

# 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 Number 28-2014

SSA Provider Name: Six Corners Association

Submission Date: 09-14-2021 Resubmission Date: December 7, 2021

Starting PDF Page Number	Audit Report Package Components
	Comparative Financial Statements
3	1. Statement of Net Position and Governmental Fund Balance Sheet – Current Year
3	2. Statement of Net Position and Governmental Fund Balance Sheet – Prior Year
4	3. Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance – Current Year
4	4. Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance – Prior Year
8	5. Statement of Revenues and Expenditures – Budget and Actual
1-2	Auditor's Opinion on Financial Statements
9	Schedule of Findings – Current and Prior Year, if applicable
9	Corrective Action Plan – Current and Prior Year, if applicable (if findings)*
10	Audit Firm CPA License
11	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
YES	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 NUMBER 28-2014**

**(Six Corners Association, Contractor)**

Financial Statements and

Supplemental Information

For the Years Ended December 31, 2020 and 2019

**SPECIAL SERVICE AREA NUMBER 28-2014  
(Six Corners Association, contractor)**

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Certified Public Accountants & Consultants

**Independent Auditor's Report**

To the Board of Directors - Commissioners of Special Service Area # 28  
Six Corners Association, Contractor  
Chicago, IL

**Report on Financial Statements**

We have audited the accompanying statement of financial position of **SPECIAL SERVICE AREA NUMBER 28-2014** (a taxing district authorized by the City of Chicago), which comprise the statement of net position and governmental funds balance sheet as of December 31, 2020 and the related statement of activities and governmental funds, revenues, expenditures and changes in fund balance, for the year ended December 31, 2020, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **SPECIAL SERVICE AREA NUMBER 28-2014** as of December 31, 2020, and its statement of activities and governmental funds, revenues, expenditures and changes in fund balances for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by The Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operations, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The comparison schedules of actual revenues and expenses to budget for the year ended December 31, 2020 on page 9 - 11, are presented for comparison and analysis purposes only and are not a required part of the financial statements but are required by the City of Chicago Department of Housing and Economic Development and the City of Chicago **SPECIAL SERVICE AREA NUMBER 28**. The supplementary information 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### Prior Year Audit Opinion

The financial statements of the organization for the year ended December 31, 2019 were audited by another auditor who expressed an unmodified opinion on these financial statements in their report dated April 23, 2020.

*Cary J. Hall & Associates, LLC*

July 13, 2021  
Chicago, Illinois

**SPECIAL SERVICE AREA NUMBER 28-2014**  
**(Six Corners Association, Contractor)**

Statements of Net Position and Governmental Funds Balance Sheets  
December 31, 2020 and 2019

	2020		2019	
	Governmental Funds	Statement of Net Position	Governmental Funds	Statement of Net Position
<b>ASSETS</b>				
Cash and cash equivalents	\$ 113,117	\$ 113,117	\$ 61,718	\$ 61,718
Real estate taxes receivable net of allowance	309,213	309,213	299,147	299,147
Due from City of Chicago - TIF Rebates	130,568	130,568	154,411	154,411
Total Assets	<u>\$ 552,898</u>	<u>\$ 552,898</u>	<u>\$ 515,276</u>	<u>\$ 515,276</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,916	\$ 1,916	\$ 80	\$ 80
Due to City of Chicago	-	-	3,617	3,617
Due to related party	-	-	17,725	17,725
Total Liabilities	1,916	1,916	21,422	21,422
<b>DEFERRED INFLOWS</b>				
Deferred property tax revenue	299,521	-	299,147	-
<b>FUND BALANCE/NET POSITION</b>				
Unassigned	251,461	-	194,707	-
Total Fund Balance	251,461	-	194,707	-
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 552,898</u>	<u>\$ 552,898</u>	<u>\$ 515,276</u>	<u>\$ 493,854</u>
Net Position - Unrestricted		\$ 550,982		\$ 493,854
Amount reported for governmental activities in the statement of net position are different because:				
Total fund balance - governmental funds		\$ 251,461		\$ 194,707
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		299,521		299,147
Total Net Position		<u>\$ 550,982</u>		<u>\$ 493,854</u>

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

**SPECIAL SERVICE AREA NUMBER 28-2014**  
**(Six Corners Association, Contractor)**

Statements of Activities and Governmental Funds, Revenues,  
 Expenditures and Changes in Fund Balances  
 For the Years Ended December 31, 2020 and 2019

