

Auburn Gresham 79th Street
Special Service Area Number 32
(Greater Auburn-Gresham Development Corporation, Contractor)

Financial Statements

Years Ended December 31, 2013 and 2012

Auburn Gresham 79th Street
Special Service Area Number 32
(Greater Auburn-Gresham Development Corporation, Contractor)

<u>Contents</u>	<u>Page</u>
Independent Auditor's Report	1
Financial Statements	
Comparative Statement of Financial Position	2
Comparative Statement of Activities	3
Comparative Statement of Cash Flows	4
Notes to Financial Statements	5-6
Independent Auditor's Report on the Supplementary Information	7
Comparative Schedule of Tax Levy Revenue and Interest Income	8
Comparative Schedule of Revenue and Expenditures with Budget Variances	9-11
Schedule of Findings	12
State of Illinois CPA Licenses	13

Bravos & Associates

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Auburn-Gresham 79th Street Special Service Area Number 32
(Greater Auburn-Gresham Development Corporation Contractor)
Chicago, Illinois

We have audited the accompanying statement of financial position of Auburn-Gresham 79th Street Special Service Area number 32 (a taxing district authorized by the City of Chicago) as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years 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 referred to above present fairly, in all material respects, the financial position of Auburn-Gresham 79th Street Special Service Area number 32 (a taxing district authorized by the City of Chicago), as of December 31, 2013 and 2012, 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The comparative schedule of tax levy revenue and interest income on page 8 and the schedule of expenses and budget variances on pages 9 through 12 are presented for purposes 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 has been subjected 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 or to 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.

Bravos & Associates CPAs

March 26, 2014
Bloomington, Illinois

Auburn Gresham 79th Street
Special Service Area Number 32
(Greater Auburn-Gresham Development Corporation, Contractor)
Comparative Statement of Financial Position
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 20,415	\$ 51,274
Government Receivables	-	63,146
	\$ 20,415	\$ 114,420
<u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ 7,125	\$ 11,398
Due to Greater Auburn-Gresham Development Corporation	44,134	55,368
	51,259	66,766
<u>Net Assets-unrestricted (Deficit)</u>		
Net assets, unrestricted (Deficit)	(30,844)	47,654
	\$ 20,415	\$ 114,420

Auburn Gresham 79th Street
Special Service Area Number 32
(Greater Auburn-Gresham Development Corporation, Contractor)
Comparative Statement of Activities
For the Years Ended December 31, 2013 and 2012

	2013			2012		
<u>Changes in Unrestricted Net Assets:</u>	Over (Under)			Over (Under)		
Revenues:						
Tax Levy Revenue	\$ 393,083	\$ 458,325	\$ (65,242)	\$ 287,500	\$ 239,854	\$ 47,646
Interest Income	13	-	13	101	-	101
Total Revenue	393,096	458,325	(65,229)	287,601	239,854	47,747
Expenses:						
<u>Program costs:</u>						
1.00 Advertising & Promotion	72,216	72,500	(284)	76,631	76,500	131
2.00 Public Way Maintenance	85,000	85,000	-	104,655	105,000	(345)
3.00 Public Way Aesthetics	25,947	26,000	(53)	30,000	32,000	(2,000)
4.00 Tenant Retention/Attraction	10,000	10,000	-	28,955	-	28,955
5.00 Façade Improvements	23,000	23,000	-	21,476	-	21,476
7.00 Safety Programs	75,775	90,000	(14,225)	9,020	5,800	3,220
8.00 District Planning	48,000	48,000	-	15,000	-	15,000
Total Program Expense	339,938	354,500	(14,562)	285,737	219,300	66,437
<u>Administration</u>						
10.00 Personnel	68,510	69,500	(990)	58,141	-	58,141
12.00 Loss Collection	63,146	34,325	28,821	14,500	16,444	(1,944)
Total Administration expenses	131,656	103,825	27,831	72,641	16,444	56,197
Total Expenses	471,594	458,325	13,269	358,378	235,744	122,634
Increase (Decrease) in Net Assets	(78,498)	-	(78,511)	(70,777)	7,508	(74,988)
<u>Unrestricted Net Assets:</u>						
Beginning of Year (Deficit)	47,654			118,431		
End of Year	\$ (30,844)			\$ 47,654		

Auburn Gresham 79th Street
Special Service Area Number 32
(Greater Auburn-Gresham Development Corporation, Contractor)
Comparative Statement of Cash Flows
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from operating activities:		
Increase (decrease) in net assets	\$ (78,498)	\$ (70,777)
Increase (decrease) in unrestricted net assets		
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
(Increase) decrease in assets:		
Government & other receivables	63,146	14,879
Increase (decrease) in liabilities:		
Accounts payable	(4,273)	3,664
Due to Greater Auburn-Gresham Development Corporation	<u>(11,234)</u>	<u>20,651</u>
Net cash (used) provided by operating activities:	(30,859)	(31,583)
Net Cash provided (used)	(30,859)	(31,583)
Cash and Cash Equivalents		
Beginning of the year	<u>51,274</u>	<u>82,857</u>
End of the year	<u>\$ 20,415</u>	<u>\$ 51,274</u>
Supplemental disclosures:		
Interest Paid	<u>\$ -</u>	<u>\$ -</u>
Taxes Paid	<u>\$ -</u>	<u>\$ -</u>

