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

Dear Directors,

We have audited the financial statements of 103rd Street Beverly Special Service Area Number 44 for the year ended December 31, 2014, and have issued our report thereon dated February 27, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 13, 2014. Professional standards also require that we communicate to you the following information related to our audit.

**Significant Audit Findings**

**Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by 103rd Street Beverly Special Service Area Number 44 are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

**Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.
Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no significant material misstatements detected as a result of audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 27, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Organization’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.
This information is intended solely for the use of the Board of Directors and management of 103rd Street Beverly Special Service Area Number 44 and is not intended to be, and should not be, used by anyone other than these specified parties.

Desmond & Ahern, Ltd

February 27, 2015
Chicago, IL
To the Board of Directors
103rd Street Beverly Special Service Area Number 44
Beverly Area Planning Association, Contractor
Chicago, IL

Dear Directors,

In planning and performing our audit of the financial statements of 103rd Street Beverly Special Service Area Number 44 as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered 103rd Street Beverly Special Service Area Number 44’s internal control over financial reporting (internal control) as a basis for designing our auditing 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 Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. 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.

* * * * * * *

This communication is intended solely for the information and use of management, Board of Directors, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.
103rd STREET BEVERLY
SPECIAL SERVICE AREA NUMBER 44
(Beverly Area Planning Association, Contractor)

Financial Statements

Year Ended December 31, 2014
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Independent Auditor’s Report

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

We have audited the accompanying financial statements of 103rd Street Beverly Special Service Area Number 44 (a taxing district authorized by the City of Chicago), which comprise the statement of net position and governmental funds balance sheet as of December 31, 2014 and the related statements of activities and governmental funds, revenues, expenditures and changes in fund balance, and statement of revenues and expenditures – budget and actual, for the year 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 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 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 unmodified opinion for the year ending December 31, 2014.

**Unmodified Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of 103rd Street Beverly Special Service Area Number 44 as of December 31, 2014, and the results of its operations and changes in its fund balance for the year then ended in accordance with accounting principles generally accepted in the United States of America.

February 27, 2015
Chicago, IL
### 103RD STREET BEVERLY SPECIAL SERVICE AREA NUMBER 44
(BEVERLY AREA PLANNING ASSOCIATION, CONTRACTOR)

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

As of December 31, 2014

<table>
<thead>
<tr>
<th>Assets</th>
<th>Governmental Funds</th>
<th>Adjustments</th>
<th>Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>$2,930</td>
<td>$</td>
<td>$2,930</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property tax receivable</td>
<td>$11,992</td>
<td></td>
<td>$11,992</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$14,922</td>
<td>$</td>
<td>$14,922</td>
</tr>
<tr>
<td>Deferred Inflows</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred property tax revenue</td>
<td>$11,992</td>
<td>$(11,992)</td>
<td>$</td>
</tr>
<tr>
<td>Fund Balance - unassigned</td>
<td></td>
<td>$(2,930)</td>
<td></td>
</tr>
<tr>
<td>Total Deferred Inflows and Fund Balance</td>
<td>$14,922</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Position, Unrestricted</td>
<td>$14,922</td>
<td>$</td>
<td>$14,922</td>
</tr>
</tbody>
</table>

Amount reported for governmental activities in the statement of net position are different because:

- Total fund balance - governmental funds: $2,930
- Property tax revenue is recognized in the period it is levied rather than when "available" - $11,992
- A portion of the property tax is deferred as it is not available in the governmental funds - $11,992
- Total net position - governmental activities: $14,922

See independent auditor's report and notes to financial statements.
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS, REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Year Ended December 31, 2014

<table>
<thead>
<tr>
<th>Governmental Funds</th>
<th>Adjustments</th>
<th>Statement of Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>$10,702</td>
<td>$1,290</td>
</tr>
<tr>
<td>Total revenues</td>
<td>10,702</td>
<td>1,290</td>
</tr>
<tr>
<td><strong>Expenditures/Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising and promotion</td>
<td>590</td>
<td>-</td>
</tr>
<tr>
<td>Public way maintenance</td>
<td>7,830</td>
<td>-</td>
</tr>
<tr>
<td>Public way aesthetics</td>
<td>2,255</td>
<td>-</td>
</tr>
<tr>
<td>Total program expense</td>
<td>10,675</td>
<td>-</td>
</tr>
<tr>
<td>Administration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operational and administrative support</td>
<td>2,105</td>
<td>-</td>
</tr>
<tr>
<td>Total administration expense</td>
<td>2,105</td>
<td>-</td>
</tr>
<tr>
<td>Total expenditures/expenses</td>
<td>$12,780</td>
<td>$ -</td>
</tr>
<tr>
<td>Change in Fund Balance/Net Position</td>
<td>(2,078)</td>
<td>1,290</td>
</tr>
<tr>
<td>Fund Balance/Net Position</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>5,008</td>
<td>10,702</td>
</tr>
<tr>
<td>End of year</td>
<td>$2,930</td>
<td>$11,992</td>
</tr>
</tbody>
</table>

