

---

# 2015 Annual Report

## Drexel Boulevard Redevelopment Project Area



Pursuant to 65 ILCS 5/11-74.4-5(d)

*JUNE 30, 2016*

---

FY 2015  
ANNUAL TAX INCREMENT FINANCE  
REPORT



STATE OF ILLINOIS  
COMPTROLLER  
LESLIE GEISSLER MUNGER

Name of Municipality: City of Chicago Reporting Fiscal Year: 2015  
 County: Cook Fiscal Year End: 12/31/2015  
 Unit Code: 016/620/30

**TIF Administrator Contact Information**

First Name: David L. Last Name: Reifman  
 Address: City Hall, 121 N. La Salle Title: Administrator  
 Telephone: (312) 744-4190 City: Chicago Zip: 60602  
 E-mail: TIFReports@cityofchicago.org  
 Mobile: n/a E-mail required:   
 Mobile Provider: n/a Best way to contact:  Email  Phone  Mail

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of Chicago  
 is complete and accurate at the end of this reporting Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

[Signature] June 28, 2016  
 Written signature of TIF Administrator Date

**Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)\***

**FILL OUT ONE FOR EACH TIF DISTRICT**

| Name of Redevelopment Project Area | Date Designated | Date Terminated |
|------------------------------------|-----------------|-----------------|
| 24th/Michigan                      | 7/21/1999       | 7/21/2022       |
| 26th and King Drive                | 1/11/2006       | 12/31/2030      |
| 35th and Wallace                   | 12/15/1999      | 12/31/2023      |
| 35th/Halsted                       | 1/14/1997       | 12/31/2021      |
| 35th/State                         | 1/14/2004       | 12/31/2028      |
| 43rd/Cottage Grove                 | 7/8/1998        | 12/31/2022      |
| 47th/Ashland                       | 3/27/2002       | 12/31/2026      |
| 47th/Halsted                       | 5/29/2002       | 12/31/2026      |
| 47th/King Drive                    | 3/27/2002       | 12/31/2026      |
| 47th/State                         | 7/21/2004       | 12/31/2028      |
| 49th Street/St. Lawrence Avenue    | 1/10/1996       | 12/31/2020      |
| 51st/ Archer                       | 5/17/2000       | 12/31/2024      |
| 51st/Lake Park                     | 11/15/2012      | 12/31/2036      |
| 53rd Street                        | 1/10/2001       | 12/31/2025      |
| 60th and Western                   | 5/9/1996        | 5/9/2019        |
| 63rd/Ashland                       | 3/29/2006       | 12/31/2030      |
| 63rd/Pulaski                       | 5/17/2000       | 12/31/2024      |
| 67th/Cicero                        | 10/2/2002       | 12/31/2026      |
| 67th/Wentworth                     | 5/4/2011        | 12/31/2035      |
| 69th/Ashland                       | 11/3/2004       | 12/31/2028      |
| 71st and Stony Island              | 10/7/1998       | 10/7/2021       |
| 73rd/University                    | 9/13/2006       | 12/31/2030      |
| 79th and Cicero                    | 6/8/2005        | 12/31/2029      |

\*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Name of Municipality: Chicago Reporting Fiscal Year:  
 County: Cook Fiscal Year End:  
 Unit Code: 016/620/30

**2015**  
 12 /31/2015

|  |            |            |
|--|------------|------------|
| 79th Street Corridor                         | 7/8/1998   | 7/8/2021   |
| 79th Street/Southwest Highway                | 10/3/2001  | 12/31/2025 |
| 79th/Vincennes                               | 9/27/2007  | 12/31/2031 |
| 83rd/Stewart                                 | 3/31/2004  | 12/31/2028 |
| 87th/Cottage Grove                           | 11/13/2002 | 12/31/2026 |
| 95th and Western                             | 7/13/1995  | 12/31/2019 |
| 105th/Vincennes                              | 10/3/2001  | 12/31/2025 |
| 107th Halsted                                | 4/2/2014   | 12/31/2038 |
| 111th Street/Kedzie Avenue Business District | 9/29/1999  | 9/29/2022  |
| 119th and Halsted                            | 2/6/2002   | 12/31/2026 |
| 119th/I-57                                   | 11/6/2002  | 12/31/2026 |
| 126th and Torrence                           | 12/21/1994 | 12/21/2017 |
| Addison Corridor North                       | 6/4/1997   | 6/4/2020   |
| Addison South                                | 5/9/2007   | 12/31/2031 |
| Archer Courts                                | 5/12/1999  | 12/31/2023 |
| Archer/ Central                              | 5/17/2000  | 12/31/2024 |
| Archer/Western                               | 2/11/2009  | 12/31/2033 |
| Armitage/Pulaski                             | 6/13/2007  | 12/31/2031 |
| Austin Commercial                            | 9/27/2007  | 12/31/2031 |
| Avalon Park/South Shore                      | 7/31/2002  | 12/31/2026 |
| Avondale                                     | 7/29/2009  | 12/31/2033 |
| Belmont/Central                              | 1/12/2000  | 12/31/2024 |
| Belmont/Cicero                               | 1/12/2000  | 12/31/2024 |
| Bronzeville                                  | 11/4/1998  | 12/31/2022 |
| Bryn Mawr/Broadway                           | 12/11/1996 | 12/11/2019 |
| Calumet Avenue/Cermak Road                   | 7/29/1998  | 7/29/2021  |
| Calumet River                                | 3/10/2010  | 12/31/2034 |
| Canal/Congress                               | 11/12/1998 | 12/31/2022 |
| Central West                                 | 2/16/2000  | 12/31/2024 |
| Chicago/ Kingsbury                           | 4/12/2000  | 12/31/2024 |
| Chicago/Central Park                         | 2/27/2002  | 12/31/2026 |
| Chicago Lakeside Development – Phase 1 (USX) | 5/12/2010  | 12/31/2034 |
| Cicero/Archer                                | 5/17/2000  | 12/31/2024 |
| Clark Street and Ridge Avenue                | 9/29/1999  | 9/29/2022  |
| Clark/Montrose                               | 7/7/1999   | 7/7/2022   |
| Commercial Avenue                            | 11/13/2002 | 12/31/2026 |
| Devon/Sheridan                               | 3/31/2004  | 12/31/2028 |
| Devon/Western                                | 11/3/1999  | 12/31/2023 |
| Diversey/Narragansett                        | 2/5/2003   | 12/31/2027 |
| Division/Homan                               | 6/27/2001  | 12/31/2025 |
| Drexel Boulevard                             | 7/10/2002  | 12/31/2026 |
| Edgewater/ Ashland                           | 10/1/2003  | 12/31/2027 |

