

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, 2010

(TOGETHER WITH INDEPENDENT AUDITOR'S REPORT)

Preliminary  
for Discussion Purposes Only  
Personal and Confidential  
**Draft**

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, 2010

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## INDEPENDENT AUDITOR'S REPORT

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

*Preliminary Draft  
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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, 2010, and the related statements of activities and cash flows for the year 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 present fairly, in all material respects, the financial position of the Special Service Area #33 as of December 31, 2010, 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.

Larry Little, CPA  
The A.C.T. Group, Ltd.  
Certified Public Accountants  
February 28, 2011

SPECIAL SERVICE AREA #33  
(a taxing district authorized by the City of Chicago)  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2010

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ASSETS:

Current Assets

Cash and Cash Equivalents	\$	141,889
Prepaid Expenses		6,800
Due from Wicker Park & Bucktown Chamber of Commerce		3,906
Security Deposit		<u>1,250</u>
 TOTAL ASSETS	 \$	 <u><u>153,845</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$	75,460
Due to Wicker Park & Bucktown Chamber of Commerce		<u>5,292</u>
 TOTAL LIABILITIES		 <u>80,752</u>

Net Assets

Unrestricted		<u>73,093</u>
 TOTAL NET ASSETS		 <u>73,093</u>

TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>153,845</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  
THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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		ACTUAL 2010	VARIANCE \$	BUDGET 2009	ACTUAL 2009	VARIANCE \$
<b>REVENUES:</b>						
SSA #33 Tax Revenue	\$ 869,136	598,217	\$ (270,919)	\$ 1,146,420	\$ 530,024	\$ (616,396)
City of Chicago Interest	-	83	83	-	212	212
Interest Income	-	569	569	-	9,211	9,211
Miscellaneous Income	-	347	347	-	219	219
Less Loss Collection Expense	<u>(60,263)</u>	<u>-</u>	<u>60,263</u>	<u>(30,263)</u>	<u>-</u>	<u>30,263</u>
<b>Total Revenue</b>	<b>808,873</b>	<b>599,216</b>	<b>(209,657)</b>	<b>1,116,157</b>	<b>539,666</b>	<b>(576,491)</b>
<b>EXPENSES:</b>						
<b>Services:</b>						
Advertising & Promotion	125,345	116,543	(8,802)	237,308	311,198	73,890
Public Way Maintenance	269,861	258,796	(11,065)	317,020	277,991	(39,029)
Public Way Aesthetics	231,902	204,979	(26,923)	233,306	190,142	(43,164)
Tenant Retention/Attraction	13,762	13,084	(678)	65,415	3,231	(62,184)
Façade Improvements	38,862	35,407	(3,455)	92,929	28,497	(64,432)
Parking/Transit/Accessibility	24,162	16,434	(7,728)	69,368	32,408	(36,960)
Safety Programs	8,262	7,787	(475)	29,861	2,751	(27,110)
District Planning	<u>22,162</u>	<u>21,292</u>	<u>(870)</u>	<u>10,750</u>	<u>14,322</u>	<u>3,572</u>
<b>Total Services Expense</b>	<b>734,318</b>	<b>674,322</b>	<b>(59,996)</b>	<b>1,055,957</b>	<b>860,540</b>	<b>(195,417)</b>
<b>Administration:</b>						
Audit / Bookkeeping	5,600	3,863	(1,737)	3,000	3,616	616
Meeting Expense	1,000	494	(506)	1,000	926	(74)
Office Equipment	3,500	3,119	(381)	1,200	1,200	-
Office Rent	22,000	17,379	(4,621)	18,000	17,750	(250)
Office Supplies	2,000	1,370	(630)	2,000	2,628	628
Office Utilities / Telephone	12,000	7,779	(4,221)	3,000	10,363	7,363
Postage	1,000	535	(465)	1,000	1,000	-
Office printing/copier	2,000	1,219	(781)	3,000	2,983	(17)
Service Provider / Admin. Support	21,450	21,445	(5)	26,000	26,000	-
Other - Computer Assistance	3,000	2,940	(60)	1,000	2,522	1,522
Other - Office Recycling	<u>1,005</u>	<u>1,004</u>	<u>(1)</u>	<u>1,000</u>	<u>802</u>	<u>(198)</u>
<b>Total Administration Expense</b>	<b>74,555</b>	<b>61,147</b>	<b>(13,408)</b>	<b>60,200</b>	<b>69,790</b>	<b>9,590</b>
<b>TOTAL EXPENSES</b>	<b>808,873</b>	<b>735,469</b>	<b>(73,404)</b>	<b>1,116,157</b>	<b>930,330</b>	<b>(185,827)</b>
<b>Net Surplus</b>	<b>\$ -</b>	<b>(136,253)</b>	<b>\$ (136,253)</b>	<b>\$ -</b>	<b>(390,664)</b>	<b>\$ (390,664)</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>						
Unrestricted		(136,253)			(390,664)	
Net Assets Released from Restrictions		<u>-</u>			<u>-</u>	
		<u>(136,253)</u>			<u>(390,664)</u>	
<b>BEGINNING OF YEAR</b>						
Unrestricted Net Assets		209,346			600,010	
Temporarily Restricted Net Assets		<u>-</u>			<u>-</u>	
		<u>209,346</u>			<u>600,010</u>	
<b>END OF YEAR</b>						
Unrestricted Net Assets		73,093			209,346	
Temporarily Restricted Net Assets		<u>-</u>			<u>-</u>	
		<u>\$ 73,093</u>			<u>\$ 209,346</u>	

