

Chicago Department of Planning and Development Special Service Area (SSA) Program

Audit Report Package Transmittal Checklist

This checklist must be **completed by the SSA's auditing firm** as part of a single PDF audit report package. On the checklist, enter the starting page number within the PDF for each of the audit report package components listed below. Each required component on the checklist must have a numeric page number, unless otherwise noted.

The SSA Service Provider must upload the **PDF package** and corresponding **budget workplan file** to DPD's SharePoint **by May 1st**. Audit packages submitted via e-mail are not acceptable. Audit packages will be deemed "not submitted" unless uploaded to DPD's SharePoint platform.

SSA Name and Number: **Belmont Central SSA#2**

SSA Provider Name: **Belmont - Central Chamber of Commerce**

Submission Date: **May 6, 2020**

Starting PDF Page Number Audit Report Package Components

	Comparative Financial Statements
3	1. Statement of Net Position and Governmental Fund Balance Sheet – Current Year
3	2. Statement of Net Position and Governmental Fund Balance Sheet – Prior Year
4	3. Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance – Current Year
4	4. Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance – Prior Year
10 & 11	5. Statement of Revenues and Expenditures – Budget and Actual
2	Auditor's Opinion on Financial Statements
12	Schedule of Findings – Current and Prior Year, if applicable *
12	Corrective Action Plan – Current and Prior Year, if applicable*
13	Audit Firm CPA License
14	SSA Budget Summary page – used for comparison of actual expenses for current audit period
No modifications or amendments made	Final Modified or Amended SSA Budget Workplan (Excel file) Date approved by Commission: ____/____/____
	Note: This budget workplan must correspond to Budget Summary page noted above in audit report package.

**required if findings exist*

Special Service Area 2
(a taxing district authorized by the City of Chicago)
Managed by Belmont Central Chamber of Commerce

Financial Statements
December 31, 2019 and 2018

Special Service Area 2
(a taxing district authorized by City of Chicago)
Managed by Belmont Central Chamber of Commerce
Financial Statements
December 31, 2019 and 2018
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Independent Auditor's Report

To the Commissioners of
Special Service Area 2
Managed by Belmont Central Chamber of Commerce

We have audited the accompanying financial statements of Special Service Area 2, (a taxing district authorized by the City of Chicago) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the SSA 2 basic financial statements as listed in the table of contents.

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 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Special Service Area 2 as of December 31, 2019 and 2018, and its statements of activities and governmental fund/revenues expenditures and changes in fund balance 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 schedules of revenues and expenditures - budget and actual on page 10 and 11, 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
March 20, 2020

Special Service Area 2
Managed by Belmont Central Chamber of Commerce
Statements of Net Position and
Governmental Fund Balance Sheets
December 31, 2019 and 2018

	2019			2018		
	Governmental Fund	Adjustments	Statement of Net position	Governmental Fund	Adjustments	Statement of Net position
ASSETS						
Cash and cash equivalents	\$ 420,411	\$ -	\$ 420,411	\$ 434,666	\$ -	\$ 434,666
Property tax receivable, net allowance	255,925	-	255,925	255,925	-	255,925
TIF rebate receivable	52,485	-	52,485	-	-	-
Security deposit	1,100	-	1,100	1,100	-	1,100
Total Assets	\$ 729,921	\$ -	\$ 729,921	\$ 691,691	\$ -	\$ 691,691
LIABILITIES						
Accounts payable and accrued expenses	\$ 119	\$ -	\$ 119	\$ 7,278	\$ -	\$ 7,278
Due to City of Chicago	1,564	-	1,564	1,135	-	1,135
Total Liabilities	1,683	-	1,683	8,413	-	8,413
DEFERRED INFLOWS						
Deferred property tax revenue	255,925	(255,925)	-	255,925	(255,925)	-
Total Deferred Inflows	255,925	(255,925)	-	255,925	(255,925)	-
FUND BALANCE / NET POSITION						
Unassigned	472,313	(472,313)	-	427,353	(427,353)	-
Total Fund balance	472,313	(472,313)	-	427,353	(427,353)	-
Total Liabilities, Deferred Inflows and Fund Balance	\$ 729,921			\$ 691,691		
Net Position - Unrestricted		\$ (728,238)	\$ 728,238		\$ (683,278)	\$ 683,278
Amounts reported for government activities in the statement of net position are different because:						
Total fund balance - governmental funds			\$ 472,313			\$ 427,353
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.			255,925			255,925
Total net position - governmental activities			\$ 728,238			\$ 683,278

