

SPECIAL SERVICE AREA NUMBER 13

FINANCIAL STATEMENTS

AND

ADDITIONAL INFORMATION

For the Year Ended

December 31, 2009

SPECIAL SERVICE AREA NUMBER 13

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CARY J. HALL
& ASSOCIATES, LLC
Certified Public Accountants and Consultants

Board of Directors
Special Service Area Number 13

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of financial position of **SPECIAL SERVICE AREA NUMBER 13** as of December 31, 2009 and the related statements of activities and cash flows for the year 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 generally accepted auditing standards 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 **SPECIAL SERVICE AREA NUMBER 13** as of December 31, 2009, 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.

Cary J. Hall & Associates, LLC

April 28, 2010
Chicago, Illinois

SPECIAL SERVICE AREA NUMBER 13

Statement of Financial Position

December 31, 2009

ASSETS

Cash and cash equivalents (Note 2)	\$ 143,016
Real estate taxes receivable, less allowance for uncollectible taxes of \$70,000	762,734
Receivable from affiliates (Note 3)	<u>126,058</u>
Total Assets	<u><u>\$ 1,031,808</u></u>

LIABILITIES

Accounts payable and accrued expenses	\$ 7,186
Deferred real estate tax income	<u>684,793</u>
Total Liabilities	<u>691,979</u>

NET ASSETS

Unrestricted funds	<u>339,829</u>
Total Liabilities and Net Assets	<u><u>\$ 1,031,808</u></u>

The accompanying notes are an integral part of the financial statements.

SPECIAL SERVICE AREA NUMBER 13

Statement of Activities

For the Year Ended December 31, 2009

SUPPORT AND REVENUES

Real estate taxes current period	\$ 594,740
Real estate taxes prior period	59,903
Interest and other income	<u>80</u>
Total Support and Revenues	<u>654,723</u>

EXPENSES

Program Services:

Advertising and Promotion

Display ads	35,203
Print materials	272
Special events	3,328
Website/technology	<u>1,611</u>
Total Advertising and Promotion	40,414

Public Way Maintenance

Equipment purchase and maintenance	837
Gate/fence maintenance	11,625
Storage rental	800
Supplies	1,790
Trash removal service	3,273
Service provider direct services	69,868
Truck and sweeper rental	6,035
Other: Fuel	2,512
Other: Radio airtime	<u>1,017</u>
Total Public Way Maintenance	97,757

Public Way Aesthetics

Landscaping	22,059
Streetscape elements purchase/install	25,000
Way finding / Signage	<u>3,258</u>
Total Public Way Aesthetics	50,317

Safety Programs

Security subcontractor	<u>301,460</u>
Total Safety Programs	301,460

The accompanying notes are an integral part of the financial statements.

SPECIAL SERVICE AREA NUMBER 13

Statement of Activities

For the Year Ended December 31, 2009

Supporting Services:

Operational & Administrative Support

Audit/ Bookkeeping	6,365
Meeting expenses	949
Office equipment lease / Maintenance	1,885
Office rent	9,130
Office supplies	1,834
Telephone	965
Postage	1,056
Office printing	1,526
Service provider administrative support	104,678
Other: Finance charges and bank fees	4,763
Other: Workers comp. insurance	1,781

Total Operational & Administrative Support 134,932

Loss Reserve 35,000

Total Expenses 659,880

DECREASE IN NET ASSETS (5,157)

NET ASSETS -

Beginning of year 344,986

End of year \$ 339,829

The accompanying notes are an integral part of the financial statements.

SPECIAL SERVICE AREA NUMBER 13

Statement of Cash Flows

For the Year Ended December 31, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Decrease in net assets	\$ (5,157)
Adjustments to reconcile change in net assets to net cash used in operating activities - (Increase) decrease in:	
Real estate taxes receivable	(97,934)
Increase (decrease) in:	
Accounts payable and accrued expenses	(7,022)
Deferred real estate taxes	<u>29,064</u>
Net Cash Used in Operating Activities	<u>(81,049)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (81,049)

CASH AND CASH EQUIVALENTS

Beginning of year	<u>224,065</u>
End of year	<u>\$ 143,016</u>

The accompanying notes are an integral part of the financial statements.

SPECIAL SERVICE AREA NUMBER 13

Notes to Financial Statements

December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization - The Organization is chartered by the City of Chicago to provide additional services on behalf of the City of Chicago within a defined geographic area of the Back of the Yards Neighborhood. The service programs include security patrols, street cleaning and beautification, shuttle bus service and other promotional services for the commercial and civic interests in the service area.

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, 2009, the Organization had no permanently or temporarily restricted net assets.

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 disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and Cash Equivalents - For purposes of the Statement of Cash Flow, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Donated Services - No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs and various committee assignments.

Income Tax Status - The Organization is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code.

