

**GREATER RAVENSWOOD
SPECIAL SERVICE AREA #31**

**FINANCIAL STATEMENTS
December 31, 2013 and 2012**

**GREATER RAVENSWOOD
SPECIAL SERVICE AREA #31**

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Independent Auditor's Report

To the Commissioners of
Greater Ravenswood
Special Service Area #31

We have audited the accompanying financial statements of Greater Ravenswood Special Service Area #31, which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities, 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Ravenswood Special Service Area #31 as of December 31, 2013 and 2012, and its statements of activities, 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 2013 and 2012 budget amounts, which were arrived at by Greater Ravenswood Special Service Area #31 and are shown in the Statements of Activities Budget and Actual, are presented for comparison purposes only. We have not performed any auditing procedures on the 2013 and 2012 budget amounts, and therefore, express no opinion on them.

Eilts & Associates, Inc.

EILTS & ASSOCIATES, INC.

Chicago, Illinois

April 23, 2014

**GREATER RAVENSWOOD
SPECIAL SERVICE AREA #31**

**STATEMENTS OF FINANCIAL POSITION
December 31, 2013 and 2012**

ASSETS		2013	2012
CURRENT ASSETS			
Cash and cash equivalents		\$ 225,718	\$ 257,411
Prepaid expenses		6,382	9,142
Total current assets		232,100	266,553
TOTAL ASSETS		\$ 232,100	\$ 266,553
LIABILITIES AND NET ASSETS			
		2013	2012
CURRENT LIABILITIES			
Accounts payable and accrued expenses		\$ 24,394	\$ 21,530
Due to City of Chicago		4,285	3,296
Total current liabilities		28,679	24,826
TOTAL LIABILITIES		28,679	24,826
NET ASSETS			
Unrestricted net assets		203,421	241,727
Total net assets		203,421	241,727
TOTAL LIABILITIES AND NET ASSETS		\$ 232,100	\$ 266,553

The accompanying notes are an integral part of the financial statements

**GREATER RAVENSWOOD
SPECIAL SERVICE AREA #31**

**STATEMENTS OF FINANCIAL POSITION
December 31, 2013 and 2012**

	2013	2012
REVENUE		
Property Tax revenues - current year	\$ 268,435	\$ 276,845
Property Tax refunds - prior years	(4,998)	(4,337)
SSA interest income	6	14
Less: Loss Collection	(16,437)	(6,306)
Total revenue	247,006	266,216
 SERVICES		
Advertising & Promotion	15,057	3,744
Public Way Maintenance	89,115	95,702
Public Way Aesthetics	86,872	89,421
Fascade Improvements	-	1,000
District Planning	8,200	987
Parking/Transit/Accessibility	26,800	-
Total services	226,044	190,854
 ADMINISTRATION		
Personnel	47,500	45,960
Non Personnel:		
SSA Audit	2,500	2,790
Bookkeeping	2,591	-
Meeting	-	200
Office Rent	6,000	3,770
Office Utilities/Telephone	-	600
Office Supplies	677	375
Office Equipt Lease/Maint	-	300
Postage	-	100
Printing	-	100
Total non personnel	11,768	8,235
Total administration	59,268	54,195
Total expenses	285,312	245,049
 INCREASE (DECREASE) IN NET ASSETS	\$ (38,306)	\$ 21,167
 BEGINNING OF YEAR - NET ASSETS	241,727	220,560
 END OF YEAR - NET ASSETS	\$ 203,421	\$ 241,727

