

City of Chicago Department of Planning and Development

Special Service Area (SSA) Program

Audit Report Package Transmittal Checklist

This checklist must be completed and submitted with audit report package to City's Department of Planning and Development (DPD) via DPD's SharePoint platform. Note: Effective with 2019 audit report package submissions e-mail submissions are not an acceptable form of transmittal and report packages will be deemed "not submitted" unless they are uploaded into CPD's SharePoint platform. For each SSA submission enter the starting page number for each of the PDF audit report package components listed below. Each required component on the checklist must have a numeric page number, unless otherwise noted.

SSA Name and number: Special Service Area #55
 SSA Provider Name: Mount Greenwood Community + Business Association
 Submission Date: 8/15/22

✓ Starting PDF Page Number	Audit Report Package Components
	Comparative Financial Statements
9	1. Statement of Net Position and Governmental Fund Balance Sheet - Current Year
9	2. Statement of Net Position and Governmental Fund Balance Sheet - Prior Year
10	3. Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance - Current Year
10	4. Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance - Prior Year
21	5. Statement of Revenues and Expenditures - Budget and Actual
5	Auditor's Opinion on Financial Statements
23	Schedule of Findings - Current and Prior Year, if applicable
NA	Corrective Action Plan - Current and Prior Year, if applicable (if findings)*
24	Audit Firm CPA License
25	SSA Budget Summary page for the latest modified/amended budget approved by your SSA commission (for current audit period)
Separate PDF file attached - Yes/No	SSA Detailed SSA Commission Approved Budget
	Note: SSA Service Provider must submit detailed budget corresponding to Summary page, noted above, with audit report package.

*required if findings exist

SPECIAL SERVICE AREA #55
(a taxing district authorized by the City of Chicago)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020

SPECIAL SERVICE AREA #55
(a taxing district authorized by the City of Chicago)
DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Special Service Area #55
and
Mount Greenwood Community & Business Association (Contractor)
Chicago, IL

Opinions

We have audited the accompanying financial statements of the governmental activities of Special Service Area #55 (a taxing district authorized by the City of Chicago and component unit of the City of Chicago), as of and for the year ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise Special Service Area #55's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Special Service Area #55 (a taxing district authorized by the City of Chicago and component unit of the City of Chicago), as of December 31, 2021 and 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Special Service Area #55 (a taxing district authorized by the City of Chicago and component unit of the City of Chicago), and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Special Service Area #55 (a taxing district authorized by the City of Chicago and component unit of the City of Chicago) ability to continue

as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Special Service Area #55 (a taxing district authorized by the City of Chicago and component unit of the City of Chicago) internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Special Service Area #55 (a taxing district authorized by the City of Chicago and component unit of the City of Chicago) ability to continue as a going concern for a reasonable period of time.

Requires Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the 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.

As discussed in Note 1, the financial statements of SSA #55 (a taxing district authorized by the City of Chicago) are intended to present the financial position, and the changes in financial position of only that portion of the governmental activities of the City of Chicago, Illinois that is attributable to the transactions of SSA #55. They do not purport to, and do not, present fairly the financial position of the City of Chicago, Illinois as of December 31, 2021 and 2020, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Duffner & Company P.C.

July 10, 2022
Palos Heights, Illinois

FINANCIAL STATEMENTS

SPECIAL SERVICE AREA #55
(a taxing district authorized by the City of Chicago)
GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION
DECEMBER 31,