Amounts reported for governmental activities in the statement of activities are different because:
- Net change in fund balance - governmental funds $ (2,078)
- Property tax revenue is recognized in the year it is available rather than when it is levied for governmental funds 1,290
- Net change in net position - governmental activities $ (788)

See independent auditor's report and notes to financial statements.
# Statement of Revenues and Expenditures - Budget and Actual

For the Year Ended December 31, 2014

## Revenues

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Actual</th>
<th>Budget</th>
<th>Over (Under) Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>$10,702</td>
<td>$14,990</td>
<td>$(4,288)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>10,702</td>
<td>14,990</td>
<td>(4,288)</td>
</tr>
</tbody>
</table>

## Expenditures

### Programs

1.00 Advertising and Promotion
- Group Advertising
  - 590
  - 1,000
  - (410)
- Total
  - 590
  - 1,000
  - (410)

2.00 Public Way Maintenance
- 2.01 Sidewalk cleaning
  - 2,640
  - 2,640
- 2.02 Sidewalk snow plowing
  - 5,190
  - 2,650
  - 2,540
- Total
  - 7,830
  - 5,290
  - 2,540

3.00 Public Way Aesthetics
- 3.02 Holiday decorations
  - 1,995
  - 3,000
  - (1,005)
- 3.03 Wayfinding/signage
  - -
  - 150
  - (150)
- 3.05 Landscaping
  - 260
  - 800
  - (540)
- 3.10 Enhanced aesthetics
  - -
  - 500
  - (500)
- Total
  - 2,255
  - 4,450
  - (2,195)

### Administration

8.00 SSA District Planning
- 8.01 SSA Designation
  - -
  - 1,200
  - (1,200)
- Total
  - -
  - 1,200
  - (1,200)

10.00 Personnel
- 10.01 Coordinator of Economic Development
  - 1,600
  - 1,600
- Total
  - 1,600
  - 1,600
- 11.00 Admin Non-Personnel
- 11.02 Audit/bookkeeping
  - 500
  - 600
  - (100)
- 11.09 Postage
  - 5
  - 50
  - (45)
- Total
  - 505
  - 650
  - (145)

12.00 Loss Collection
- 12.01 Loss collection
  - -
  - 800
  - (800)
- Total
  - -
  - 800
  - (800)

13.00 Late Collections and Interest
- 13.01 Late collections and interest
  - -
  - -
  - -
- Total
  - -
  - -
  - -

### Total Expenditures
- 12,780
- 14,990
- (2,210)

### Excess of Revenues over Expenditures
- $ (2,078)
- $
- $ (2,078)

See independent auditor's report and notes to financial statements.
Note 1 – Nature of Operations and Summary of Significant Accounting Policies

Organization
The 103rd Street Beverly Special Service Area Number 44 (Organization) provides services on behalf of the City of Chicago (City) within a specified geographic area. These services include promotional and advertising, maintenance of the public way, safety and other functions. The SSA is exempt from federal income tax under Section 501©(3) of the internal revenue code.

Beverly Area Planning Association (BAPA), Contractor for 103rd 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. BAPA 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.

Income Taxes
For tax filings, the Organization is monitored for compliance by 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.

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).

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 fund’s current financial resources measurement, are prepared on the modified accrual basis.

The SSA accounts for its activities in one fund, its 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.
Measurement Focus, Basis of Accounting and Financial Statement Presentation (cont.)
The governmental 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.

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 four categories.

When both restricted and unrestricted fund balances are available for use, it is the SSA’s policy to use restricted fund balances first, then unrestricted fund balances. 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.

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 law through constitutional provisions or enabling legislation. The remaining net position is classified as unrestricted.

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.
Related Party Transactions
103rd Street Beverly Special Service Area Number 44 shares office space, equipment and employees through its affiliation with Beverly Area Planning Association. 103rd 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 City of Chicago has established a special service area known and designated as “103rd 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 $14,990 or the amount of service tax funds collected during 2014. 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 Events
For the fiscal year ended December 31, 2014, the Organization has evaluated subsequent events through February 27, 2015, 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.
Findings
We have read and understand the necessary audit requirements contained in the Service Provider Agreement. Accordingly, based on our audit, we noted no exceptions during the year ending December 31, 2014 audit.