	2020			2019		
	Governmental Funds	Adjustments	Statement of Activities	Governmental Funds	Adjustments	Statement of Activities
<b>REVENUES</b>						
Property Taxes	\$ 296,586	\$ 374	\$ 296,960	\$ 442,098	\$ 11,607	\$ 453,705
Interest income	-	-	-	-	-	-
Total Revenues	<u>296,586</u>	<u>374</u>	<u>296,960</u>	<u>442,098</u>	<u>11,607</u>	<u>453,705</u>
<b>EXPENDITURES/EXPENSES</b>						
Customer Attraction	42,917	-	42,917	97,203	-	97,203
Public Way Aesthetics	102,773	-	102,773	205,607	-	205,607
Sustainability and Public Places	1,936	-	1,936	358	-	358
Economic / Business Development	273	-	273	4,268	-	4,268
Safety Programs	8,000	-	8,000	10,521	-	10,521
Personnel - Operational Program Support	62,602	-	62,602	72,519	-	72,519
Administration:						
SSA Management	21,331	-	21,331	14,432	-	14,432
Total Expenditures/ Expenses	<u>239,832</u>	<u>-</u>	<u>239,832</u>	<u>404,908</u>	<u>-</u>	<u>404,908</u>
Excess of (Expenses) Revenues over Expenses	<u>56,754</u>	<u>374</u>	<u>57,128</u>	<u>37,190</u>	<u>11,607</u>	<u>48,797</u>
Change in Net Position	56,754	374	57,128	37,190	11,607	48,797
<b>FUND BALANCE/NET POSITION</b>						
Beginning of Year	194,707	299,147	493,854	157,517	287,540	445,057
End of year	<u>\$ 251,461</u>	<u>\$ 299,521</u>	<u>\$ 550,982</u>	<u>\$ 194,707</u>	<u>\$ 299,147</u>	<u>\$ 493,854</u>
Amount reported for governmental activities in the statement of net position are different because:						
Net change in fund balance - governmental funds			\$ 56,754			\$ 37,190
Property tax revenue is recognized in the year it is available rather than when it is levied for governmental funds			374			11,607
Net change in net position - governmental funds			<u>\$ 57,128</u>			<u>\$ 48,797</u>

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

**SPECIAL SERVICE AREA NUMBER 28-2014**  
**(Six Corners Association, Contractor)**

Notes to Financial Statements  
December 31, 2020 and 2019

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**NOTE 1 - NATURE OF ACTIVITIES AND REPORTING ENTITY**

Nature of Reporting Entity - Special Service Area ("SSA") # 28-2014 is a taxing district authorized by the City of Chicago located in Chicago, Illinois. These services include promotional and advertising, maintenance of the public way, safety and other functions. 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.

**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Government-Wide Financial Statements (Statement of Net Positions 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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied.

The governmental fund financial statements are prepared on the modified accrual basis of accounting, with only current assets and liabilities included on the balance sheet. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, 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.

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, hereafter referred to as GAAP (generally accepted accounting principles).

The accepted standard-setting body for established government accounting and financial reporting principles is GASB (the Governmental Accounting Standards Board).



**SPECIAL SERVICE AREA NUMBER 28-2014**  
**(Six Corners Association, Contractor)**  
Notes to Financial Statements  
December 31, 2020 and 2019

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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 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 the SSA'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 are placed on net assets from 1) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation. The remaining net position is classified as unrestricted.

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. The Organization maintains its cash in bank accounts, which, at times, may exceed the federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. The Organization has established a separate checking account and all tax revenue funds are automatically deposited into this checking account. The Contractor did not commingle Service Tax funds with funds from any other source.

Special Service Area Agreement - The City of Chicago has established a special service area known and designated as "Special Service Area Number 28-2014" to provide special services in addition to those services generally provided by the City. Six Corners Association has been designated as "Contractor" under terms of the agreement.

**SPECIAL SERVICE AREA NUMBER 28-2014**  
**(Six Corners Association, Contractor)**  
Notes to Financial Statements  
December 31, 2020 and 2019

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Date of Management's Review - Management has evaluated subsequent events through July 13, 2021, the date on which the financial statements were available to be issued.

**NOTE 3 - CONCENTRATIONS**

The Special Service Area receives 100% of its operating support from revenues collected from taxes levied or imposed upon property within the area.

**NOTE 4 - PROPERTY TAXES**

Property taxes become an enforceable lien on real property on January 1 of the year it is levied. Taxes are payable in two installments in the subsequent year. The first installment is an estimate based on the year billed levy (55%) and is due in March. The second installment is due on August 1, or 30 days from the mailing of the tax bills if issued later than July 1. The second installment is based on the remaining amount of the levy on file with the County. Bills are issued and collected by Cook County who remits the SSA's share to the City who remits the monies to the SSA.

**NOTE 5 - DEFERRED INFLOWS OF REVENUE**

A deferred inflow of resources/property tax revenue represents an acquisition of fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

**NOTE 6 - FUND EQUITY / NET POSITION**

The SSA is required to present information regarding its financial position and activities according to the Agreement for Special Service Area 28 between the City of Chicago and Six Corners Association. As of December 31, 2020 and 2019, the SSA had total fund balances of \$253,377 and \$515,276, respectively. These funds will be utilized in this special service area during future years.

**NOTE 7 - RELATED PARTY TRANSACTIONS**

The SSA is affiliated with Six Corners Association as its sole service provider. Special service area 28 shares office space, equipment, and employees through this affiliation. Special Service Area 28 has no employees of its own, but reimburses Six Corners Association for payroll and related costs of the individuals working on the programs. It also reimburses Six Corners Association for a portion of its operating expenses, and allocation of rent and related expenses.

