

**NORTHCENTER
SPECIAL SERVICE AREA #38**

**FINANCIAL STATEMENTS
December 31, 2012**

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Independent Auditors' Report

To the Commissioners of
Northcenter Special Service Area #38

We have audited the accompanying financial statements of Northcenter - Special Service Area #38, which comprise the statement of financial position as of December 31, 2012, and the related statement of activities, 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 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, 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.

Barton Eilts, C.P.A.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northcenter - Special Service Area #38 as of December 31, 2012, and its statement of activities, cash flows and summary schedule of audit findings for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The 2012 and 2011 budget amounts, and 2011 actual amounts, which were arrived at by Northcenter - Special Service Area #38 and are shown in the Statements of Activities Budget and Actual, are presented for comparison purposes only. We have not performed any auditing procedures on the 2012 and 2011 budget amounts, nor the 2011 actual amounts, and therefore, express no opinion on them.



EILTS & ASSOCIATES, INC.
Chicago, Illinois
April 16, 2013

NORTHCENTER
SPECIAL SERVICE AREA #38

STATEMENT OF FINANCIAL POSITION
December 31, 2012

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	<u>\$ 113,236</u>
Total current assets	<u>113,236</u>
 TOTAL ASSETS	 <u><u>\$ 113,236</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	<u>\$ 2,992</u>
Total current liabilities	<u>2,992</u>
 TOTAL LIABILITIES	 2,992
 NET ASSETS	
Unrestricted net assets	<u>110,244</u>
Total net assets	<u>110,244</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 113,236</u></u>

The accompanying notes are an integral part of the financial statements

**NORTHCENTER
SPECIAL SERVICES AREA #38**

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

REVENUE	
Property tax revenues - current year	\$ 177,325
Property tax refunds - prior years	(1,486)
SSA interest income	7
Interest income	351
Less: Loss Collection	(13,426)
Total revenue	162,771
 EXPENSES	
Services:	
Public Way Maintenance	70,535
Public Way Aesthetics	36,048
Total Services	106,583
 Administration:	
Personnel	38,370
Non Personnel	
SSA Annual Report	500
SSA Audit	4,950
Meeting	500
Bookkeeping/Payroll	872
Office Rent	4,200
Office Utilities/Telephone	1,000
Office Supplies	450
Office Equipment Lease/Maintenance	1,000
Postage	80
Printing	50
Total Admin - Non Personnel	13,602
Total Administration	51,972
Total Expenses	158,555
INCREASE IN NET ASSETS	\$ 4,216
BEGINNING OF YEAR - NET ASSETS	106,028
END OF YEAR - NET ASSETS	\$ 110,244

The accompanying notes are an integral part of the financial statements

NORTHCENTER
SPECIAL SERVICES AREA #38

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2012

Cash Flows from Operating Activities:	
Net income	\$ 4,216
Adjustments to reconcile net income to net cash provided by operations:	
Increase/(Decrease) in:	
Accounts payable	2,992
Due to Chamber of Commerce	<u>(12,518)</u>
Net Cash (Used by) Operating Activities	<u>(5,310)</u>
Net (Decrease) in Cash	\$ (5,310)
Cash at the beginning of year	<u>118,546</u>
Cash at the end of year	<u><u>\$ 113,236</u></u>

The accompanying notes are an integral part of the financial statements

**NORTHCENTER
SPECIAL SERVICES AREA #38**

**STATEMENTS OF ACTIVITIES - BUDGET AND ACTUAL
For the Years Ended December 31, 2012 and 2011**

	2012			2011		
	Budget	Actual	Actual Over/ (Under) Budget	Budget	Actual	Actual Over/ (Under) Budget
REVENUE						
Property tax revenues - CY	\$ 210,399	\$ 177,325	\$ (33,074)	\$ 228,570	\$ 192,390	\$ (36,180)
Property tax refunds - PY	-	(1,486)	(1,486)	-	-	-
SSA interest income	-	7	7	-	-	-
Interest income	-	351	351	-	468	468
Less: Loss Collection	(14,250)	(13,426)	824	(16,000)	-	16,000
Total revenue	196,149	162,771	(33,378)	212,570	192,858	(19,712)
EXPENSES						
Services:						
Advertising & Promotion	-	-	-	4,000	-	(4,000)
Public Way Maintenance	86,500	70,535	(15,965)	80,500	77,677	(2,823)
Public Way Aesthetics	58,574	36,048	(22,526)	69,000	52,187	(16,813)
Tenant Retention/Attraction	250	-	(250)	9,000	-	(9,000)
Total Services	145,324	106,583	(38,741)	162,500	129,864	(32,636)
Administration:						
Personnel	39,870	38,370	(1,500)	39,870	39,870	-
Non-Personnel						
SSA Annual Report	500	500	-	-	-	-
SSA Audit	2,300	4,950	2,650	2,300	4,500	2,200
Meeting	500	500	-	500	700	200
Bookkeeping/Payroll	875	872	(3)	-	-	-
Office Rent	4,200	4,200	-	4,400	4,400	-
Office Utilities/Telephone	1,000	1,000	-	1,000	1,000	-
Office Supplies	450	450	-	500	500	-
Office Equipment Lease/Maint	1,000	1,000	-	1,000	1,000	-
Postage	80	80	-	250	250	-
Printing	50	50	-	250	250	-
Bank Service Charges	-	-	-	-	70	70
Total Admin - Non Personnel	10,955	13,602	2,647	10,200	12,670	2,470
Total Administration	50,825	51,972	1,147	50,070	52,540	2,470
Total Expenses	196,149	158,555	(37,594)	212,570	182,404	(30,166)
INCREASE IN NET ASSETS	\$ -	\$ 4,216	\$ 4,216	\$ -	\$ 10,454	\$ 10,454
BEGINNING OF YEAR - NET ASSETS		106,028			95,574	
END OF YEAR - NET ASSETS		\$ 110,244			\$ 106,028	

