



Benford Brown & Associates

CPA Firm  
Bright People  
Brilliant Ideas  
Amazing Results

## **Commercial Avenue Commission**

### **SSA #5**

Financial Statements

Years ended December 31, 2014 and 2013

(With Independent Auditors' Report Thereon)

# COMMERCIAL AVENUE COMMISSION

## TABLE OF CONTENTS

---

	<u>Page(s)</u>
PART I - FINANCIAL	
Independent Auditors' Report.....	1 - 2
Statements of Financial Position.....	3
Statements of Activities – Budget to Actual.....	4
Statements of Cash Flows.....	5
Notes to Financial Statements.....	6 - 10
PART II – GOVERNMENT AUDITING STANDARDS	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	11 - 12
Schedule of Findings and Responses:	
Summary Schedule of Audit Findings.....	13
Summary Schedule of Prior Audit Findings.....	14



8334 South Stony Island Avenue  
Chicago, IL 60617  
(773) 731-1300  
fax (773) 731-1301  
www.benfordbrown.com

## **Independent Auditors' Report**

The Board of Directors  
South Chicago Chamber of Commerce and Commercial Avenue Commission SSA #5:

We have audited the accompanying financial statements of the Commercial Avenue Commission SSA #5 (the Commission), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities-budget to actual, and cash flows for the years 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 audits. We conducted our audits 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 from 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.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Commercial Avenue Commission SSA #5 as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying 2014 and 2013 budget amounts, which were arrived at by the Commission are shown in the statement of activities – budget to actual, are presented for comparison purposes and purposes of additional analysis and are 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. We have not performed any auditing procedures on the budget amounts and therefore, express no opinion on them.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2015, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.



Benford Brown & Associates, LLC  
Chicago, IL  
April 23, 2015

**PART I - FINANCIAL**

## COMMERCIAL AVENUE COMMISSION

### Statements of Financial Position

December 31, 2014 and 2013

<b>Assets</b>	2014	2013
Current assets:		
Cash (note 7)	\$ 34,254	\$ 69,020
Levy receivable (note 4)	55,802	192,044
Due from Chamber	5,863	7,004
Prepaid expenses (note 5)	15,470	23,349
<b>Total current assets</b>	<b>111,389</b>	<b>291,417</b>
Noncurrent assets:		
Equipment (note 8)	82,931	82,931
Accumulated depreciation - equipment	(26,416)	(9,829)
<b>Total noncurrent assets</b>	<b>56,515</b>	<b>73,102</b>
<b>Total assets</b>	<b>\$ 167,904</b>	<b>\$ 364,519</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 25,053	\$ 7,240
<b>Total liabilities</b>	<b>25,053</b>	<b>7,240</b>
Net assets:		
Unrestricted	142,851	357,279
<b>Total net assets</b>	<b>142,851</b>	<b>357,279</b>
<b>Total liabilities and net assets</b>	<b>\$ 167,904</b>	<b>\$ 364,519</b>