Name of Municipality: Chicago  
 County: Cook  
 Unit Code: 016/620/30

Reporting Fiscal Year:  
 Fiscal Year End:

**2015**  
 12/31/2015

|  |            |            |
|--|------------|------------|
| Elston/Armstrong Industrial Corridor                     | 7/19/2007  | 12/31/2031 |
| Englewood Mall   | 11/29/1989 | 12/31/2025 |
| Englewood Neighborhood                                   | 6/27/2001  | 12/31/2025 |
| Ewing Avenue   | 3/10/2010  | 12/31/2034 |
| Forty-first Street and Dr. Martin Luther King, Jr. Drive | 7/13/1994  | 12/31/2018 |
| Foster California  | 4/2/2014   | 12/31/2038 |
| Fullerton/ Milwaukee                                     | 2/16/2000  | 12/31/2024 |
| Galewood/Armitage Industrial                             | 7/7/1999   | 12/31/2023 |
| Goose Island   | 7/10/1996  | 7/10/2019  |
| Greater Southwest Industrial Corridor (East)             | 3/10/1999  | 12/31/2023 |
| Greater Southwest Industrial Corridor (West)             | 4/12/2000  | 12/31/2024 |
| Harlem Industrial Park Conservation Area                 | 3/14/2007  | 12/31/2031 |
| Harrison/Central   | 7/26/2006  | 12/31/2030 |
| Hollywood/Sheridan                                       | 11/7/2007  | 12/31/2031 |
| Homan-Arthington   | 2/5/1998   | 2/5/2021   |
| Humboldt Park Commercial                                 | 6/27/2001  | 12/31/2025 |
| Irving Park/Elston                                       | 5/13/2009  | 12/31/2033 |
| Irving/Cicero  | 6/10/1996  | 12/31/2020 |
| Jefferson Park Business District                         | 9/9/1998   | 9/9/2021   |
| Jefferson/ Roosevelt                                     | 8/30/2000  | 12/31/2024 |
| Kennedy/Kimball  | 3/12/2008  | 12/31/2032 |
| Kinzie Industrial Corridor                               | 6/10/1998  | 12/31/2022 |
| Lake Calumet Area Industrial                             | 12/13/2000 | 12/31/2024 |
| Lakefront  | 3/27/2002  | 12/31/2026 |
| LaSalle Central  | 11/15/2006 | 12/31/2030 |
| Lawrence/ Kedzie   | 2/16/2000  | 12/31/2024 |
| Lawrence/Broadway  | 6/27/2001  | 12/31/2025 |
| Lawrence/Pulaski   | 2/27/2002  | 12/31/2026 |
| Lincoln Avenue   | 11/3/1999  | 12/31/2023 |
| Lincoln-Belmont-Ashland                                  | 11/2/1994  | 12/31/2018 |
| Little Village East                                      | 4/22/2009  | 12/31/2033 |
| Little Village Industrial Corridor                       | 6/13/2007  | 12/31/2031 |
| Madden/Wells   | 11/6/2002  | 12/31/2026 |
| Madison/Austin Corridor                                  | 9/29/1999  | 12/31/2023 |
| Michigan/Cermak  | 9/13/1989  | 12/31/2025 |
| Midway Industrial Corridor                               | 2/16/2000  | 12/31/2024 |
| Midwest  | 5/17/2000  | 12/31/2036 |
| Montclare  | 8/30/2000  | 12/31/2024 |
| Montrose/Clarendon                                       | 6/30/2010  | 12/31/2034 |
| Near North   | 7/30/1997  | 7/30/2020  |
| North Branch (North)                                     | 7/2/1997   | 12/31/2021 |
| North Branch (South)                                     | 2/5/1998   | 2/5/2021   |
| North Pullman  | 6/30/2009  | 12/31/2033 |
| North-Cicero   | 7/30/1997  | 7/30/2020  |

Name of Municipality: Chicago

Reporting Fiscal Year:

**2015**County: Cook

Fiscal Year End:

