

**103<sup>rd</sup> STREET BEVERLY SPECIAL  
SERVICE AREA NUMBER 44  
(Beverly Area Planning Association, Contractor)**

**Financial Statements**

**Years Ended December 31, 2012 and 2011**

**103<sup>RD</sup> STREET BEVERLY SPECIAL SERVICE AREA NUMBER 44**  
**(Beverly Area Planning Association, Contractor)**

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# Desmond & Ahern, Ltd.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

## Independent Auditor's Report

To the Board of Directors  
103<sup>rd</sup> Street Beverly Special Service Area Number 44  
Beverly Area Planning Association, Contractor  
Chicago, IL

We have audited the accompanying statement of financial position of 103<sup>rd</sup> Street Beverly Special Service Area Number 44 (a taxing district authorized by the City of Chicago) as of December 31, 2012 and 2011 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association'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 misstatements. 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 103<sup>rd</sup> Street Beverly Special Service Area Number 44 as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Desmond & Ahern, Ltd*

May 01, 2013  
Chicago, IL

**103RD STREET BEVERLY SPECIAL SERVICE AREA NUMBER 44  
 (BEVERLY AREA PLANNING ASSOCIATION, CONTRACTOR)  
 STATEMENT OF FINANCIAL POSITION  
 As of December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b><u>Assets</u></b>		
Current Assets		
Cash and cash equivalents	\$ 10,808	\$ 8,787
Tax collections receivable	-	-
<b>Total Assets</b>	<b><u>\$ 10,808</u></b>	<b><u>\$ 8,787</u></b>
<b><u>Liabilities and Nets Assets</u></b>		
Liabilities		
Accounts payable	\$ 3,586	\$ 1,209
Refundable Advances	-	-
Total Current Liabilities	\$ 3,586	\$ 1,209
Net assets, unrestricted	<u>7,222</u>	<u>7,578</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 10,808</u></b>	<b><u>\$ 8,787</u></b>

The accompanying notes are an integral part of this statement.

**103RD STREET BEVERLY SPECIAL SERVICE AREA NUMBER 44  
(BEVERLY AREA PLANNING ASSOCIATION, CONTRACTOR)  
STATEMENT OF ACTIVITIES  
For the Years Ended December 31, 2012 and 2011**

	2012			2011		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<b>Changes in Unrestricted Net Assets</b>						
Revenues						
Tax levy revenue - current period	\$ 9,557	\$ 15,450	\$ (5,893)	\$ 11,818	\$ 17,225	\$ (5,407)
Tax levy revenue - 2010 & prior periods	880	-	880	-	-	-
Total revenues	<u>10,437</u>	<u>15,450</u>	<u>(5,013)</u>	<u>11,818</u>	<u>17,225</u>	<u>(5,407)</u>
<b>Expenses</b>						
Program Costs						
1.00 Advertising and promotion	2,064	3,500	(1,436)	1,092	5,925	(4,833)
2.00 Public way maintenance	5,194	6,025	(832)	4,050	5,575	(1,525)
3.00 Public way aesthetics	1,435	2,575	(1,140)	1,730	3,125	(1,395)
Total program expense	<u>8,693</u>	<u>12,100</u>	<u>(3,407)</u>	<u>6,872</u>	<u>14,625</u>	<u>(7,753)</u>
Administration						
9.00 Operational and administrative support	2,100	2,350	(250)	1,900	2,100	(200)
10.00 Tax levy loss collection	-	1,000	(1,000)	-	500	(500)
Total administration expense	<u>2,100</u>	<u>3,350</u>	<u>(1,250)</u>	<u>1,900</u>	<u>2,600</u>	<u>(700)</u>
Total Expenses	<u>10,793</u>	<u>\$ 15,450</u>	<u>\$ (4,657)</u>	<u>8,772</u>	<u>\$ 17,225</u>	<u>\$ (8,453)</u>
Increase (Decrease) in Net Assets	(356)			3,046		
Unrestricted Net Assets						
Beginning of year	<u>7,578</u>			<u>4,532</u>		
End of year	<u>\$ 7,222</u>			<u>\$ 7,578</u>		

The accompanying notes are an integral part of this statement.

**103RD STREET BEVERLY SPECIAL SERVICE AREA NUMBER 44  
 (BEVERLY AREA PLANNING ASSOCIATION, CONTRACTOR)  
 STATEMENT OF CASH FLOWS  
 For the Years Ended December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b><u>Cash Flows from Operating Activities</u></b>		
Increase (decrease) in unrestricted net assets	\$ (356)	\$ 3,046
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities		
Increase(decrease) in accounts payable	<u>2,377</u>	<u>(933)</u>
Net cash flows from (used by) operating activities	<u>2,021</u>	<u>2,113</u>
Cash and cash equivalents		
Beginning of year	<u>8,787</u>	<u>6,674</u>
End of year	<u>\$ 10,808</u>	<u>\$ 8,787</u>
<b><u>Supplemental Disclosures</u></b>		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Taxes paid	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**103RD STREET BEVERLY SPECIAL SERVICE AREA NUMBER 44  
(BEVERLY AREA PLANNING ASSOCIATION, CONTRACTOR)  
NOTES TO FINANCIAL STATEMENT  
December 31, 2012 and 2011**

**Note 1 – Nature of Operations and Summary of Significant Accounting Policies**

Organization

Beverly Area Planning Association (BAPA), Contractor for 103<sup>rd</sup> Street Beverly Special Service Area Number 44 (Organization) is a not-for-profit corporation organized under the laws of the State of Illinois. This not-for-profit organization serves as the central organization for community organizations in the Beverly Hills/Morgan Park communities and thereby provides a forum for the discussion of concerns common to the area. The Association coordinates and implements comprehensive plans designed to improve the community through programs in housing, education, economic development, marketing, and special events. BAPA also publishes a free monthly newspaper. The Organization is located within the boundaries of the City of Chicago.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets, as required by generally accepted accounting principles (GAAP). The Organization has no temporarily or permanently restricted net assets as of December 31, 2012 and 2011.

