

SPECIAL SERVICE AREA #31

Managed by the Ravenswood Community Council
(a taxing district authorized by the City of Chicago)

FINANCIAL STATEMENTS
December 31, 2009 and 2008

SPECIAL SERVICE AREA #31
Managed by the Ravenswood Community Council
(a taxing district authorized by the City of Chicago)

FINANCIAL STATEMENTS
December 31, 2009 and 2008

INDEX

<u>FINANCIAL STATEMENTS</u>	<u>Page</u>
Independent Auditor's Report	1
Statements of Assets, Liabilities and Net Assets December 31, 2009 and 2008	2
Statements of Revenues, Expenditures and Changes in Net Assets - Budget vs. Actual - For the Years Ended December 31, 2009 and 2008	3-4
Statements of Cash Flows - For the Years Ended December 31, 2009 and 2008	5
Notes to the Financial Statements - For the Years Ended December 31, 2009 and 2008	6-7
Summary Schedule of Audit Findings For the Years Ended December 31, 2009 and 2008	8

February 22, 2010

To the Commissioners of
Special Services Area #31
Chicago, Illinois

Independent Auditor's Report

We have audited the accompanying Statements of Assets, Liabilities and Net Assets of Special Services Area #31 (a taxing district authorized by the City of Chicago) as of December 31, 2009 and 2008 and the related Statements of Revenues, Expenditures and Changes in Net Assets – Budget vs. Actual, Statements of Cash Flows and Summary Schedule of Audit Findings for the year then ended. These financial statements are the responsibility of Special Services Area #31 management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provided a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph above present fairly, in all material respects, the financial position of Special Services Area #31 as of December 31, 2009 and 2008, and its revenues, expenditures, changes in net assets, cash flows and summary schedule of audit findings for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The 2009 and 2008 budget amounts, which were determined by the Special Services Area #31 and are shown in the Statement of Revenue, Expenditures and Changes in Net Assets, are presented for comparison purposes only. We have not performed any auditing procedures on the budget amounts and therefore, express no opinion on them.



EILTS & ASSOCIATES, INC.

SPECIAL SERVICE AREA #31
(a taxing district authorized by the City of Chicago)

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS
December 31, 2009 and 2008

ASSETS

	2009	2008
CURRENT ASSETS		
Cash	\$ 155,948	\$ 113,659
Prepaid expenses	-	15,000
Net current assets	155,948	128,659
TOTAL ASSETS	\$ 155,948	\$ 128,659

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 1,050
Due to Ravenswood Community Council	-	2,853
Total current liabilities	-	3,903
TOTAL LIABILITIES	-	3,903
NET ASSETS		
Unrestricted net assets	155,948	124,756
Total net assets	155,948	124,756
TOTAL LIABILITIES AND NET ASSETS	\$ 155,948	\$ 128,659

The accompanying notes are an integral part of the financial statements

SPECIAL SERVICE AREA #31
(a taxing district authorized by the City of Chicago)

**STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN
NET ASSETS - BUDGET VS. ACTUAL**
For the Years Ended Dec 31, 2009 and 2008

