

SPECIAL SERVICE AREA #33

Managed by the Wicker Park & Bucktown Chamber of Commerce  
(a taxing district authorized by the City of Chicago)

FINANCIAL STATEMENTS

DECEMBER 31, 2011

(TOGETHER WITH INDEPENDENT AUDITOR'S REPORT)

SPECIAL SERVICE AREA #33  
Managed by the Wicker Park & Bucktown Chamber of Commerce  
(a taxing district authorized by the City of Chicago)

As of December 31, 2011

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of financial position of Special Service Area #33 (a taxing district authorized by the City of Chicago) as of December 31, 2011, and the related statement of cash flows for the year then ended and the statements of activities for the years ended December 31, 2011 and 2010. 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 present fairly, in all material respects, the financial position of the Special Service Area #33 as of December 31, 2011, 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.

  
The A.C.T. Group, Ltd.  
Certified Public Accountants  
March 14, 2012

SPECIAL SERVICE AREA #33  
(a taxing district authorized by the City of Chicago)  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2011

ASSETS:

Current Assets

Cash and Cash Equivalents	\$	466,044
Due from City of Chicago		38,945
Due from Wicker Park & Bucktown Chamber of Commerce		242
Security Deposit		<u>1,250</u>
 TOTAL ASSETS	 \$	 <u><u>506,481</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$	<u>98,706</u>
 TOTAL LIABILITIES		 <u>98,706</u>

Net Assets

Unrestricted		<u>407,775</u>
 TOTAL NET ASSETS		 <u>407,775</u>

TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>506,481</u></u>
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The accompanying notes are in integral part of the financial statements.

SPECIAL SERVICE AREA #33  
(a taxing district authorized by the City of Chicago)  
STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	BUDGET 2011	ACTUAL 2011	VARIANCE \$	BUDGET 2010	ACTUAL 2010	VARIANCE \$
<b>REVENUES:</b>						
SSA #33 Tax Revenue	\$ 1,206,591	1,211,722	\$ 5,131	\$ 869,136	598,217	\$ (270,919)
City of Chicago Interest	-	98	98	-	83	83
Interest Income	-	173	173	-	569	569
Miscellaneous Income	-	6	6	-	347	347
Less Loss Collection Expense	<u>(150,000)</u>	<u>-</u>	<u>150,000</u>	<u>(60,263)</u>	<u>-</u>	<u>60,263</u>
<b>Total Revenue</b>	<u>1,056,591</u>	<u>1,211,999</u>	<u>155,408</u>	<u>808,873</u>	<u>599,216</u>	<u>(209,657)</u>
<b>EXPENSES:</b>						
<b>Services:</b>						
Advertising & Promotion	178,408	133,673	(44,735)	125,345	116,543	(8,802)
Public Way Maintenance	384,408	335,695	(48,713)	269,861	258,796	(11,065)
Public Way Aesthetics	270,501	244,295	(26,206)	231,902	204,979	(26,923)
Tenant Retention/Attraction	25,908	6,213	(19,695)	13,762	13,084	(678)
Façade Improvements	36,408	21,864	(14,544)	38,862	35,407	(3,455)
Parking/Transit/Accessibility	49,908	37,009	(12,899)	24,162	16,434	(7,728)
Safety Programs	21,407	23,733	2,326	8,262	7,787	(475)
District Planning	25,908	13,520	(12,388)	22,162	21,292	(870)
<b>Total Services Expense</b>	<u>992,856</u>	<u>816,002</u>	<u>(176,854)</u>	<u>734,318</u>	<u>674,322</u>	<u>(59,996)</u>
<b>Administration:</b>						
Audit / Bookkeeping	3,000	3,203	203	5,600	3,863	(1,737)
Meeting Expense	500	917	417	1,000	494	(506)
Office Equipment	4,500	3,760	(740)	3,500	3,119	(381)
Office Rent	16,800	18,317	1,517	22,000	17,379	(4,621)
Office Supplies	2,500	3,050	550	2,000	1,370	(630)
Office Utilities / Telephone	8,000	8,609	609	12,000	7,779	(4,221)
Postage	700	1,130	430	1,000	535	(465)
Office printing/copier	2,500	1,133	(1,367)	2,000	1,219	(781)
Service Provider / Admin. Support	17,585	15,778	(1,807)	21,450	21,445	(5)
Other - Computer Assistance	2,500	2,596	96	3,000	2,940	(60)
Other - Office Recycling	500	507	7	1,005	1,004	(1)
Other - Office Training & Development	3,650	1,699	(1,951)	-	-	-
Other - Interest Payments	1,000	616	(384)	-	-	-
<b>Total Administration Expense</b>	<u>63,735</u>	<u>61,315</u>	<u>(2,420)</u>	<u>74,555</u>	<u>61,147</u>	<u>(13,408)</u>
<b>TOTAL EXPENSES</b>	<u>1,056,591</u>	<u>877,317</u>	<u>(179,274)</u>	<u>808,873</u>	<u>735,469</u>	<u>(73,404)</u>
<b>Net Surplus</b>	<u>\$ -</u>	<u>334,682</u>	<u>\$ 334,682</u>	<u>\$ -</u>	<u>(136,253)</u>	<u>\$ (136,253)</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>						
Unrestricted		334,682			(136,253)	
Net Assets Released from Restrictions		-			-	
		<u>334,682</u>			<u>(136,253)</u>	
<b>BEGINNING OF YEAR</b>						
Unrestricted Net Assets		73,093			209,346	
Temporarily Restricted Net Assets		-			-	
		<u>73,093</u>			<u>209,346</u>	
<b>END OF YEAR</b>						
Unrestricted Net Assets		407,775			73,093	
Temporarily Restricted Net Assets		-			-	
		<u>\$ 407,775</u>			<u>\$ 73,093</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)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2011