SPECIAL SERVICE AREA NUMBER 13

Notes to Financial Statements

December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Tax Levies / Revenue Recognition - Property taxes are levied pursuant to law in September and an enforceable legal claim attaches to the properties. The taxes are payable in two installments in the following year. The first installment is an estimate based on prior year's tax and is due in March. The second installment, adjusted to reflect any increase or decrease from the previous year, is due approximately in August. Cook County bills and collects all property taxes and remits them to the City of Chicago, which remits them to the Organization. On December 31, an estimated receivable and deferred revenue amount is recognized as an estimate of the actual amounts to be received in the subsequent year.

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

Annually, an estimate for doubtful receivables based on uncollected taxes from prior years is determined. Management determines the allowance based on historical experience. Accounts receivable are written off when deemed uncollectible (generally, after two years).

NOTE 2 - CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances at a high credit quality financial institution. Balances at times may exceed federally insured credit limits.

NOTE 3 - RELATED PARTY TRANSACTIONS

The Organization is an affiliate of the Back of the Yards Business Association, Special Service Area Numbers 7, 10 and 39 and Back of the Yards Neighborhood Council. The Organization contracts with the Back of the Yards Neighborhood Council as the sole service provider in order to administer and provide direct services on behalf of the Organization, which has no employees.

SPECIAL SERVICE AREA NUMBER 13

Notes to Financial Statements

December 31, 2009

NOTE 3 - RELATED PARTY TRANSACTIONS - CONTINUED

The transactions and balances due (to) from each of the affiliates are summarized below.

	<u>Neighborhood Council</u>	<u>Business Association</u>	<u>Total</u>
Balance due (to) from at December 31, 2008	\$ 117,524	\$ 8,534	\$ 126,058
Allocated expenses	(226,062)	-	(226,062)
Cash receipts from affiliates	-	-	-
Cash disbursements to affiliates	226,062	-	226,062
Balance due (to) from at December 31, 2009	<u>\$ 117,524</u>	<u>\$ 8,534</u>	<u>\$ 126,058</u>



CARY J. HALL
& ASSOCIATES, LLC
Certified Public Accountants and Consultants

Board of Directors
Special Service Area Number 13

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

Our report on the audit of the basic financial statements for the year ended December 31, 2009, appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The comparison schedules of actual revenues and expenses to budget for the years 2009 and 2008 and summary schedule of findings are presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Cary J. Hall & Associates, LLC

April 28, 2010
Chicago, Illinois

ADDITIONAL INFORMATION

SPECIAL SERVICE AREA NUMBER 13

Comparison Schedules of Actual Revenues and Expenses to Budget

For the Years Ended December 31, 2009 and 2008

	2009			2008		
	2009	2009	2008	2008	2008	2008
	Actual	Budget	Variance	Actual	Budget	Variance
SUPPORT AND REVENUES						
Real estate taxes current period	\$ 594,740	\$ 684,793	(90,053)	\$ 655,729	\$ 655,729	-
Real estate taxes prior period	59,903	218,904	(159,001)	4,863	20,560	(15,697)
Interest and other income	80	-	80	1,161	-	1,161
	<u>654,723</u>	<u>903,697</u>	<u>(248,974)</u>	<u>661,753</u>	<u>676,289</u>	<u>(14,536)</u>
Total Support and Revenues						
EXPENSES						
Program Services:						
Advertising and Promotion						
Display ads	35,203	66,330	(31,127)	12,972	30,000	(17,028)
Print materials	272	6,000	(5,728)	-	3,000	(3,000)
Special events	3,328	2,538	790	2,462	2,500	(38)
Website/technology	1,611	6,927	(5,316)	4,069	5,000	(931)
Service provider direct services	-	5,000	(5,000)	-	7,325	(7,325)
Other: workers comp	-	149	(149)	-	92	(92)
	<u>40,414</u>	<u>86,944</u>	<u>(46,530)</u>	<u>19,503</u>	<u>47,917</u>	<u>(28,414)</u>
Total Advertising and Promotion						

See independent auditor's report on additional information.