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

COMMERCIAL AVENUE COMMISSION

Statements of Activities-Budget to Actual

Years ended December 31, 2014 and 2013

	2014			2013		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Revenues:</b>						
Tax levy revenue (note 3)	\$ 352,272	352,272	-	\$ 355,606	355,606	-
Miscellaneous revenue	10,546	-	10,546	116	-	116
<b>Total revenue</b>	<b>362,818</b>	<b>352,272</b>	<b>10,546</b>	<b>355,723</b>	<b>355,606</b>	<b>117</b>
<b>Expenses:</b>						
<b>Advertising and promotion services</b>						
Promotions/marketing	450	-	450	1,957	500	1,457
Public or media relations	-	500	(500)	-	-	-
Special events	26,259	15,000	11,259	2,997	15,000	(12,003)
Display advertising	-	1,000	(1,000)	681	1,000	(319)
Print materials	252	3,000	(2,748)	1,908	3,000	(1,093)
Website technology	-	3,500	(3,500)	-	13,500	(13,500)
Service provider direct services	-	-	-	-	-	-
<b>Total advertising and promotion services</b>	<b>26,961</b>	<b>23,000</b>	<b>3,961</b>	<b>7,543</b>	<b>33,000</b>	<b>(25,457)</b>
<b>Public way maintenance services</b>						
Equipment purchase and maintenance	-	-	-	-	15,000	(15,000)
Gate/fence maintenance	-	-	-	-	-	-
Liability/property insurance	-	-	-	-	-	-
Sidewalk cleaning	49,790	35,000	14,790	36,260	42,500	(6,240)
Sidewalk repair	-	-	-	-	-	-
Snow removal	7,758	6,800	958	3,860	9,300	(5,440)
Supplies	-	-	-	-	-	-
Parking lot maintenance	3,350	-	3,350	350	-	350
Other: recycling program	-	-	-	-	-	-
Service provider direct services	-	-	-	-	-	-
<b>Total public way maintenance services</b>	<b>60,898</b>	<b>41,800</b>	<b>19,098</b>	<b>40,470</b>	<b>66,800</b>	<b>(26,330)</b>
<b>Public way aesthetic services</b>						
Decorative banners	8,269	7,500	769	3,101	8,750	(5,649)
Landscaping	17,700	22,000	(4,300)	15,976	27,000	(11,024)
Holiday decorations/other	-	-	-	1,066	8,750	(7,684)
Streetscape elements purchase	3,280	1,700	1,580	-	2,700	(2,700)
Wayfinding/signage	3,050	1,555	(1,555)	-	2,000	(2,000)
Public art	-	7,500	(7,500)	450	7,500	(7,050)
Other: emergency board up	-	-	-	-	-	-
Service provider direct services	-	-	-	-	-	-
<b>Total public aesthetic services</b>	<b>32,299</b>	<b>40,255</b>	<b>(11,006)</b>	<b>20,593</b>	<b>56,700</b>	<b>(36,107)</b>
<b>Tenant retention/attraction</b>						
Data collection	-	1,500	(1,500)	-	6,000	(6,000)
Site marketing materials	-	2,500	(2,500)	-	2,500	(2,500)
Technical assistance to businesses	-	-	-	-	12,000	(12,000)
Technical assistance to residents	-	-	-	-	-	-
Co-office business incubator	-	12,000	(12,000)	-	-	-
Service provider direct services	-	-	-	-	-	-
<b>Total tenant retention/attraction</b>	<b>-</b>	<b>16,000</b>	<b>(16,000)</b>	<b>-</b>	<b>20,500</b>	<b>(20,500)</b>
<b>Parking/transit/accessibility services</b>						
Parking facility enhancement program	-	-	-	700	2,500	(1,800)
Supplemental Transit (shuttle, trolley, etc.)	5,280	2,500	2,780	28,764	2,500	26,264
Equipment purchase/maintenance	-	-	-	13,534	-	13,534
Parking transit enhancement	-	-	-	-	-	-
Storage fees	700	-	-	500	-	-
Fuel	-	-	-	5,352	-	-
Interest expense	-	-	-	95	-	-
Liability/property insurance	7,056	-	-	-	-	-
Parking fee subsidy	-	-	-	-	-	-
Other	-	-	-	563	-	563
Service provider direct services	-	-	-	-	-	-
<b>Total parking/transit/accessibility services</b>	<b>13,036</b>	<b>2,500</b>	<b>2,780</b>	<b>49,507</b>	<b>5,000</b>	<b>38,560</b>
<b>District planning services</b>						
Master planning	106	5,000	(4,894)	-	-	-
Service provider direct services	-	-	-	19,155	5,000	14,155
<b>Total district planning services</b>	<b>106</b>	<b>5,000</b>	<b>(4,894)</b>	<b>19,155</b>	<b>5,000</b>	<b>14,155</b>
<b>Safety programs</b>						
Public way surveillance cameras/maintenance	-	28,500	(28,500)	4,792	28,500	(23,708)
Security subcontractor	92,125	35,000	57,125	94,615	90,000	4,615
Service provider direct services	-	-	-	-	-	-
<b>Total safety programs</b>	<b>92,125</b>	<b>63,500</b>	<b>28,625</b>	<b>99,407</b>	<b>118,500</b>	<b>(19,093)</b>
<b>Facade development services</b>						
Signage	-	-	-	-	-	-
Facade enhancement program - rebates	-	4,000	(4,000)	8,400	14,000	(5,600)
Service provider direct services	-	-	-	-	-	-
<b>Total facade development services</b>	<b>-</b>	<b>4,000</b>	<b>(4,000)</b>	<b>8,400</b>	<b>14,000</b>	<b>(5,600)</b>
<b>Management and general</b>						
Audit/bookkeeping	15,008	11,000	4,008	9,581	11,000	(1,419)
Meeting	2,986	600	2,386	424	600	(176)
Legal	600	-	600	-	-	-
Operations	-	-	-	6,917	-	6,917
Rent	8,580	8,640	(60)	9,050	8,640	410
Office equipment lease/maintenance	35,483	720	34,763	1,676	720	956
Office supplies	4,629	720	3,909	893	720	173
Utilities	6,936	6,480	456	3,017	6,480	(3,463)
Bank fees	879	220	659	694	220	474
Postage	-	720	(720)	41	720	(679)
Printing, books, subscriptions	23	1,500	(1,477)	12	1,500	(1,488)
Other	25,415	-	25,415	8,013	1,602	6,411
Loss collection (note 6)	192,044	48,500	143,544	36,535	-	36,535
Trainings and conferences	-	300	(300)	-	-	36,535
Inflation adjustment	-	1,302	(1,302)	-	-	36,535
Service provider administrative support	59,240	75,515	(16,275)	65,984	75,515	(9,531)
<b>Total management and general</b>	<b>351,821</b>	<b>156,217</b>	<b>195,604</b>	<b>142,835</b>	<b>107,717</b>	<b>35,118</b>
<b>Total expenses</b>	<b>\$ 577,246</b>	<b>352,272</b>	<b>214,168</b>	<b>\$ 387,911</b>	<b>427,217</b>	<b>(45,254)</b>
<b>Excess of Expenses over Revenue</b>	<b>(214,428)</b>	<b>-</b>	<b>(203,622)</b>	<b>(32,188)</b>	<b>-</b>	<b>45,370</b>

