

51st STREET BUSINESS ASSOCIATION

SPECIAL SERVICE AREA # 52

**(A taxing district authorized by the City of
Chicago)**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021 and 2020

Prepared by
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51st STREET BUSINESS ASSOCIATION
SPECIAL SERICE AREA # 52
(a taxing district authorized by the City of CHICAGO)
FOR THE YEARS ENDED DECEMBER 31, 2021 & 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
of 51st Street Business Association

Opinion

We have audited the accompanying financial statements of 51st Street Business Association (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 51st Street Business Association as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with 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 51st Street Business Association 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 51st Street Business Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. 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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the 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 51st Street Business Association's 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 51st Street Business Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statement of Revenues and Expenditures-Budget and Actual on pages 12-13 is presented for purposes of additional analysis and is not a required part of the 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.

William C Goodall, CPA

William C Goodall, CPA

Chicago, IL 60619

May 26, 2022

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING
STANDARDS**

To the Board of Trustees of
51st Street Business Association

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of 51st Street Business Association (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and 2020 and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated May 26, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 51st Street Business Association's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 51st Street Business Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 51st Street Business Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

William C. Goodall, CPA

William C Goodall
800 East 78th Street
Chicago, Illinois
May 26, 2022

51ST STREET BUSINESS ASSOCIATION
 (A Contractor for Special Service Area # 52)
 Statement of Net Assets and Governmental Funds Balance Sheet
 For Years Ended December 31, 2021 and 2020

	2021			2020		
	Governmental Funds	Adjustmnts	Statement of Net Position	Governmental Funds	Adjustmnts	Statement of Net Position
ASSETS						
Cash and cash equivalents	5,461	0	5,461	10,455	0	10,455
RECEIVABLES						
Due from City of Chicago (See Note 5)	7,023	0	7,023	16,017	0	16,017
Accounts Receivable-Property Tax (Note 5)	37,658	0	37,658	43,421	0	43,421
TOTAL ASSETS	<u>50,142</u>	<u>0</u>	<u>50,142</u>	<u>69,893</u>	<u>0</u>	<u>69,893</u>
LIABILITIES						
Accrued Expense	0	0	0	0	0	0
TOTAL LIABILITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
DEFERRED INFLOWS						
Deferred Property Tax Revenue	37,658	(37,658)	0	43,421	(43,421)	0
FUND BALANCE/NET POSITION						
Unassigned	12,484	(12,484)	0	26,472	(26,472)	0
TOTAL FUND BALANCE	<u>12,484</u>	<u>(12,484)</u>	<u>0</u>	<u>26,472</u>	<u>(26,472)</u>	<u>0</u>
Total Liab, Deferrr InfloWS, and Fund Balance	<u>50,142</u>			<u>69,893</u>		
Net Position		<u>(50,142)</u>	<u>50,142</u>		<u>(69,893)</u>	<u>69,893</u>

51ST Street Business Association
 (A Contractor for Special Service Area # 52)

Statement of Activities and Governmental Funds, Revenue, Expenditures and Changes in Fund Balance
 For Years Ended December 31, 2021 and 2020

	Governmental Funds	Adjustnt	Statement of Net Position	Governmental Funds	Adjustnt	Statement of Net Position
REVENUES						
Property Taxes	46,779	0	46,779	90,114	0	90,114
TOTAL Revenue	46,779	0	46,779	90,114	0	90,114
EXPENDITURES/EXPENSES						
Customer Attraction	16,217	0	16,217	7,244	0	7,244
Public Way Aesthetics	8,435	0	8,435	4,624	0	4,624
Economic Business Development	14,464	0	14,464	0	0	0
Public Health and Safety Programs	1,000	0	1,000	0	0	0
SSA Management	14,770	0	14,770	10,750	0	10,750
TOTAL EXPENDITURES	54,886	0	54,886	22,618	0	22,618
Change in Net Position	(8,107)	0	(8,107)	67,496	0	67,496
Prior Period Adjustment	(5,881)	0	(5,881)	(63,341)	0	(63,341)
Fund Balance/Net Position						
Beginning of the Year	26,472	0	26,472	22,317	0	22,317
End of Year	12,484	0	12,484	26,472	0	26,472

