

# Chicago Department of Planning and Development (DPD)

## Special Service Area (SSA) Program

### Audit Report Package Transmittal Checklist

This checklist must be completed by the SSA's auditing firm as part of a single PDF audit report package. On the checklist, enter the starting page number within the PDF for each of the audit report package components listed below. Each required component on the checklist must have a numeric page number, unless otherwise noted.

The SSA Service Provider must upload the PDF package and corresponding budget workplan file to DPD's SharePoint by **May 1st**. Audit packages submitted via e-mail are not acceptable. Audit packages will be deemed "not submitted" unless uploaded to DPD's SharePoint platform.

SSA Name and Number:

Special Service Area #55

SSA Provider Name:

Mount Greenwood Community + Business Association

Submission Date:

4/29/2020

Starting PDF Page Number	Audit Report Package Components
	Comparative Financial Statements
8	✓ 1. Statement of Net Position and Governmental Fund Balance Sheet - Current Year
8	✓ 2. Statement of Net Position and Governmental Fund Balance Sheet - Prior Year
9	✓ 3. Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance - Current Year
9	✓ 4. Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance - Prior Year
18	✓ 5. Statement of Revenues and Expenditures - Budget and Actual
5	✓ Auditor's Opinion on Financial Statements
21	✓ Schedule of Findings - Current and Prior Year, if applicable *
N/A	Corrective Action Plan - Current and Prior Year, if applicable*
22	Audit Firm CPA License
23	SSA Budget Summary page - used for comparison of actual expenses for current audit period
(Uploaded Separately)	<b>Final Modified or Amended SSA Budget Workplan (Excel file)</b>
	<b>Date approved by Commission: ___ / ___ / _____</b>
	<b>Note:</b> This budget workplan must correspond to Budget Summary page noted above in 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, 2019**

**SPECIAL SERVICE AREA #55**  
**(a taxing district authorized by the City of Chicago)**  
**DECEMBER 31, 2019**

**Table of Contents**

Independent Auditor's Report	1
Financial Statements	
Governmental Funds Balance Sheet and Statement of Net Position	3
Statement of Activities and Governmental Funds, Revenues, Expenditures and Changes in Fund Balance	4
Statement of Activities	5
Notes to the Financial Statements	6
Required Supplementary Information	
Schedule of Revenues & Expenditures – Budget & Actual 2019	12
Schedule of Revenues & Expenditures – Budget & Actual 2018	13
Other Information	
Schedule of Findings	14
Audit Firm License	15

**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

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, 2019 and 2018, 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.

### **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 auditor's judgment, including the assessment of 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 the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinions.

## **Opinion**

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, 2019 and 2018, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that budgetary comparison information on pages 12 and 13 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 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, 2019 and 2018, 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.*

April 28, 2020  
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,**

	2019			2018		
	GOVERNMENTAL FUNDS	ADJUSTMENTS	STATEMENT OF NET POSITION	GOVERNMENTAL FUNDS	ADJUSTMENTS	STATEMENT OF NET POSITION
<b>ASSETS</b>						
Cash	\$ 13,137		\$ 13,137	\$ 19,788		\$ 19,788
Taxes Receivable	30,530		30,530	31,514		31,514
Tax Increment Financing Receivable	13,000		13,000	13,000		13,000
Total Assets	<u>\$ 56,667</u>		<u>\$ 56,667</u>	<u>\$ 64,302</u>		<u>\$ 64,302</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ 4,131		\$ 4,131	\$ 13,384		\$ 13,384
Due to Contractor	4,723		4,723	4,723		4,723
Total Liabilities	8,854		8,854	18,107		18,107
Deferred Inflow of Resources						
Deferred Property Taxes	31,750	(31,750)	-	31,750	(31,750)	-
Fund Balance, Restricted	16,063	(16,063)	-	14,445	(14,445)	-
Total Liabilities and Fund Balance	<u>\$ 56,667</u>			<u>\$ 64,302</u>		
Net Position, Restricted		<u>\$ 47,813</u>	<u>\$ 47,813</u>		<u>\$ 46,195</u>	<u>\$ 46,195</u>

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

Total fund balance - governmental funds	\$ 16,063	\$ 14,445
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>\$ 47,813</u>	<u>\$ 46,195</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,**