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

Special Service Area 2
Managed by Belmont Central Chamber of Commerce
Statements of Activities and Governmental Fund
Revenues, Expenditures
and Changes in Fund Balances
For The Years Ended December 31, 2019 and 2018

	2019			2018		
	Governmental Fund	Adjustments	Statement of Activities	Governmental Fund	Adjustments	Statement of Activities
REVENUES						
Property taxes and interest	\$ 233,810	\$ -	\$ 233,810	\$ 217,816	\$ 40,288	\$ 258,104
Interest income	3,019	-	3,019	3,562	-	3,562
TIF rebates	78,728	-	78,728	26,242	-	26,242
Other income	167	-	167	405	-	405
Total Revenues	315,724	-	315,724	248,025	40,288	288,313
EXPENDITURES						
Public way aesthetics	156,774	-	156,774	151,060	-	151,060
Sustainability and public places	34,128	-	34,128	20,397	-	20,397
SSA management	16,624	-	16,624	17,569	-	17,569
Personnel	63,238	-	63,238	60,806	-	60,806
Total Expenditures	270,764	-	270,764	249,832	-	249,832
Excess/(deficit) of revenues over expenditures	44,960	-	44,960	(1,807)	40,288	38,481
Change in Net Position	44,960	-	44,960	(1,807)	40,288	38,481
Fund Balance/Net Position						
Beginning of the Year	427,353	255,925	683,278	429,160	215,637	644,797
End of the Year	<u>\$ 472,313</u>	<u>\$ 255,925</u>	<u>\$ 728,238</u>	<u>\$ 427,353</u>	<u>\$ 255,925</u>	<u>\$ 683,278</u>

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

Net change in Fund balance - governmental funds	\$ 44,960	\$ (1,807)
Property tax is recognized in the year it is levied rather than when it is available for governmental funds	-	40,288
Change in Net Position	<u>\$ 44,960</u>	<u>\$ 38,481</u>

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

Special Service Area 2
(a taxing district authorized by the City of Chicago)
Managed by Belmont Central Chamber of Commerce
Notes to Financial Statements
For the Years Ended December 31, 2019 and 2018

NOTE 1 – Nature of Activities and Reporting Entity

Special Service Area 2 (“SSA 2”) is a taxing district authorized by the City of Chicago located in Chicago, Illinois. Its scope of services is to fund various activities to improve and enhance the Belmont Central Chamber of Commerce. The SSA is funded by property taxes levied on properties within the SSA boundaries, which are collected by the Cook County Treasurer, and then distributed by the City of Chicago to the Special Service Area.

Special Service Area 2 is governed by a Commission whose members are appointed by the Mayor of Chicago. The City of Chicago contracted with Belmont Central Chamber of Commerce to perform administrative duties as the service provider for this SSA during the reporting period. Belmont Central Chamber of Commerce is an Illinois not-for-profit corporation that is exempt from federal taxes under Section 501(c)6 of the Internal Revenue Code.

NOTE 2 – Summary of Significant Accounting Policies

a. Government-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).

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

Special Service Area 2
(a taxing district authorized by the City of Chicago)
Managed by Belmont Central Chamber of Commerce
Notes to Financial Statements
For the Years Ended December 31, 2019 and 2018

NOTE 2 – Summary of Significant Accounting Policies – (continued)

b. Basis of Accounting and Financial Statement Presentation:

The government 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 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.

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

c. Assets, Liabilities, and Net Position

Cash and cash equivalents

The SSA's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term liquid investments with original maturities of three months or less from the date of acquisitions.

Receivables

All property tax receivables are shown net of allowances. As of December 31, 2019, and 2018, the allowance is estimated to be 5-6% of the outstanding property taxes.