	2021			2020		
	GOVERNMENTAL FUNDS	ADJUSTMENTS	STATEMENT OF NET POSITION	GOVERNMENTAL FUNDS	ADJUSTMENTS	STATEMENT OF NET POSITION
ASSETS						
Cash	\$ 15,599		\$ 15,599	\$ 3,237		\$ 3,237
Taxes Receivable	31,250	500	31,750	31,250	500	31,750
Tax Increment Financing Receivable	13,000		13,000	26,000		26,000
Total Assets	<u>\$ 59,849</u>		<u>\$ 60,349</u>	<u>\$ 60,487</u>		<u>\$ 60,987</u>
LIABILITIES AND FUND BALANCE						
Accounts Payable	\$ 5,070		\$ 5,070	\$ 4,384		\$ 4,384
Due to Contractor	21,059		21,059	4,723		4,723
Total Liabilities	26,129		26,129	9,107		9,107
Deferred Inflow of Resources						
Deferred Property Taxes	31,250	(31,250)	-	31,250	(31,250)	-
Fund Balance, Restricted	2,470	(2,470)	-	20,130	(20,130)	-
Total Liabilities and Fund Balance	<u>\$ 59,849</u>			<u>\$ 60,487</u>		
Net Position, Restricted		<u>\$ 34,220</u>	<u>\$ 34,220</u>		<u>\$ 51,880</u>	<u>\$ 51,880</u>
Amount reported for governmental activities in the statement of net position are different because:						
Total fund balance - governmental funds			\$ 2,470			\$ 20,130
Property tax revenue is recognized in the period it is levied rather than when "available". A portion of the property tax is deferred as it is not available in the governmental funds			31,750			31,750
Total net position - governmental activities - restricted			<u>\$ 34,220</u>			<u>\$ 51,880</u>

The accompanying notes are an integral part of these financial statements

SPECIAL SERVICE AREA #55
(a taxing district authorized by the City of Chicago)
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS, REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31,

	2021			2020		
	GOVERNMENTAL FUNDS	ADJUSTMENTS	STATEMENT OF ACTIVITIES	GOVERNMENTAL FUNDS	ADJUSTMENTS	STATEMENT OF ACTIVITIES
REVENUES						
Property Taxes	\$ 27,422	\$ -	\$ 27,422	\$ 31,819	\$ -	\$ 31,819
Tax Increment Financing Funds	14,232	-	14,232	13,000	-	13,000
Total Revenues	<u>41,654</u>	<u>-</u>	<u>41,654</u>	<u>44,819</u>	<u>-</u>	<u>44,819</u>
EXPENDITURES						
Customer Attraction	1,577	-	1,577	12,297	-	12,297
Public Way Aesthetics	21,349	-	21,349	19,169	-	19,169
Economic/Business Development	27,511	-	27,511	-	-	-
SSA Management	6,177	-	6,177	6,586	-	6,586
Personnel	2,700	-	2,700	2,700	-	2,700
Loss Collection	-	-	-	-	-	-
Total Expenditures / Expenses	<u>59,314</u>	<u>-</u>	<u>59,314</u>	<u>40,752</u>	<u>-</u>	<u>40,752</u>
Excess of Revenues over Expenditures	<u>(17,660)</u>			<u>4,067</u>		
Change in Net Position	<u>-</u>		<u>(17,660)</u>		<u>-</u>	<u>4,067</u>
FUND BALANCE / NET POSITION						
Beginning of Year - Restricted	20,130	31,750	51,880	16,063	31,750	47,813
End of Year - Restricted	<u>\$ 2,470</u>	<u>\$ 31,750</u>	<u>\$ 34,220</u>	<u>\$ 20,130</u>	<u>\$ 31,750</u>	<u>\$ 51,880</u>
Amounts reported for governmental activities in the statement of activities are different because:						
Net change in fund balance - governmental funds			\$ (17,660)			\$ 4,067
Property tax revenue is recognized in the year it is levied rather than when it is available for governmental funds			-			-
Net change in net position - governmental activities			<u>\$ (17,660)</u>			<u>\$ 4,067</u>

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

SPECIAL SERVICE AREA #55
(a taxing district authorized by the City of Chicago)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31,