Cash Flows From Operating Activities

Change in Net Assets	\$	334,682
Adjustments to Reconcile Net Surplus to Net Cash provided by Operating Activities		
Prepaid Expenses		6,800
Due from City of Chicago		(38,945)
Due from (to) Wicker Park & Bucktown Chamber of Commerce		(1,628)
Accounts Payable		<u>23,246</u>
Net Cash Provided by Operating Activities		<u>324,155</u>
Cash At Beginning Of Period		<u>141,889</u>
Cash At End Of Period -- 12/31/11	\$	<u><u>466,044</u></u>
 Interest expense	 \$	 <u><u>616</u></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)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011

1. Nature of Activities and 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 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.

Financial Statement Presentation: The Taxing District is required to present information regarding its financial position and activities according to Article 3.07 of the Agreement for Special Service Area #33 between the City of Chicago and Wicker Park Chamber of Commerce. As of December 31, 2011, the Taxing District had net unrestricted net assets of \$407,775.

Contributions: Under the Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made," whereby contributions received are recorded as unrestricted, temporarily unrestricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of restriction is accomplished), temporarily restricted net assets are reclassified to

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NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011

unrestricted net assets and reported in the statement of activities as net assets released from restrictions. As of December 31, 2011, all net assets were unrestricted.

Revenue Recognition: The Taxing District's financial statements are presented on the accrual basis of accounting. Revenues are recognized when the amount can be readily estimated or committed, and the payment is reasonably certain. Expenses are recorded when incurred.

Income Taxes: The Wicker Park 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.

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 14, 2012, which is the date the financial statements were available to be issued.

2. Due from City of Chicago

This amount represents cash received for tax years 2010 and earlier from January 1, 2012 through February 21, 2012 which is the date the auditing firm completed its fieldwork. Actual cash received by the SSA in 2011 was \$1,172,875.



SPECIAL SERVICE AREA #33  
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NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011

3. Accounts Payable

Accounts payable consists mainly of amounts due to eight contractors and businesses for work performed in 2011.

