

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, 2012 AND 2011**

SPECIAL SERVICE AREA #33
(a taxing district authorized by the City of Chicago)
FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

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

INDEPENDENT AUDITORS' REPORT

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, 2012, and the related statement of activities and cash flows for the year 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 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 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, 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.

Other Matter

The prior year comparative information has been derived from the 2011 financial statements, and in a report dated March 14, 2012, another independent auditor expressed an unqualified opinion on those financial statements.

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 11 is presented for the purpose 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 was subject 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 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.

Sassetti LLC

March 29, 2012
Oak Park, Illinois

SPECIAL SERVICE AREA #33
(a taxing district authorized by the City of Chicago)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011

ASSETS

CURRENT ASSETS	2012	2011
Cash and Cash Equivalents	\$ 302,565	\$ 466,044
Due from City of Chicago	10,545	38,945
Due from Wicker Park & Bucktown Chamber of Commerce	-	242
Security Deposit	1,250	1,250
Total Assets	314,360	506,481

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 79,963	\$ 98,706
Total Liabilities	79,963	98,706
NET ASSETS		
Unrestricted	234,397	407,775
Total Net Assets	234,397	407,775
Total Liabilities and Net Assets	\$ 314,360	\$ 506,481

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, 2012 AND 2011

	2012			2011		
	Budget	Actual	Over (Under) Variance	Budget	Actual	Over (Under) Variance
REVENUES						
Tax Levy Revenue	\$ 1,562,714	\$ 1,179,731	\$ (382,983)	\$ 1,206,591	\$ 1,211,722	\$ 5,131
Interest Income	-	822	822	-	271	271
Miscellaneous Income	-	-	-	-	6	6
Less: Loss Collection Expense	(150,000)	(27,853)	122,147	(150,000)	-	150,000
Total Revenue	<u>1,412,714</u>	<u>1,152,700</u>	<u>(260,014)</u>	<u>1,056,591</u>	<u>1,211,999</u>	<u>155,408</u>
EXPENSES						
1.00 Advertising & Promotion	234,500	251,116	16,616	178,408	133,673	(44,735)
2.00 Public Way Maintenance	281,604	387,455	105,851	384,408	335,695	(48,713)
3.00 Public Way Aesthetics	476,500	361,603	(114,897)	270,501	244,295	(26,206)
4.00 Tenant Retention/Attraction	7,000	-	(7,000)	25,908	6,213	(19,695)
5.00 Facade Improvements	52,500	45,179	(7,321)	36,408	21,864	(14,544)
6.00 Parking/Transit/Accessibility	53,000	36,019	(16,981)	49,908	37,009	(12,899)
7.00 Safety Programs	19,500	4,883	(14,617)	21,407	23,733	2,326
8.00 District Planning	33,513	32,115	(1,398)	25,908	13,520	(12,388)
Total Services Expense	<u>1,158,117</u>	<u>1,118,370</u>	<u>(39,747)</u>	<u>992,856</u>	<u>816,002</u>	<u>(176,854)</u>
10.00 Operational & Admin Support	-	-	-	63,735	61,315	(2,420)
10.00 Personnel	171,772	155,255	(16,517)	-	-	-
11.00 Non-Personnel	82,825	52,453	(30,372)	-	-	-
Total Administration Expense	<u>254,597</u>	<u>207,708</u>	<u>(46,889)</u>	<u>63,735</u>	<u>61,315</u>	<u>(2,420)</u>
Total Expense	<u>1,412,714</u>	<u>1,326,078</u>	<u>(86,636)</u>	<u>1,056,591</u>	<u>877,317</u>	<u>(179,274)</u>
INCREASE (DECREASE) IN NET ASSETS	<u>\$ -</u>	<u>(173,378)</u>	<u>\$ (173,378)</u>	<u>\$ -</u>	<u>334,682</u>	<u>\$ 334,682</u>
UNRESTRICTED NET ASSETS BEGINNING OF YEAR		<u>407,775</u>			<u>73,093</u>	
UNRESTRICTED NET ASSETS END OF YEAR		<u>\$ 234,397</u>			<u>\$ 407,775</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, 2012 AND 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (173,378)	\$ 334,682
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Decrease Prepaid Expenses	-	6,800
Decrease (Increase) Due from City of Chicago	28,400	(38,945)
Decrease (Increase) Due from (to) Wicker Park & Bucktown Chamber of Commerce	242	(1,628)
(Increase) Decrease Accounts Payable	(18,743)	23,246
Net Cash (Used in) Provided by Operating Activities	(163,479)	324,155
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(163,479)	324,155
CASH AND CASH EQUIVALENTS -		
Beginning of Year	466,044	141,889
End of Year	\$ 302,565	\$ 466,044
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest Expense	\$ 1,368	\$ 616