	2019			2018		
	GOVERNMENTAL FUNDS	ADJUSTMENTS	STATEMENT OF ACTIVITIES	GOVERNMENTAL FUNDS	ADJUSTMENTS	STATEMENT OF ACTIVITIES
<b>REVENUES</b>						
Property Taxes	\$ 29,779	\$ -	\$ 29,779	\$ 25,663	\$ -	\$ 25,663
Tax Increment Financing Funds	<u>13,000</u>	-	<u>13,000</u>	<u>13,000</u>	-	<u>13,000</u>
Total Revenues	<u>42,779</u>	-	<u>42,779</u>	<u>38,663</u>	-	<u>38,663</u>
<b>EXPENDITURES</b>						
Customer Attraction	11,040	-	11,040	9,643	-	9,643
Public Way Aesthetics	20,852	-	20,852	19,361	-	19,361
Economic/Business Development	-	-	-	-	-	-
SSA Management	6,569	-	6,569	6,669	-	6,669
Personnel	2,700	-	2,700	2,700	-	2,700
Loss Collection	-	-	-	-	-	-
Total Expenditures / Expenses	<u>41,161</u>	-	<u>41,161</u>	<u>38,373</u>	-	<u>38,373</u>
Excess of Revenues over Expenditures	<u>1,618</u>			290		
Change in Net Position		-	<u>1,618</u>		-	<u>290</u>
<b>FUND BALANCE / NET POSITION</b>						
Beginning of Year - Restricted	<u>14,445</u>	<u>31,750</u>	<u>46,195</u>	<u>14,155</u>	<u>31,750</u>	<u>45,905</u>
End of Year - Restricted	<u>\$ 16,063</u>	<u>\$ 31,750</u>	<u>\$ 47,813</u>	<u>\$ 14,445</u>	<u>\$ 31,750</u>	<u>\$ 46,195</u>
Amounts reported for governmental activities in the statement of activities are different because:						
Net change in fund balance - governmental funds			\$ 1,618			\$ 290
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>\$ 1,618</u>			<u>\$ 290</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,**

<b>EXPENDITURES</b>	<u>2019</u>	<u>2018</u>
Customer Attraction	\$ 11,040	\$ 9,643
Public Way Aesthetics	20,852	19,361
Economic/Business Development	-	-
SSA Management	6,569	6,669
Personnel	2,700	2,700
Loss Collection	<u>-</u>	<u>-</u>
 Total Expenditures / Expenses	 <u>41,161</u>	 <u>38,373</u>
 <b>REVENUES</b>		
Property Taxes	29,779	25,663
Tax Increment Financing Funds	<u>13,000</u>	<u>13,000</u>
 Total Revenues	 <u>42,779</u>	 <u>38,663</u>
 Increase/(Decrease) in Net Position	 <u>1,618</u>	 <u>290</u>
 Net Position - Beginning of Year	 <u>46,195</u>	 <u>45,905</u>
 Net Position - End of Year	 <u>\$ 47,813</u>	 <u>\$ 46,195</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, 2019 and 2018**

**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 501c3 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 #55'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. 91 *Conduit Debt Obligations* The objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. This statements 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, 2019 and 2018**

**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 # 55'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, 2019 and 2018**

**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 #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 ByLine Bank in Chicago, Illinois and all tax revenue funds are automatically deposited into this checking account. The Contractor (Mt. Greenwood Community and 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 2018 property tax assessment, which was levied in December 2018, is to finance the SSA budget for fiscal year beginning January 1, 2019 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, 2019.

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, 2019 and 2018**

**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, 2019 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 #55 removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. SSA #55'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, 2019.

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 #55 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, 2019.

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, 2019.

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 #55 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 #55 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, 2019 and 2018**

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

- d. The budget may be amended by SSA #55 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. 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.

**H. 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 Finance (TIF) Receivable and Revenue**

During 2019, the 111<sup>th</sup> & Kedzie Tax Incremental Financing Fund provided SSA #55 \$13,000 of real estate tax increment financing which was considered revenue for the 2018 operating year. Based on an arrangement executed with the City of Chicago, the SSA can reasonably expect the \$13,000 in TIF funds to be a recurring source of revenue. Accordingly, the \$13,000 has been included as 2019 revenue with a corresponding receivable for the same amount.

**Note 3 - Related Party Transactions**

The SSA is affiliated with the Mount Greenwood Community and Business Association (MGCBA), which provides certain administrative services for the SSA. During 2019, \$5,197 was paid for services provided by MGCBA. Additionally, \$4,723 remains payable to MGCBA as of December 31, 2019 for costs incurred establishing the SSA. Those costs were actually incurred in 2012 and 2013, but due to budgetary restrictions were unable to be reimbursed to MGCBA at that time. The amount owed to MGCBA was classified as an accounts payable on the 2018 and 2019 financial statements.

**Note 4 - 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 (MGCBA) 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, 2019 and 2018**

**Note 4 - Special Service Area Agreement (continued)**

For each subsequent period of the agreement, the maximum amount to be paid to MGCBA for administrative services is the lesser of the budget for that year or the amount of service tax funds actually collected for the preceding tax year.

**Note 5 - 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 ByLine Bank in Chicago, Illinois and all tax revenue funds are automatically deposited into this checking account. The Contractor (Mt. Greenwood Community and Business Association) did not commingle Service Tax funds with funds from any other source.

**Note 6 - Subsequent Events**

For the fiscal year ended December 31, 2019, SSA #55 and MGCBA have evaluated subsequent events through April 28, 2020, which is the date the financial statements were available to be issued. No subsequent events have been identified that are required to be disclosed at that date.



