

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

**FINANCIAL STATEMENTS
For the Years Ended December 31, 2013 and 2012**

TABLE OF CONTENTS

	<u>Page</u>
ACCOUNTANTS' REPORT ON FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	8
Notes to Financial Statements	9
Summary Schedule of Audit Findings	11



P.K. Johnson &
Associates, LLC

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

Independent Auditors' Report

712 S. Washington Street
Elmhurst, IL 60126

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 financial statements of Andersonville Chamber of Commerce Special Service Area #22 which comprise the statements of financial position 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. These financial statements are the responsibility of Andersonville Chamber of Commerce Special Service Area #22 management.

Management's Responsibility for the Financial Statements

The Organization's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United State 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 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 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 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 that 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 Andersonville Chamber of Commerce Special Service Area #22 as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The budgeted amounts for 2013 and 2012 show in the statement of activities are presented for purposes of additional analysis and are not required part of the financial statements but are required by the City of Chicago Department of Housing and Economic Development. Such information was arrived at by the City of Chicago Department of Housing and Economic Development and the Andersonville Chamber of Commerce Special Service Area #22.

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
Elmhurst, Illinois
April 7, 2014

ANDERSONVILLE CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #22

STATEMENT OF FINANCIAL POSITION
As of December 31, 2013 and 2012

ASSETS

	<u>2013</u>	<u>2012</u>
Cash	\$ 71,871	\$ 159,543
TOTAL ASSETS	<u>\$ 71,871</u>	<u>\$ 159,543</u>

LIABILITIES AND NET ASSETS

Accounts payable	<u>\$ 2,057</u>	<u>\$ 19</u>
TOTAL LIABILITIES	<u>\$ 2,057</u>	<u>\$ 19</u>
Net assets	<u>69,814</u>	<u>159,524</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 71,871</u>	<u>\$ 159,543</u>

See Accompanying Notes

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

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013**

	<u>2013 Actual</u>	<u>2013 Budget</u>	<u>Variance Over (Under)</u>
REVENUES			
Real estate taxes current period	\$ 160,095	\$ 167,743	\$ (7,648)
Real estate taxes prior periods	(4,604)	-	(4,604)
Interest income	<u>99</u>	<u>-</u>	<u>99</u>
Total Operating Revenue	<u>155,590</u>	<u>167,743</u>	<u>(12,153)</u>
EXPENDITURES			
Advertising and Promotion			
Display Ads	7,924	10,000	(2,076)
Special Events	-	2,000	(2,000)
Print Material	7,185	14,100	(6,915)
Seasonal Promotion	<u>8,570</u>	<u>-</u>	<u>8,570</u>
Total Advertising and Promotion	<u>23,679</u>	<u>26,100</u>	<u>(2,421)</u>
Public Way Maintenance			
Sidewalk Cleaning	27,361	23,793	3,568
Sidewalk Washing	11,660	13,650	(1,990)
Snow Plowing	<u>26,920</u>	<u>32,000</u>	<u>(5,080)</u>
Total Public Way Maintenance	<u>65,941</u>	<u>69,443</u>	<u>(3,502)</u>
Public Way Aesthetics			
Holiday Decorations	11,151	12,075	(924)
Landscaping	14,662	21,000	(6,338)
Streetscape	<u>28,082</u>	<u>12,000</u>	<u>16,082</u>
Total Public Way Aesthetics	<u>53,895</u>	<u>45,075</u>	<u>8,820</u>
Tenant Retention/Attraction			
Site Marketing Materials	<u>-</u>	<u>2,000</u>	<u>(2,000)</u>
Total Tenant Retention/Attraction	<u>-</u>	<u>2,000</u>	<u>(2,000)</u>
Facade Improvements			
Facade Enhancement Program	11,340	33,000	(21,660)
Green Building Program	<u>1,350</u>	<u>12,000</u>	<u>(10,650)</u>
Total Facade Improvements	<u>12,690</u>	<u>45,000</u>	<u>(32,310)</u>

See Accompanying Notes

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

**STATEMENT OF ACTIVITIES (continued)
For the Year Ended December 31, 2013**

	<u>2013 Actual</u>	<u>2013 Budget</u>	<u>Variance Over (Under)</u>
Parking/Transit/Accessibility			
Bicycle Transit Enhancements	\$ 20,219	\$ 14,000	\$ 6,219
Total Parking/Transit/Accessibility	<u>20,219</u>	<u>14,000</u>	<u>6,219</u>
District Planning			
Strategic Planning	-	8,000	(8,000)
Total District Planning	<u>-</u>	<u>8,000</u>	<u>(8,000)</u>
Operational & Administrative Support			
Audit	2,500	3,000	(500)
Bookkeeping	2,780	2,780	-
Meeting Expense	-	200	(200)
Office Equipment	798	798	-
Office Rent	3,960	3,960	-
Office Supplies	2,418	2,418	-
Utilities/Telephone	1,286	1,286	-
Postage	978	978	-
Other	696	896	(200)
Personnel	30,024	30,024	-
Service Provider Administrative Support	23,436	23,436	-
Total Operational & Administrative Support	<u>68,876</u>	<u>69,776</u>	<u>(900)</u>
Less Contingency	-	10,349	(10,349)
Less Budgeted Late Corrections	-	11,575	(11,575)
Total Expenditures	<u>245,300</u>	<u>301,318</u>	<u>(56,018)</u>
Change in Net Assets	(89,710)	(133,575)	43,865
NET ASSETS			
Beginning of Year	<u>159,524</u>		
END OF YEAR	<u>\$ 69,814</u>		