Special Service Area 2
(a taxing district authorized by the City of Chicago)
Managed by Belmont Central Chamber of Commerce
Notes to Financial Statements
For the Years Ended December 31, 2019 and 2018

NOTE 2 – Summary of Significant Accounting Policies – (continued)

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.

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.

d. Subsequent Events

Subsequent events have been evaluated through March 20, 2020, which is the date the financial statements were available to be issued.

Special Service Area 2
(a taxing district authorized by the City of Chicago)
Managed by Belmont Central Chamber of Commerce
Notes to Financial Statements
For the Years Ended December 31, 2019 and 2018

NOTE 3 – 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 financial institutions located in Chicago, IL. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. The SSA's cash balances did not exceed the insurance level at each financial institution as of December 31, 2019 and 2018.

NOTE 4 – 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 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 5 – Other Receivables

As of December 31, 2019, and 2018, TIF rebates of \$26,242 and \$26,242 were identified, reported and received by the SSA, respectively, from the City of Chicago. As of December 31, 2019, TIF rebate receivable balance is \$52,485, which will be received evenly over the next two years.

NOTE 6 – Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses balance at December 31, 2019 and 2018, is \$119 and \$7,278, respectively. These balances consist of expenses and services received during the respective year related to personnel and management costs.

Special Service Area 2
(a taxing district authorized by the City of Chicago)
Managed by Belmont Central Chamber of Commerce
Notes to Financial Statements
For the Years Ended December 31, 2019 and 2018

NOTE 7 – Due to City of Chicago

Amounts due to City of Chicago of \$1,564 and \$1,135, as of December 31, 2019 and 2018, respectively, represent property tax refunds determined but not yet refunded.

NOTE 8 – Deferred Inflows of 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 9 – Fund Equity / Net Position

The SSA is required to present information regarding its financial position and activities according to the Agreement for Belmont Central Special Service Area 2 between the City of Chicago and Belmont Central Chamber of Commerce. As of December 31, 2019, and 2018, the SSA had total fund balances of \$472,313 and \$427,353, respectively. These funds will be utilized in this special service area during future years as well as act as a reserve for any emergency parking garage repairs.

NOTE 10 – Related Party Transactions

The SSA is affiliated with Belmont Central Chamber of Commerce and with Belmont Central Parking Commission Inc. Belmont Central Chamber of Commerce acts as SSA2's sole service provider. Special service area 2 shares office space, equipment, and employees through the above affiliations. Special Service Area 2 does not have employees of its own.

Supplementary Information

Special Service Area 2
Managed by Belmont Central Chamber of Commerce
Schedule of Revenues and
Expenditures - Budget and Actual
December 31, 2019

	Budget	Actual	Variance
REVENUE			
Property taxes and interest	\$ 278,075	\$ 233,810	\$ 44,265
Interest	-	3,019	(3,019)
TIF rebate	26,243	78,728	(52,485)
Other income	-	167	(167)
	<u>304,318</u>	<u>315,724</u>	<u>(11,406)</u>
EXPENDITURES			
Customer attraction	100	-	100
Public way aesthetics	176,036	156,774	19,262
Sustainability and public places	61,305	34,128	27,177
Economic business development	100	-	100
Safety programs	100	-	100
SSA management	16,653	16,624	29
Personnel	63,444	63,238	206
	<u>317,738</u>	<u>270,764</u>	<u>46,974</u>
Excess/(deficit) of revenues over expenditures	<u>\$ (13,420)</u>	<u>\$ 44,960</u>	<u>\$ (58,380)</u>
CARRYOVER			
	<u>13,420</u>	<u>-</u>	<u>13,420</u>
Net revenues in excess of expenses	<u>\$ -</u>	<u>\$ 44,960</u>	<u>\$ (44,960)</u>

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

Special Service Area 2
Managed by Belmont Central Chamber of Commerce
Schedule of Revenues and
Expenditures - Budget and Actual
December 31, 2018

