

**SPECIAL SERVICE AREA NUMBER 61**

**FINANCIAL REPORT**

**YEAR ENDED DECEMBER 31, 2015**

SPECIAL SERVICE AREA NUMBER 61

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FOR THE YEAR ENDING DECEMBER 31, 2015

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## **Independent Auditor's Report**

To the Commissioners of Special Service Area Number 61

We have audited the accompanying financial statements of Special Service Area Number 61 ("SSA"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the SSA's basic financial statements as listed in the table of contents.

The financial statements presented to present only the Special Service Area Number 61, and do not purport to, and do not present fairly the financial position of South East Chicago Commission, as of December 31, 2015 and the changes in the financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the presentation 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 opinions 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 opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Special Service Area Number 61 as of December 31, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principle generally accepted in the United States of America requires that the statement of revenues and expenditures-budget and actual on pages 9 to 12 be presented to supplement the basic financial statements. Such information, although not 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient to evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the SSA's basic financial statements. The summary schedule of findings is presented for purposes of additional analysis and is not a required part of the basis financial statements.

The summary schedule of findings is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the summary schedule of findings is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The summary schedule of findings has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*Alexander Mannes & Company, P.C.*

Matteson, Illinois

April 20, 2016

SPECIAL SERVICE AREA NUMBER 61

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

AS OF DECEMBER 31, 2015

<u>ASSETS</u>	Governmental Fund	Adjustments	Statement of Net Position
Cash	\$ 30,548	\$ -	\$ 30,548
Property tax receivables, net of allowance	<u>265,906</u>	<u>-</u>	<u>265,906</u>
Total Assets	<u>\$ 296,454</u>	<u>\$ -</u>	<u>\$ 296,454</u>
 <u>LIABILITIES</u>			
Accounts payable	\$ 27,893	\$ -	\$ 27,893
Due to affiliate-SECC	<u>20,911</u>	<u>-</u>	<u>20,911</u>
Total Liabilities	<u>48,804</u>	<u>-</u>	<u>48,804</u>
 <u>DEFERRED INFLOWS</u>			
Deferred property tax revenue	257,396	(257,396)	-
 <u>FUND BALANCES/NET POSITION</u>			
Unassigned	<u>(9,746)</u>	<u>-</u>	<u>(9,746)</u>
Total Fund Balance	<u>(9,746)</u>	<u>-</u>	<u>(9,746)</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 296,454</u>		
 Net Position			
Restricted		<u>247,650</u>	<u>247,650</u>
Total Net Position		<u>\$ 247,650</u>	<u>\$ 247,650</u>
 Amounts reported for governmental activities in the statement of net position are different because:			
Total fund balance-governmental funds			\$ (9,746)
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.			<u>257,396</u>
Total net position-governmental activities			<u>\$ 247,650</u>

The accompany notes are an integral part of these financial statements.

SPECIAL SERVICE AREA NUMBER 61

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS, REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED DECEMBER 31, 2015

REVENUE:	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Tax levy revenue	\$ 264,803	\$ 266	\$ 265,069
Interest income	<u>4</u>	<u>-</u>	<u>4</u>
Total Revenue	<u>264,807</u>	<u>266</u>	<u>265,073</u>
 EXPENDITURES/EXPENSES:			
Customer Attraction	135,907	-	135,907
Public Way Aesthetics	103,568	-	103,568
Sustainability and Public Places	500	-	500
Economic/Business Development	54,054	-	54,054
SSA Management	14,360	-	14,360
Personnel	<u>57,293</u>	<u>-</u>	<u>57,293</u>
Total Expenditures/Expenses	<u>365,682</u>	<u>-</u>	<u>365,682</u>
Excess of expenditures over revenues	(100,875)	100,875	-
Change in Net Position	-	(100,609)	(100,609)
 Fund Balance/Net Position:			
Beginning of year	<u>91,129</u>	<u>257,130</u>	<u>348,259</u>
End of year	<u>\$ (9,746)</u>	<u>\$ 257,396</u>	<u>247,650</u>

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

Net change in fund balance-governmental fund	\$ (100,875)
Property tax revenue is recognized in the year it is levied rather than when it is available for government funds	<u>266</u>
Change in net position-governmental activities	<u>\$ (100,609)</u>

The accompany notes are an integral part of these financial statements.

SPECIAL SERVICE AREA NUMBER 61

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

**Note 1 - Summary of Significant Accounting Policies**

(a) Reporting Entity

Special Service Area 61 (“SSA”) provides services on behalf of the City of Chicago (“City”) within a specified geographic area. These services include promotional and advertising, maintenance of the public way, safety, and other functions. The SSA is exempt from federal income tax under Section 501 (c) (3) of the internal revenue code.

