

# 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 #4  
 SSA Provider Name: 95th Street Beverly Hills Business Association  
 Submission Date: 12/5/2022

Starting PDF Page Number	Audit Report Package Components
	<b>Comparative Financial Statements</b>
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
19	5. Statement of Revenues and Expenditures - Budget and Actual
5	Auditor's Opinion on Financial Statements
22	Schedule of Findings - Current and Prior Year, if applicable
22	Corrective Action Plan - Current and Prior Year, if applicable (if findings)*
23	Audit Firm CPA License
24	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	<b>SSA Detailed SSA Commission Approved Budget</b>
	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 #4**  
**(a taxing district authorized by the City of Chicago)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020**

**SPECIAL SERVICE AREA #4**  
**(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 #4  
and  
95<sup>th</sup> Street Beverly Hills Business Association (Contractor)  
Chicago, IL

### Opinions

We have audited the accompanying financial statements of the governmental activities of Special Service Area #4 (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 #4'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 #4 (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 #4 (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 #4 (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 #4 (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 #4 (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.

### **Required 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 #4 (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 #4. 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.*

December 1, 2022  
Palos Heights, Illinois

## FINANCIAL STATEMENTS



**95TH STREET SPECIAL SERVICE AREA #4  
(95TH STREET BEVERLY HILLS BUSINESS ASSOCIATION, CONTRACTOR)  
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET  
As of December 31, 2021 and 2020**

	2021			2020		
	Governmental Funds	Adjustments	Statement of Net Position	Governmental Funds	Adjustments	Statement of Net Position
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 2,645	\$ -	\$ 2,645	\$ 6,595	\$ -	\$ 6,595
Property tax receivable	82,884	6,981	89,865	85,119	4,746	89,865
<b>Total Assets</b>	<b>\$ 85,529</b>	<b>\$ 6,981</b>	<b>\$ 92,510</b>	<b>\$ 91,714</b>	<b>\$ 4,746</b>	<b>\$ 96,460</b>
<b>Liabilities</b>						
Accounts payable	\$ 27,422		\$ 27,422	\$ 22,496	\$ -	\$ 22,496
<b>Deferred Inflows</b>						
Deferred property tax revenue	82,884	(82,884)	-	85,119	(85,119)	-
Fund Balance - unassigned	(24,777)	24,777	-	(15,901)	15,901	-
<b>Total Liabilities, Deferred Inflows and Fund Balance</b>	<b>\$ 85,529</b>			<b>\$ 91,714</b>		
<b>Net position, unrestricted</b>		<b>\$ 65,088</b>	<b>\$ 65,088</b>		<b>\$ 73,964</b>	<b>\$ 73,964</b>

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

Total fund balance - governmental funds	\$ (24,777)	\$ (15,901)
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.	89,865	89,865
<b>Total net position - governmental activities</b>	<b>\$ 65,088</b>	<b>\$ 73,964</b>

See independent auditor's report and notes to financial statements.

**95TH STREET SPECIAL SERVICE AREA #4  
(95TH STREET BEVERLY HILLS BUSINESS ASSOCIATION, CONTRACTOR)  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS, REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
For the Years Ended December 31, 2021 and 2020**

	2021			2020		
	Governmental Funds	Adjustments	Statement of Activities	Governmental Funds	Adjustments	Statement of Activities
<b>Revenues</b>						
Property Taxes	\$ 86,052		\$ 86,052	\$ 83,701	\$ 1,975	\$ 85,676
Interest income	-	-	-	7	-	7
Miscellaneous income (loss)	1	-	1	3	-	3
Total revenues	<u>86,053</u>	<u>-</u>	<u>86,053</u>	<u>83,711</u>	<u>1,975</u>	<u>85,686</u>
<b>Expenditures/Expenses</b>						
<b>Program Costs</b>						
Customer attraction	32,768	-	32,768	21,274	-	21,274
Public way aesthetics	35,416	-	35,416	44,053	-	44,053
Total program expense	<u>68,184</u>	<u>-</u>	<u>68,184</u>	<u>65,327</u>	<u>-</u>	<u>65,327</u>
<b>Administration</b>						
Operational and administrative support	26,745	-	26,745	27,010	-	27,010
Total administration expense	<u>26,745</u>	<u>-</u>	<u>26,745</u>	<u>27,010</u>	<u>-</u>	<u>27,010</u>
Total expenditures/expenses	<u>94,929</u>	<u>-</u>	<u>94,929</u>	<u>92,337</u>	<u>-</u>	<u>92,337</u>
Change in Fund Balance/Net Position	(8,876)	-	(8,876)	(8,626)	1,975	(6,651)
<b>Fund Balance/Net Position</b>						
Beginning of year	(15,901)	89,865	73,964	(7,275)	87,890	80,615
End of year	<u>\$ (24,777)</u>	<u>\$ 89,865</u>	<u>\$ 65,088</u>	<u>\$ (15,901)</u>	<u>\$ 89,865</u>	<u>\$ 73,964</u>

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

Net change in fund balance - governmental funds	\$ (8,876)	\$ (8,626)
Property tax revenue is recognized in the year it is available rather than when it is levied for governmental funds	-	1,975
Net change in net position - governmental activities	<u>\$ (8,876)</u>	<u>\$ (6,651)</u>

See independent auditor's report and notes to financial statements.