	2009			2008		
	Budget	Actual	Actual Over (Under) Budget	Budget	Actual	Actual Over (Under) Budget
REVENUE						
Tax Levy (net of refunds)	\$ 342,262	\$ 280,731	\$ (61,531)	\$ 183,991	\$ 136,812	\$ (47,179)
Loss Collection	(14,000)	(10,833)	3,167	3,000	-	(3,000)
Interest income	-	524	524	-	2,827	2,827
Total support and revenue	328,262	270,422	(57,840)	183,991	139,639	(44,352)
EXPENDITURES						
1.00 Advertising and Promotions						
1.01 Display Ads	2,000	-	(2,000)	1,000	-	(1,000)
1.03 Print Materials	2,000	-	(2,000)	1,000	-	(1,000)
1.05 Special Events	15,000	17,000	2,000	30,000	15,000	(15,000)
1.06 Website/Technology	600	-	(600)	500	900	400
1.07 Service Provider Direct Services	3,100	1,540	(1,560)	2,000	505	(1,495)
Total Advertising and Promotions	22,700	18,540	(4,160)	34,500	16,405	(18,095)
2.00 Public Way Maintenance						
2.05 Sidewalk Cleaning	44,000	36,826	(7,174)	22,000	5,616	(16,384)
2.06 Sidewalk Powerwashing	10,000	7,380	(2,620)	18,000	-	(18,000)
2.07 Sidewalk Snow Plowing	62,000	74,500	12,500	30,000	20,000	(10,000)
2.12 Vermin Abatement Program	2,000	-	(2,000)	-	-	-
2.14 Service Provider Direct Services	12,000	11,130	(870)	5,000	5,770	770
Total Public Way Maintenance	130,000	129,836	(164)	75,000	31,386	(43,614)
3.00 Public Way Aesthetics						
3.02 Holiday Decorations	23,500	15,971	(7,529)	11,000	10,500	(500)
3.03 Landscaping	47,000	41,255	(5,745)	7,583	870	(6,713)
3.05 Streetscape Elements	9,500	-	(9,500)	-	-	-
3.07 Service Provider Direct Services	6,450	5,450	(1,000)	2,000	1,520	(480)
Total Public Way Aesthetics	86,450	62,676	(23,774)	20,583	12,890	(7,693)
4.00 Tenant Retention/Attraction						
4.01 Property Owner/Broker/Tenant relations	1,000	-	(1,000)	500	-	(500)
4.06 Service Provider Direct Services	500	-	(500)	1,000	-	(1,000)
Total Tenant Retention/Attraction	1,500	-	(1,500)	1,500	-	(1,500)
5.00 Facade Improvements						
5.04 Service Provider Direct Services	3,375	1,950	(1,425)	2,000	-	(2,000)
5.05 Glass Etching Removal & Prevention	10,500	-	(10,500)	10,000	-	(10,000)
Total Facade Improvements	13,875	1,950	(11,925)	12,000	-	(12,000)

The accompanying notes are an integral part of the financial statements

SPECIAL SERVICE AREA #31
(a taxing district authorized by the City of Chicago)

**STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN
NET ASSETS - BUDGET VS. ACTUAL**
For the Years Ended Dec 31, 2009 and 2008

	2009			2008		
	Budget	Actual	Actual Over (Under) Budget	Budget	Actual	Actual Over (Under) Budget
6.00 Parking/Transit/Accessibility						
6.01 Bicycle Advocacy	500	-	(500)	-	-	-
6.02 On-Street Parking Mgmt	1,000	-	(1,000)	500	-	(500)
6.13 Service Provider Direct Services	1,000	390	(610)	500	-	(500)
6.14 Other Public Transit Parking Enhancement:	2,000	-	(2,000)			
Total Parking/Transit/Accessibility	4,500	390	(4,110)	1,000	-	(1,000)
7.00 Safety Programs						
7.01 Public Way Surveillance Cameras/Maint	15,150	-	(15,150)	-	-	-
7.02 Security Rebate Program	-	-	-	1,000	-	(1,000)
7.03 Panhandling Abatement Programs	2,000	-	(2,000)	-	-	-
7.09 Service Provider Direct Services	2,200	860	(1,340)	275	275	-
Total Safety Programs	19,350	860	(18,490)	1,275	275	(1,000)
8.00 District Planning						
8.05 Parking Studies	1,000	-	(1,000)	-	-	-
8.07 Service Provider Direct Services	4,500	4,100	(400)	3,000	5,225	2,225
8.08 SSA Combining of SSA#31 and #37	27,000	7,591	(19,409)	18,500	39,755	21,255
Total District Planning	32,500	11,691	(20,809)	21,500	44,980	23,480
10.00 Operational & Administrative Support						
10.01 Audit/Bookkeeping	4,000	2,000	(2,000)	3,000	2,150	(850)
10.02 Meeting	100	100	-	100	140	40
10.03 Office Equipment Lease/Maint	300	276	(24)	200	255	55
10.04 Office Rent	4,000	2,465	(1,535)	4,158	2,006	(2,152)
10.05 Office Supplies	500	500	-	400	290	(110)
10.06 Office Utilities/Telephone	600	600	-	675	735	60
10.07 Postage	100	55	(45)	50	1,201	1,151
10.08 Office Printing	100	100	-	50	92	42
10.09 Service Provider Administrative Support	7,687	6,883	(804)	5,000	5,350	350
10.11 Other	-	308	308	-	325	325
Total Operational & Administrative Support	17,387	13,287	(4,100)	13,633	12,544	(1,089)
Total Program Expenses	328,262	239,230	(89,032)	180,991	118,480	(62,511)
INCREASE/(DECREASE) IN NET ASSETS	\$ -	\$ 31,192	\$ 31,192	\$ 3,000	\$ 21,159	\$ 18,159
UNRESTRICTED NET ASSETS BEGINNING OF YEAR		\$ 124,756			\$ 103,597	
UNRESTRICTED NET ASSETS END OF YEAR		\$ 155,948			\$ 124,756	