4. Line of Credit

The Organization used a line obtained by the Wicker Park & Bucktown Chamber of Commerce in October, 2011. This line of credit has a maximum principal balance of \$200,000 for one year at prime plus 2%. The maximum used was \$85,000, was only outstanding for two months and paid-off by the end of the year. Total interest paid was \$616.

5. 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. As of December 31, 2011, the Taxing District paid \$39,163, had \$1,547 due to the Chamber of Commerce and had \$1,789 due from the Chamber of Commerce.

6. Commission Plans

The Commission of SSA #33 regrets the large amount of carry-over included in the 2011 budget. The Commission has taken the following actions to begin to spend down the excess cash on hand, and plans the following:

- a) The Arts Committee began a large mural program in the neighborhood in 2011. This will be a large and ongoing expenditure. Due to the success of the first round of murals, the Arts Committee is confident this project will continue on an even larger scale. In addition, the committee is working to create additional public arts projects including sponsoring 5 sculptures from the Lakefront Sculpture Exhibition that is expanding to the neighborhood. This project will be funded with \$17,500 of carry-over money as well as a large installation at Roberto Clemente High School for which some 2011 funds were allocated but not spent.

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NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011

- b) The Clean, Green, & Safe Committee has been working to expand beautification and maintenance services, all of which are large and ongoing expenditures. They are also continuing some pilot programs (related to recycling) that could move into permanent status in 2012.
- c) Clean, Green and Safe has committed to spending a portion of the carry-over money on increased safety fencing at the festivals this summer to protect the gardens in Wicker Park. In past years, the Park District has provided fencing but budget cuts won't allow for additional fencing this year, therefore the SSA will help fund it.
- d) Clean, Green and Safe also plans to increase the Holiday Decorations budget by \$40,000. This will allow for decorations with a greater visual impact in the neighborhood.
- e) Some carry-over money has been allocated to help CDOT in the funding of repairing fencing on North Ave and Division Street and also to replacing trees that have been removed within the SSA.
- f) In 2011, the intersection of Milwaukee/Wood/Wolcott was scheduled for major overhaul. The SSA has dedicated a large portion of its funding (\$75,000) in public way maintenance to go to amenities that would otherwise not happen at that intersection. The request for that funding was finally received and paid in February, 2012. Unfortunately, the cost was considerably lower than anticipated and there is \$48,000 remaining from that project.
- g) The Transportation Committee and the Commission approved the funding of \$24,000 for 40 more WPB bike racks in an attempt to spend the excess money at the end of 2011. However, the installation process was stalled by CDOT. But the committee is dedicated to this project and the racks will be ordered hopefully in the next two months. Additionally, the Committee is investigating benches that can be placed at various places within the SSA.
- h) The Transportation Committee is also working with Active Transportation Alliance to sponsor an "Open Streets" event in September 2012 with \$50,000 of carryover money.

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FOR THE YEAR ENDED DECEMBER 31, 2011

- i) The Guide Development Committee and the Commission approved the funding of a Market Study in the amount of \$17,500. This funding was approved in 2011 but a large part of this project will be completed and invoiced in 2012.
- j) The Guide Development Committee has added \$25,000 more to the Façade Enhancement Program since it has already committed this year's original budget of \$15,000. This is an improvement from last year when only about \$400 of the Façade Rebate money was spent.
- k) The Commission plans to put out an annual report this year with a portion of the carry-over.
- l) The Commission will be adding costs to the Administrative budget including approximately \$9,000 to Line 11.17 (Other) for contract labor which includes legal review, \$2,000 to Line 11.10 Meeting Expenses.

SPECIAL SERVICE AREA #33  
(a taxing district authorized by the City of Chicago)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011

As part of our audit and request by the Special Service Area Annual Audited Financial Statement Guidelines prepared by the City of Chicago Department of Housing and Economic Development dated January 2005, 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.

Per Article 5.03, the Contractor (SSA #33) established a separate checking account at PNC Bank in Chicago, Illinois. All service Tax Funds were automatically deposited into this checking account. The contractor did not commingle Service Tax Funds with funds from any other source.