12/31/2015

Unit Code: 016/620/30

|  |            |            |
|--|------------|------------|
| Northwest Industrial Corridor                                    | 12/2/1998  | 12/31/2022 |
| Ogden/Pulaski  | 4/9/2008   | 12/31/2032 |
| Ohio/Wabash  | 6/7/2000   | 12/31/2024 |
| Pershing/King  | 9/5/2007   | 12/31/2031 |
| Peterson/Cicero  | 2/16/2000  | 12/31/2024 |
| Peterson/Pulaski   | 2/16/2000  | 12/31/2024 |
| Pilsen Industrial Corridor                                       | 6/10/1998  | 12/31/2022 |
| Portage Park   | 9/9/1998   | 9/9/2021   |
| Pratt/Ridge Industrial Park Conservation Area                    | 6/23/2004  | 12/31/2028 |
| Pulaski Corridor   | 6/9/1999   | 12/31/2023 |
| Randolph and Wells   | 6/9/2010   | 12/31/2034 |
| Ravenswood Corridor  | 3/9/2005   | 12/31/2029 |
| Read-Dunning   | 1/11/1991  | 12/31/2027 |
| River South  | 7/30/1997  | 7/30/2020  |
| River West   | 1/10/2001  | 12/31/2025 |
| Roosevelt/Canal  | 3/19/1997  | 12/31/2015 |
| Roosevelt/Cicero   | 2/5/1998   | 2/5/2021   |
| Roosevelt/Racine   | 11/4/1998  | 12/31/2034 |
| Roosevelt/Union  | 5/12/1999  | 5/12/2022  |
| Roseland/Michigan  | 1/16/2002  | 12/31/2026 |
| Sanitary Drainage and Ship Canal                                 | 7/24/1991  | 12/31/2027 |
| South Chicago  | 4/12/2000  | 12/31/2024 |
| South Works Industrial   | 11/3/1999  | 12/31/2023 |
| Stevenson/Brighton   | 4/11/2007  | 12/31/2031 |
| Stockyards Annex   | 12/11/1996 | 12/31/2020 |
| Stockyards Southeast Quadrant Industrial                         | 2/26/1992  | 12/31/2016 |
| Stony Island Avenue Commercial and Burnside Industrial Corridors | 6/10/1998  | 12/31/2034 |
| Touhy/Western  | 9/13/2006  | 12/31/2030 |
| Washington Park  | 10/8/2014  | 12/31/2038 |
| Weed/Fremont   | 1/8/2008   | 12/31/2032 |
| West Irving Park   | 1/12/2000  | 12/31/2024 |
| West Woodlawn  | 5/12/2010  | 12/31/2034 |
| Western Avenue North   | 1/12/2000  | 12/31/2024 |
| Western Avenue Rock Island                                       | 2/8/2006   | 12/31/2030 |
| Western Avenue South   | 1/12/2000  | 12/31/2024 |
| Western/Ogden  | 2/5/1998   | 2/5/2021   |
| Wilson Yard  | 6/27/2001  | 12/31/2025 |
| Woodlawn   | 1/20/1999  | 1/20/2022  |

**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]  
FY 2015**

|   |
|---|
| <b>Name of Redevelopment Project Area:</b> Drexel Boulevard Redevelopment Project Area                                    |
| <b>Primary Use of Redevelopment Project Area*:</b> Combination/Mixed  |
| <b>If "Combination/Mixed" List Component Types:</b> Commercial/Residential  |
| <b>Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):</b>         |
| <b>Tax Increment Allocation Redevelopment Act</b> <input checked="" type="checkbox"/> <b>Industrial Jobs Recovery Law</b> |

|   | No | Yes |
|---|----|-----|
| Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)]<br><b>If yes, please enclose the amendment labeled Attachment A</b>  | X  |     |
| Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)]<br><b>Please enclose the CEO Certification labeled Attachment B</b>  |    | X   |
| Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)]<br><b>Please enclose the Legal Counsel Opinion labeled Attachment C</b>  |    | X   |
| Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)]<br><b>If yes, please enclose the Activities Statement labeled Attachment D</b>                   | X  |     |
| Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)]<br><b>If yes, please enclose the Agreement(s) labeled Attachment E</b>   | X  |     |
| Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)]<br><b>If yes, please enclose the Additional Information labeled Attachment F</b>   | X  |     |
| Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)]<br><b>If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G</b>           | X  |     |
| Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)]<br><b>If yes, please enclose the Joint Review Board Report labeled Attachment H</b>   | X  |     |
| Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)]<br><b>If yes, please enclose the Official Statement labeled Attachment I</b>  | X  |     |
| Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)]<br><b>If yes, please enclose the Analysis labeled Attachment J</b>   | X  |     |
| Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2)<br><b>If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K</b>  |    | X   |
| Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)]<br><b>If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L</b>   |    | X   |
| A list of all intergovernmental agreements in effect in FY 2015, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)]<br><b>If yes, please enclose list only of the intergovernmental agreements labeled Attachment M</b> | X  |     |

\* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

**SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))**  
 Provide an analysis of the special tax allocation fund.

**FY 2015**

**TIF NAME:** Drexel Boulevard Redevelopment Project Area

Fund Balance at Beginning of Reporting Period \$ 162,966

| Revenue/Cash Receipts Deposited in Fund During Reporting FY:              | Reporting Year | Cumulative*  | % of Total |
|---|----------------|--------------|------------|
| Property Tax Increment  | 250,103        | \$ 2,924,541 | 100%       |
| State Sales Tax Increment   |                |              | 0%         |
| Local Sales Tax Increment   |                |              | 0%         |
| State Utility Tax Increment   |                |              | 0%         |
| Local Utility Tax Increment   |                |              | 0%         |
| Interest  | 687            | 6,230        | 0%         |
| Land/Building Sale Proceeds   |                |              | 0%         |
| Bond Proceeds   |                |              | 0%         |
| Transfers from Municipal Sources  |                |              | 0%         |
| Private Sources   |                |              | 0%         |
| Other (Identify source _____; if multiple other sources, attach schedule) |                |              | 0%         |

\*must be completed where 'Reporting Year' is populated

**Total Amount Deposited in Special Tax Allocation Fund During Reporting Period** 250,790

**Cumulative Total Revenues/Cash Receipts** \$ 2,930,771 100%

**Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)** 144,833

**Distribution of Surplus** -

**Total Expenditures/Disbursements** 144,833

**NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS** 105,957

**FUND BALANCE, END OF REPORTING PERIOD\*** \$ 268,923

\* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

**Total Amount Restricted (Carried forward from Section 3.3)** \$ 268,923

(a) Cumulative figures for the categories of 'Interest,' 'Land/Building Sale Proceeds' and 'Other' may not be fully available for this report due to either: (i) the disposal of certain older records pursuant to the City's records retention policy, or (ii) the extraordinary administrative burden of developing cumulative City records prior to the City's conversion to its current accounting system in 2003.