51st STREET BUSINESS ASSOCIATION
SPECIAL SERVICE AREA # 52
(a taxing district authorized by the City of Chicago)
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended December 31, 2021

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) Organization

The 51st Street Business Association (the organization) an Illinois not-for-profit corporation was founded in April, 2009. The organization provides consulting services to businesses, entrepreneurs, community focused groups and residents in Chicago's Grand Boulevard and Bronzeville Neighborhood.

(b) Reporting Entity

City of Chicago (Special Service Area (SSA) Program)

The organization has been designated as an administrator (contractor) of the Special Service Area # 52 a taxing district authorized by the City of Chicago and located in Chicago, Illinois. The approximate street location of (the Taxing District) consists of the area on both sides of 51st Street from Dr. Martin Luther King Jr. Drive on the east side to the Metra Railroad tracks on the west side. Agreed on services include promotional and advertising, maintenance of the public way, safety and other functions to be provided by the organization are funded with a tax levy upon taxable properties within the above designated area. Tax levies are billed, collected and remitted by the City to the organization. The tax levy order began in the year 2011 and goes through to 2020 Special Service Area 52. The financial statements of the organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the U.S.

(c) Government-Wide and Fund Financial Statements

The financial statements of SSA# 52 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 funds current financial resources measurement focus, are prepared on the modified accrual basis.

The SSA accounts for it's in one fund, it's general fund.

(d) 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 financial 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 preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from these estimates.

(e) Assets, Liabilities, and Net Position

Cash, cash equivalents and investments

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

Prepaid items

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

Fund Equity/Net Position

Governmental fund equity is classified as fund balance. Fund balance is further classified as 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 balance first, then unrestricted fund balance. Furthermore, committed fund balance is reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

For the government-wide financial statements, net position is reported as invested in capital assets net of related debt, restricted or unrestricted. Invested in capital assets, net of related debt, if applicable, is comprised of the net capital asset balance less any related debt. Restricted net position is when restrictions are placed on net assets from 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation. The remaining net position is classified as unrestricted.

NOTE 3 CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and certificates of deposit are subject to custodial credit risk in the event of a bank failure, the SSA's deposits may not be returned. The SSA's policy in order to protect their deposits requires depository institutions to maintain collateral pledges on SSA deposits whenever the deposits exceed the insured limits of the FDIC. All deposits and balances of the SSA are within the insured limits of the FDIC.

Investments are subject to custodial credit risk that, in the event of failure of the counterparty, the SSA will not be able to recover the value of its investments that are in the possession of an outside party. The SSA has no exposure to custodial credit risk because the investment securities are insured, registered and or held by the SSA.

As of December 31, 2021 the SSA had no investments.

NOTE 4 **PROPERTY TAXES**

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

NOTE 5 **ACCOUNTS RECEIVABLES**

Accounts receivables of \$41,436 are due from The City of Chicago SSA # 52 as Follows:

Property Tax Receivable (2020 Levy)		\$37,658
SSA Budgeted Levy Total (2021)	\$37,658	
Less SSA wires sent in 2021	<u>(30,635)</u>	
Accounts Receivable 2021		<u>7,023</u>
Total Accounts Receivable		<u>\$ 44,681</u>

NOTE 6 **SUBSEQUENT EVENTS**

The organization has evaluated subsequent events through May 26, 2022, the date the financial statements were available for issuance and has determined that there were no subsequent events to be recognized in these financial statements.



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**INDEPENDENT AUDITOR'S REPORT
ON ADDITIONAL INFORMATION**

To the Board of Directors of
51st Street Business Association

We have audited the financial statements of 51st Street Business Association as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon dated May 26, 2022 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The statement of Revenue and Expenditures (Budget and Actual) on pages 12 & 13 is presented for the purposes of additional analysis and is not a required part of the 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.