EXPENDITURES	<u>2021</u>	<u>2020</u>
Customer Attraction	\$ 1,577	\$ 12,297
Public Way Aesthetics	21,349	19,169
Economic/Business Development	27,511	-
SSA Management	6,177	6,586
Personnel	2,700	2,700
Loss Collection	<u>-</u>	<u>-</u>
 Total Expenditures / Expenses	 <u>59,314</u>	 <u>40,752</u>
 REVENUES		
Property Taxes	27,422	31,819
Tax Increment Financing Funds	<u>14,232</u>	<u>13,000</u>
 Total Revenues	 <u>41,654</u>	 <u>44,819</u>
 Increase/(Decrease) in Net Position	 <u>(17,660)</u>	 <u>4,067</u>
 Net Position - Beginning of Year	 <u>51,880</u>	 <u>47,813</u>
 Net Position - End of Year	 <u>\$ 34,220</u>	 <u>\$ 51,880</u>

The accompanying notes are an integral part of these financial statements

SPECIAL SERVICE AREA #55
(a taxing district authorized by the City of Chicago)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

Note 1 – Nature of Operations and Summary of Significant Accounting Policies

A. Organization

Special Service Area #55 is a taxing district authorized by the City of Chicago located in Chicago, Illinois. Its scope of services is to fund various activities to improve and enhance the Mount Greenwood commercial district. The SSA is funded by property taxes 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 #55 is governed by a Commission whose members are appointed by the Mayor of Chicago. The City of Chicago contracted with Mount Greenwood Community & Business Association to perform administrative duties as the service provider for the SSA during the reporting period. Mount Greenwood Community & Business Association is an Illinois not-for-profit corporation that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

B. Financial Reporting Entity

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- (1) Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or.
- (2) Fiscal dependency on the primary government

Based on the application criteria, no component units have been included within the SSA #4's financial statements.

The Special Service Area #55 does not have any component units as defined by Government Accounting Standards Board Statements No. 14 and No. 39.

The Special Service Area #55 is a component unit of The City of Chicago, Illinois. The Fund presented in the financial statements in this report is a special revenue fund.

New Accounting Pronouncements

GASB Statement No. 98 *The Annual Comprehensive Financial Report*. The objective of this statement establishes the term annual comprehensive financial report and its acronym ACFR. This statement does not apply to SSA #55.

The basic financial statements of SSA #55 are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

SPECIAL SERVICE AREA #55
(a taxing district authorized by the City of Chicago)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements

The financial statements of the 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 the accrual basis of accounting for all of the SSA's activities. The Fund Financial Statements, which focus on the SSA's governmental fund's current financial resources measurement, are prepared on the modified accrual basis. The SSA accounts for its activities in one fund, its general fund.

C. Basis of Accounting and Measurement Focus

Measurements 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, 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.

Fund Equity/Net Position

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned or unassigned. Non-spendable 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 balances is a limitation imposed by the SSA board 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.

When both restricted and unrestricted fund balances are available for use, it is SSA #4's policy to use restricted fund balances first, then unrestricted fund balances. 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

SPECIAL SERVICE AREA #55
(a taxing district authorized by the City of Chicago)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (continued)

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 provision or enabling legislation. The remaining net position is classified as unrestricted.

Cash and Cash Equivalents

Cash and cash equivalents is defined 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. SSA #4 maintains its cash in bank accounts, which, at times, may exceed the federally insured limits. SSA #4 has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. SSA #4 has established a separate checking account at Beverly Bank & Trust in Chicago, Illinois and all tax revenue funds are automatically deposited into this checking account. The Contractor (95th Street Beverly Hills Business Association) did not commingle Service Tax funds with funds from any other source.

D. Property Tax Receivable/Deferred Revenue

The City annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Chicago City Council. These tax assessments are levied in December and attached as an enforceable lien on the previous January 1. The tax bills are prepared by Cook County and issued on or about February 1 and August 1, and are payable in two installments which become due on or about March 1 and August 1. The County collects such taxes and periodically submits them to the City. The City will then remit the taxes levied on behalf of the SSA to the SSA directly.

