

**SPECIAL SERVICE AREA #17
ADMINISTERED BY
CENTRAL LAKE VIEW MERCHANTS ASSOCIATION**

FINANCIAL STATEMENT

DECEMBER 31, 2013

**WITH
INDEPENDENT AUDITOR'S REPORT**

SPECIAL SERVICE AREA #17

ADMINISTERED BY

CENTRAL LAKE VIEW MERCHANTS ASSOCIATION

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INDEPENDENT ACCOUNTANT'S REPORT

Board of Commissioners
Special Service Area #17
Administered by
Central Lake View Merchants Association
3355 North Clark Street
Chicago, IL 60657

I have audited the accompanying component unit financial statement of Special Service Area #17 administered by Central Lake View Merchants Association, which comprise the statements of financial position as of December 31, 2013, related statement of activities and changes in net assets, statement of cash flows 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the component unit financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Special Service Area #17 as of December 31, 2013 and the related statement of activities and changes in net assets and statement of cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained on page 9 , is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management as was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The 2013 budget amounts, which were reviewed by the Special Service Area #17 and the City of Chicago and are shown in the statement of activities, as required by the City of Chicago Department of Housing and Economic Development, are presented for comparison purposes. I 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 I disclose any exceptions to the city contract between the city and the SSA.

A handwritten signature in black ink that reads "Helen J. Ajder CPA PC". The signature is written in a cursive style with a large, stylized initial "H".

Helen J. Ajder CPA, PC

January 28, 2014

**SPECIAL SERVICE AREA #17
ADMINISTERED BY
CENTRAL LAKE VIEW MERCHANTS ASSOCIATION**

**STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2013**

ASSETS	
	<u>2013</u>
CURRENT ASSETS	
Cash	\$ 41,846
Tax allocation receivable - net	15,010
Due from Central Lakeview Merchants Association	<u>16,627</u>
TOTAL ASSETS	<u><u>\$ 73,483</u></u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	\$ -
TOTAL CURRENT LIABILITIES	<u>-</u>
NET ASSETS - UNRESTRICTED	<u>73,483</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 73,483</u></u>

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STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>
REVENUES			
Tax allocation - current year	\$ 703,316	\$711,350	(\$8,034)
Tax allocation - previous years	12,644		12,644
Interest	27		27
Less: loss collection expense	<u>(16,000)</u>	<u>(16,000)</u>	<u>-</u>
Total revenue	699,987	695,350	4,637
EXPENSES			
Advertising and promotion	101,943	105,000	(3,057)
Public way maintenance	125,154	125,000	154
Public way aesthetics	137,835	150,000	(12,165)
Tenant retention/attraction	6,478	6,500	(22)
Façade improvements	60,217	57,206	3,011
Parking/transit/accessibility	6,544	7,000	(456)
Safety programs	2,042	2,400	(358)
Administration	<u>236,863</u>	<u>242,244</u>	<u>(5,381)</u>
Total expenses	677,076	<u>695,350</u>	<u>(18,274)</u>
EXCESS OF REVENUE OVER EXPENSE	22,911	<u>-</u>	
NET ASSETS - BEGINNING OF YEAR	<u>50,572</u>		
NET ASSETS - END OF YEAR	<u>\$ 73,483</u>		

**SPECIAL SERVICE AREA #17
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
AT DECEMBER 31, 2013**

CASH FLOWS FROM OPERATING ACTIVITIES:

	<u>2013</u>
Change in net assets	\$ 22,911
Adjustments to reconcile net surplus to cash provided by (used in) operating activities	
(Increase) decrease in accounts receivable and prepaid expense	(28,579)
(Decrease) increase in accounts payable	<u>(171,297)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(176,965)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>218,811</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 41,846</u></u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOWS:

Interest paid	<u>\$ -</u>
Taxes paid	<u><u>\$ -</u></u>

SPECIAL SERVICE AREA #17
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 1 - Purpose of Organization and Nature of SSA #17

Central Lake View Merchants Association (the Association) is an Illinois not-for-profit corporation that is exempt from federal taxes under Section 501(C-6) of the Internal Revenue Code. The Association is dedicated to assist in the planning, developing, and servicing of the Lakeview neighborhood of Chicago. The Association, by contract with the City of Chicago, is the provider of special services to the Lake View area funded by Special Service Area #17 taxes. Special Service Area #17 is both sides of Sheffield from the north side of Diversey to the south side of Irving Park, Diversey on the north side only from 916 W. Diversey to 1012 W. Diversey, Clark Street from Fletcher to Irving Park, Belmont from Halsted to Racine, Addison from 835 W. Addison to 1117 W. Addison, and the south side of Irving Park from the east side of Clark Street up to and including the parking lot just east of Fremont. The expansion areas are the south side of Irving Park from the east side of Clark Street up to and including the parking lot just east of Fremont, Sheffield south of Irving Park to just north of Waveland, Diversey on the north side only from 1012 W. Diversey to 916 W. Diversey and Addison from 1117 W. Addison to Reta. Special Services authorized in the Establishment Ordinance include maintenance and beautification activities; security programs; recruitment and promotion of new businesses in the Area and retention and promotion of existing businesses in the Area; coordinated marketing and promotional activities; strategic planning for the general development of the Area; financing of storefront façade and signage improvements; parking and transit programs; and other technical assistance activities to promote commercial and economic development, including, but not limited to, enhanced local land use oversight and control initiatives, community service and pre-development costs.

NOTE 2 - Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Taxing District defines 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 balance in a financial institution located in Chicago, Illinois. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization's cash balance did not exceed the insurance level as of December 31, 2013.

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

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 #17 between the City of Chicago and Central Lake View Merchants Association. As of December 31, 2013 the taxing district had net unrestricted net assets of \$73,483.

Revenue Recognition

The Association's accounts are maintained 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.

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.

NOTE 3 - Tax Allocation Receivable

At December 31, 2013, the tax allocation net receivable amount of \$15,010 (\$31,010 less the allowance for doubtful account of \$16,000) represents the balance due for 2012 taxes levied and not paid by December 31, 2013.

SPECIAL SERVICE AREA #17
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SUMMARY SCHEDULE OF AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013

I have read and understand the requirements contained in the Service Provider Agreement. After conducting the audit, I determined that no exceptions were noted.

The auditor's report expresses an unqualified opinion on the financial statements of Special Service Area #17. No significant deficiencies or material weaknesses were disclosed during the audit of the financial statements.

FINDINGS - FINANCIAL STATEMENT AUDIT

None found

SUPPLEMENTAL INFORMATION

SPECIAL SERVICE AREA #17
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SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>
ADMINISTRATIVE EXPENSES:			
Salaries	\$126,711	\$127,000	(\$289)
Payroll taxes	12,465	16,894	(4,429)
Benefits	12,099	12,150	(51)
Accounting & audit	10,650	10,000	650
Rent & utilities	33,898	34,900	(1,002)
SSA annual report	-	750	(750)
Insurance	3,056	3,000	56
Office supplies	13,136	13,000	136
Equipment lease	8,079	8,000	79
Printing	4,356	4,250	106
Postage	5,915	6,000	(85)
Conferences & meetings	802	800	2
Dues & subscriptions	780	600	180
Bank charges	1,421	1,400	21
Travel	1,247	1,250	(3)
Staff development	2,248	2,250	(2)
	<u>2,248</u>	<u>2,250</u>	<u>(2)</u>
Total administrative expenses	<u>\$236,863</u>	<u>\$242,244</u>	<u>(\$5,381)</u>