William C Goodall CPA
800 East 78th Street
Chicago, Illinois
May 26, 2021

51st Street Business Association
 (A Contractor for Special Service Area # 52
 Statement of Revenues and Expenditures-Budget and Actual
 For Years Ended December 31, 2021 and 2020

	2021			2020		
	Budget \$	Actual \$	Variance \$	Budget \$	Actual \$	Variance \$
<u>REVENUE</u>						
Property Taxes	37,658	37,658	0	43,421	43,421	0
TIF Rebate Fund #0d02	0	0	0	38,092	38,092	0
Carry Over	0	0	0	1,500	1,500	0
Estimated Loss Collection	9,121	9,121	0	7,101	7,101	0
Total Revenue	46,779	46,779	0	90,114	90,114	0
<u>EXPENDITURES</u>						
Customer Attraction						
Print Materials	500	500	0	300	0	300
Decorative Banners	1,500	1,500	0	8,000	0	8,000
Special Events	9,000	11,617	(2,617)	15,000	7,244	7,756
Holiday Decorations	1,100	1,100	0	7,601	0	7,601
P/R Media Relations	1,500	1,500	0	4,421	0	4,421
Total Customer Attraction	13,600	16,217	(2,617)	35,322	7,244	28,078
Public Way Aesthetics						
Landscaping (plants, watering, etc)	521	521	0	500	0	500
Sidewalk Maintenance	6,864	6,864	0	14,744	3,574	11,170
City Permits	600	600	0	600	600	0
Liability Insurance/Workman's Comp	450	450	0	450	450	0
Total Public Way Aesthetics	8,435	8,435	0	16,294	4,624	11,670
Total Expenses this page	22,035	24,652	(2,617)	51,616	11,868	39,748

The accompanying notes are an integral part of these statements

51st Business Association
 (A Contractor for Special Service Area # 52)
 Statement of Revenue and Expenditures-Budget and Actual
 For years ended December 31, 2021 and 2020

	2021		2020			
	Budget	Actual	Variance	Budget	Actual	Variance
	\$	\$	\$	\$	\$	\$
TOTALS CARRY FORWARD	22,035	24,652	(2,617)	51,616	11,868	39,748
<u>Economic/Business Development</u>						
Site Marketing (materials, services, etc)	11,000	11,508	(508)	15,436	0	15,436
Strategic Planning	1,000	1,000	0	5,692	0	5,692
SSA Designation	1,600	1,956	(356)	6,300	0	6,300
Total Economic/Business Development	13,600	14,464	(864)	27,428	0	27,428
<u>Public Health and Safety</u>						
Security Patrol	1,000	1,000	0	0	0	0
Total Public Health and Safety	1,000	1,000	0	0	0	0
<u>Administrative-Non Personnel</u>						
SSA Audit	1,600	1,600	0	1,750	1,600	150
Bookkeeping	600	600	0	800	600	200
Liability Insurance	0	0	0	0	0	0
Office Rent	7,800	12,500	(4,700)	8,400	8,400	0
Banking Fees	144	70	74	120	150	(30)
Total Administrative-Non-Personel	10,144	14,770	(4,626)	11,070	10,750	320
TOTAL EXPENSES	46,779	54,886	(8,107)	90,114	22,618	67,496
EXCESS OF REVENUE OVER EXPENSES	0	0	0	0	67,496	
EXCESS OF EXPENSES OVER REVENUE		(8,107)	0	0	0	

The accompanying notes are an integral part of these statements

**51st Street Business Association
(A Contractor For)
Special Service Area # 52
Schedule of Summary of Findings
For the Year Ended December 31, 2021**

As part of our audit and requested by the Special Service Area Annual Audited Financial Statement Guidelines, We have read the requirements contained in the Agreement for Special Service Area # 52 between the City of Chicago and 51st Street Business Association. In reviewing this Agreement we did not note any exceptions that require your response or corrective actions.