

**SPECIAL SERVICE AREA #17
ADMINISTERED BY
CHICAGO VIEW ORGANIZATION
F/K/A CENTRAL LAKEVIEW MERCHANTS ASSOCIATION**

FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

**WITH
INDEPENDENT AUDITOR'S REPORT**

SPECIAL SERVICE AREA #17

ADMINISTERED BY

**CHICAGO VIEW ORGANIZATION
F/K/A CENTRAL LAKVIEW MERCHANTS ASSOCIATION**

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Helen J. Ajder C.P.A. PC

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Special Service Area #17
Administered by
Chicago View Organization f/k/a Central Lakeview Merchants Association
3355 North Clark Street
Chicago, IL 60657

In accordance with the City of Chicago instructions, I have audited the accompanying component unit financial statement of Special Service Area #17 administered by Chicago View Organization f/k/a Central Lakeview Merchants Association, which comprise the Statement of Net Position and Governmental Funds Balance Sheet, Statement of Activities and Governmental Funds, Revenues, Expenditures and Changes in Fund Balance at December 31, 2016 and 2015. Per instructions from the City of Chicago, these financial statements include the Statement of Revenues and Expenditures – Budget and Actual.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is GASB (the Governmental Accounting Standards Board). See footnotes to these financial statements.

The City of Chicago has not required the Statement of Cash Flows to be presented as part of these financial statements.

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 net position of Special Service Area #17 as of December 31, 2016 and 2015 as required by the City of Chicago.


Helen J. Ajder CPA, PC

April 27, 2017

**SPECIAL SERVICE AREA #17
ADMINISTERED BY
CHICAGO VIEW ORGANIZATION**

**STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET**

DECEMBER 31, 2016 AND 2015

ASSETS			
	2015	2016	
	Governmental Funds	Governmental Funds	Adjustments
			Statement of Net Position
CURRENT ASSETS			
Cash	\$ 123,571	\$ 63,243	\$ 63,243
Tax allocation receivable	665,938	680,748	680,748
Due from service provider	-	43,455	43,455
TOTAL ASSETS	\$ 789,509	\$ 787,446	\$ 787,446
LIABILITIES			
CURRENT LIABILITIES			
Due to service provider	\$ 41,988	\$ -	-
Total current liabilities	41,988	-	-
DEFERRED INFLOWS			
Deferred property tax revenue	586,138	598,102	(598,102)
FUND BALANCES/NET POSITION			
Non-spendable:	-	-	-
Committed:	-	-	-
Unassigned	161,383	189,344	(189,344)
Total Fund Balance	161,383	189,344	(189,344)
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 789,509	\$ 787,446	\$ 787,446
Net position			
Unrestricted			\$ (787,446) \$ 787,446
Total fund balance - governmental funds			\$ 189,344
Property tax revenue is recognized in the period for which levied rather than when "available"			598,102
Total net position - governmental activities			\$ 787,446

**SPECIAL SERVICE AREA #17
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CHICAGO VIEW ORGANIZATION**

**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS,
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

DECEMBER 31, 2016 AND 2015

	2015	2016		Statement of Activities
	Governmental Funds	Governmental Funds	Adjustments	
REVENUES				
Property taxes - net of allowance	\$ 409,340	\$ 673,506	11,964	\$ 685,470
Interest	15	12		12
Total revenues	409,355	673,518		685,482
Expenditures/Expenses				
Customer attraction	181,553	117,528		
Public way aesthetics	244,450	237,288		
Sustainability and public places	6,150	1,203		
Economic/business development	41,064	37,879		
Safety programs	12,548	33,006		
SSA management	75,631	76,032		
Personnel	140,153	142,621		
Total expenditures/expenses	701,549	645,557		-
Excess of revenues over expenditures	(292,194)	27,961	(27,961)	-
Change in net position			39,925	39,925
Fund balance/Net Position				
Beginning of the year	453,577	161,383	586,138	747,521
End of year	\$ 161,383	\$ 189,344	598,102	\$ 787,446

SPECIAL SERVICE AREA #17
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CHICAGO VIEW ORGANIZATION
F/K/A CENTRAL LAKEVIEW MERCHANTS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

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

Chicago View Organization f/k/a 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. This contract was terminated by the City of Chicago, effective January 1, 2017. The city awarded the contract to Lake View East Chamber of Commerce to be their sole service provider. 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

Government-Wide and Fund Financial Statements

The financial statements of the SSA have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units, hereinafter referred to as GAAP (generally accepted accounting principles). The accepted standard-setting body for establishing governmental accounting and financial reporting principles is GASB (the Governmental Accounting Standards Board).