**SECTION 3.2 A**

**PAGE 3**

|  |         |                   |
|--|---------|-------------------|
| 14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)                |         |                   |
|  |         |                   |
|  |         |                   |
|  |         |                   |
|  |         |                   |
|  |         |                   |
|  |         | \$ -              |
| 15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY |         |                   |
|  | 144,833 |                   |
|  |         |                   |
|  |         |                   |
|  |         |                   |
|  |         |                   |
|  |         | \$ 144,833        |
| 16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY                      |         |                   |
|  |         |                   |
|  |         |                   |
|  |         |                   |
|  |         |                   |
|  |         |                   |
|  |         | \$ -              |
| <b>TOTAL ITEMIZED EXPENDITURES</b>   |         | <b>\$ 144,833</b> |

**Section 3.2 B**

**2015**

**TIF NAME:** Drexel Boulevard Redevelopment Project Area

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

| Name  | Service     | Amount    |
|---|-------------|-----------|
| The John D. and Catherine T. MacArthur Foundation | Development | \$144,833 |

\* This table may include payments for Projects that were undertaken prior to 11/1/1999.

**SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))**

**Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period**

**FY 2015**

**TIF NAME:** Drexel Boulevard Redevelopment Project Area

**FUND BALANCE, END OF REPORTING PERIOD** \$ 268,923

|   | Amount of Original<br>Issuance | Amount Restricted |
|---|--------------------------------|-------------------|
| <b>1. Description of Debt Obligations</b> |                                |                   |
| Restricted for debt service               | \$ -                           | \$ -              |
|   |                                |                   |
|   |                                |                   |
|   |                                |                   |
|   |                                |                   |
|   |                                |                   |
|   |                                |                   |
|   |                                |                   |
|   |                                |                   |
|   |                                |                   |

**Total Amount Restricted for Obligations** \$ - \$ -

|   |  |            |
|---|--|------------|
| <b>2. Description of Project Costs to be Paid</b> |  |            |
| Restricted for future redevelopment project costs |  | \$ 268,923 |
|   |  |            |
|   |  |            |
|   |  |            |
|   |  |            |
|   |  |            |
|   |  |            |
|   |  |            |
|   |  |            |
|   |  |            |

**Total Amount Restricted for Project Costs** \$ 268,923

**TOTAL AMOUNT RESTRICTED** \$ 268,923

**SURPLUS\*/(DEFICIT)** \$ -

\* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts (See instructions and statutes)

**SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]**

**FY 2015**

**TIF NAME: Drexel Boulevard Redevelopment Project Area**

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

  X   No property was acquired by the Municipality Within the Redevelopment Project Area

## SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

PAGE 1

FY 2015

TIF NAME: Drexel Boulevard Redevelopment Project Area

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED ONLY IF PROJECTS ARE LISTED ON THESE PAGES

Check here if NO projects were undertaken by the Municipality Within the Redevelopment Project Area: \_\_\_\_\_

ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below\*.1

| TOTAL:                             | 11/1/99 to Date | Estimated Investment for Subsequent Fiscal Year | Total Estimated to Complete Project |
|------------------------------------|-----------------|---|-------------------------------------|
| Private Investment Undertaken      | \$ 26,791,809   | \$ -  | \$ -                                |
| Public Investment Undertaken       | \$ 2,645,670    | \$ -  | \$ -                                |
| Ratio of Private/Public Investment | 10 10/79        |   | 0                                   |

**Project 1:****Jazz on the Boulevard**

Project Complete

|                                    |               |  |   |
|------------------------------------|---------------|--|---|
| Private Investment Undertaken      | \$ 26,791,809 |  |   |
| Public Investment Undertaken       | \$ 2,645,670  |  |   |
| Ratio of Private/Public Investment | 10 10/79      |  | 0 |

**Project 2:**

Private Investment Undertaken (See Instructions)

Public Investment Undertaken

Ratio of Private/Public Investment

0

0

**Project 3:**

Private Investment Undertaken (See Instructions)

Public Investment Undertaken

Ratio of Private/Public Investment

0

0

**Project 4:**

Private Investment Undertaken (See Instructions)

Public Investment Undertaken

Ratio of Private/Public Investment

0

0

**Project 5:**

Private Investment Undertaken (See Instructions)

Public Investment Undertaken

Ratio of Private/Public Investment

0

0

**Project 6:**

Private Investment Undertaken (See Instructions)

Public Investment Undertaken

Ratio of Private/Public Investment

0

0

|  |   |  |   |
|--|---|--|---|
| <b>Project 7:</b>                                |   |  |   |
| Private Investment Undertaken (See Instructions) |   |  |   |
| Public Investment Undertaken                     |   |  |   |
| Ratio of Private/Public Investment               | 0 |  | 0 |

|  |   |  |   |
|--|---|--|---|
| <b>Project 8:</b>                                |   |  |   |
| Private Investment Undertaken (See Instructions) |   |  |   |
| Public Investment Undertaken                     |   |  |   |
| Ratio of Private/Public Investment               | 0 |  | 0 |

|  |   |  |   |
|--|---|--|---|
| <b>Project 9:</b>                                |   |  |   |
| Private Investment Undertaken (See Instructions) |   |  |   |
| Public Investment Undertaken                     |   |  |   |
| Ratio of Private/Public Investment               | 0 |  | 0 |

|  |   |  |   |
|--|---|--|---|
| <b>Project 10:</b>                               |   |  |   |
| Private Investment Undertaken (See Instructions) |   |  |   |
| Public Investment Undertaken                     |   |  |   |
| Ratio of Private/Public Investment               | 0 |  | 0 |

|  |   |  |   |
|--|---|--|---|
| <b>Project 11:</b>                               |   |  |   |
| Private Investment Undertaken (See Instructions) |   |  |   |
| Public Investment Undertaken                     |   |  |   |
| Ratio of Private/Public Investment               | 0 |  | 0 |

|  |   |  |   |
|--|---|--|---|
| <b>Project 12:</b>                               |   |  |   |
| Private Investment Undertaken (See Instructions) |   |  |   |
| Public Investment Undertaken                     |   |  |   |
| Ratio of Private/Public Investment               | 0 |  | 0 |

|  |   |  |   |
|--|---|--|---|
| <b>Project 13:</b>                               |   |  |   |
| Private Investment Undertaken (See Instructions) |   |  |   |
| Public Investment Undertaken                     |   |  |   |
| Ratio of Private/Public Investment               | 0 |  | 0 |

|  |   |  |   |
|--|---|--|---|
| <b>Project 14:</b>                               |   |  |   |
| Private Investment Undertaken (See Instructions) |   |  |   |
| Public Investment Undertaken                     |   |  |   |
| Ratio of Private/Public Investment               | 0 |  | 0 |