Auburn Gresham 79th Street
Special Service Area Number 32
(Greater Auburn-Gresham Development Corporation)
Notes to Financial Statements
December 31, 2013 and 2012

Summary of Accounting Policies

Nature of Organization

Greater Auburn-Gresham Development Corporation (Organization) is a not-for-profit corporation organized under the laws of the State of Illinois. The Organization was formed to revitalize the Rogers Park business districts.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, 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, 2013 and 2012, the Organization had no temporarily or permanently restricted net assets.

Special Service Area Agreement

The Organization entered into an agreement with the City of Chicago, whereby the City has establish a special service area known and designated as “Auburn Gresham 79th Street Special Service Area Number 32” to provide special services in addition to those services generally provided by the City. Greater Auburn-Gresham Development Corporation has been designated as “Contractor” under terms of the agreement. The City has authorized a levy not to exceed 1% of the equalized assessed value of all property within the area to produce sufficient revenues to provide those special services.

The maximum amount to be paid to the Organization is the lesser of \$ 425,594 or the amount of service tax funds collected for the years to 2013 and 2012. For each subsequent year of the agreement, the maximum amount to be paid is the lesser of the budget for that year or the amount of service tax funds actually collected for the preceding tax year. The agreement is renewable annually.

Use of Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Auburn Gresham 79th Street
Special Service Area Number 32
(Greater Auburn-Gresham Development Corporation)
Notes to Financial Statements
December 31, 2013 and 2012

Summary of Accounting Policies – Continued

Concentration of Credit Risk

The Organization maintains its cash balances at three financial institutions in the Chicago metropolitan area, which are federally insured up to prescribed limits.

Income Tax Status

The Organization is exempt from Federal Income tax under Section 501(c) (3) of the Internal Revenue Code.

Revenue Recognition

Revenue from property taxes levied is recognized in the year that it becomes available.

Related Party Transactions

Auburn Gresham 79th Street Special Service Area Number 32 shares office space, equipment and employees through its affiliation with Greater Auburn-Gresham Development Corporation, the contractor.

Auburn Gresham 79th Street Special Service Area Number 32 has no employees of its own, but reimburses the contractor for the payroll and related costs of the individuals working on the programs. In addition, the contractor also receives reimbursements for a portion of its operating expenses, and use of office equipment and supplies.

As of December 31, 2013 and 2012 Auburn Gresham 79th Street Special Service Area Number 32 owes to the Greater Auburn-Gresham Development Corporation, the contractor, \$ 44,134 and \$ 55,368 respectfully for related costs that were advanced by the contractor.

Bravos & Associates

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors
Auburn Gresham 79th Street Special Services Area Number 32
(Greater Auburn-Gresham Development Corporation, Contractor)
Chicago, Illinois

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information which follows is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Bravos & Associates C.P.A.'s

March 26, 2014
Bloomington, Illinois

Auburn Gresham 79th Street
Special Service Area Number 32
(Greater Auburn-Gresham Development Corporation, Contractor)
Comparative Schedule of Tax Levy Revenue and Interest Income
December 31, 2013 and 2012

Tax Levy Revenue and Interest Income received from the City of Chicago

	<u>2013</u>	<u>2012</u>
	<u>Income</u> <u>(Returned to City)</u>	<u>Income</u> <u>(Returned to City)</u>
<u>Tax Levy Revenue</u>		
Tax Year 2005	\$ -	\$ -
Tax Year 2006	-	-
Tax Year 2007	(728)	-
Tax Year 2008	(3,014)	-
Tax Year 2009	(2,487)	-
Tax Year 2010	(3,499)	-
Tax Year 2011	15,831	262,855
Tax Year 2012	386,980	-
Total received during year - Cash Basis	393,083	262,855
 <u>Accrual adjustments - Accounts Receivable</u>		
Beginning of year	-	(38,501)
<u>End of year</u>	-	63,146
 <u>Total tax levy revenue - Accrual basis</u>	393,083	287,500
 Interest Income		
Interest earned - Bank accounts	-	-
Interest paid by City of Chicago	13	101
<u>Total Interest income earned</u>	13	101
 <u>Total Tax Levy Revenue and Interest Income</u>	\$ 393,096	\$ 287,601

Auburn Gresham 79th Street
Special Service Area Number 32
(Greater Auburn-Gresham Development Corporation, Contracto
Schedule of Expenses and Budget Variances
For the Years Ended December 31, 2012 and 2011