(b) Government-Wide and Fund Financial Statements

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

Government-Wide financial statements (statement of net position and statement of activities) are prepared using the economic resources measurement focus and accrued 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, Basic of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the accrued 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, i.e. 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.

SPECIAL SERVICE AREA NUMBER 61

NOTES TO FINANCIAL STATEMENTS  
(Continued)

YEAR ENDED DECEMBER 31, 2015

**Note 1 - Summary of Significant Accounting Policies (continued)**

(c) Measurement Focus, Basic of Accounting and Financial Statement Presentation  
(continued)

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. According, actual results could differ from those estimates.

(d) Assets, Liabilities, and Net Position

Cash, cash equivalents and investments

The SSA's cash and cash equivalent 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. Presently, SSA does not have any short-term investments.

Receivables

All property tax receivables are shown net of allowances. As of December 31, 2015, the SSA does not have an allowance for outstanding property taxes.

Prepaid items

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

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 enabling legislation or an outside party. Committed fund balance is a limitation 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.



SPECIAL SERVICE AREA NUMBER 61

NOTES TO FINANCIAL STATEMENTS  
(Continued)

YEAR ENDED DECEMBER 31, 2015

**Note 1 - Summary of Significant Accounting Policies (continued)**

(d) Assets, Liabilities, and Net Position (continued):

Fund Equity/Net Position (continued)

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.

**Note 2 - Cash and Cash Equivalents**

Cash and cash equivalents are subject to custodial credit risk in the event of a bank failure, the SSA deposit may not be returned. The SSA maintains its cash in bank deposit, at times, may exceed FDIC insured limits. The amount of cash that exceed FDIC insured limits is \$0 as of December 31, 2015.

**Note 3 - Property Taxes**

Property taxes become an enforceable lien on the 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.

SPECIAL SERVICE AREA NUMBER 61

NOTES TO FINANCIAL STATEMENTS

(Continued)

YEAR ENDED DECEMBER 31, 2015

**Note 4 - Related Party Transactions**

SSA is affiliate with South East Chicago Commission, which provides certain administrative services for SSA. As of December 31, 2015, \$20,911 was payable for services provided. 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 NUMBER 61

STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2015

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUE:</b>			
Property taxes	\$ 264,314	\$ 264,803	\$ 489
Carryover	47,250	-	(47,250)
Late collections	13,225	-	(13,225)
Interest Income	-	4	4
	<hr/>	<hr/>	<hr/>
Total Revenue	324,789	264,807	(59,982)
<b>EXPENDITURES:</b>			
Customer Attraction			
Website	5,000	21,908	16,908
Special events	15,000	81,006	66,006
Social media outreach	10,000	5,505	(4,495)
Decorative banners	15,000	14,458	(542)
Holiday decorations	10,000	-	(10,000)
Print materials	3,000	13,030	10,030
Other:	13,225	-	(13,225)
	<hr/>	<hr/>	<hr/>
Total Customer Attraction	71,225	135,907	64,682
Public Way Aesthetics			
Acid etching removal and/or prevention	3,000	-	(3,000)
Landscaping (plants, watering, etc.)	35,000	40,658	5,658
Façade enhancement program-rebates	15,000	-	(15,000)
Way finding/signage	3,000	1,500	(1,500)
Streetscape elements (include capital installation, maintenance)	5,000	-	(5,000)
Sidewalk maintenance	55,100	61,410	6,310
	<hr/>	<hr/>	<hr/>
Total Public Way Aesthetics	116,100	103,568	(12,532)
Sustainability and Public Places			
Public transit enhancements	20,000	500	(19,500)
	<hr/>	<hr/>	<hr/>
Total Sustainability and Pubic Places	20,000	500	(19,500)
Economic/Business Development			
Site marketing (materials, services, etc.)	5,000	7,060	2,060
Supplemental transit (shuttle, trolley, etc.)	10,000	-	(10,000)
Wi-Fi district infrastructure/maintenance	5,000	-	(5,000)
Strategic planning	5,000	904	(4,096)
Economic impact study, market study, branding study, etc.	10,000	46,090	36,090
Commission development (policy governance, training, etc.)	3,000	-	(3,000)
	<hr/>	<hr/>	<hr/>
Total Economic/Business Development	38,000	54,054	16,054

See independent auditor's report on supplemental information.