SPECIAL SERVICE AREA NUMBER 13

Comparison Schedules of Actual Revenues and Expenses to Budget

For the Years Ended December 31, 2009 and 2008

	2009		2008		Variance	2008		Variance
	Actual	Budget	Actual	Budget		Actual	Budget	
Public Way Maintenance								
Equipment purchase and maintenance	837	197	2,303	1,000	640	1,303	1,303	1,303
Gate/fence maintenance	11,625	6,480	83,520	75,000	5,145	8,520	8,520	8,520
Liability/property insurance	-	5,982	713	4,400	(5,982)	(3,687)	(3,687)	(3,687)
Storage rental	800	6,000	-	6,000	(5,200)	(6,000)	(6,000)	(6,000)
Supplies	1,790	4,041	821	2,431	(2,251)	(1,610)	(1,610)	(1,610)
Trash removal	3,273	4,700	3,848	4,300	(1,427)	(452)	(452)	(452)
Radio airtime	-	-	-	642	-	(642)	(642)	(642)
Service provider direct services	69,868	66,300	55,468	62,735	3,568	(7,267)	(7,267)	(7,267)
Other: truck and sweeper rental	6,035	7,936	4,683	6,035	(1,901)	(1,352)	(1,352)	(1,352)
Other: fuel	2,512	10,218	132	4,950	(7,706)	(4,818)	(4,818)	(4,818)
Other: workers comp insurance	-	1,625	-	-	(1,625)	-	-	-
Radio airtime	1,017	1,342	-	790	(325)	(790)	(790)	(790)
Total Public Way Maintenance	97,757	114,821	151,488	168,283	(17,064)	(16,795)	(16,795)	(16,795)
Public Way Aesthetics								
Landscaping	22,059	25,831	49,169	35,000	(3,772)	14,169	14,169	14,169
Streetscape elements purchase/install	25,000	25,000	-	15,000	-	(15,000)	(15,000)	(15,000)
Wayfinding / Signage	3,258	10,000	-	-	(6,742)	-	-	-
Service provider direct services	-	5,000	-	7,325	(5,000)	(7,325)	(7,325)	(7,325)
Other: workers comp insurance	-	149	-	92	(149)	(92)	(92)	(92)
Total Public Way Aesthetics	50,317	65,980	49,169	57,417	(15,663)	(8,248)	(8,248)	(8,248)

See independent auditor's report on additional information.

SPECIAL SERVICE AREA NUMBER 13

Comparison Schedules of Actual Revenues and Expenses to Budget

For the Years Ended December 31, 2009 and 2008

	2009		Variance	2008		Variance
	Actual	Budget		Actual	Budget	
Tenant Retention/Attraction						
Service provider direct services	-	5,000	(5,000)	-	7,325	(7,325)
Other: workers comp insurance	-	149	(149)	-	92	(92)
Total Tenant Retention/Attraction	-	5,149	(5,149)	-	7,417	(7,417)
Safety Programs						
Public way surveillance cameras/maintenance	-	106,000	(106,000)	-	100,000	(100,000)
Security subcontractor	301,460	304,457	(2,997)	120,543	140,000	(19,457)
Service provider direct fees	-	5,000	(5,000)	-	7,325	(7,325)
Other: radios	-	-	-	1,918	-	1,918
Other: workers comp insurance	-	149	(149)	-	92	(92)
Total Safety Programs	301,460	415,606	(114,146)	122,461	247,417	(124,956)
District Planning						
Distirct market study, impact analysis, etc.	-	31,264	(31,264)	-	-	-
Other: Public transit enhancement study	-	15,000	(15,000)	-	-	-
	-	46,264	(46,264)	-	-	-

See independent auditor's report on additional information.

SPECIAL SERVICE AREA NUMBER 13

Comparison Schedules of Actual Revenues and Expenses to Budget

For the Years Ended December 31, 2009 and 2008

	2009		2009		2008		2008	
	Actual	Budget	Variance	Budget	Actual	Budget	Variance	
Operational & Administrative Support								
Audit/ Bookkeeping	6,365	(989)	7,354		9,065	4,450	4,615	
Meeting expense	949	1,978	(1,029)		522	2,250	(1,728)	
Office equipment lease / Maintenance	1,885	1,006	879		-	-	-	
Office rent	9,130	14,065	(4,935)		6,575	14,400	(7,825)	
Office supplies	1,834	1,032	802		836	700	136	
Office utilities / telephone	965	950	15		915	900	15	
Postage	1,056	3,006	(1,950)		2,335	3,325	(990)	
Office printing	1,526	2,492	(966)		1,501	1,500	1	
Service provider administrative support	104,678	96,007	8,671		76,444	77,226	(782)	
Other: Bank service fees	4,763	(1,828)	6,591		11,828	5,000	6,828	
Other: Liability insurance	-	-	-		1,342	2,307	(965)	
Other: Workers comp insurance	1,781	3,714	(1,933)		-	780	(780)	
Total Operational & Administrative Support	134,932	121,433	13,499		111,363	112,838	(1,475)	
Loss Collection	35,000	47,500	(12,500)		35,000	35,000	-	
Total Expenses	659,880	903,697	(243,817)		488,984	676,289	(187,305)	
Excess of Revenues over Expenses	\$ (5,157)	\$ -	\$ (5,157)		\$ 172,769	\$ -	\$ 172,769	

See independent auditor's report on additional information.

SPECIAL SERVICE AREA NUMBER 13

Summary Schedule of Findings

For the Year Ended December 31, 2009

We confirm that we have read the agreement and after conducting the audit determined that no exceptions were noted.

See independent auditor's report on additional information.