**SPECIAL SERVICE AREA #4**  
**(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 #4 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 95<sup>th</sup> Street 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 #4 is governed by a Commission whose members are appointed by the Mayor of Chicago. The City of Chicago contracted with 95<sup>th</sup> Street Beverly Hills Business Association to perform administrative duties as the service provider for the SSA during the reporting period. 95<sup>th</sup> Street Beverly Hills 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 #4 does not have any component units as defined by Government Accounting Standards Board Statements No. 14 and No. 39.

The Special Service Area #4 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 #4.

The basic financial statements of SSA #4 are composed of the following:

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

**SPECIAL SERVICE AREA #4**  
**(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 #4**  
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**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 (95<sup>th</sup> 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 #4 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 #4’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 #4 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 #4**  
**(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 #4 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 #4’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 #4 passes formal resolutions to commit their fund balances. SSA #4 has no committed fund balance at December 31, 2021.

Assigned – includes amounts that are constrained by SSA #4’s intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) SSA #4 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 #4 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 #4’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 #4**  
**(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**

Special Service Area #4 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 \$27,422 and \$22,496, 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 #4, as a component governmental unit of the City of Chicago, is not subject to federal or state income tax.

**Note 2 - Special Service Area Agreement**

The City of Chicago has established a special service area known and designated as “Special Service Area #4” to provide special services in addition to those services generally provided by the City for the geographic area established by city ordinance. 95<sup>th</sup> Street Beverly Hills 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.

For each subsequent period of the agreement, the maximum amount to be paid to 95<sup>th</sup> Street Beverly Hills 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.

**SPECIAL SERVICE AREA #4**  
**(a taxing district authorized by the City of Chicago)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 and 2020**

**Note 3 – 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	\$ 2,645	\$ 6,595
Property tax receivable	<u>89,865</u>	<u>89,865</u>
Total financial assets	\$ 92,510	\$ 96,460

**Note 4 - 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 #4 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.

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:

	<u>December 31, 2021</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Assets:				
Cash	\$2,645	-	-	\$2,645



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**DECEMBER 31, 2021 and 2020**

	\$2,645	-	-	\$2,645
	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash	\$6,595	-	-	\$6,595
	\$6,595	-	-	\$6,595

**Note 5 - Custodial Credit Risk**

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 in Chicago, Illinois and all tax revenue funds are automatically deposited into this checking account. The Contractor (95<sup>th</sup> Street Beverly Hills Business Association) did not commingle Service Tax funds with funds from any other source

**Note 6 – 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 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 #4 through December 1, 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

**95TH STREET SPECIAL SERVICE AREA #4  
(95TH STREET BEVERLY HILLS BUSINESS ASSOCIATION, CONTRACTOR)  
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
For the Years Ended December 31, 2021 and 2020**

	2021			2020		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<b>Revenues</b>						
Property Taxes	\$ 86,052	\$ 86,484	\$ (432)	\$ 83,701	\$ 90,092	\$ (6,391)
Interest income	1	-	1	7	-	7
Miscellaneous income /loss	-	-	-	3	-	3
Total revenues	<u>86,053</u>	<u>86,484</u>	<u>(431)</u>	<u>83,711</u>	<u>90,092</u>	<u>(6,381)</u>
<b>Expenditures</b>						
<b>Programs</b>						
1.00 Customer Attraction						
1.01 Website	4,220	1,560	2,660	5,092	3,600	1,492
1.02 Special events	-	2,780	(2,780)	-	4,621	(4,621)
1.05 Decorative banners	3,435	9,900	(6,465)	2,564	4,500	(1,936)
1.06 Holiday decorations	22,609	8,700	13,909	10,750	13,610	(2,860)
1.07 Print materials	1,467	2,077	(610)	1,212	1,720	(508)
1.08 Display advertising	-	3,609	(3,609)	-	1,000	(1,000)
1.09 PR/Media relations	-	2,293	(2,293)	1,656	-	1,656
1.10 4th of July flags	1,037	-	1,037	-	-	-
Total	<u>32,768</u>	<u>30,919</u>	<u>1,849</u>	<u>21,274</u>	<u>29,051</u>	<u>(7,777)</u>
2.00 Public Way Aesthetics						
2.02 Landscaping	-	2,950	(2,950)	4,410	5,500	(1,090)
2.04 Way finding/signage	-	153	(153)	-	1,528	(1,528)
2.05 Streetscape elements	2,266	750	1,516	598	928	(330)
2.07 Sidewalk maintenance	25,500	28,314	(2,814)	35,573	30,000	5,573
2.09 Snow removal	7,650	-	7,650	3,472	-	3,472
Total	<u>35,416</u>	<u>32,167</u>	<u>3,249</u>	<u>44,053</u>	<u>37,956</u>	<u>6,097</u>
3.00 Sustainability & Public Places						
3.01 Garbadge/Recycling Program	-	100	(100)	-	-	-
Total	<u>-</u>	<u>100</u>	<u>(100)</u>	<u>-</u>	<u>-</u>	<u>-</u>
4.00 Economic & Business Development						
4.01 Site Marketing	-	100	(100)	-	-	-
Total	<u>-</u>	<u>100</u>	<u>(100)</u>	<u>-</u>	<u>-</u>	<u>-</u>
5.00 Safety Programs						
5.01 Public Way Surveillance	-	100	(100)	-	-	-
Total	<u>-</u>	<u>100</u>	<u>(100)</u>	<u>-</u>	<u>-</u>	<u>-</u>