**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, 2019**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES</b>			
Taxes:			
Real Estate	\$ 31,250	\$ 29,779	\$ 1,471
Late Collections & Interest	534	-	534
Tax Increment Financing Revenue	<u>13,000</u>	<u>13,000</u>	<u>-</u>
Total Revenues	<u>44,784</u>	<u>42,779</u>	<u>2,005</u>
 <b>EXPENDITURES</b>			
1.00 Customer Attraction	10,871	11,040	(169)
2.00 Public Way Aesthetics	28,544	20,852	7,692
4.00 Economic/Business Development	-	-	-
6.00 SSA Management	6,669	6,569	100
7.00 Personnel	2,700	2,700	-
8.00 Loss Collection	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>48,784</u>	<u>41,161</u>	<u>7,623</u>
 Excess of Revenues over Expenditures	 <u>\$ (4,000)</u>	 <u>\$ 1,618</u>	 <u>\$ (5,618)</u>
 CARRYOVER	 <u>4,000</u>	 <u>-</u>	 <u>(4,000)</u>
 Net of Revenues Over Expenses	 <u>\$ -</u>	 <u>\$ 1,618</u>	 <u>\$ 1,618</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, 2018**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES</b>			
Taxes:			
Real Estate	\$ 30,448	\$ 25,663	\$ 4,785
Late Collections & Interest	1,604	-	1,604
Tax Increment Financing Revenue	<u>25,177</u>	<u>13,000</u>	<u>12,177</u>
Total Revenues	<u>57,229</u>	<u>38,663</u>	<u>18,566</u>
 <b>EXPENDITURES</b>			
1.00 Customer Attraction	12,754	9,643	3,111
2.00 Public Way Aesthetics	39,106	19,361	19,745
4.00 Economic/Business Development	6,000	-	6,000
6.00 SSA Management	6,669	6,669	-
7.00 Personnel	2,700	2,700	-
8.00 Loss Collection	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>67,229</u>	<u>38,373</u>	<u>28,856</u>
 Excess of Revenues over Expenditures	<u>\$ (10,000)</u>	<u>\$ 290</u>	<u>\$ (10,290)</u>
 CARRYOVER	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
 Net of Revenues Over Expenses	<u>\$ -</u>	<u>\$ 290</u>	<u>\$ 290</u>

## OTHER INFORMATION

**SPECIAL SERVICE AREA #55**  
**(a taxing district authorized by the City of Chicago)**  
**SUMMARY OF AUDIT FINDINGS**  
**DECEMBER 31, 2019**

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, 2019**  
**EXHIBIT TO AUDIT PACKAGE**



# State of Illinois

**Department of Financial and Professional Regulation**  
**Division of Professional Regulation**

LICENSE NO.  
066.005236  
065.010711

The person, firm, or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below:

EXPIRES:  
11/30/2021

**PUBLIC ACCOUNTANT FIRM LICENSE**



DUFFNER & COMPANY PC  
12400 S HARLEM STE 205  
PALOS HEIGHTS, IL 60463



*Bryan A. Schneider*

BRYAN A. SCHNEIDER  
SECRETARY

*Jessica Baer*

JESSICA BAER  
DIRECTOR

The official status of this license can be verified at [www.idfpr.com](http://www.idfpr.com)

13323083

**Exhibit A  
Budget**

**Special Service Area # 55**

<b>Service Provider Agency:</b>	Mount Greenwood Community and Business Association
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**2019 BUDGET SUMMARY**

Budget and Services Period: January 1, 2019 through December 31, 2019

CATEGORY	2018 Levy		Carryover Funds	TIF Rebate Fund #546	Estimated Late Collections and Interest	Total All Sources
	Collectable Levy	Estimated Loss Collection				
1.00 Customer Attraction	\$7,394	\$233	\$0	\$2,710	\$534	\$10,871
2.00 Public Way Aesthetics	\$13,953	\$301	\$4,000	\$10,290	\$0	\$28,544
3.00 Sustainability and Public Places	\$0	\$0	\$0	\$0	\$0	\$0
4.00 Economic/ Business Development	\$0	\$0	\$0	\$0	\$0	\$0
5.00 Safety Programs	\$0	\$0	\$0	\$0	\$0	\$0
6.00 SSA Management	\$6,669	\$0	\$0	\$0	\$0	\$6,669
7.00 Personnel	\$2,700	\$0		\$0	\$0	\$2,700
	<b>Sub-total</b>	<b>\$30,716</b>	<b>\$534</b>			
<b>GRAND TOTALS</b>	<b>Levy Total</b>	<b>\$31,250</b>	<b>\$4,000</b>	<b>\$13,000</b>	<b>\$534</b>	<b>\$48,784</b>

**LEVY ANALYSIS**

Estimated 2018 EAV:	\$11,338,918
Authorized Tax Rate Cap:	0.850%
Maximum Potential Levy limited by Rate Cap:	\$96,389
Requested 2018 Levy Amount:	\$31,250
Estimated Tax Rate to Generate 2017 Levy:	0.2755%