

Chicago Department of Planning and Development (DPD) 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: Wicker Park/Bucktown SSA#33

SSA Provider Name: Wicker Park Bucktown Chamber of Commerce

Submission Date: MAY 15 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 *
n/a	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
(Uploaded Separately)	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 #33
MANAGED BY WICKER PARK & BUCKTOWN
CHAMBER OF COMMERCE
(a taxing district authorized by the City of Chicago)
FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

**SPECIAL SERVICE AREA 33
MANAGED BY WICKER PARK BUCKTOWN
CHAMBER OF COMMERCE**

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Independent Auditor's Report

To the Commissioners of
Special Service Area 33
Chicago, Illinois

We have audited the accompanying financial statements of Special Service Area 33 Wicker Park & Bucktown, (a taxing district authorized by the City of Chicago) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the SSA 33 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 net position of Special Service Area 33 as of December 31, 2019, and its statement of activities and governmental funds, revenues, expenditures and changes in fund balance for the year 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 pages 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.

Prior Year Audit Opinion

The financial statements of the organization for the year ended December 31, 2018 were audited by another auditor who expressed an unmodified opinion on those financial statements in their report dated March 28, 2019.

EILTS & ASSOCIATES, INC.

EILTS & ASSOCIATES, INC.
April 15, 2020
Chicago, Illinois

**SPECIAL SERVICE AREA #33
STATEMENTS OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEETS
December 31, 2019 and December 31, 2018**

	2019			2018		
	Governmental Fund	Adjustments	Statement of Net position	Governmental Fund	Adjustments	Statement of Net position
ASSETS						
Cash and Cash Equivalents	\$ 8,006	\$ -	\$ 8,006	\$ 170,649	\$ -	\$ 170,649
Property Tax Receivable, Net Of Allowance	1,169,710	-	1,169,710	1,124,086	-	1,124,086
TIF Rebate Receivable	2,249	-	2,249	-	-	-
Security Deposit	1,250	-	1,250	1,250	-	1,250
Total Assets	\$ 1,181,215	\$ -	\$ 1,181,215	\$ 1,295,985	\$ -	\$ 1,295,985
LIABILITIES						
Accounts Payable	46,377	-	46,377	71,843	-	71,843
Due from Related Party	13,921	-	13,921	11,167	-	11,167
Due to City of Chicago	2,410	-	2,410	-	-	-
Total Liabilities	62,708	-	62,708	83,010	-	83,010
DEFERRED INFLOWS						
Deferred Property Tax Revenue	1,169,710	(1,169,710)	-	1,121,135	(1,121,135)	-
Total Deferred Inflows	1,169,710	(1,169,710)	-	1,121,135	(1,121,135)	-
FUND BALANCE / NET POSITION						
Unassigned	(51,203)	51,203	-	91,840	(91,840)	-
Total Fund Balance	(51,203)	51,203	-	91,840	(91,840)	-
Total Liabilities, Deferred Infows and Fund Balance	\$ 1,181,215			\$ 1,295,985		
Net Position - Unrestricted		\$ (1,118,507)	\$ 1,118,507		\$ (1,212,975)	\$ 1,212,975
Amounts reported for government activities in the statement of net position are different because:						
Total fund balance - governmental funds			\$ (51,203)			\$ 91,840
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.			1,169,710			1,121,135
Total net position - governmental activities			\$ 1,118,507			\$ 1,212,975

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

SPECIAL SERVICE AREA #33
STATEMENTS OF ACTIVITIES AND GOVERNMENTAL
FUNDS, REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended December 31, 2019 and DECEMBER 31, 2018

	2019			2018		
	Governmental Fund	Adjustments	Statement of Activities	Governmental Fund	Adjustments	Statement of Activities
REVENUES						
Property Revenues and Interest	\$ 1,083,145	\$ 48,575	\$ 1,131,720	\$ 1,025,253	\$ 85,346	\$ 1,110,599
TIF Rebates	8,565	-	8,565	-	-	-
Bank Interest	50	-	50	-	-	-
Total Revenues	1,091,760	48,575	1,140,335	1,025,253	85,346	1,110,599
EXPENDITURES/EXPENSES						
Customer Attraction	212,669	-	212,669	228,360	-	228,360
Public Way Maintenance	-	-	-	645,097	-	645,097
Public Way Aesthetics	699,657	-	699,657	38,672	-	38,672
Sustainability and Public Places	20,837	-	20,837	18,199	-	18,199
Economic Business Development	-	-	-	2,321	-	2,321
Safety Programs	10,287	-	10,287	7,785	-	7,785
Total Services Expense	943,450	-	943,450	940,434	-	940,434
SSA Management	78,290	-	78,290	62,351	-	62,351
Personnel	213,063	-	213,063	205,958	-	205,958
Total Administration Expense	291,353	-	291,353	268,309	-	268,309
Total Expenditures	1,234,803	-	1,234,803	1,208,743	-	1,208,743
Excess of Revenues Over/(Under) Expenditures	(143,043)	48,575	(94,468)	(183,490)	85,346	(98,144)
Change in Net Position	(143,043)	48,575	(94,468)	(183,490)	85,346	(98,144)
Fund Balance/Net Position						
Beginning of the Year	91,840	1,121,135	1,212,975	275,330	1,035,789	1,311,119
End of the Year	\$ (51,203)	\$ 1,169,710	\$ 1,118,507	\$ 91,840	\$ 1,121,135	\$ 1,212,975