The 2020 property tax assessment, which was levied in December 2020, is to finance the SSA budget for fiscal year beginning January 1, 2021 and the revenue produced from that assessment is to be recognized during that period, provided the “available” criteria has been met. Available means when due or receivable within the current period, and collected within that fiscal period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

E. Fund Balance

Effective January 1, 2014, SSA #55 adopted the provisions of Governmental Accounting Standards Board Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. In addition, GASB 54 modified certain fund type definitions and provided guidance for classification of stabilization amounts on the face of the balance sheet.

Within the governmental fund types, SSA #55’s fund balances are reported in one of the following classifications:

Nonspendable – includes amounts that cannot be spent because they are either: a) not in spendable form or b) legally or contractually required to be maintained intact. SSA #55 has no non spendable fund balance at December 31, 2021.

Restricted – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt

SPECIAL SERVICE AREA #55
(a taxing district authorized by the City of Chicago)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (continued)

covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation. All of the SSA #55 fund balance at December 31, 2021 is classified as restricted.

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of SSA #55's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless SSA #4 removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. SSA #4's highest level of decision-making authority rests with the SSA itself or the Chicago City Council. SSA #55 passes formal resolutions to commit their fund balances. SSA #55 has no committed fund balance at December 31, 2021.

Assigned – includes amounts that are constrained by SSA #55's intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) SSA #55 itself or the Chicago City Council; or b) a body or official to which SSA #4 has delegated the authority to assign amounts to be used for specific purposes. The SSA has not delegated authority to any other body or official to assign amounts for a specific purpose within the general fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned. SSA #55 had no special revenue, debt service or capital project funds and consequently no assigned fund balance at December 31, 2021.

Unassigned – includes the residual fund balance that has not been restricted, committed, or assigned within the general fund and unassigned deficit fund balances of other governmental funds. The SSA has no unassigned fund balance at December 31, 2021.

It is SSA #55's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e. committed, assigned or unassigned fund balances) are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used

F. Budget and Budgetary Accounting

SSA #4 follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. A proposed operating budget is prepared by the executive director in collaboration with the City of Chicago Department of Housing and Economic Development. That budget is then approved by SSA #4 commissioners for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. Budget hearings are conducted by the Chicago City Council.
- c. The budget is legally enacted through passage of City of Chicago ordinance.

SPECIAL SERVICE AREA #55
(a taxing district authorized by the City of Chicago)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (continued)

- d. The budget may be amended by SSA #4 and approved by The City of Chicago Department of Housing and Economic Development
- e. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for governmental entities.

The SSA has a legally adopted budget.

G. Related Party Transactions

SSA #55 shares office space, equipment and employees through its affiliation with Mount Greenwood Community & Business Association.

Special Service Area #55 has no employees of its own but reimburses the Association for payroll and related costs of individuals who may work on the program. It also reimburses the Association for a portion of its applicable operating expenses when incurred.

At December 31, 2021 and 2020, the Organization owes \$21,059 and \$4,723, respectively, to the Association for expenses incurred as the contractor.

H. Use of Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. Income Taxes

SSA #55, as a component governmental unit of the City of Chicago, is not subject to federal or state income tax.

Note 2 – Tax Incremental Financing (TIF) Receivable & Revenue

During 2021, the 111th & Kedzie Tax Incremental Financing Fund provided SSA #55 \$14,232 of real estate tax increment financing.

Note 3 - Special Service Area Agreement

The City of Chicago has established a special service area known and designated as “Special Service Area #55” to provide special services in addition to those services generally provided by the City for the geographic area established by city ordinance. Mount Greenwood Community & Business Association has been designated as “Contractor” under terms of the agreement. The City has authorized a levy not to exceed .85% of the equalized assessed value of all property within the area to produce sufficient revenues to provide those special services.

SPECIAL SERVICE AREA #55
(a taxing district authorized by the City of Chicago)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

For each subsequent period of the agreement, the maximum amount to be paid to Mount Greenwood Community & Business Association is the lesser of the budget for that year or the amount of service tax funds actually collected for the preceding tax year.