	2012			2011		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>Expenses:</u>						
<u>Programs:</u>						
<u>5.00 Façade Improvements</u>						
5.01 Façade Enhancement Program-Rebates	20,000	20,000	-	20,000	-	20,000
5.04 Program Cost (Applications)	3,000	3,000	-	1,476	-	1,476
<u>Totals</u>	<u>23,000</u>	<u>23,000</u>	<u>-</u>	<u>21,476</u>	<u>-</u>	<u>21,476</u>
 <u>7.00 Safety Programs</u>						
7.01 Public way Surveillance Cameras/ Maintenance	-	-	-	-	5,800	(5,800)
7.02 Security Services	75,775	90,000	(14,225)	4,020	-	4,020
7.10 Other: Juvenile/Adult Court & Caps	-	-	-	5,000	-	5,000
<u>Totals</u>	<u>75,775</u>	<u>90,000</u>	<u>(14,225)</u>	<u>9,020</u>	<u>5,800</u>	<u>3,220</u>
 <u>8.00 District Planning</u>						
8.01 SSA Designation	40,000	40,000	-	-	-	-
8.04 District Master Plan, Corridor Plans, Streetscape, Plans	-	-	-	15,000	-	15,000
8.05 Economic Impact Study Market Study Branding	8,000	8,000	-	-	-	-
<u>Totals</u>	<u>48,000</u>	<u>48,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>

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Schedule of Expenses and Budget Variances
For the Years Ended December 31, 2012 and 2011

	2012			2011		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>Expenses:</u>						
<u>Programs:</u>						
<u>5.00 Façade Improvements</u>						
5.01 Façade Enhancement Program-Rebates	\$ 20,000	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ 20,000
5.04 Program Cost (Applications)	3,000	3,000	-	1,476	-	1,476
<u>Totals</u>	23,000	23,000	-	21,476	-	21,476
<u>7.00 Safety Programs</u>						
7.01 Public way Surveillance Cameras/ Maintenance	-	-	-	-	5,800	(5,800)
7.02 Security Services	75,775	90,000	(14,225)	4,020	-	4,020
7.10 Other: Juvenile/Adult Court & Caps	-	-	-	5,000	-	5,000
<u>Totals</u>	75,775	90,000	(14,225)	9,020	5,800	3,220
<u>8.00 District Planning</u>						
8.01 SSA Designation	40,000	40,000	-	-	-	-
8.04 District Master Plan, Corridor Plans, Streetscape, Plans	-	-	-	15,000	-	15,000
8.05 Economic Impact Study Market Study Branding	8,000	8,000	-	-	-	-
<u>Totals</u>	48,000	48,000	-	15,000	-	15,000

Auburn Gresham 79th Street
Special Service Area Number 32
(Greater Auburn-Gresham Development Corporation, Contracto
Schedule of Expenses and Budget Variances
For the Years Ended December 31, 2012 and 2011

	2012			2011		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>Expenses:</u>						
<u>Programs:</u>						
<u>11.00 Administrative Non-Personnel</u>						
11.02 SSA Audit	\$ 7,000	\$ 7,000	\$ -	\$ 4,775	\$ -	\$ 4,775
11.03 Bookkeeping	3,000	3,000	-	2,000	-	2,000
11.04 Office Rent	7,500	7,500	-	7,500	-	7,500
11.05 Office Utilities	1,840	2,000	(160)	1,718	-	1,718
11.06 Office Supplies	1,994	2,000	(6)	1,756	-	1,756
11.07 Office Equipment Lease/Maintenance	2,000	2,000	-	1,700	-	1,700
11.08 Office Printing	1,998	2,000	(2)	1,984	-	1,984
11.09 Postage	1,000	1,000	-	708	-	708
11.10 Meeting Expense	2,000	2,000	-	2,000	-	2,000
11.11 Subscriptions/dues	-	-	-	1,000	-	1,000
11.12 Banking Fees	178	1,000	(822)	-	-	-
11.13 Monitoring/Compliance	8,000	8,000	-	3,000	-	3,000
11.14 Other: SSA Management	32,000	32,000	-	30,000	-	30,000
<u>Totals</u>	<u>68,510</u>	<u>69,500</u>	<u>(990)</u>	<u>58,141</u>	<u>-</u>	<u>58,141</u>

Auburn Gresham 79th Street
Special Service Area Number 32
(Greater Auburn-Gresham Development Corporation)
Schedule of Findings
Year ended December 31, 2013 and 2012

Finding # 1

We have reviewed the Agreement for Special Service Area Number 32 between the City of Chicago and the Contractor for the year ended December 31, 2013 and 2012.

We noted no exceptions

State of Illinois

Department of Financial and Professional Regulation Division of Professional Regulation

LICENSE NO.
066.003838
065.009475

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
SOLE PROPRIETORSHIP**

**BRAVOS & ASSOCIATES
324 RIDGEWOOD DR
BLOOMINGDALE, IL 60108**



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

7292846

State of Illinois

Department of Financial and Professional Regulation Division of Professional Regulation

LICENSE NO.
065.009475

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:
09/30/2015

**LICENSED
CERTIFIED PUBLIC ACCOUNTANT**

**THOMAS WILLIAM BRAVOS
324 RIDGEWOOD DR
BLOOMINGDALE, IL 60108**



Brent E. Adams

BRENT E. ADAMS
SECRETARY

Jay Stewart

JAY STEWART
DIRECTOR

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

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