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

Net assets, January 1, 2014 and 2013	357,279	-	357,279	389,467	-	389,467
Net assets, December 31, 2014 and 2013	142,851	-	153,657	357,279	-	434,837

## COMMERCIAL AVENUE COMMISSION

### Statements of Cash Flows

For the years ended December 31, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Net decrease in net assets	\$ (214,428)	\$ (32,188)
Adjustments to reconcile decrease in net assets to cash used in operating activities		
Depreciation expense	16,586	9,829
Decrease/(increase) in levy receivable	136,241	(18,814)
Increase in due from Chamber	1,141	560
Decrease in prepaid expenses	7,880	3,932
Increase/(decrease) in accounts payable	17,813	(17,919)
Net cash used in operating activities	(34,766)	(54,600)
Cash flows provided by investing activities:	-	-
Cash flows provided by investing activities	-	-
Net decrease in cash	(34,766)	(54,600)
Cash as of January 1, 2014 and 2013	69,020	123,620
Cash as of December 31, 2014 and 2013	\$ 34,254	\$ 69,020

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



## COMMERCIAL AVENUE COMMISSION SSA # 5

Notes to the Financial Statements

Years ended December 31, 2014 and 2013

---

### (1) Organization Description

Commercial Avenue Commission (the Commission) Special Service Area No.5 (SSA #5) was created September 18, 1984 by ordinance of the Chicago City Council. The Commission began financial operations upon receipt of real estate tax assessment revenues in April 1985. The Commission is funded annually by a special tax assessment.

The purpose of the Commission is to provide special services within the City of Chicago (City) SSA #5 in addition to services provided by and to the City. The Commission's operations are overseen by the South Chicago Chamber of Commerce (the Chamber).