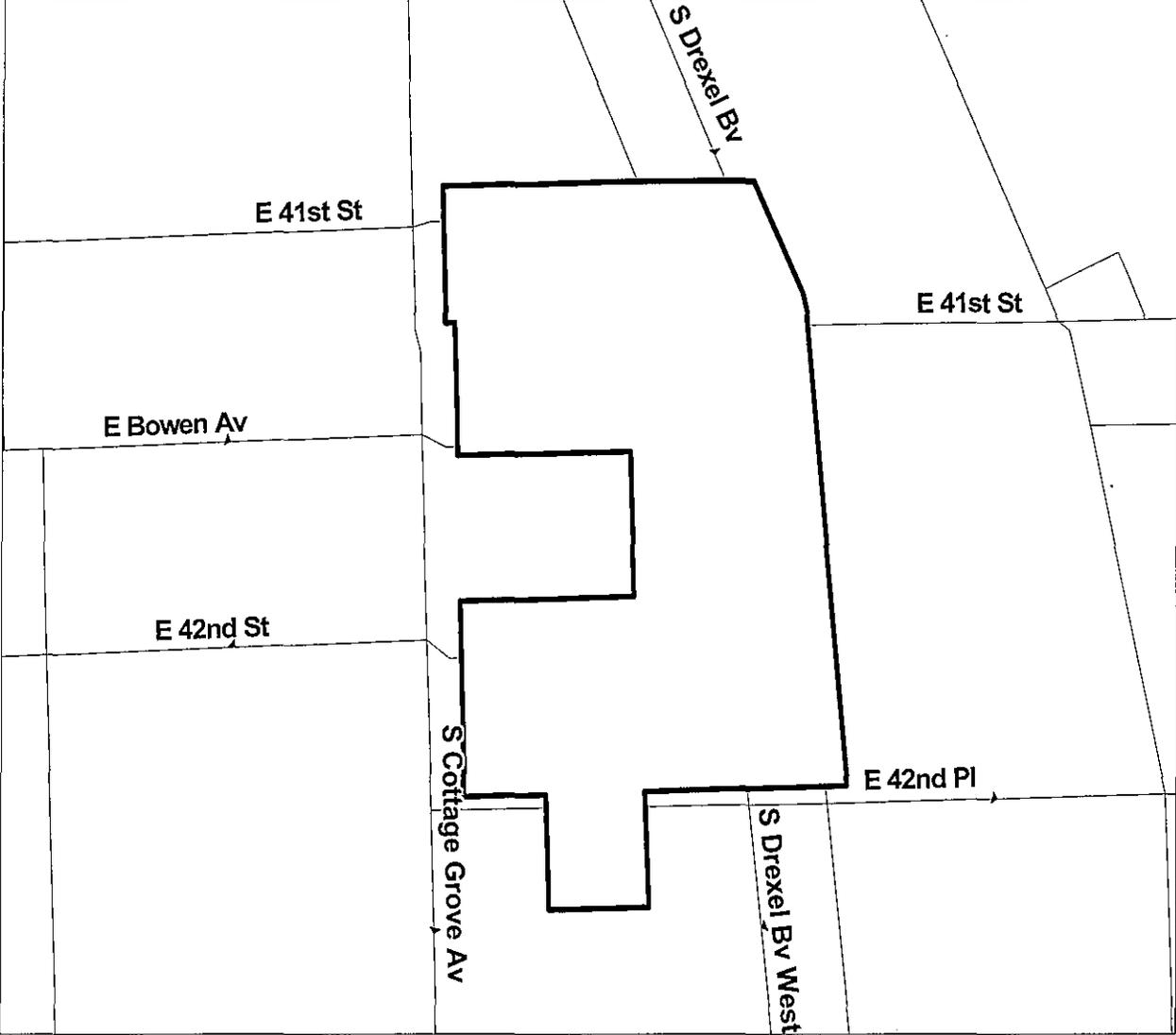
**General Notes**

(a) Each actual or estimated Public Investment reported here is, to the extent possible, comprised only of payments financed by tax increment revenue, and may include interest amounts paid to finance the Public Investment amount. In contrast, each actual or estimated Private Investment reported here is, to the extent possible, comprised of payments financed by revenues that are not tax increment revenues and, therefore, may include private equity, private lender financing, private grants, other public monies, or other local, state or federal grants or loans.

(b) Each amount reported here under Public Investment Undertaken, Total Estimated to Complete Project, is to the maximum amount of payments financed by tax increment revenue that could be made pursuant to the corresponding Project's operating documents, but not including interest that may later be payable on developers notes, and may not necessarily reflect actual expenditures, if any, as reported in Section 3 herein. The total public investment amount ultimately made under each Project will depend upon the future occurrence of various conditions, including interest that may be payable on developer notes as set forth in the Project's operating documents.