Note 4 – Liquidity and Availability

Financial assets available for general expenditure within one year of the balance sheet date comprise the following:

Financial assets at year end:	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 15,599	\$ 3,237
Property tax receivable	<u>31,250</u>	<u>31,250</u>
Total financial assets	\$ 46,849	\$ 34,487

Note 5 - Fair Market Value Measurements

U.S. generally accepted accounting principles related to Fair Value Measurements establishes a hierarchy for inputs used in measuring the fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that inputs that are most observable be used when available. Observable inputs are inputs that market participants operating within the same marketplace as Special Service Area #4 would use in pricing the organization's assets or liabilities based on independently derived and observable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of the Special Service Area #55 are traded.

Assets or liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with inputs used to measure their fair value using the following criteria.

- **Level 1-** Observable inputs, such as quoted prices in active markets for identical assets or liabilities
- **Level 2 –** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly, for substantially the full term through corroboration with observable market date.
- **Level 3 –** Valuation based on inputs that are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities and reflect management's best estimate of what market participants would use in estimating fair value.

SPECIAL SERVICE AREA #55
(a taxing district authorized by the City of Chicago)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

The following table presents the Special Service Area's assets and liabilities that were measured at fair value on a recurring basis as of December 31, 2021 and 2020, respectively:

		December 31, 2021			
		Level 1	Level 2	Level 3	Total
Assets:					
	Cash	\$15,599	-	-	\$15,599
		\$15,599	-	-	\$15,599
		December 31, 2020			
		Level 1	Level 2	Level 3	Total
Assets:					
	Cash	\$3,237	-	-	\$3,237
		\$3,237	-	-	\$3,237

Note 6 - Custodial Credit Risk

SSA #55 maintains its cash in bank accounts, which, at times, may exceed the federally insured limits. SSA #55 has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. SSA #55 has established a separate checking account at Archer Bank in Chicago, Illinois and all tax revenue funds are automatically deposited into this checking account. The Contractor (95th Street Beverly Hills Business Association) did not commingle Service Tax funds with funds from any other source

Note 7 – Contingencies

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Special Service Area is closely monitoring its operations and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Special Service Area's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Special Service Area's employees and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Special Service Area's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

Note 8 – Date of Management Review/Subsequent Events

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that

SPECIAL SERVICE AREA #55
(a taxing district authorized by the City of Chicago)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

Note 8 – Date of Management Review/Subsequent Events (continued)

provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes.

Management evaluated the activity of the Special Service Area #55 through July 10, 2022 (the date the financial statements were available to be issued).

The Organization is not aware of any significant events occurring subsequent to the balance sheet date that have not been disclosed.

REQUIRED SUPPLEMENTARY INFORMATION

SPECIAL SERVICE AREA #55
(a taxing district authorized by the City of Chicago)
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Taxes:			
Real Estate	\$ 31,250	\$ 27,422	\$ 3,828
Late Collections & Interest	777	-	777
Tax Increment Financing Revenue	<u>14,232</u>	<u>14,232</u>	<u>-</u>
Total Revenues	<u>46,259</u>	<u>41,654</u>	<u>4,605</u>
EXPENDITURES			
1.00 Customer Attraction	7,581	1,577	6,004
2.00 Public Way Aesthetics	19,877	21,349	(1,472)
3.00 Sustainability & Public Places	100		100
4.00 Economic/Business Development	21,232	27,511	(6,279)
5.00 Public Health & Safety Programs	100		100
6.00 SSA Management	6,669	6,177	492
7.00 Personnel	2,700	2,700	-
8.00 Loss Collection	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>58,259</u>	<u>59,314</u>	<u>(1,055)</u>
Excess of Revenues over Expenditures	<u>\$ (12,000)</u>	<u>\$ (17,660)</u>	<u>\$ 5,660</u>
CARRYOVER	<u>12,000</u>	<u>-</u>	<u>(12,000)</u>
Net of Revenues Over Expenses	<u>\$ -</u>	<u>\$ (17,660)</u>	<u>\$ (17,660)</u>