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

Net Change in Fund Balance - Governmental Funds		\$ (143,043)	\$ (183,490)
Property Tax is recognized in the year it is levied rather than when it is available for Governmental Funds		48,575	85,346
Change in Net Position		\$ (94,468)	\$ (98,144)

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

Special Service Area 33
Managed by Wicker Park & Bucktown
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 33 (SSA) is a taxing district authorized by City of Chicago located in Chicago, Illinois. Its scope of services is to fund various activities to improve and enhance the Wicker Park & Bucktown area. These services include promotional and advertising, maintenance of the public way, safety, and other functions. The SSA is funded by property tax 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 SSA. Special Service Area 33 is governed by a Commission whose Commissioners are appointed by the Mayor of Chicago.

The City of Chicago contracted with the Wicker Park & Bucktown Chamber of Commerce to perform administrative duties as the service provider for this SSA during the reporting period. Wicker Park & Bucktown Chamber of Commerce is an Illinois not-for-profit corporation, exempt from federal taxes under Section 501c(6) of the Internal Revenue Code.

NOTE 2 – Summary of Significant Accounting Policies

(a) 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). 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.

Special Service Area 33
Managed by Wicker Park & Bucktown
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) 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 accounting principles generally 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 reporting period. Accordingly, actual results could differ from those estimates.

Special Service Area 33
Managed by Wicker Park & Bucktown
Chamber of Commerce
Notes to Financial Statements
For the Years Ended December 31, 2019 and 2018

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

(c) Assets, Liabilities, and Net Position

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

Receivables - All property tax receivables are shown net of allowances. As of December 31, 2019, the allowance is estimated to be less than half a percent (½%) at \$6,598. As of December 31, 2018, management did not believe that an allowance was needed and therefore one was not reported.

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's board. Unassigned fund balances 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

Special Service Area 33
Managed by Wicker Park & Bucktown
Chamber of Commerce
Notes to Financial Statements
For the Years Ended December 31, 2019 and 2018

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 April 15, 2020, the date the financial statements were available to be issued.

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 a financial institution located in Chicago, IL. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2019, the SSA's cash and cash equivalents did not exceed the FDIC insured limit.

NOTE 4 – Property Taxes

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 in March. The second installment is due on August 1, 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 – 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.

Special Service Area 33
Managed by Wicker Park & Bucktown
Chamber of Commerce
Notes to Financial Statements
For the Years Ended December 31, 2019 and 2018

NOTE 6 – Related Party

The SSA is affiliated with Wicker Park & Bucktown Chamber of Commerce which provides certain administrative services for the SSA. As of December 31, 2019, \$13,922 was payable for services provided, and \$314,406 was paid. The balance resulted from the time lag that 1) goods and services are being provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments are being made.

Supplementary Information

**SPECIAL SERVICE AREA #33
STATEMENT OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL
December 31, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUE			
Property Taxes and Interest	\$ 1,130,866	\$ 1,083,145	\$ 47,721
TIF Rebates	6,317	8,565	(2,248)
Bank Interest	-	50	(50)
	<u>1,137,183</u>	<u>1,091,760</u>	<u>45,423</u>
EXPENDITURES			
Customer Attraction	221,500	212,669	8,831
Public Way Aesthetics	709,885	699,657	10,228
Sustainability and Public Places	25,000	20,837	4,163
Safety Programs	40,500	10,287	30,213
SSA Management	65,000	78,290	(13,290)
Personnel	215,298	213,063	2,235
	<u>1,277,183</u>	<u>1,234,803</u>	<u>42,380</u>
Excess of Revenues Over/(Under) Expenditures	<u>\$ (140,000)</u>	<u>\$ (143,043)</u>	<u>\$ 3,043</u>
CARRYOVER			
	<u>140,000</u>	<u>-</u>	<u>140,000</u>
Net Revenues In Excess of Expenses	<u>\$ -</u>	<u>\$ (143,043)</u>	<u>\$ 143,043</u>