**Drexel Boulevard Redevelopment Project Area  
2015 Annual Report**



STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

**Attachment B**

CERTIFICATION

TO:

Leslie Geissler Munger  
Comptroller of the State of Illinois  
James R. Thompson Center  
100 West Randolph Street, Suite 15-500  
Chicago, Illinois 60601  
Attention: June Canello, Director of Local  
Government

Forrest Claypool  
Chief Executive Officer  
Chicago Board of Education  
42 West Madison Street  
Chicago, Illinois 60603

James R. Dempsey  
Associate Vice Chancellor-Finance  
City Colleges of Chicago  
226 West Jackson Boulevard, Room 1125  
Chicago, Illinois 60606

Jacqueline Torres, Director of Finance  
Metropolitan Water Reclamation District of  
Greater Chicago  
100 East Erie Street, Room 2429  
Chicago, Illinois 60611

Michael Jasso  
Bureau Chief  
Cook County Bureau of Economic Dev.  
69 West Washington Street, Suite 3000  
Chicago, Illinois 60602

Douglas Wright  
South Cook County Mosquito Abatement  
District  
155th & Dixie Highway  
P.O. Box 1030  
Harvey, Illinois 60426

Lawrence Wilson, Comptroller  
Forest Preserve District of Cook County  
69 W. Washington Street, Suite 2060  
Chicago, IL 60602

Michael P. Kelly, General Superintendent &  
CEO  
Chicago Park District  
541 North Fairbanks, 7th Floor  
Chicago, Illinois 60611

I, Rahm Emanuel, in connection with the annual report (the "Report") of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq., (the "Act") with regard to the Drexel Boulevard Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

**Attachment B**

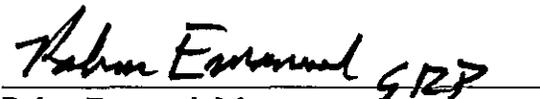
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2015, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

3. In giving this Certification, I have relied on the opinion of the Corporation Counsel of the City furnished in connection with the Report.

4. This Certification may be relied upon only by the addressees hereof.

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 30th day of June, 2016.

  
\_\_\_\_\_  
Rahm Emanuel, Mayor  
City of Chicago, Illinois



## DEPARTMENT OF LAW

June 30, 2016

CITY OF CHICAGO

Attachment C

Leslie Geissler Munger  
Comptroller of the State of Illinois  
James R. Thompson Center  
100 West Randolph Street, Suite 15-500  
Chicago, Illinois 60601  
Attention: June Canello, Director of Local  
Government

Forrest Claypool  
Chief Executive Officer  
Chicago Board of Education  
42 West Madison Street  
Chicago, Illinois 60603

James R. Dempsey  
Associate Vice Chancellor-Finance  
City Colleges of Chicago  
226 West Jackson Boulevard, Room 1125  
Chicago, Illinois 60606

Jacqueline Torres, Director of Finance  
Metropolitan Water Reclamation District  
of Greater Chicago  
100 East Erie Street, Room 2429  
Chicago, Illinois 60611

Michael Jasso  
Bureau Chief  
Cook County Bureau of Economic Dev.  
69 West Washington Street, Suite 3000  
Chicago, Illinois 60602

Douglas Wright  
South Cook County Mosquito Abatement  
District  
155th & Dixie Highway  
P.O. Box 1030  
Harvey, Illinois 60426

Lawrence Wilson, Comptroller  
Forest Preserve District of Cook County  
69 W. Washington Street, Suite 2060  
Chicago, IL 60602

Michael P. Kelly, General Superintendent  
& CEO  
Chicago Park District  
541 North Fairbanks, 7th Floor  
Chicago, Illinois 60611

Re: Drexel Boulevard  
Redevelopment Project Area (the "Redevelopment Project Area")

Dear Addressees:

I am the Corporation Counsel of the City of Chicago, Illinois (the "City") and, in such capacity, I am the head of the City's Law Department. In such capacity, I am providing the opinion required by Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "Act"), in connection with the submission of the report (the "Report") in accordance with, and containing the information required by, Section 11-74.4-5(d) of the Act for the Redevelopment Project Area.

June 30, 2016

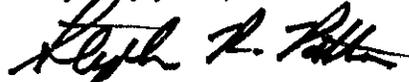
Attorneys, past and present, in the Law Department of the City and familiar with the requirements of the Act, have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following matters: approval of the redevelopment plan and project for the Redevelopment Project Area, designation of the Redevelopment Project Area as a redevelopment project area, and adoption of tax increment allocation financing for the Redevelopment Project Area, all in accordance with the then applicable provisions of the Act. Various departments of the City, including, if applicable, the Law Department, Department of Planning and Development, Department of Finance and Office of Budget and Management (collectively, the "City Departments"), have personnel responsible for and familiar with the activities in the Redevelopment Project Area affecting such Department(s) and with the requirements of the Act in connection therewith. Such personnel are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the Law Department with respect to issues that may arise from time to time regarding the requirements of, and compliance with, the Act.

In my capacity as Corporation Counsel, I have relied on the general knowledge and actions of the appropriately designated and trained staff of the Law Department and other applicable City Departments involved with the activities affecting the Redevelopment Project Area. In addition, I have caused to be examined or reviewed by members of the Law Department of the City the certified audit report, to the extent required to be obtained by Section 11-74.4-5(d)(9) of the Act and submitted as part of the Report, which is required to review compliance with the Act in certain respects, to determine if such audit report contains information that might affect my opinion. I have also caused to be examined or reviewed such other documents and records as were deemed necessary to enable me to render this opinion. Nothing has come to my attention that would result in my need to qualify the opinion hereinafter expressed, subject to the limitations hereinafter set forth, unless and except to the extent set forth in an Exception Schedule attached hereto as Schedule 1.

Based on the foregoing, I am of the opinion that, in all material respects, the City is in compliance with the provisions and requirements of the Act in effect and then applicable at the time actions were taken from time to time with respect to the Redevelopment Project Area.

This opinion is given in an official capacity and not personally and no personal liability shall derive herefrom. Furthermore, the only opinion that is expressed is the opinion specifically set forth herein, and no opinion is implied or should be inferred as to any other matter. Further, this opinion may be relied upon only by the addressees hereof and the Mayor of the City in providing his required certification in connection with the Report, and not by any other party.