SPECIAL SERVICE AREA #55
(a taxing district authorized by the City of Chicago)
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Taxes:			
Real Estate	\$ 31,250	\$ 31,819	\$ (569)
Late Collections & Interest	1,393	-	1,393
Tax Increment Financing Revenue	<u>13,000</u>	<u>13,000</u>	<u>-</u>
Total Revenues	<u>45,643</u>	<u>44,819</u>	<u>824</u>
EXPENDITURES			
1.00 Customer Attraction	12,671	12,297	374
2.00 Public Way Aesthetics	27,603	19,169	8,434
4.00 Economic/Business Development	-	-	-
6.00 SSA Management	6,669	6,586	83
7.00 Personnel	2,700	2,700	-
8.00 Loss Collection	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>49,643</u>	<u>40,752</u>	<u>8,891</u>
Excess of Revenues over Expenditures	<u>\$ (4,000)</u>	<u>\$ 4,067</u>	<u>\$ (8,067)</u>
CARRYOVER	<u>4,000</u>	<u>-</u>	<u>(4,000)</u>
Net of Revenues Over Expenses	<u>\$ -</u>	<u>\$ 4,067</u>	<u>\$ 4,067</u>

OTHER INFORMATION

SPECIAL SERVICE AREA #55
(a taxing district authorized by the City of Chicago)
SUMMARY OF AUDIT FINDINGS
DECEMBER 31, 2021

As part of our audit and request by the Special Service Area Annual Audited Financial Statement Guidelines Prepared by the City of Chicago Department of Planning and Development, we have read the requirements contained in the Agreement for Special Service Area #55 Between the City of Chicago and Mount Greenwood Community and Business Association and no exceptions were noted.

Per Article 5.03, the Contractor (SSA #55) established separate checking account at local banks in Chicago, Illinois. All Service Tax Funds were automatically deposited into this checking account. The Contractor did not commingle Service Tax Funds with funds from any other source.

Current Year Findings

None

Prior Year Findings

None

Prior Year Findings Not Repeated

None

SPECIAL SERVICE AREA #55
(a taxing district authorized by the City of Chicago)
December 31, 2021
EXHIBIT TO AUDIT PACKAGE



Exhibit A Budget

Special Service Area # 55

SSA Name: 111th Kedzie

2021 BUDGET SUMMARY

Budget and Services Period: January 1, 2021 through December 31, 2021

CATEGORY (Funded Categories Comprise Scope of Services)	2020 Levy		Carryover Funds	TIF Rebate Fund #0D08	Estimated Late Collections and Interest	Total All Sources
	Collectable Levy	Estimated Loss Collection				
1.00 Customer Attraction	\$1,104	\$233	\$3,000	\$2,710	\$534	\$7,581
2.00 Public Way Aesthetics	\$0	\$344	\$9,000	\$10,290	\$243	\$19,877
3.00 Sustainability and Public Places	\$0	\$100	\$0	\$0	\$0	\$100
4.00 Economic/ Business Development	\$20,000	\$0	\$0	\$1,232	\$0	\$21,232
5.00 Public Health and Safety Programs	\$0	\$100	\$0	\$0	\$0	\$100
6.00 SSA Management	\$6,669	\$0	\$0	\$0	\$0	\$6,669
7.00 Personnel	\$2,700	\$0	\$0	\$0	\$0	\$2,700
	Sub-total	\$30,473	\$777			
GRAND TOTALS	Levy Total	\$31,250	\$12,000	\$14,232	\$777	\$58,259

LEVY ANALYSIS

Estimated 2020 EAV:	\$11,359,936
Authorized Tax Rate Cap:	0.850%
Maximum Potential Levy limited by Rate Cap:	\$96,559
Requested 2020 Levy Amount:	\$31,250
Estimated Tax Rate to Generate 2020 Levy:	0.2751%