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, 2012 AND 2011

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, 2012 and 2011, 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 \$237,737 and \$407,775 as of December 31, 2012 and 2011, 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, 2012 AND 2011

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 29, 2013, which is 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 20, 2013. 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 year ended December 31, 2012. In 2011, the maximum used was \$85,000, which was paid-off by the end of the year. Total interest paid was \$616 in the year ended December 31, 2011.

4. 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, 2012 and 2011, the Taxing District paid its contractor \$65,619 and \$39,163, respectively. As of December 31, 2011, the Taxing District had \$1,547 due to its contractor and \$1,789 due from its contractor, respectively.

SPECIAL SERVICE AREA #33
(a taxing district authorized by the City of Chicago)
SCHEDULE OF EXPENDITURES WITH BUDGET VARIANCES
YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012		2011	
	Budget	Actual	Budget	Actual
EXPENSES				
Services				
Advertising & Promotion				
1.01 Display Ads	\$ -	\$ -	\$ 1,000	\$ 489
1.01 Website/Social Media	1,000	5,039	-	-
1.02 Seasonal Promotions	-	-	7,500	1,115
1.02 Public/Media Relations	42,000	32,818	-	-
1.03 Print Materials	-	-	7,500	1,500
1.03 Special Events	95,500	141,797	46,297	-
1.04 PR Services	-	-	28,000	22,528
1.04 Display Advertising	1,000	1	-	-
1.05 Special Events	-	-	20,000	2,140
1.05 Print Materials	20,000	1,136	-	-
1.06 Website/Technology	-	-	1,000	3,935
1.06 Other - Grants	75,000	70,325	60,000	64,186
1.07 Service Provider Services	-	-	13,408	13,380
1.08 Other - Festivals	-	-	40,000	24,400
Total Advertising & Promotion	234,500	251,116	178,408	133,673
Public Way Maintenance				
2.02 Gate/Fence Maintenance	-	-	20,000	21,000
2.03 Graffiti Removal	-	-	12,000	10,632
2.03 Sidewalk Power Washing	90,519	90,519	-	-
2.04 Acid Removal/Prevention	13,000	20,015	-	-
2.05 Sidewalk Cleaning	170,000	179,887	145,000	151,925
2.07 Sidewalk Snow Plowing	94,604	93,394	110,000	136,947
2.09 Other-Neigh./Comm. Recycle	4,000	3,640	-	-
2.11 Trash Removal Service	-	-	-	453
2.14 Service Provider Services	-	-	13,408	13,395
2.15 Other-Neighborhood Recycle	-	-	9,000	1,343
2.16 Pedestrian/Bike Upgrade	-	-	75,000	-
Total Public Way Maintenance	281,604	387,455	384,408	335,695
Over (Under)	\$ -	\$ -	\$ -	\$ (511)
Over (Under) Variance				

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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, 2012 AND 2011