The accompanying notes are an integral part of the financial statements

**GREATER RAVENSWOOD
SPECIAL SERVICE AREA #31**

**STATEMENTS OF FINANCIAL POSITION
December 31, 2013 and 2012**

	2013			2012		
	Budget	Actual	Actual Over/ (Under) Budget	Budget	Actual	Actual Over/ (Under) Budget
REVENUE						
Property Tax revenues - CY	\$ 377,447	\$ 268,435	\$ (109,012)	\$ 336,845	\$ 276,845	\$ (60,000)
Property Tax refunds - PY	-	(4,998)	(4,998)	-	(4,337)	(4,337)
SSA interest income	-	6	6	-	14	14
Less: Loss Collection	(33,293)	(16,437)	16,856	(27,000)	(6,306)	20,694
Total revenue	<u>344,154</u>	<u>247,006</u>	<u>(97,148)</u>	<u>309,845</u>	<u>266,216</u>	<u>(43,629)</u>
SERVICES						
Advertising & Promotion	15,300	15,057	(243)	9,500	3,744	(5,756)
Public Way Maintenance	68,278	89,115	20,837	128,000	95,702	(32,298)
Public Way Aesthetics	120,000	86,872	(33,128)	102,440	89,421	(13,019)
Façade Improvements	34,500	-	(34,500)	22,000	1,000	(21,000)
Parking/Transit/ Accessibility	30,000	26,800	(3,200)	-	-	-
District Planning	9,100	8,200	(900)	-	987	987
Total services	<u>277,178</u>	<u>226,044</u>	<u>(51,134)</u>	<u>261,940</u>	<u>190,854</u>	<u>(71,086)</u>
ADMINISTRATION						
Personnel	57,153	47,500	(9,653)	39,960	45,960	6,000
Non-Personnel:						
SSA Audit	2,500	2,500	-	2,500	2,790	290
Bookkeeping	723	2,591	1,868	-	-	-
Meeting	-	-	-	200	200	-
Office Rent	6,000	6,000	-	3,770	3,770	-
Office Utilities	-	-	-	600	600	-
Office Supplies	600	677	77	375	375	-
Office Equipt Lease/Maint	-	-	-	300	300	-
Postage	-	-	-	100	100	-
Printing	-	-	-	100	100	-
Total non - personnel	<u>9,823</u>	<u>11,768</u>	<u>1,945</u>	<u>7,945</u>	<u>8,235</u>	<u>290</u>
Total administration	<u>66,976</u>	<u>59,268</u>	<u>(7,708)</u>	<u>47,905</u>	<u>54,195</u>	<u>6,290</u>
Total expenses	<u>344,154</u>	<u>285,312</u>	<u>(58,842)</u>	<u>309,845</u>	<u>245,049</u>	<u>(64,796)</u>
INCREASE (DECREASE) IN NET ASSETS	<u>\$ -</u>	<u>\$ (38,306)</u>	<u>\$ (38,306)</u>	<u>\$ -</u>	<u>\$ 21,167</u>	<u>\$ 21,167</u>
BEGINNING OF YEAR - NET ASSETS		<u>241,727</u>			<u>220,560</u>	
END OF YEAR - NET ASSETS		<u>\$ 203,421</u>			<u>\$ 241,727</u>	

The accompanying notes are an integral part of the financial statements

**GREATER RAVENSWOOD
SPECIAL SERVICES AREA #31**

**STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2013 and 2012**

	2013	2012
Cash Flows from Operating Activities:		
Net income (loss)	\$ (38,306)	\$ 21,167
Adjustments to reconcile net income (loss) to net cash provided by operations:		
(Increase)/Decrease in:		
Prepaid expenses	2,761	(9,142)
Increase/(Decrease) in:		
Accounts payable and accrued expenses	2,863	20,390
Due to City of Chicago	989	3,296
	(31,693)	35,711
Net cash provided by (used in) operating activities	(31,693)	35,711
Net Increase (decrease) in cash	\$ (31,693)	\$ 35,711
Cash at the beginning of year	257,411	221,700
Cash at the end of year	\$ 225,718	\$ 257,411

The accompanying notes are an integral part of the financial statements

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, 2013 and 2012

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization – 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 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 Greater Ravenswood Special Service 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.

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, 2013 and 2012

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES -
(Continued)

Financial Statement Presentation – The Taxing District is required to present information regarding its financial position and activities according to Article 3.07 of the Agreement for Special Service Area #31 between the City of Chicago and Ravenswood Community Council. As of December 31, 2013 and 2012, the Taxing District had unrestricted assets of \$203,421 and \$241,727, respectively.

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.

Income Taxes – The Taxing District's sole service provider – Ravenswood Community Council is a not-for-profit organization that is exempt from federal income taxes according to Internal Revenue Code 501 (c) (3).

Subsequent Events – Subsequent events have been evaluated through April 23, 2014, which is the date the financial statements were available to be issued.

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.

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, 2013 and 2012

**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, 2013.

NOTE 4 – RELATED PARTY TRANSACTIONS/PREPAID EXPENSES

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 2013 and 2012, Greater Ravenswood SSA #31 paid Ravenswood Community Council \$48,425 and \$51,150 respectively for service provided support. As of December 31, 2013 and 2012, the taxing district prepaid Ravenswood Community Council in the amount of \$ 6,382 and \$ 9,142, respectively.

NOTE 5 – DUE TO CITY OF CHICAGO

The balance represents funds that will be withheld from subsequent cash receipts from SSA #31 for reimbursements back to property owners.

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at December 31, 2013 and 2012 are \$24,394 and \$21,530, respectively. These balances consist of expenses / services incurred during the respective year related to: district planning, bike racks, bookkeeping, holiday decorations, and sidewalk cleaning.

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, 2013 and 2012

NOTE 7 – SSA#31 COMMISSION PLANS

Greater Ravenswood SSA 31 Commission was advised by Ravenswood Community Council, sole service provider of SSA 31, that approval was made for a carryover of \$203,421 from 2013 SSA 31 funds be allocated to a reserve directly related to the following future projects: community sculpture, artwork at Damen Avenue El, additional community related special events, improvements to website and social media for community outreach, and data collection projects.

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

SUMMARY SCHEDULE OF AUDIT FINDINGS
For the Year Ended December 31, 2013

As part of our audit and request by the Special Service Area Annual Audited Financial Statement Guidelines prepared by the City of Chicago Department of Housing and Economic Development, 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 Greater Ravenswood 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