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

**SPECIAL SERVICE AREA #33
STATEMENT OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL
December 31, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUE			
Property Taxes and Interest	\$ 1,096,013	\$ 1,025,253	\$ 70,760
TIF Rebates	790	-	790
	<u>1,096,803</u>	<u>1,025,253</u>	<u>71,550</u>
EXPENDITURES			
Customer Attraction	230,500	228,362	2,138
Public Way Aesthetics	715,248	683,770	31,478
Sustainability and Public Places	30,958	18,200	12,758
Economic Business Development	1,000	2,321	(1,321)
Safety Programs	30,500	7,781	22,719
SSA Management	62,500	62,351	149
Personnel	210,097	205,958	4,139
	<u>1,280,803</u>	<u>1,208,743</u>	<u>72,060</u>
Excess of Revenues Over/(Under) Expenditures	<u>\$ (184,000)</u>	<u>\$ (183,490)</u>	<u>\$ (510)</u>
CARRYOVER			
	<u>184,000</u>	<u>-</u>	<u>184,000</u>
Net Revenues In Excess of Expenses	<u>\$ -</u>	<u>\$ (183,490)</u>	<u>\$ 183,490</u>

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

**Special Service Area 33
Managed by Wicker Park & Bucktown
Chamber of Commerce
Summary Schedule of Audit 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 Economic Development, we have read and understand the requirements contained in the Service Provider Agreement. After conducting the audit, we determined that one exception was noted – see below.

The auditor's report expresses an unmodified opinion on the financial statements of Special Service Area 33. No significant deficiencies or material weaknesses were disclosed during the audit of the financial statements.

2019 Audit Finding:

One actual expenditure category reported in the 2019 audit exceed the approved 2019 budget amount that was submitted and approved by the City of Chicago. This category was SSA Management category.

2019 Audit Corrective Action Plan:

The Commission of Special Service Area 33 will pay particularly close attention when creating, approving and modifying future annual budgets as well as monitoring actual annual spending.

Update on 2018 – Prior Year Findings:

Two actual expenditure categories reported in the 2018 audit exceed the approved 2018 budget amount that was submitted and approved by the City of Chicago. These categories were Customer Attraction and Economic/Business Development.

Update related to the above finding in the 2018 audit, only one actual expenditure category amount reported in the 2019 audit exceeded the approved 2019 budget amount that was submitted and approved by the City of Chicago. This shows an improvement over the 2018 finding.

Special Service Area 33
Managed by Wicker Park & Bucktown
Chamber of Commerce
For the Year Ended December 31, 2019



Special Service Area 33
 Managed by Wicker Park & Bucktown
 Chamber of Commerce
 For the Year Ended December 31, 2019

Exhibit A
 Budget

Special Service Area # 33	
Service Provider Agency:	The Wicker Park & Bucktown Chamber of Commerce, d.b.a. Wicker Park Bucktown Chamber of Commerce

2019 BUDGET SUMMARY

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

CATEGORY	2018 Levy		Carryover Funds	TIF Rebate Fund #A08	Estimated Late Collections and Interest	Total All Sources
	Collectable Levy	Estimated Loss Collection				
1.00 Customer Attraction	\$161,500	\$0	\$60,000	\$0	\$0	\$221,500
2.00 Public Way Aesthetics	\$630,000	\$6,784	\$60,000	\$6,317	\$6,784	\$709,885
3.00 Sustainability and Public Places	\$25,000	\$0	\$0	\$0	\$0	\$25,000
4.00 Economic/ Business Development	\$0	\$0	\$0	\$0	\$0	\$0
5.00 Safety Programs	\$20,500	\$0	\$20,000	\$0	\$0	\$40,500
6.00 SSA Management	\$65,000	\$0	\$0	\$0	\$0	\$65,000
7.00 Personnel	\$215,298	\$0		\$0	\$0	\$215,298
	Sub-total	\$1,117,298				
GRAND TOTALS	Levy Total	\$1,124,082	\$140,000	\$6,317	\$6,784	\$1,277,183

LEVY ANALYSIS	
Estimated 2018 EAV:	\$448,676,366
Authorized Tax Rate Cap:	0.304%
Maximum Potential Levy limited by Rate Cap:	\$1,363,976
Requested 2018 Levy Amount:	\$1,124,082
Estimated Tax Rate to Generate 2017 Levy:	0.2505%