	2012		2011	
	Budget	Actual	Budget	Actual
	Over (Under)	Over (Under)	Over (Under)	Over (Under)
Public Way Aesthetics				
3.01 Streetscape Elements	\$ 103,000	\$ 48,190	\$ (54,810)	\$ -
3.02 Holiday Decorations	-	-	-	57,593
3.02 Banners/Decorations	90,000	88,999	(1,001)	-
3.03 Landscaping	-	-	-	120,000
3.04 Public Art	117,500	86,250	(31,250)	-
3.05 Landscaping	165,000	136,964	(28,036)	-
3.07 Service Provider Services	-	-	-	13,408
3.08 Other-Public Arts/Murals	-	-	-	77,500
3.09 Other-Landscape Inventory	-	-	-	2,000
3.10 Other-Landscape Inventory	1,000	1,200	200	-
Total Public Way Aesthetics	476,500	361,603	(114,897)	270,501
Total Tenant Retention/Attraction	7,000	-	(7,000)	25,908
4.01 Data Collection	6,500	-	(6,500)	-
4.02 Site Marketing	500	-	(500)	-
4.06 Service Provider Services	-	-	-	3,760
4.07 Other-Directory Development	-	-	-	10,000
4.08 Zoning	-	-	-	2,500
Total Tenant Retention/Attraction	7,000	-	(7,000)	25,908
Facade Improvements	40,000	28,508	(11,492)	15,000
5.01 Facade Enhancement Program	40,000	28,508	(11,492)	15,000
5.04 Service Provider Services	-	-	-	13,408
5.05 Other-Graffiti Abatement	12,500	16,671	4,171	8,000
Total Facade Improvements	52,500	45,179	(7,321)	36,408
Parking/Transit/Accessibility	-	-	-	14,000
6.01 Bicycle Advocacy	-	-	-	14,000
6.04 Bicycle Transit Enhancement	44,000	27,719	(16,281)	-
6.05 Public Transit Enhancement	9,000	8,300	(700)	-
6.10 Public Transit Enhancements	-	-	-	22,500
6.13 Service Provider Services	-	-	-	13,408
Total Parking/Transit/Accessibility	53,000	36,019	(16,981)	49,908
Other (Under)				
Street/Transit/Accessibility	(12,899)			37,009
Facade Improvements	(14,579)			421
Facade Enhancement Program	(14,579)			421
Service Provider Services	(716)			12,692
Other-Graffiti Abatement	751			8,751
Total Facade Improvements	(14,544)			21,864
Parking/Transit/Accessibility	(873)			13,127
Bicycle Advocacy	(873)			13,127
Bicycle Transit Enhancement	-			-
Public Transit Enhancement	-			-
Public Transit Enhancements	(12,739)			9,761
Service Provider Services	713			14,121
Total Parking/Transit/Accessibility	(12,899)			37,009