### (2) Summary of Significant Accounting Policies

#### Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Commission maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

These financial statements have been prepared to focus on the Commission as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of fund balances and transactions into three classes of net assets – permanently restricted, temporarily restricted or unrestricted, as recommended by the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) No. 958-205, "Not-for-Profit Entities, Presentation of Financial Statements".

Accordingly, net assets and changes therein are classified as follows:

Unrestricted net assets: Net assets not subject to donor-imposed restrictions.

Temporarily restricted net assets: Net assets subject to donor-imposed stipulations that may or will be met by actions of the Commission and/or passage of time. As of December 31, 2014 and 2013, the Commission maintained no temporarily restricted net assets.

Permanently restricted net assets: Net assets subject to donor-imposed stipulations that they be maintained by the Commission. Generally, the donors to these assets permit the Commission to use all or part of the income earned on related investments for general or

## COMMERCIAL AVENUE COMMISSION SSA # 5

### Notes to the Financial Statements

Years ended December 31, 2014 and 2013

---

specific purposes. As of June 30, 2014 and 2013, the Commission maintained no permanently restricted net assets.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets.

#### **Contributions**

The Commission accounts for contributions in accordance with FASB ASC 958-605, "Not-for-Profit Entities, Revenue Recognition". Per FASB ASC 958-605, contributions, including unconditional promises-to-give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair market value. Contributions from unconditional promises to give that are to be received after one year are discounted at an appropriate discount rate based on an average Federal Funds rate.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

#### **Cash and Cash Equivalents**

The Commission considers cash on deposit at banks and highly liquid investments with maturities of three months or less at the date of purchase to be cash and cash equivalents.

#### **Income Taxes**

The Commission, as a Special Service Area established by the City of Chicago, is excluded from federal income taxes.

## COMMERCIAL AVENUE COMMISSION SSA # 5

### Notes to the Financial Statements

Years ended December 31, 2014 and 2013

---

#### Fixed Assets

Expenditures greater than \$5,000 for property and equipment and items which substantially increase the useful lives of existing assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which are:

Leasehold improvements	5 years
Furniture and equipment	3 - 7 years

#### Fair Value Measurements

The Commission measures fair value in accordance with FASB ASC 820-10, "Fair Value Measurements and Disclosures". Under FASB ASC 820-10, a comprehensive framework for measuring fair value and disclosing those measurements of fair value is established. Specifically, FASB ASC 820-10 sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value input.

#### Net Assets

Unrestricted net assets are \$142,851 and \$357,279 as of December 31, 2014 and 2013, respectively.

#### (3) Real Estate Tax Revenue

The Commission's principle source of revenue is from real estate taxes levied on certain property located in the boundaries from 87<sup>th</sup> on the north to 93<sup>rd</sup> on the south along South Commercial Avenue; 91<sup>st</sup> frontage, from Exchange Avenue on the west to Houston Avenue on the east; and 92<sup>nd</sup> frontage, from Exchange Avenue on the west to Harbor on the east. The taxes are assessed and collected by Cook County and paid to the City of Chicago, which then remits to the Commission. Taxes are levied in one year, but paid in two installments the following year by the property owners. The Commission recognizes this revenue in the year in which the funds become available.

## COMMERCIAL AVENUE COMMISSION SSA # 5

### Notes to the Financial Statements

Years ended December 31, 2014 and 2013

---

#### (4) Levy Receivable

Levy receivable consist of the following at December 31:

	<u>2014</u>	<u>2013</u>
City of Chicago	\$ 55,802	\$ 192,044

All of the Commission's receivables are due within the next fiscal year.

#### (5) Prepaid Expenses

Prepaid expenses comprise of the following at December 31:

	<u>2014</u>	<u>2013</u>
Prepaid insurance	\$ -	\$ 2,599
Prepaid trolley cars	<u>15,470</u>	<u>20,750</u>
Total prepaid expenses	<u>\$ 15,470</u>	<u>\$ 23,349</u>

#### (6) Loss Collection

The Commission uses the allowance for doubtful account for uncollectible accounts receivable. Accounts receivable are presented net of an allowance for doubtful accounts in the financial statements. At December 31, 2014 and 2013, the Commission had loss collections included in the budget in the amounts of \$48,500 and \$17,780 respectively. As of December 31, 2014 and 2013, the Commission deemed \$192,044 and \$36,535 to be uncollectible for each year, respectively.