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 2 - Summary of Significant Accounting Policies - continued

Government-Wide and Fund Financial Statements – continued

Government-Wide financial statements (statement of net position and statement of activities) are prepared using the economic resources measurement focus and the accrual basis of accounting for all of the SSA's activities. The Fund Financial Statements, which focus on the SSA's governmental funds current financial resources measurement focus, are prepared on the modified accrual basis.

The SSA accounts for its activities in one fund, it's general fund.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied.

The government fund financial statements are prepared on the modified accrual basis of accounting with only current assets and liabilities included on the balance sheet. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end. Expenditures are recorded when the liability is incurred.

The presentation 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 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 expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 2 - Summary of Significant Accounting Policies - continued

Assets, Liabilities and Net Position

Cash, cash equivalents and investments

The SSA's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The SSA maintains its cash account in what it believes is a high quality bank. Nevertheless, there is exposure when the balance exceeds the federally insured limits. The SSA does not believe that it is exposed to any significant credit risk related to its cash balance.

Receivables

All property tax receivables are shown net of allowance. As of December 31, 2016 and 2015, the allowance is estimated to be 4.9% and 4.9% of the outstanding property taxes respectively.

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Fund Equity/Net Position

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned. Non-spendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by enabling legislation or an outside party. Committed fund balance is a limitation imposed by the SSA board through approval of resolutions. Assigned fund balances is a limitation imposed by a designee of the SSA board. Unassigned fund balance is the net resources in excess of what can be properly classified in one of the above categories.

When both restricted and unrestricted fund balances are available for use, it is the SSA's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balance is reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 2 - Summary of Significant Accounting Policies – continued

Fund Equity/Net Position – continued

For the government-wide financial statements, net position is reported as invested in capital assets net of related debt, restricted or unrestricted. Invested in capital assets, net of related debt, if applicable, is comprised of the net capital asset balance less any related debt. Restricted net position is when restrictions are placed on net assets from 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2) imposed by laws through constitutional provisions or enabling legislation. The remaining net position is classified as unrestricted.

NOTE 3 – Property taxes

Property taxes become an enforceable lien on real property on January 1 of the year it is levied. Taxes are payable in two installments in the subsequent year. The first installment is an estimate based on the prior year billed levy (55%) and is due in March. The second installment is due on August 1, or 30 days from the mailing of the tax bills if issued later than July 1. The second installment is based on the remaining amount of the levy on file with the County. Bills are issued and collected by Cook County who remits the SSA's share to the City who then remits the monies to the SSA.

NOTE 4 – Related party transactions

The SSA was affiliated with Chicago View Organization f/k/a Central Lakeview Merchants Association, which provides certain administrative services for the SSA until December 31, 2016. Their contract was terminated by the City of Chicago, effective January 1, 2017. The City awarded the contract to Lake View East Chamber of Commerce to be their sole service provider effective January 1, 2017.