See Accompanying Notes

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

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012**

	2012 <u>Actual</u>	2012 <u>Budget</u>	Variance <u>Over (Under)</u>
REVENUES			
Real estate taxes current period	\$ 218,177	\$ 231,503	\$ (13,326)
Real estate taxes prior period	2,971	-	2,971
Interest income	<u>198</u>	<u>-</u>	<u>198</u>
Total Operating Revenue	<u>221,346</u>	<u>231,503</u>	<u>(10,157)</u>
EXPENDITURES			
Advertising and Promotion			
Display Ads	10,771	12,800	(2,029)
Print Material	9,752	10,300	(548)
Special Events	649	1,000	(351)
Website	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total Advertising and Promotion	<u>31,172</u>	<u>24,100</u>	<u>7,072</u>
Public Way Maintenance			
Sidewalk Cleaning	20,785	22,660	(1,875)
Sidewalk Washing	11,810	13,000	(1,190)
Snow Plowing	<u>26,820</u>	<u>35,000</u>	<u>(8,180)</u>
Total Public Way Maintenance	<u>59,415</u>	<u>70,660</u>	<u>(11,245)</u>
Public Way Aesthetics			
Holiday Decorations	8,741	11,500	(2,759)
Landscaping	15,918	25,750	(9,832)
Streetscape	<u>9,399</u>	<u>5,000</u>	<u>4,399</u>
Total Public Way Aesthetics	<u>34,058</u>	<u>42,250</u>	<u>(8,192)</u>
Tenant Retention/Attraction			
Data Collection	-	2,000	(2,000)
Site Marketing Materials	<u>3,950</u>	<u>3,900</u>	<u>50</u>
Total Tenant Retention/Attraction	<u>3,950</u>	<u>5,900</u>	<u>(1,950)</u>
Facade Improvements			
Facade Enhancement Program	15,861	22,647	(6,786)
Green Building Program	<u>1,000</u>	<u>6,000</u>	<u>(5,000)</u>
Total Facade Improvements	<u>16,861</u>	<u>28,647</u>	<u>(11,786)</u>

See Accompanying Notes

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

**STATEMENT OF ACTIVITIES (continued)
For the Year Ended December 31, 2012**

	2012 <u>Actual</u>	2012 <u>Budget</u>	Variance <u>Over (Under)</u>
District Planning			
Reconstitution	\$ 23,985	\$ 37,000	\$ (13,015)
Total and District Planning	<u>23,985</u>	<u>37,000</u>	<u>(13,015)</u>
 Operational & Administrative Support			
Audit	2,500	3,000	(500)
Bookkeeping	2,700	2,700	-
Meeting Expense	-	200	(200)
Office Equipment	775	775	-
Office Rent	3,771	3,771	-
Office Supplies	2,488	2,347	141
Utilities	1,248	1,248	-
Postage	950	950	-
Other Supplies	-	200	(200)
Insurance	675	675	-
Personnel	29,149	29,149	-
Service Provider Administrative Support	<u>21,700</u>	<u>21,700</u>	<u>-</u>
Total Operational & Administrative Support	<u>65,956</u>	<u>66,715</u>	<u>(759)</u>
 Less Contingency	<u>-</u>	<u>11,331</u>	<u>(11,331)</u>
 Total Expenditures	<u>235,397</u>	<u>286,603</u>	<u>(51,206)</u>
 Changes in Net Assets	(14,051)	(55,000)	(41,049)
 NET ASSETS			
Beginning of Year	<u>173,575</u>		
 END OF YEAR	<u>\$ 159,524</u>		

See Accompanying Notes

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

**STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Decrease in net assets	\$ (89,710)	\$ (14,051)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Increase/(decrease) in accounts payable	<u>2,038</u>	<u>(3,937)</u>
Net cash provided by operating activities	<u>(87,672)</u>	<u>(17,988)</u>
Net increase/(decrease) in cash	(87,672)	(17,988)
Cash at the beginning of the year	<u>159,543</u>	<u>177,531</u>
Cash at the end of year	<u>\$ 71,871</u>	<u>\$ 159,543</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.

Income Taxes – The Special Service Area #22 is an entity established pursuant to the Constitution of the State of Illinois and enacted by ordinance established by the City Council of the City of Chicago. The SSA is not a separate entity for tax purposes and is not required to file federal or state tax returns.

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 the contractor to provide the services mentioned in Note 1. The amount paid to the Chamber for the administrative services is determined by the City. The Chamber collects the funds and pays expenses to provide the agreed services. The Chamber was paid \$53,460 in 2013 and \$50,849 in 2012 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 2013 and 2012, the balance was insured by the Federal Deposit Insurance Corporation up to \$250,000. On a few occasions during 2013 and 2012, the insured balance was exceeded.

NOTE 6 – SUBSEQUENT EVENTS

Management believes that as of April 7, 2014, the date these financial statements were issued, that no subsequent events had occurred since December 31, 2013 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, 2013**

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.