#### (7) Fair Value of Financial Instruments

In determining fair value, the Commission uses various valuation approaches within the Financial Accounting Standards Board (FASB) Accounting Standards Code (ASC) 820-10 "Fair Value Measurements and Disclosures" fair value measurement network. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

FASB ASC 820-10 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizing the use of unobservable inputs by requiring that the most observable inputs be used when available. FASB ASC 820-10 defines the levels within the hierarchy base on the reliability of inputs as follows:

## COMMERCIAL AVENUE COMMISSION SSA # 5

### Notes to the Financial Statements

Years ended December 31, 2014 and 2013

Level 1 – Valuations based on adjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets.

Level 3 – Valuations derived from valuation techniques in which one or more of significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

Fair values of assets and liabilities measured on a recurring basis at December 31, 2014 are as follows:

	<u>Fair value</u>	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Significant other unobservable inputs (Level 3)</u>
Certificate of deposit \$	20,250			
Money market - MB	461			
Money market - Royal	11,448	-	-	-
Totals	<u>\$ 32,159</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

Fair value for Level 1 assets is determined by reference to quoted market transactions

### (8) Equipment

The Commission purchased equipment for the installation and upgrading of the closed circuit television (CCTV) wireless network as a special service authorized in the establishment ordinance for security purposes.

Equipment consists of the following at December 31:

	<u>2014</u>	<u>2013</u>
CCTV Wireless Network	<u>\$ 82,931</u>	<u>\$ 82,931</u>

**PART II – GOVERNMENT AUDITING STANDARDS**



8334 South Stony Island Avenue  
Chicago, IL 60617  
(773) 731-1300  
fax (773) 731-1301  
www.benfordbrown.com

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Board of Directors  
South Chicago Chamber of Commerce and Commercial Avenue Commission:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Commercial Avenue Commission (the Commission), which comprise the statement of financial position as of and for the years ended December 31, 2014 and 2013, and the related statements of activities-budget to actual, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated April 23, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

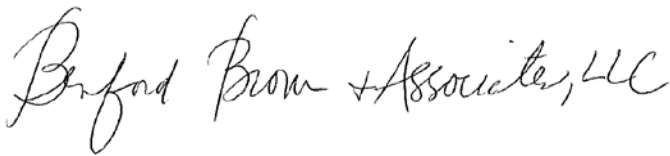
Our consideration of internal control over was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of UFC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the UFC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Benford Brown & Associates, LLC".

Benford Brown & Associates, LLC  
Chicago, IL  
April 23, 2015



**COMMERCIAL AVENUE COMMISSION SSA # 5**

Service Provider Agreement Compliance

Summary Schedule of Audit Findings

Year ended December 31, 2014

---

There were no current year findings.

## COMMERCIAL AVENUE COMMISSION SSA # 5

Service Provider Agreement Compliance

Summary Schedule of Prior Audit Findings

Year ended December 31, 2014

---

### **Finding 13-1 Improperly Recorded Financial Transactions**

We noted that several financial transactions were improperly recorded. The prior bookkeeper recorded several transactions incorrectly and the new CPA did not adjust any entries prior to providing them for the audit. The accounting records should be maintained on the accrual basis of accounting and all adjusting entries should be prepared prior to closing the books and turning them over to the auditor for the audit. As a result of these improperly recorded transactions, the audit was severely delayed and there were total adjusting entries for fiscal year 2013 of \$172,187.37.

We recommend that CAC utilized the new CPA to prepare the financial statements according to the accrual basis of accounting and all adjusting entries be prepared prior to closing the books for the audit.

Resolution: The revenue and receivables were fairly stated within all material respects during 2014 and we find this matter to be resolved.