## **SUPPLEMENTARY INFORMATION**

**SPECIAL SERVICE AREA NUMBER 28-2014**  
**(Six Corners Association, Contractor)**

Schedules of Revenue and Expenditures - Budget and Actual  
 For the Years Ended December 31, 2020 and 2019

	2020			2019		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>REVENUES</b>						
Property Taxes and Interest	\$ 291,501	\$ 299,521	\$ (8,020)	\$ 295,091	\$ 299,521	\$ (4,430)
TIF Rebate	-	14,151	(14,151)	156,874	147,276	9,598
Loss Collection	5,085	374	4,711	(9,867)	6,873	(16,740)
Total Revenues	<u>296,586</u>	<u>314,046</u>	<u>(17,460)</u>	<u>442,098</u>	<u>453,670</u>	<u>(11,572)</u>
<b>EXPENDITURES</b>						
Customer Attraction	42,917	101,059	58,142	97,203	112,311	15,108
Public Way Aesthetics	102,773	129,750	26,977	205,607	281,349	75,742
Sustainability and Public Places	1,936	2,000	64	358	2,000	1,642
Economic / Business Development	273	14,000	13,727	4,268	14,500	10,232
Safety Programs	8,000	19,000	11,000	10,521	12,000	1,479
Personnel	62,602	62,465	(137)	72,519	74,810	2,291
SSA Management	21,331	25,472	4,141	14,432	14,900	468
Total Expenditures	<u>239,832</u>	<u>353,746</u>	<u>113,914</u>	<u>404,908</u>	<u>511,870</u>	<u>106,962</u>
	<u>\$ 56,754</u>	<u>\$ (39,700)</u>	<u>\$ (96,454)</u>	<u>\$ 37,190</u>	<u>\$ (58,200)</u>	<u>\$ (95,390)</u>
<b>CARRYOVER</b>						
Excess of Revenues (Expenses) over Revenues	<u>\$ 56,754</u>	<u>\$ -</u>	<u>\$ (56,754)</u>	<u>\$ 37,190</u>	<u>\$ -</u>	<u>\$ (37,190)</u>

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

**SPECIAL SERVICE AREA NUMBER 28-2014**  
**(Six Corners Association, Contractor)**  
Summary Schedules of Findings  
For the Years Ended December 31, 2020 and 2019

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As part of the audit and request by the Special Service Area annual Audited financial and Accounting Guide prepared by the city of Chicago Department of Planning and Economic Development, we have read and understand the requirements contained in the Service Provider Agreement.

The auditor's expresses an unmodified opinion on the financial statements of Special Service Area #28. No significant deficiencies or material weaknesses were disclosed during the 2019 audit of the financial statements.

**CURRENT YEAR FINDINGS:**

Finding-1:

The Association did not submit the financial statements within the extended deadline.

Response:

The Association contract with the City was revoked and transferred in 2021 and delays in obtaining information to finish the audit was incurred . In addition due to the COVID-19 pandemic had limited staff to assist management with the preparation of the financial statement package. Management will work with the auditor as needed to comply with the submission deadlines as provided.

**UPDATE ON PRIOR YEAR FINDINGS**

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

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SPECIAL SERVICE AREA NUMBER 28-2014

(Six Corners Association, Contractor)

CPA License

For the Year Ended December 31, 2020



**SPECIAL SERVICE AREA NUMBER 28-2014**

**(Six Corners Association, Contractor)**

Summary Budget

For the Year Ended December 31, 2020

**Exhibit A**

**Budget**

<b>Special Service Area # 28</b>	
SSA Name:	Six Corners

**2020 BUDGET SUMMARY**

Budget and Services Period: January 1, 2020 through December 31, 2020

CATEGORY	2019 Levy		Carryover Funds	TIF Rebate Fund #	Estimated Late Collections and Interest	Total All Sources
	Collectable Levy	Estimated Loss Collection				
1.00 Customer Attraction	\$85,160	\$374	\$1,000	\$14,151	\$374	\$101,059
2.00 Public Way Aesthetics	\$103,050	\$0	\$26,700	\$0	\$0	\$129,750
3.00 Sustainability and Public Places	\$2,000	\$0	\$0	\$0	\$0	\$2,000
4.00 Economic/ Business Development	\$9,000	\$0	\$5,000	\$0	\$0	\$14,000
5.00 Safety Programs	\$12,000	\$0	\$7,000	\$0	\$0	\$19,000
6.00 SSA Management	\$25,472	\$0	\$0	\$0	\$0	\$25,472
7.00 Personnel	\$62,465	\$0		\$0	\$0	\$62,465
	<b>Sub-total</b>	<b>\$299,147</b>				
<b>GRAND TOTALS</b>	<b>Levy Total</b>	<b>\$299,521</b>	<b>\$39,700</b>	<b>\$14,151</b>	<b>\$374</b>	<b>\$353,746</b>

LEVY ANALYSIS	
Estimated 2019 EAV:	\$42,956,123
Authorized Tax Rate Cap:	0.750%
Maximum Potential Levy limited by Rate Cap:	\$322,171
Requested 2019 Levy Amount:	\$299,521
Estimated Tax Rate to Generate 2018 Levy:	0.6973%