Very truly yours,



Stephen R. Patton  
Corporation Counsel

CITY OF CHICAGO, ILLINOIS  
DREXEL BOULEVARD  
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2015

CITY OF CHICAGO, ILLINOIS  
DREXEL BOULEVARD REDEVELOPMENT PROJECT

C O N T E N T S

|   | <u>Page</u> |
|---|-------------|
| INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS<br>AND SUPPLEMENTARY INFORMATION           | 1-2         |
| Management's discussion and analysis  | 3-5         |
| Statement of net position and governmental fund balance sheet                                       | 6           |
| Statement of activities and governmental fund revenues,<br>expenditures and changes in fund balance | 7           |
| Notes to financial statements   | 8-10        |
| SUPPLEMENTARY INFORMATION   |             |
| Schedule of expenditures by statutory code  | 11          |

## INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor  
Members of the City Council  
City of Chicago, Illinois

We have audited the accompanying financial statements of the Drexel Boulevard Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

The financial statements present only the Drexel Boulevard Redevelopment Project and do not purport to, and do not present fairly the financial position of the City of Chicago, Illinois, as of December 31, 2015, and the changes in its 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 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.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Drexel Boulevard Redevelopment Project of the City of Chicago, Illinois, 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 principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5 be presented to supplement the basic financial statements. Such 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. 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 evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The Schedule of Expenditures by Statutory Code is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Banaley and Kilner, L.L.P.*

Certified Public Accountants

June 20, 2016

CITY OF CHICAGO, ILLINOIS  
DREXEL BOULEVARD REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

As management of the Drexel Boulevard Tax Increment Redevelopment Project Area (Project), we offer the readers of the Project's financial statements this narrative overview and analysis of the Project's financial performance for the year ended December 31, 2015. Please read it in conjunction with the Project's financial statements, which follow this section.

*Overview of the Financial Statements*

This discussion and analysis is intended to serve as an introduction to the Project's basic financial statements. The Project's basic financial statements include three components: 1) government-wide financial statements, 2) governmental fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information concerning the Project's expenditures by statutory code.

*Basic Financial Statements*

The basic financial statements include two kinds of financial statements that present different views of the Project – the *Government-Wide Financial Statements* and the *Governmental Fund Financial Statements*. These financial statements also include the notes to the financial statements that explain some of the information in the financial statements and provide more detail.

*Government-Wide Financial Statements*

The government-wide financial statements provide both long-term and short-term information about the Project's financial status and use accounting methods similar to those used by private-sector companies. The statement of net position includes all of the project's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the Project's net position and how they have changed. Net position – the difference between the Project's assets and liabilities – is one way to measure the Project's financial health, or position.

*Governmental Fund Financial Statements*

The governmental fund financial statements provide more detailed information about the Project's significant funds – not the Project as a whole. Governmental funds focus on: 1) how cash and other financial assets can readily be converted to cash flows and 2) the year-end balances that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more financial resources that can be spent in the near future to finance the Project. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the statements to explain the relationship (or differences) between them.

CITY OF CHICAGO, ILLINOIS  
DREXEL BOULEVARD REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(Continued)

*Notes to the Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental fund financial statements. The notes to the financial statements follow the basic financial statements.

*Other Supplementary Information*

In addition to the basic financial statements and accompanying notes, this report also presents a schedule of expenditures by statutory code. This supplementary information follows the notes to the financial statements.

*Condensed Comparative Financial Statements*

The condensed comparative financial statements are presented on the following page.

*Analysis of Overall Financial Position and Results of Operations*

Property tax revenue for the Project was \$326,275 for the year. This was an increase of 3 percent over the prior year. The change in net position produced an increase in net position of \$182,129. The Project's net position increased by 49 percent from the prior year making available \$556,503 of funding to be provided for purposes of future redevelopment in the Project's designated area. Expenses decreased this year due to the Project's formulation of a redevelopment plan or necessary funding was not substantially complete or available.

CITY OF CHICAGO, ILLINOIS  
DREXEL BOULEVARD REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(Concluded)

Government-Wide

|                         | <u>2015</u>       | <u>2014</u>       | <u>Change</u>     | <u>% Change</u> |
|-------------------------|-------------------|-------------------|-------------------|-----------------|
| Total assets            | \$ 584,777        | \$ 374,374        | \$ 210,403        | 56%             |
| Total liabilities       | <u>28,274</u>     | <u>-</u>          | <u>28,274</u>     | 100%            |
| Total net position      | <u>\$ 556,503</u> | <u>\$ 374,374</u> | <u>\$ 182,129</u> | 49%             |
| <br>                    |                   |                   |                   |                 |
| Total revenues          | \$ 326,962        | \$ 316,823        | \$ 10,139         | 3%              |
| Total expenses          | <u>144,833</u>    | <u>320,370</u>    | <u>(175,537)</u>  | -55%            |
| Changes in net position | <u>182,129</u>    | <u>(3,547)</u>    | <u>185,676</u>    | 5,235%          |
| Ending net position     | <u>\$ 556,503</u> | <u>\$ 374,374</u> | <u>\$ 182,129</u> | 49%             |

CITY OF CHICAGO, ILLINOIS  
DREXEL BOULEVARD REDEVELOPMENT PROJECT

STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUND BALANCE SHEET  
DECEMBER 31, 2015

| <u>A S S E T S</u>                                   | <u>Governmental<br/>Fund</u> | <u>Adjustments</u> | <u>Statement<br/>of<br/>Net Position</u> |
|--|------------------------------|--------------------|--|
| Cash and investments                                 | \$ 257,378                   | \$ -               | \$ 257,378                               |
| Property taxes receivable                            | 326,846                      | -                  | 326,846                                  |
| Accrued interest receivable                          | 553                          | -                  | 553                                      |
| Total assets   | <u>\$ 584,777</u>            | <u>\$ -</u>        | <u>\$ 584,777</u>                        |
| <u>LIABILITIES AND DEFERRED INFLOWS</u>              |                              |                    |  |
| Other accrued liability                              | \$ 28,274                    | \$ -               | \$ 28,274                                |
| Deferred inflows                                     | 287,580                      | (287,580)          | -  |
| <u>FUND BALANCE/NET POSITION</u>                     |                              |                    |  |
| Fund balance:  |                              |                    |  |
| Restricted for future redevelopment<br>project costs | 268,923                      | (268,923)          | -  |
| Total liabilities, deferred inflows and fund balance | <u>\$ 584,777</u>            |                    |  |
| Net position:  |                              |                    |  |
| Restricted for future redevelopment<br>project costs |                              | 556,503            | 556,503                                  |
| Total net position                                   |                              | <u>\$ 556,503</u>  | <u>\$ 556,503</u>                        |