The accompanying notes are an integral part of the financial statements

**NORTHCENTER
SPECIAL SERVICE AREA #38
(a taxing district authorized by the City of Chicago)**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2012**

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – Northcenter Special Service Area #38 (the Taxing District) is a taxing district authorized by the City of Chicago located in Chicago, Illinois. The primary source of funds is from real estate taxes on certain properties in the Special Service Area. Special Service Area #38 generates revenue for the sole purpose of improving and enhancing the business district of Northcenter, which are generally properties fronting Irving Park Road from Ravenswood to Western, Lincoln Avenue from Montrose to Addison, and Western from Montrose to Belmont. Activities and services provided by SSA #38 include cleaning and beautification, coordination of advertising and promotional events, attraction and recruitment of new businesses, and technical assistance to existing and potential businesses.

Basis of Accounting – Northcenter Special Service Area #38's financial statements have been prepared on the accrual basis of accounting. Based on information provided by the Department of Planning and Development, the recognition of revenue by the SSA when received would be considered within generally accepted accounting principles.

Cash and Cash Equivalents – Northcenter Special Service Area #38 defines cash and cash equivalents as short term liquid investments such as cash in banks that can be reduced to cash in thirty days or less. All earnings on cash in bank are considered unrestricted revenue.

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 #38 between the City of Chicago and Northcenter. As of December 31, 2012, the Taxing District had unrestricted assets of \$110,244.

**NORTHCENTER
SPECIAL SERVICE AREA #38**

(a taxing district authorized by the City of Chicago)

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2012**

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES -
(Continued)**

Income Taxes – The Taxing District's sole service provider – Northcenter Chamber of Commerce is a not-for-profit organization that is exempt from federal income taxes according to Internal Revenue Code 501 (c) (6).

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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. Accordingly, actual results could differ from those estimates.

Subsequent Events – Subsequent events have been evaluated through April 16, 2013, which is the date the financial statements were available to be issued.

NOTE 2 - REAL ESTATE TAX REVENUE

The Organization'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 Organization. Taxes are levied in one year, but paid in two installments the following year by the property owners. The Organization recognizes this revenue in the year in which the funds become available.

**NORTHCENTER
SPECIAL SERVICE AREA #38**

(a taxing district authorized by the City of Chicago)

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2012**

NOTE 3 - RELATED PARTY TRANSACTIONS

Northcenter Chamber of Commerce (NCC) is the sole service provider of services to SSA #38. NCC allocated joint expenses between the two organizations. NCC shares office space with the Taxing District and the Taxing District pays a portion of the office rent, utilities and supplies. NCC also charges the Taxing District for a portion of the salary and payroll taxes of the Executive Director and Associate Director. During 2012, SSA #38 paid Northcenter Chamber of Commerce \$ 61,843, of which \$12,518 was for 2011 expenses.

NOTE 4 – ACCRUED EXPENSES

Accrued expenses at December 31, 2012 consist of sidewalk cleaning services in the amount of \$2,992.

**NORTHCENTER
SPECIAL SERVICE AREA #38**

(a taxing district authorized by the City of Chicago)

**SUMMARY SCHEDULE OF FINDINGS
For the Year Ended 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 and understand the requirements contained in the Service Provider Agreement. After conducting the audit, we determined that no exceptions were noted.

The auditor's report expresses an unqualified opinion on the financial statements of Northcenter - Special Service Area #38. No significant deficiencies or material weaknesses were disclosed during the audit of the financial statements.

FINDINGS – FINANCIAL STATEMENT AUDIT

None found

FINDINGS AND QUESTIONED COSTS

None found

State of Illinois

Department of Financial and Professional Regulation Division of Professional Regulation

LICENSE NO.
066.003986
065.029428

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

EXPIRES:
11/30/2015

**PUBLIC ACCOUNTING FIRM
BUSINESS CORPORATION**

**EILTS & ASSOCIATES INC
3711 N RAVENSWOOD 105
CHICAGO, IL 60613**



Susan J. Gold

SUSAN J. GOLD
ACTING SECRETARY

Jay Stewart

JAY STEWART
DIRECTOR

The official status of this license can be verified at www.idfpr.com

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