

**Greater Ravenswood
Special Service Area 31
(a taxing district authorized by the City of Chicago)**

**Financial Statements
December 31, 2016 and 2015**

**Greater Ravenswood
Special Service Area 31
Financial Statements
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Independent Auditor's Report

To the Commissioners of
Greater Ravenswood Chamber of Commerce
Special Service Area 31

We have audited the accompanying financial statements of Greater Ravenswood Special Service Area 31, which comprise the statement of net position and governmental fund balance sheet as of December 31, 2016 and 2015, and the related statement of activities and governmental fund / revenues, expenditures and changes in fund balance 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 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 audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Ravenswood Special Service Area as of December 31, 2016 and 2015, and its statement of activities and governmental fund / revenues, expenditures and changes in fund balance, and summary schedule of audit findings for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of revenues and expenditures - budget and actual on page 11 and 12 are presented for comparison and analysis purposes only. The supplementary information is not a required part of the basic financial statements. We have not performed any auditing procedures on the budget amounts and therefore, express no opinion on them.

Eilts & Associates, Inc.

EILTS & ASSOCIATES, INC.
Chicago, Illinois
April 27, 2017

**Greater Ravenswood
Special Service Area 31
Statements of Net Position and
Governmental Fund Balance Sheets
December 31, 2016 and 2015**

	2016			2015		
	Governmental fund	Adjustments	Statement of Net position	Governmental fund	Adjustments	Statement of Net position
ASSETS						
Cash and cash equivalents	\$ 76,446	\$ -	\$ 76,446	\$ 66,142	\$ -	\$ 66,142
Property tax receivable, net allowance for uncollectable \$10,000 & \$10,000	407,913	-	407,913	393,735	-	393,735
Other receivable	-	-	-	25,513	-	25,513
Deposits	1,500	-	1,500	-	-	-
Total Assets	<u>\$ 485,859</u>	<u>\$ -</u>	<u>\$ 485,859</u>	<u>\$ 485,390</u>	<u>\$ -</u>	<u>\$ 485,390</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ 92,981	\$ -	\$ 92,981	\$ 53,556	\$ -	\$ 53,556
Total Liabilities	92,981	-	92,981	53,556	-	53,556
DEFERRED INFLOWS						
Deferred property tax revenue	358,979	(358,979)	-	340,189	(340,189)	-
Total Deferred Inflows	358,979	(358,979)	-	340,189	(340,189)	-
FUND BALANCE / NET POSITION						
Unassigned	33,899	(33,899)	-	91,645	(91,645)	-
Total Fund balance	<u>33,899</u>	<u>(33,899)</u>	<u>-</u>	<u>91,645</u>	<u>(91,645)</u>	<u>-</u>
Total Liabilities, Deferred Infows and Fund Balance	<u>\$ 485,859</u>			<u>\$ 485,390</u>		
Net Position - Restricted		<u>\$ (392,878)</u>	<u>\$ 392,878</u>		<u>\$ (431,834)</u>	<u>\$ 431,834</u>

Amounts reported for government activities in the statement of net position are different because:

Total fund balance - governmental funds	\$ 33,899	\$ 91,645
Property tax revenue is recognized in the period for which levied rather than when "available." A portion of the property tax is deferred as it is not available in the government funds.	358,979	340,189
Total net position - governmental activities	<u>\$ 392,878</u>	<u>\$ 431,834</u>

See notes to the financial statements and independent auditor's report

**Greater Ravenswood
Special Service Area 31
Statements of Activities and Governmental Fund /
Revenues, Expenditures
and Changes in Fund Balance
December 31, 2016 and 2015**

	2016			2015		
	Governmental fund	Adjustments	Statement of Activities	Governmental fund	Adjustments	Statement of Activities
REVENUES						
Property taxes and interest	\$ 354,283	\$ 18,790	\$ 373,073	\$ 395,504	\$ (59,403)	\$ 336,101
TIF rebates	13,797	-	13,797	16,437	-	16,437
Other	50	-	50	-	-	-
Total Revenues	368,130	18,790	386,920	411,941	(59,403)	352,538
EXPENDITURES						
Customer attraction	85,995	-	85,995	68,308	-	68,308
Public way aesthetics	206,341	-	206,341	205,776	-	205,776
Economic business development	25,502	-	25,502	-	-	-
SSA management	21,222	-	21,222	18,612	-	18,612
Personnel	86,816	-	86,816	89,373	-	89,373
Total Expenditures	425,876	-	425,876	382,069	-	382,069
Excess of revenues over (under) expenditures	(57,746)	18,790	(38,956)	29,872	(59,403)	(29,531)
Change in Net Position	(57,746)	18,790	(38,956)	29,872	(59,403)	(29,531)
Fund Balance/Net Position						
Beginning of the Year	91,645	340,189	431,834	61,773	399,592	461,365
End of the Year	<u>\$ 33,899</u>	<u>\$ 358,979</u>	<u>\$ 392,878</u>	<u>\$ 91,645</u>	<u>\$ 340,189</u>	<u>\$ 431,834</u>

Amounts reported for governmental activities in the statement of activities is different because:

Net change in Fund balance - governmental funds		\$ (57,746)	\$ 29,872
Property tax is recognized in the year it is levied rather than when it is available for governmental funds		18,790	(59,403)
Change in Net Position		<u>\$ (38,956)</u>	<u>\$ (29,531)</u>

See notes to the financial statements and independent auditor's report

**Greater Ravenswood
Special Service Area 31
(a taxing district authorized by the City of Chicago)
Notes to Financial Statements
For the Years Ended December 31, 2016 and 2015**

NOTE 1 – Summary of Significant Accounting Policies

a. Nature of Activities and reporting entity

Greater Ravenswood Special Service Area 31 was created by the City of Chicago to provide additional services to the Ravenswood community. The primary source of funds is from real estate taxes on certain property in the Special Service Area. Greater Ravenswood Special Service Area 31 receives funds for the sole purpose of improving and enhancing the business districts of the Ravenswood neighborhood. The boundaries of which are generally properties fronting along (excluding residential properties) Ravenswood tracks - Addison to Bryn Mawr, on Lawrence - Clark to Leavitt, on Montrose - Clark to Seeley, on Irving Park - Ravenswood to Ashland, on Clark - Ainslie to Montrose, on Damen - Wilson to Ainslie, and on Wilson - Damen to Hermitage.

Greater Ravenswood Special Service Area 31 is governed by a Commission whose members are appointed by the Mayor of Chicago. The City of Chicago contracts with Greater Ravenswood Chamber of Commerce to act as the sole service provider to Greater Ravenswood Special Service Area 31. Greater Ravenswood Chamber of Commerce is an Illinois non-for-profit corporation that is exempt from federal taxes under Section 501(c)6 of the Internal Revenue Code.

Services provided by the SSA include cleaning and beautification activities, coordination of advertising and promotional events, attraction and recruitment of new quality businesses to the area, and technical assistance to existing and potential businesses.

b. Governmental-Wide and Fund Financial Statements

The financial statements of the SSA have been prepared in conformity with accounting principles generally accepted in 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).

**Greater Ravenswood
Special Service Area 31
(a taxing district authorized by the City of Chicago)
Notes to Financial Statements
For the Years Ended December 31, 2016 and 2015**

NOTE 1 – Summary of Significant Accounting Policies – (continued)

Governmental-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 funds current financial resources measurement focus, are prepared on the modified accrual basis.

The SSA accounts for its activities in one fund, its general fund.

c. 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.

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, 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 as 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.

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

**Greater Ravenswood
Special Service Area 31
(a taxing district authorized by the City of Chicago)
Notes to Financial Statements
For the Years Ended December 31, 2016 and 2015**

NOTE 1 – Summary of Significant Accounting Policies – (continued)

amounts of revenues and expenditures/expenses during the reported period. Actual results could differ from those estimates.

d. Assets, Liabilities, and Net Position

Cash and cash equivalents

The SSA's cash and cash equivalents are considered to be 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.

Receivables

All property tax receivables are shown net of allowances. As of December 31, 2016 and 2015, the allowance is estimated to be 2% of the outstanding property taxes.

Fund Equity / Net Position

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by the SSA board through approval of resolutions. Assigned fund balance 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 balance first, then unrestricted fund balance. 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.

**Greater Ravenswood
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Notes to Financial Statements
For the Years Ended December 31, 2016 and 2015**

NOTE 1 – Summary of Significant Accounting Policies – (continued)

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.

e. Subsequent Events

Subsequent events have been evaluated through April 27, 2017, which is the date the financial statements were available to be issued.

NOTE 2 – Cash and cash equivalents

The SSA defines cash and cash equivalents 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 SSA maintains its cash balance in a financial institution located in Chicago, IL. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. The SSA's cash balance did not exceed the insurance level as of December 31, 2016 and 2015.

NOTE 3 – Property taxes

The SSA's principal source of revenue is from real estate taxes levied on certain property located in its boundaries. Property taxes become an enforceable lien on real property on January 1 of the year it is levied. Taxes are payable in two installments in the subsequent year. The first installment is an estimate based on the prior year billed levy (55%) and is due March. The second installment is due in August or 30 days from the

**Greater Ravenswood
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Notes to Financial Statements
For the Years Ended December 31, 2016 and 2015**

NOTE 3 – Property taxes - (continued)

mailing of the tax bills, if issued later than July 1. The second installment is based on the remaining amount of the levy on file with the County. Bills are issued and collected by Cook County who remits the SSA's share to the City who then remits the monies to the SSA.

NOTE 4 – Other Receivables

As of December 31, 2016 and 2015, a TIF rebate receivable of \$0 and \$25,513, respectively, was identified and reported to the SSA by the Cook County Treasurer. TIF rebates will be received by the SSA over the term of their SSA.

NOTE 5 – Deferred Inflows of Revenue / Deferred Property Tax Revenue

A deferred inflow of resources / property tax revenue represents an acquisition of fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

NOTE 6 – Fund Equity / Net Position

The SSA is required to present information regarding its financial position and activities according to the Agreement for Greater Ravenswood Special Service Area 31 between the City of Chicago and Greater Ravenswood Chamber of Commerce. As of December 31, 2016 and 2015, the SSA had total fund balances of \$33,899 and \$91,645, which includes property tax receipts received within the first 60 days of 2017 and 2016 of \$48,934 and \$53,542, respectively. These funds will be utilized in this special service area during 2017.