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SUMMARY SCHEDULE OF AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

**SPECIAL SERVICE AREA #17
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**STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2015			2016		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues						
Proeprty taxes - net of allowance	\$ 777,758	\$ 409,340	368,418	\$ 766,034	\$ 673,506	92,528
Interest	-	15	(17)	-	12	(12)
Total revenue	777,758	409,355	368,401	766,034	673,518	92,516
Expenditures						
Customer attraction						
Website	1,100	1,372	(272)	800	1,482	(682)
Special events	25,000	23,741	1,259	26,500	16,848	9,652
Decorative banners	17,437	43,711	(26,274)	-	-	-
Holiday decorations	26,000	6,000	20,000	26,800	26,271	529
Print materials	58,000	54,506	3,494	42,000	37,328	4,672
Display advertising	4,000	4,086	(86)	1,500	1,250	250
PR/media relations	28,000	24,718	3,282	25,000	22,823	2,177
Electronic materials	24,000	23,419	581	12,000	11,526	474
Total customer attraction	183,537	181,553	1,984	134,600	117,528	17,072
Public way aesthetics						
Landscaping	3,500	47,900	(44,400)	3,500	3,500	-
Facade enhancement program - rebates	87,532	71,297	16,235	95,500	44,273	51,227
Streetscape elements	60,000	3,100	56,900	51,500	56,361	(4,861)
Sidewalk maintenance	95,000	93,751	1,249	100,000	93,046	6,954
City permits	2,300	4,913	(2,613)	-	1,925	(1,925)
Sidewalk snow plowing	37,263	22,910	14,353	36,200	38,183	(1,983)
Supplies	2,000	579	1,421	2,000	-	2,000
Total public way aesthetics	287,595	244,450	43,145	288,700	237,288	51,412
Sustainability and public places						
Bicycle transit enhancements/racks	7,000	6,150	850	2,000	1,203	797
Total parking/transit/accessibility	7,000	6,150	850	2,000	1,203	797
Economic/business development						
Technical assistance - graphic design	34,000	33,749	251	39,000	35,481	3,519
Tenant retention/attraction: professional seminars	7,500	900	6,600	3,700	2,398	1,302
Participation/support of events in community	-	6,415	(6,415)	-	-	-
Total tenant retention/attraction	41,500	41,064	436	42,700	37,879	4,821
Safety programs						
Security equipment	19,900	9,879	10,021	20,000	29,978	(9,978)
Crime and safety	1,400	898	502	-	-	-
Program costs	700	1,771	(1,071)	-	815	(815)
Safety improvement program - rebates	-	-	-	10,000	-	10,000
Neighborhood group security rebates	-	-	-	4,000	2,213	1,787
Total safety programs	22,000	12,548	9,452	34,000	33,006	994

See notes to financial statements.

**SPECIAL SERVICE AREA #17
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CHICAGO VIEW ORGANIZATION**

**STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2015			2016		
	Budget	Actual	Variance	Budget	Actual	Variance
SSA management						
SSA annual report	50	-	50	50	-	50
SSA audit	2,500	2,500	-	2,500	2,500	-
Bookkeeping	9,050	8,340	710	10,500	9,460	1,040
Office rent	22,449	22,709	(260)	25,000	21,760	3,240
Office utilities	7,000	6,993	7	7,000	6,417	583
Office supplies	10,400	10,354	46	10,400	7,104	3,296
Office equipment/maintenance	11,000	6,760	4,240	12,000	11,900	100
Office printing	10,000	1,636	8,364	3,000	2,740	260
Postage	11,500	9,559	1,941	11,500	7,479	4,021
Meeting expense	800	779	21	800	227	573
Subscriptions/dues	1,100	475	625	500	295	205
Banking fees	400	-	400	1,400	1,272	128
Liability/property insurance	3,100	3,076	24	3,000	3,000	-
Travel expenses	1,500	329	1,171	1,500	1,500	-
Staff development	3,000	2,121	879	400	378	22
Total administration	93,849	75,631	18,218	89,550	76,032	13,518
Personnel						
Salaries	122,277	122,277	-	122,277	126,777	(4,500)
Payroll taxes	10,107	9,638	469	10,107	9,731	376
Benefits	8,300	8,238	62	8,300	6,113	2,187
Total personnel	140,684	140,153	531	140,684	142,621	(1,937)
Total expenditures/expenses	776,165	701,549	74,616	732,234	645,557	86,677
Excess of revenues over expenditures	\$ 1,593	\$ (292,194)	\$ (290,601)	\$ 33,800	\$ 27,961	\$ 5,839