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, 2012 AND 2011

	2012		2011		
	Budget	Actual	Over (Under) Variance	Budget	Actual
Safety Programs					
7.02 Security Services	\$ -	\$ 4,883	\$ 4,883	\$ -	\$ -
7.03 Safety Improvement Program	4,500	-	(4,500)	7,000	10,526
7.05 Lighting, Tree Pruning	5,000	-	(5,000)	1,000	-
7.06 Safety Seminars	-	-	-	-	-
7.06 Other-Security Fencing	10,000	-	(10,000)	-	-
7.09 Service Provider Services	-	-	-	13,407	13,207
Total Safety Programs	<u>19,500</u>	<u>4,883</u>	<u>(14,617)</u>	<u>21,407</u>	<u>23,733</u>
District Planning					
8.01 SSA Work Plans/Visioning	-	-	-	2,500	97
8.01 SSA Designation/Reconst.	9,000	4,516	(4,484)	-	-
8.05 Economic Impact Study/Etc	15,000	27,599	12,599	-	-
8.06 Parking/Transit Plan	9,513	-	(9,513)	-	-
8.06 SSA Startup-Up/Reconstitution	-	-	-	10,000	-
8.07 Service Provider Services	-	-	-	13,408	13,423
Total District Planning	<u>33,513</u>	<u>32,115</u>	<u>(1,398)</u>	<u>25,908</u>	<u>13,520</u>
Administration					
Operational & Admin Support					
10.01 SSA Audit	-	-	-	3,000	3,203
10.03 Meeting Expense	-	-	-	500	917
10.04 Office Equip/Lease Maintenance	-	-	-	4,500	3,760
10.05 Office Rent	-	-	-	16,800	18,317
10.06 Office Supplies	-	-	-	2,500	3,050
10.07 Office Utilities/Phone	-	-	-	8,000	8,609
10.08 Postage	-	-	-	700	1,130
10.09 Office Printing	-	-	-	2,500	1,133
10.10 Service Provider Support	-	-	-	17,585	15,778
10.12 Other - Computer Assist.	-	-	-	2,500	2,596
10.13 Other- Office Recycling	-	-	-	500	507
Total Services Expense	<u>1,158,117</u>	<u>1,118,370</u>	<u>(39,747)</u>	<u>992,856</u>	<u>816,002</u>
Over (Under) Variance					
			<u>(176,854)</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)
SCHEDULE OF EXPENDITURES WITH BUDGET VARIANCES
YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012			2011		
	Budget	Actual	Over (Under) Variance	Budget	Actual	Over (Under) Variance
Operational & Admin Support						
10.14 Other - Training	\$ -	\$ -	\$ -	\$ 3,650	\$ 1,699	\$ (1,951)
10.15 Other - Interest Payments	-	-	-	1,000	616	(384)
Total Operational & Admin Support	-	-	-	63,735	61,315	(2,420)
Personnel						
10.01 Personnel A	28,512	24,831	(3,681)	-	-	-
10.02 Personnel B	54,540	48,972	(5,568)	-	-	-
10.03 Personnel C	30,240	26,997	(3,243)	-	-	-
10.04 Personnel D	19,980	18,638	(1,342)	-	-	-
10.05 Personnel E	19,800	20,694	894	-	-	-
10.06 Personnel F	14,300	10,567	(3,733)	-	-	-
10.07 Interns	4,400	4,556	156	-	-	-
Total Personnel	171,772	155,255	(16,517)	-	-	-
Non-Personnel						
11.02 SSA Audit	5,000	3,494	(1,506)	-	-	-
11.03 Bookkeeping/Payroll Fees	850	256	(594)	-	-	-
11.04 Office Rent	20,500	18,384	(2,116)	-	-	-
11.05 Office Utilities	8,250	6,671	(1,579)	-	-	-
11.06 Office Supplies	3,000	4,652	1,652	-	-	-
11.07 Equip Lease/Maintenance	4,500	2,004	(2,496)	-	-	-
11.08 Office Printing	3,500	2,870	(630)	-	-	-
11.09 Postage	600	1,185	585	-	-	-
11.10 Meeting Expenses	3,250	3,206	(44)	-	-	-
11.11 Subscriptions	2,500	2,114	(386)	-	-	-
11.12 Banking Fees	2,500	1,368	(1,132)	-	-	-
11.13 Monitoring/Compliance	24,000	1,420	(22,580)	-	-	-
11.14 Other - Computer Assist.	3,000	3,120	120	-	-	-
11.15 Other - Recycling	500	215	(285)	-	-	-
11.16 Other - Insurance	875	1,494	619	-	-	-
Total Non-Personnel	82,825	52,453	(30,372)	-	-	-
Total Administration Expense	254,597	207,708	(46,889)	63,735	61,315	(2,420)
Total Expense	<u>\$ 1,412,714</u>	<u>\$ 1,326,078</u>	<u>\$ (86,636)</u>	<u>\$ 1,056,591</u>	<u>\$ 877,317</u>	<u>\$ (179,274)</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)
SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2012

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, 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.

We noted no exceptions.