NOTE 7 – Related Party Transactions

The SSA is affiliated with Greater Ravenswood Chamber of Commerce which acts as its sole service provider. Special service area 31 shares

**Greater Ravenswood
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Notes to Financial Statements
For the Years Ended December 31, 2016 and 2015**

NOTE 7 – Related Party Transactions – (Continued)

office space, supplies and employees through this affiliation. Special Service Area 31 has no employees of their own, but reimburses Greater Ravenswood Chamber of Commerce for shared payroll and related costs of the individuals working on the programs. It also reimburses Greater Ravenswood Chamber of Commerce for a portion of its operating expenses, and allocation of rent and utilities.

NOTE 8 – Accounts Payable

Accounts payable balance at December 31, 2016 and 2015, is \$92,981 and \$53,556, respectively. This balance consists of expenses / services incurred during the respective year related to holiday décor, snow plowing, community place marker, bike racks, and shared personnel and management costs. As of December 31, 2016 and 2015, the balance in accounts payable to Greater Ravenswood Chamber of Commerce (Related party) was \$14,537 and \$0, respectively.

Supplementary Information

**Greater Ravenswood
Special Service Area 31
Schedule of Revenues and
Expenditures - Budget and Actual
December 31, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUE			
Property revenues and interest	\$ 388,735	\$ 354,283	\$ 34,452
Late collections	10,000	-	10,000
TIF rebates	7,707	13,797	(6,090)
Other	-	50	(50)
	<u>406,442</u>	<u>368,130</u>	<u>38,312</u>
EXPENDITURES			
Customer attraction	92,500	85,995	6,505
Public way aesthetics	229,600	206,341	23,259
Sustainability and public places	5,000	-	5,000
Economic business development	49,050	25,502	23,548
SSA management	23,000	21,222	1,778
Personnel	89,292	86,816	2,476
Loss collection	8,000	-	8,000
	<u>496,442</u>	<u>425,876</u>	<u>70,566</u>
Excess of revenues over (under) expenditures	<u>\$ (90,000)</u>	<u>\$ (57,746)</u>	<u>\$ (32,254)</u>
CARRYOVER			
	<u>90,000</u>	<u>-</u>	<u>\$ 90,000</u>
Net revenues in excess of expenditures	<u>\$ -</u>	<u>\$ (57,746)</u>	<u>\$ 57,746</u>

See notes to the financial statements and independent auditor's report

**Greater Ravenswood
Special Service Area 31
Schedule of Revenues and
Expenditures - Budget and Actual
December 31, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUE			
Property revenues and interest	\$ 392,334	\$ 395,504	\$ (3,170)
TIF rebates	-	16,437	(16,437)
	<u>392,334</u>	<u>411,941</u>	<u>(19,607)</u>
EXPENDITURES			
Customer attraction	74,500	68,308	6,192
Public way aesthetics	223,500	205,776	17,724
Sustainability and public places	5,000	-	5,000
Economic business development	27,000	-	27,000
SSA management	24,900	18,612	6,288
Personnel	89,434	89,373	61
Loss collection	18,000	-	18,000
	<u>462,334</u>	<u>382,069</u>	<u>80,265</u>
Excess of revenues over (under) expenditures	<u>\$ (70,000)</u>	<u>\$ 29,872</u>	<u>\$ (99,872)</u>
CARRYOVER			
	<u>70,000</u>	<u>-</u>	<u>70,000</u>
Net revenues in excess of expenditures	<u>\$ -</u>	<u>\$ 29,872</u>	<u>\$ (29,872)</u>

See notes to the financial statements and independent auditor's report

**Greater Ravenswood
Special Service Area 31
(a taxing district authorized by the City of Chicago)
Notes to Financial Statements
For the Year Ended December 31, 2016**

As part of our audit and request by the Special Service Area Annual Audited Financial and Accounting Guide prepared by the City of Chicago Department of Planning and Development, we have read and understand the requirements contained in the Service Provider Agreement between the City of Chicago and Greater Ravenswood Chamber of Commerce.

The auditor's report expresses an unmodified opinion on the financial statements of Greater Ravenswood Special Service Area 31 for the year ended December 31, 2016. No significant deficiencies or material weaknesses were disclosed during the audit of the financial statements.

After conducting the audit, we determined that no findings were determined.

Findings – Financial Statement Audit

None found

Findings and Questioned Costs

None found

State of Illinois

Department of Financial and Professional Regulation
Division of Professional Regulation

LICENSE NO.
066.003986
065.029428

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:
11/30/2018

**PUBLIC ACCOUNTING FIRM
BUSINESS CORPORATION**

**EILTS & ASSOCIATES INC
3711 N RAVENSWOOD 105
CHICAGO, IL 60613**



Bryan A. Schneider

BRYAN A. SCHNEIDER
SECRETARY

Jay Stewart

JAY STEWART
DIRECTOR

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