SPECIAL SERVICE AREA NUMBER 61

STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
SSA Management			
SSA annual report	3,000	-	(3,000)
SSA audit	2,500	2,500	-
Office rent	5,000	5,000	-
Office utilities	2,000	-	(2,000)
Office supplies	1,900	2,660	760
Office equipment lease/maintenance	2,000	981	(1,019)
Office printing	400	-	(400)
Postage	200	952	752
Meeting Expense	4,650	2,153	(2,497)
Subscriptions/dues	600	114	(486)
Bank fees	1,400	-	(1,400)
	<u>23,650</u>	<u>14,360</u>	<u>(9,290)</u>
Total SSA Management	23,650	14,360	(9,290)
Personnel			
Director	45,960	45,960	-
Office administrator	6,854	8,628	1,774
Bookkeeper	2,500	2,705	205
	<u>55,314</u>	<u>57,293</u>	<u>1,979</u>
Total Personnel	55,314	57,293	1,979
Loss Collection			
Loss Collection	500	-	(500)
	<u>500</u>	<u>-</u>	<u>(500)</u>
Total Loss Collection	500	-	(500)
Total Expenditures	<u>324,789</u>	<u>365,682</u>	<u>40,893</u>
Excess of Revenues Over Expenses	<u>\$ -</u>	<u>\$ (100,875)</u>	<u>\$ (100,875)</u>

See independent auditor's report on supplemental information.

SPECIAL SERVICE AREA NUMBER 61

STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUE:</b>			
Property taxes	\$ 264,508	\$ 271,692	\$ 7,184
Interest Income	<u>-</u>	<u>3</u>	<u>3</u>
Total Revenue	264,508	271,695	7,187
<b>EXPENDITURES:</b>			
Advertising & Promotion			
Website and social media	10,000	438	(9,562)
Public and/or media relations	10,000	10,000	-
Special events	<u>20,000</u>	<u>30,095</u>	<u>10,095</u>
Total Advertising & Promotion	40,000	40,533	533
Public Way Maintenance			
Sidewalk cleaning	45,000	20,997	(24,003)
Sidewalk snow plowing	<u>25,000</u>	<u>1,596</u>	<u>(23,404)</u>
Total Public Way Maintenance	70,000	22,593	(47,407)
Public Way Aesthetics			
Decorative banner and /or holiday decorations	15,000	450	(14,550)
Landscaping (plants, watering, etc.)	<u>17,000</u>	<u>29,900</u>	<u>12,900</u>
Total Public Way Aesthetics	32,000	30,350	(1,650)
Tenant Retention/Attraction			
Data collection	<u>100</u>	<u>-</u>	<u>(100)</u>
Total Tenant Retention/Attraction	100	-	(100)
Façade Improvements			
Façade enhancement program-rebates	<u>100</u>	<u>-</u>	<u>(100)</u>
Total Façade Improvements	100	-	(100)
Parking/Transit/Accessibility			
Supplemental transit (shuttle, trolley, etc.)	<u>31,000</u>	<u>10,725</u>	<u>(20,275)</u>
Total Parking/Transit/Accessibility	31,000	10,725	(20,275)
Safety Program			
Public way surveillance cameras maintenance	<u>50</u>	<u>-</u>	<u>(50)</u>
Total Safety Program	50	-	(50)
SSA District Planning			
SSA designation	<u>50</u>	<u>-</u>	<u>(50)</u>
Total SSA District Planning	<u>50</u>	<u>-</u>	<u>(50)</u>

See independent auditor's report on supplemental information.

SPECIAL SERVICE AREA NUMBER 61

STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Personnel			
Personnel cost	55,814	55,814	-
Total Personnel	55,814	55,814	-
Admin. Non-Personnel			
Audit	2,500	2,500	-
Bookkeeping	2,500	2,500	-
Office rent	5,000	5,000	-
Office utilities	2,050	2,050	-
Office supplies	1,900	1,900	-
Office equipment lease/maintenance	2,000	2,000	-
Office printing	850	850	-
Postage	400	-	(400)
Meeting Expense	3,500	793	(2,707)
Subscriptions/dues	600	600	-
Bank fees	425	-	(425)
Other: training and development	3,000	2,358	(642)
Total Admin Non-Personnel	24,725	20,551	(4,174)
Loss collection	10,669	-	(10,669)
Total Loss Collection	10,669	-	(10,669)
Total Expenditures	264,508	180,566	(83,942)
Excess of Revenues Over Expenses	\$ -	\$ 91,129	\$ 91,129

See independent auditor's report on supplemental information.