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

|  |                   |
|--|-------------------|
| Total fund balance - governmental fund   | \$ 268,923        |
| Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available. | <u>287,580</u>    |
| Total net position - governmental activities   | <u>\$ 556,503</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS  
DREXEL BOULEVARD REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2015

|                                      | <u>Governmental<br/>Fund</u> | <u>Adjustments</u> | <u>Statement of<br/>Activities</u> |
|--------------------------------------|------------------------------|--------------------|------------------------------------|
| Revenues:                            |                              |                    |                                    |
| Property tax                         | \$ 250,103                   | \$ 76,172          | \$ 326,275                         |
| Interest                             | 687                          | -                  | 687                                |
| Total revenues                       | 250,790                      | 76,172             | 326,962                            |
| Expenditures/expenses:               |                              |                    |                                    |
| Economic development projects        | 144,833                      | -                  | 144,833                            |
| Excess of revenues over expenditures | 105,957                      | (105,957)          | -                                  |
| Change in net position               | -                            | 182,129            | 182,129                            |
| Fund balance/net position:           |                              |                    |                                    |
| Beginning of year                    | 162,966                      | 211,408            | 374,374                            |
| End of year                          | <u>\$ 268,923</u>            | <u>\$ 287,580</u>  | <u>\$ 556,503</u>                  |

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

|  |                   |
|--|-------------------|
| Net change in fund balance - governmental fund   | \$ 105,957        |
| Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available. | <u>76,172</u>     |
| Change in net position - governmental activities   | <u>\$ 182,129</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS  
DREXEL BOULEVARD REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In July 2002, the City of Chicago (City) established the Drexel Boulevard Tax Increment Redevelopment Project Area (Project). The area has been established to finance improvements, leverage private investment and create and retain jobs. The Project is accounted for within the special revenue funds of the City.

(b) *Government-Wide and Fund Financial Statements*

The accompanying financial statements of the Project have been prepared in conformity with generally accepted accounting principles as prescribed by the Government Accounting Standards Board (GASB). GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, standardized the presentation of deferred outflows and inflows of resources and their effect on the Project's net position. The financial impact resulting from the implementation of GASB Statement No. 63 is primarily the change in terminology from Net Assets to Net Position. In addition, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, was implemented to establish accounting and financial reporting standards that reclassify as deferred inflows of resources, certain items that were previously reported as liabilities and recognizes, as inflows of resources, certain items that were previously reported as liabilities.

(c) *Measurement Focus, Basis of Accounting and Financial Statements 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 for 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 collectible 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to follow subsequent private-sector guidance.

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 expenses during the reporting period. Accordingly, actual results could differ from these estimates.

CITY OF CHICAGO, ILLINOIS  
DREXEL BOULEVARD REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

(Continued)

Note 1 – Summary of Significant Accounting Policies (Concluded)

(d) *Assets, Liabilities and Net Position*

*Cash and Investments*

Cash being held by the City is generally deposited with the City Treasurer as required by the Municipal Code of Chicago. The City Comptroller issues warrants for authorized City expenditures which represent a claim for payment when presented to the City Treasurer. Payment for all City warrants clearing is made by checks drawn on the City's various operating bank accounts.

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned on pooled investments is allocated to participating funds based upon their average combined cash and investment balances.

The City values its investments at fair value or amortized cost. U.S. Government securities purchased at a price other than par with a maturity of less than one year are reported at amortized cost.

*Deferred Inflows*

Deferred inflows represent deferred property tax revenue amounts to be recognized as revenue in future years in the governmental fund financial statements.

*Capital Assets*

Capital assets are not capitalized in the governmental fund but, instead, are charged as current expenditures when purchased. The Government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) of the City includes the capital assets and related depreciation, if any, of the Project in which ownership of the capital asset will remain with the City (i.e. infrastructure, or municipal building). All other construction will be expensed in both the government-wide financial statements and the governmental fund as the City nor Project will retain the right of ownership.

(e) *Stewardship, Compliance and Accountability*

*Illinois Tax Increment Redevelopment Allocation Act Compliance*

The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing and relocation costs.

*Reimbursements*

Reimbursements, if any, are made to the developer for project costs, as public improvements are completed and pass City inspection.

CITY OF CHICAGO, ILLINOIS  
DREXEL BOULEVARD REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Concluded)

Note 2 – Commitments

The City has pledged certain amounts solely from available excess incremental taxes to provide financial assistance either directly to a developer or indirectly through a financing intermediary under the terms of a redevelopment agreement for the purpose of paying costs of certain eligible redevelopment project costs.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS  
DREXEL BOULEVARD REDEVELOPMENT PROJECT  
SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

Costs of construction of new housing units for low  
income and very low income households

\$ 144,833



O'HARE PLAZA  
8745 WEST HIGGINS ROAD  
SUITE 200  
CHICAGO, ILLINOIS 60631  
TEL: (312) 263-2700  
FAX: (312) 263-6935  
WWW.BK-CPA.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor  
Members of the City Council  
City of Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Drexel Boulevard Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental fund balance sheet as of December 31, 2015, and the related statement of activities and governmental fund revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated June 20, 2016.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the Drexel Boulevard Redevelopment Project of the City of Chicago, Illinois.

However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Project's noncompliance with the above referenced regulatory provisions, insofar as they relate to accounting matters.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

*Bansley and Kiener, L.L.P.*

Certified Public Accountants

June 20, 2016