SPECIAL SERVICE AREA #33  
(a taxing district authorized by the City of Chicago)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2010

Cash Flows From Operating Activities	
Change in Net Assets	\$ (136,253)
Adjustments to Reconcile Net Surplus to Net Cash (Used) by Operating Activities	
Prepaid Expenses	(2,300)
Due from Wicker Park & Bucktown Chamber of Commerce	(3,906)
Increase in Accounts Payable	<u>30,799</u>
Net Cash (Used) by Operating Activities	<u>(111,660)</u>
Cash At Beginning Of Period	<u>253,549</u>
Cash At End Of Period -- 12/31/10	<u>\$ 141,889</u>
Interest expense	<u>\$ 135</u>

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The accompanying notes are an integral part of the financial statements.

SPECIAL SERVICE AREA #33  
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NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

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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 Wicker Park Bucktown 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, 2010, the Taxing District had net unrestricted net assets of \$73,093.

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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unrestricted net assets and reported in the statement of activities, as net assets released from restrictions. As of December 31, 2010, 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.

2. Prepaid Expenses

Prepaid expenses consist of a payment made in 2010 for January, 2011 snow removal.

3. Accounts Payable

Accounts payable consists mainly of amounts due to three contractors for work performed in 2010.

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

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NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

benefits and grant funding. As of December 31, 2010, the Taxing District paid \$52,738 which included repayment of a \$25,000 loan which was outstanding for two months, had \$5,292 due to the Chamber of Commerce and had \$3,906 due from the Chamber of Commerce.

5. Commission Plans

The Commission of SSA #33 regrets the large amount of cash 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) In the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2010, the leadership of the Commission became very concerned when the SSA was in a cash flow crunch because the 2<sup>nd</sup> tax installment was severely delayed. They discouraged the committees from spending any money, therefore decreasing the overall amount of money that would have otherwise been spent in 2010. The members of the Commission has changed, and a line of credit has been secured, to assist in cash shortages in the future. Management is encouraged by year-end balances.
- b) The Arts Committee, which has been dormant until the end of 2010, is now under new leadership, and is poised to mount a large mural program in the neighborhood. This will be a large and ongoing expenditure.
- c) 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 wrapping up some pilot programs (related to recycling) that could move into permanent status in 2011.
- d) In 2011, the intersection of Milwaukee/Wood/Wolcott is scheduled for major overhaul. The SSA has dedicated a large chunk of its funding (\$80,000) to go to aesthetic improvements that would otherwise not happen at that intersection.

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NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

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 Planning and 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.

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