Cash and Cash Equivalents

Cash and cash equivalents is defined 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 Organization maintains its cash in bank accounts, which, at times, may exceed the federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. The Organization has established a separate checking account at Beverly Bank and Trust in Chicago, Illinois and all tax revenue funds are automatically deposited into this checking account. The Contractor did not commingle Service Tax funds with funds from any other source.

Revenue Recognition

The Organization'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 Organization is part of the Beverly Area Planning Association (BAPA), which is a not-for-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified by the Internal Revenue Service as a private foundation.

**103RD STREET BEVERLY SPECIAL SERVICE AREA NUMBER 44  
(BEVERLY AREA PLANNING ASSOCIATION, CONTRACTOR)  
NOTES TO FINANCIAL STATEMENT  
December 31, 2012 and 2011**

**Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)**

Related Party Transactions

103<sup>rd</sup> Street Beverly Special Service Area Number 44 shares office space, equipment and employees through its affiliation with Beverly Area Planning Association. 103<sup>rd</sup> Street Beverly Special Service Area Number 44 has no employees of its own, but reimburses BAPA for payroll and related costs of the individuals who may work on the program. It also may reimburse BAPA for a portion of its applicable operating expenses, including allocation of rent and utilities.

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.

Special Service Area Agreement

The Organization has entered into an annual agreement with the City of Chicago for 2012 and 2011, whereby the City has established a special service area known and designated as “103<sup>rd</sup> Street Beverly Special Service Area Number 44” to provide special services in addition to those services generally provided by the City. BAPA has been designated as “Contractor” under terms of the agreement. The City has authorized a levy not to exceed 2.5% 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 \$10,437 and \$11,818 or the amount of service tax funds collected during 2012 and 2011, respectively. For each subsequent period 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.

**Note 2 – Subsequent Event**

For the fiscal year ended December 31, 2012, the Organization has evaluated subsequent events through May 01, 2013, which is the date the financial statements were available to be issued. No subsequent events have been identified that are required to be disclosed at that date.





Desmond & Ahern, Ltd.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

**Independent Auditor's Report on  
Supplementary Information**

To the Board of Directors  
103<sup>rd</sup> Street Beverly Special Service Area Number 44  
Beverly Area Planning Association, Contractor  
Chicago, IL

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.

*Desmond & Ahern, Ltd*

May 1, 2013  
Chicago, IL

**103RD STREET BEVERLY SPECIAL SERVICE AREA NUMBER 44  
 (BEVERLY AREA PLANNING ASSOCIATION, CONTRACTOR)  
 SCHEDULE OF EXPENDITURES WITH BUDGET VARIANCES  
 For the Years Ended December 31, 2012 and 2011**

	2012			2011		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<b>Expenses</b>						
Programs						
1.00 Advertising and Promotion						
1.02 Holiday/Seasonal Promotions			\$ -	\$ 579	\$ 2,850	\$ (2,271)
1.05 Special events	2,064	3,500	(1,436)	513	2,875	(2,363)
1.07 Service provider direct services			-	-	200	(200)
Total	<u>2,064</u>	<u>3,500</u>	<u>(1,436)</u>	<u>1,092</u>	<u>5,925</u>	<u>(4,833)</u>
2.00 Public Way Maintenance						
2.05 Sidewalk cleaning	3,200	3,750	(550)	2,800	3,200	(400)
2.07 Sidewalk snow plowing	450	2,275	(1,825)	1,250	2,275	(1,025)
2.00 Other	1,544	-	1,544			
2.14 Service provider direct services			-	-	100	(100)
Total	<u>5,194</u>	<u>6,025</u>	<u>(832)</u>	<u>4,050</u>	<u>5,575</u>	<u>(1,525)</u>
3.00 Public Way Aesthetics						
3.02 Holiday decorations	1,435	2,575	(1,140)	1,730	3,025	(1,295)
3.07 Service provider direct services			-	-	100	(100)
Total	<u>1,435</u>	<u>2,575</u>	<u>(1,140)</u>	<u>1,730</u>	<u>3,125</u>	<u>(1,395)</u>
8.00 District Planning						
8.00 SSA start-up costs	-		-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Administration						
9.00 Operational and Administrative Support						
9.01 Audit/bookkeeping	500	600	(100)	500	600	(100)
9.02 Meeting expense		150	(150)	-	100	(100)
9.09 Service provider administrative support	1,600	1,600	-	1,400	1,400	-
Total	<u>2,100</u>	<u>2,350</u>	<u>(250)</u>	<u>1,900</u>	<u>2,100</u>	<u>(200)</u>
10.00 Loss Collection						
10.00 Loss collection	-	1,000	(1,000)	-	500	(500)
Total	<u>-</u>	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>	<u>500</u>	<u>(500)</u>

The accompanying notes are an integral part of this statement.

**103RD STREET BEVERLY SPECIAL SERVICE AREA NUMBER 44  
(BEVERLY AREA PLANNING ASSOCIATION, CONTRACTOR)  
SCHEDULE OF FINDINGS  
December 31, 2012 and 2011**

**Findings**

We have read and understand the necessary audit requirements contained in the Service Provider Agreement. Accordingly, based on our audits, no exceptions were noted during the years ending December 31, 2012 and 2011 audits.