOD DR
BLOOMINGDALE, IL 60108**



Susan J. Gold

SUSAN J. GOLD
ACTING SECRETARY

Jay Stewart

JAY STEWART
DIRECTOR

The official status of this license can be verified at www.idfpr.com

7292846

State of Illinois

Department of Financial and Professional Regulation Division of Professional Regulation

LICENSE NO.
065.009475

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

EXPIRES:
09/30/2015

**LICENSED
CERTIFIED PUBLIC ACCOUNTANT**

**THOMAS WILLIAM BRAVOS
324 RIDGEWOOD DR
BLOOMINGDALE, IL 60108**



Brent E. Adams

BRENT E. ADAMS
SECRETARY

Jay Stewart

JAY STEWART
DIRECTOR

The official status of this license can be verified at www.idfpr.com

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