SPECIAL SERVICE AREA NUMBER 61

SUMMARY SCHEDULE OF FINDINGS

YEAR ENDED DECEMBER 31, 2015

We have read the requirements of the Service Provider Agreement between South East Chicago Commission, Contractor, and the City of Chicago.

Based on our understanding of the agreement and the facts surrounding the performance under the agreement, we noted no exceptions. Many contractual items were included in the agreement which dealt with non-accounting and non-financial matters of which we had no knowledge.

The total revenues used during the year ended December 31, 2015, were made available from the budgeted sources in amounts specified in the budget.

**FINDINGS:**

**1. Deficit in the Fund Balance**

As of December 31, 2015, the fund balance had a deficit balance of (\$9,746). This was cause due to SSA overspending of the prior year surplus of \$91,129 by \$100,875 The SSA was approved per the City Ordinance to expend \$47,250 of the prior year fund balance surplus.

Recommendation

We strongly recommend that the SSA adhered to the City Ordinance for fiscal year commencing January 1, 2015 and ending December 31, 2015 and 2015 Budget and Services Summary noting only \$47,250 of the carryover funds currently available from prior tax years was approved to be expended in 2015. The SSA must review the **Financial and Accounting Guide -Special Service (SSA) Program -Financial Statements, Annual Reporting and Filing Sec. 5: Budget pages 32 to 48** to follow guidelines on SSA Budgeting policies and procedures. We also, recommend that the SSA reduce the fiscal year commencing January 1, 2016 and ending December 31, 2016 by eliminating the expenditures pertaining to \$57,160 carryover fund currently available from prior years from the SSA 2016 Budget.

Responses

A 2016 modified budget has been approved by the SSA Commissioners and submitted to the City of Chicago and it reflects the recommendations. SSA No. 61 will further adhere to the recommendation to review the Financial and Accounting Guide in reference to these matters. The management has also implemented a new reporting matrix to better track spending by month.



SPECIAL SERVICE AREA NUMBER 61

SUMMARY SCHEDULE OF FINDINGS

(Continued)

YEAR ENDED DECEMBER 31, 2015

**2. Excess Actual Expenditures Over Budgeted Expenditures**

For the year ending December 31, 2015, excess of actual expenditures over budgeted expenditures was (\$40,893.) The SSA was approved per the City Ordinance to expend \$47,250 of the prior year fund balance surplus. However, the SSA overspend the prior year surplus by \$40,893. The excess expenditures are noted in Customer Attraction, Economic/Business Development, and Personnel.

Recommendation

We strongly recommend that the SSA adhered to the City Ordinance for fiscal year commencing January 1, 2015 and ending December 31, 2015 and 2015 Budget and Services Summary noting only \$47,250 of the carryover funds currently available from prior tax years was approved to be expended in 2015. The SSA must review the **Financial and Accounting Guide -Special Service (SSA) Program -Financial Statements, Annual Reporting and Filing Sec. 5: Budget pages 32 to 48** to follow guidelines on SSA Budgeting policies and procedures. We also, recommend that the SSA reduce the fiscal year commencing January 1, 2016 and ending December 31, 2016 by eliminating the expenditures pertaining to \$57,160 carryover fund currently available from prior years from the SSA 2016 Budget.

Response

A 2016 modified budget has been approved by the SSA Commissioners and submitted to the City of Chicago and it reflects the recommendations. SSA No. 61 will further adhere to the recommendation to review the Financial and Accounting Guide in reference to these matters. The management has also implemented a new reporting matrix to better track spending by month.

**3. Liabilities Exceed Cash Balance**

As of December 31, 2015, liabilities exceed cash balance by \$18,256. This is due to SSA overspending prior year fund balance.

Recommendation

We recommend that the SSA reduce the fiscal year commencing January 1, 2016 and ending December 31, 2016 SSA Budget by eliminating the expenditures of \$57,160 carryover fund currently available from prior years from the SSA 2016 Budget.

Response

SSA No. 61 eliminated in carryover expenditures in a modified budget submitted to the City of Chicago.

SPECIAL SERVICE AREA NUMBER 61

SUMMARY SCHEDULE OF FINDINGS

(Continued)

YEAR ENDED DECEMBER 31, 2015

**4. Outstanding Checks Over 90 days**

Per our audit of the bank reconciliation, we noted that outstanding checks totaling of \$2,400 were outstanding over 90 days.

Recommendation

We recommend that these outstanding checks should be investigated and payment stopped at bank, as necessary.

Response

SSA No. 61 has investigated all outstanding checks over 90 days and have taken the proper steps necessary so they are not reflected as such in the bank reconciliation.