	Budget	Actual	Variance
REVENUE			
Property taxes and interest	\$ 275,380	\$ 217,816	\$ 57,564
Interest	-	3,562	(3,562)
TIF rebate	26,242	26,242	-
Other income	-	405	(405)
Total revenues	301,622	248,025	53,597
EXPENDITURES			
Public way aesthetics	172,544	151,260	21,284
Sustainability and public places	63,635	20,397	43,238
SSA management	17,399	17,369	30
Personnel	61,277	60,806	471
Total expenditures	314,855	249,832	65,023
Excess/(deficit) of revenues over expenditures	<u>\$ (13,233)</u>	<u>\$ (1,807)</u>	<u>\$ (11,426)</u>
CARRYOVER	<u>13,233</u>	<u>-</u>	<u>13,233</u>
Net revenues in excess of expenses	<u>\$ -</u>	<u>\$ (1,807)</u>	<u>\$ 1,807</u>

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

Special Service Area 2
(a taxing district authorized by the City of Chicago)
Managed by Belmont Central Chamber of Commerce
Summary of Schedule of Findings and Update of Prior Year Findings
For the Year Ended December 31, 2019

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 Agreement for Special Service Area 2, between the City of Chicago and Belmont Central Chamber of Commerce. The auditor's report expresses an unmodified opinion on the financial statements of Belmont Central Chamber of Commerce Special Service Area 2 for the year ended December 31, 2019.

FINDINGS

After conducting this audit, we determined there was one finding per the above guide as follows:

Unspent funds from 2019 being carried over to 2020 were in excess of 25% of the 2019 budget.

CORRECTIVE ACTION

Special Service Area 2 was advised by Belmont Central Chamber of Commerce, the sole service provider of SSA 2, which approval was made for this carryover of \$472,313 to 2020. Per SSA 2 and Belmont Central Chamber of Commerce, this carryover will be allocated to a reserve for future projects and unforeseen expenses related to the operations and maintenance of the local city owned parking garage it manages.

PRIOR YEAR FINDING UPDATE

Unspent funds from 2018 being carried over to 2019 were in excess of 25% of the 2018's budget. This will continue to be a finding as the Commission approved a reserve for future projects and unforeseen expenses related to the operations and maintenance on the parking garage managed by the SSA2. SSA2 is the only SSA that manages a parking garage owned by the City of Chicago.

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:
11/30/2021

PUBLIC ACCOUNTANT FIRM LICENSE



EILTS & ASSOCIATES INC
3729 N RAVENSWOOD AVE STE 117
CHICAGO, IL 60613-3570



DEBORAH HAGAN
ACTING SECRETARY

JESSICA BAER
DIRECTOR

The official status of this license can be verified at www.idfpr.com

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Exhibit A Budget

Special Service Area # 2

Service Provider Agency:	BELMONT-CENTRAL CHAMBER OF COMMERCE
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2019 BUDGET SUMMARY

Budget and Services Period: January 1, 2019 through December 31, 2019

CATEGORY	2018 Levy		Carryover Funds	TIF Rebate Fund #	Estimated Late Collections and Interest	Total All Sources 2018 Budget
	Collectable Levy	Estimated Loss Collection				
1.00 Customer Attraction	\$0	\$0	\$100	\$0	\$0	\$100
2.00 Public Way Aesthetics	\$153,036	\$0	\$0	\$23,000	\$0	\$176,036
3.00 Sustainability and Public Places	\$22,792	\$11,075	\$13,120	\$3,243	\$11,075	\$61,305
4.00 Economic/ Business Development	\$0	\$0	\$100	\$0	\$0	\$100
5.00 Safety Programs	\$0	\$0	\$100	\$0	\$0	\$100
6.00 SSA Management	\$16,653	\$0	\$0	\$0	\$0	\$16,653
7.00 Personnel	\$63,444	\$0		\$0	\$0	\$63,444
	Sub-total	\$255,925	\$11,075			
GRAND TOTALS	Levy Total	\$267,000	\$13,420	\$26,243	\$11,075	\$317,738

LEVY ANALYSIS	
Estimated 2018 EAV:	\$28,171,121
Authorized Tax Rate Cap:	1.500%
Maximum Potential Levy limited by Rate Cap:	\$422,567
Requested 2018 Levy Amount:	\$267,000
Estimated Tax Rate to Generate 2017 Levy:	0.9478%