The accompanying notes are an integral part of the financial statements

SPECIAL SERVICE AREA #31
(a taxing district authorized by the City of Chicago)

STATEMENTS OF CASH FLOW
For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities:		
Changes in Net Assets	\$ 31,192	\$ 21,159
Adjustments to reconcile Net Surplus to		
Net cash provided by operating activities		
(Increase)/Decrease in:		
Prepaid expenses	15,000	(15,000)
Increase/(Decrease) in:		
Accounts payable	(1,050)	(924)
Due to Chamber of Commerce	-	(5,424)
Due to Ravenswood Community Council	(2,853)	2,853
	<u>42,289</u>	<u>2,664</u>
Net Cash Provided by Operating Activities		
	42,289	2,664
Net Increase in Cash		
	<u>113,659</u>	<u>110,995</u>
Cash at the beginning of year		
	<u>\$ 155,948</u>	<u>\$ 113,659</u>
Cash at the end of year		

The accompanying notes are an integral part of the financial statements

SPECIAL SERVICE AREA #31
(a taxing district authorized by the City of Chicago)

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2009 and 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization – 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. Special Service Area #31 generates revenue for the sole purpose of improving and enhancing the business districts of the Ravenswood neighborhood. The boundaries of which are generally properties fronting along Ravenswood south of Argyle and north of Belmont, east of Leavitt and west of Dover Street.

Activities and services funded 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.

Basis of Accounting - The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Based on the information provided by the Department of Planning and Development, the recognition of revenue by the SSA when received would be considered within generally accepted accounting principles. This allows Special Service Areas to prepare financial statements on the accrual basis of accounting.

Cash and Cash Equivalents - Cash and cash equivalents are held in the name of Special Services Area #31 without physical segregation as to various restricted portions. All earnings on such are allocated to unrestricted revenue. For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

SPECIAL SERVICE AREA #31
(a taxing district authorized by the City of Chicago)

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2009 and 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - REAL ESTATE TAX REVENUE

The Organization's principal source of revenue is from real estate taxes levied on certain property located in the boundaries listed in Note 1. The taxes are assessed and collected by Cook County, and paid to the City of Chicago, which then remits to the Organization. Taxes are levied in one year, but paid in two installments the following year by the property owners. The Organization recognizes this revenue in the year in which the funds become available and are received.

The total tax levy for 2008 (collected in 2009) was \$283,484. The Organization received \$272,651 of the 2008 levy. Therefore, \$10,833 or 4% was not collected and has been booked as loss collection on the financial statements. It is anticipated that a portion of this will be received in future years.

Additionally, tax refunds may be issued in future years against this levy and prior years levy's. For the year ending December 31, 2009 the tax refunds returned to taxpayers totaled \$6,740. The Organization also received tax levy's from prior years, this totaled \$3,987.

The Tax Levy (net of refunds) comprised of the following:

2008 Tax Levy	\$ 283,484
Tax Refunds	(6,740)
Tax Levy from Prior Years	<u>3,987</u>
Total	<u>\$ 280,731</u>

SPECIAL SERVICE AREA #31
(a taxing district authorized by the City of Chicago)
SUMMARY SCHEDULE OF AUDIT FINDINGS
For the Years Ended December 31, 2009 and 2008

**NOTE 3 – CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS
IN EXCESS OF INSURED LIMITS**

The Organization maintains its cash balances in one financial institution located in Chicago, Illinois. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization's cash balance did not exceed the insurance level at December 31, 2009.

NOTE 4 – RELATED PARTY TRANSACTIONS

The taxing district's contractor is Ravenswood Community Council. Ravenswood Community Council is paid a management fee and is also reimbursed for ongoing administration expenses such as rent, utilities, postage and etc. During 2009 and 2008, SSA#31 paid Ravenswood Community Council \$32,303 and \$18,645 respectively for service provided support. As of December 31, 2009 and 2008, the taxing district had a balance due to Ravenswood Community Council of \$0 and \$ 2,853 respectively.

As part of our audit, we have read and understand the requirements contained in the Service Provider Agreement. After conducting the audit, we determined that no exceptions were noted.

The auditor's report expresses an unqualified opinion on the financial statements of Special Services Area #31. No significant deficiencies or material weaknesses were disclosed during the audit of the financial statements.

FINDINGS – FINANCIAL STATEMENT AUDIT

None found

FINDINGS AND QUESTIONED COSTS

None found