**95TH STREET SPECIAL SERVICE AREA #4  
(95TH STREET BEVERLY HILLS BUSINESS ASSOCIATION, CONTRACTOR)  
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (CONT.)  
For the Years Ended December 31, 2021 and 2020**

	2021			2020		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<b>Expenditures (cont.)</b>						
Administration						
6.00 SSA Management						
6.02 SSA audit	\$ 4,500	\$ 4,000	\$ 500	\$ 4,375	\$ 4,000	\$ 375
6.03 Bookkeeping	2,075	750	1,325	1,110	750	360
6.04 Office rent	3,666	2,100	1,566	3,300	2,100	1,200
6.05 Office utilities	977	1,400	(423)	1,042	1,400	(358)
6.06 Office supplies	904	691	213	1,118	691	427
6.07 Office equipment lease/maintenance	-	200	(200)	-	200	(200)
6.08 Office printing	-	200	(200)	808	200	608
6.09 Postage	-	400	(400)	112	250	(138)
6.10 Meeting expenses	261	700	(439)	783	-	783
6.17 Liability/property insurance	475	450	25	475	450	25
Total	<u>12,858</u>	<u>10,891</u>	<u>1,967</u>	<u>13,123</u>	<u>10,041</u>	<u>3,082</u>
7.00 Personnel						
7.01 Erin Ross, Executive Director	13,887	13,887	-	13,887	13,887	-
Total	<u>13,887</u>	<u>13,887</u>	<u>-</u>	<u>13,887</u>	<u>13,887</u>	<u>-</u>
8.00 Loss Collection						
8.01 Loss collection	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>94,929</u>	<u>88,164</u>	<u>6,765</u>	<u>92,337</u>	<u>90,935</u>	<u>1,402</u>
Excess (deficit) of Revenues over Expenditures	<u>\$ (8,876)</u>	<u>\$ (1,680)</u>	<u>\$ (7,196)</u>	<u>\$ (8,626)</u>	<u>\$ (843)</u>	<u>\$ (7,783)</u>
CARRYOVER	-	1,680	(1,680)	-	843	(843)
Net of Revenues Over Expenses	<u>\$ (8,876)</u>	<u>\$ -</u>	<u>\$ (8,876)</u>	<u>\$ (8,626)</u>	<u>\$ -</u>	<u>\$ (8,626)</u>

**OTHER INFORMATION**

**SPECIAL SERVICE AREA #4**  
**(a taxing district authorized by the City of Chicago)**  
**SCHEDULE OF FINDINGS**  
**DECEMBER 31, 2021 and 2020**

**Findings**

We have read and understand the necessary audit requirements contained in the Service Provider Agreement.

The following exception was noted during the year ending December 31, 2021 and 2020 audits.

**Finding 2021-1 and 2020-1**

***Criteria & Condition***

Sub-Contractor agreements entered into by the Contractor, lacked the requirements outlined in the City contract. The Sub-Contractor agreements were missing the following required provisions:

- Section 6.07(b) requires that contractors must include a provision in all subcontractor agreements requiring its subcontractors to pay the Base Wage to Covered Employees.
- Section 3.04(b) requires contractor must incorporate all of Section 3.04 by reference in all agreements entered into which covers all nondiscrimination laws under Federal, State and City Statutes.

***Auditor's Recommendation***

We recommend the Contractor complete contracts and develop policies and procedures to adhere to the Service Provider Agreement. Contracts should include all required aspects from the Agreement and be signed by both the Contractor and Subcontractor. Additionally, we recommend documenting oversight and progress of all sub-contractors to ensure all work is being performed as contracted.

***Contractor's Response***

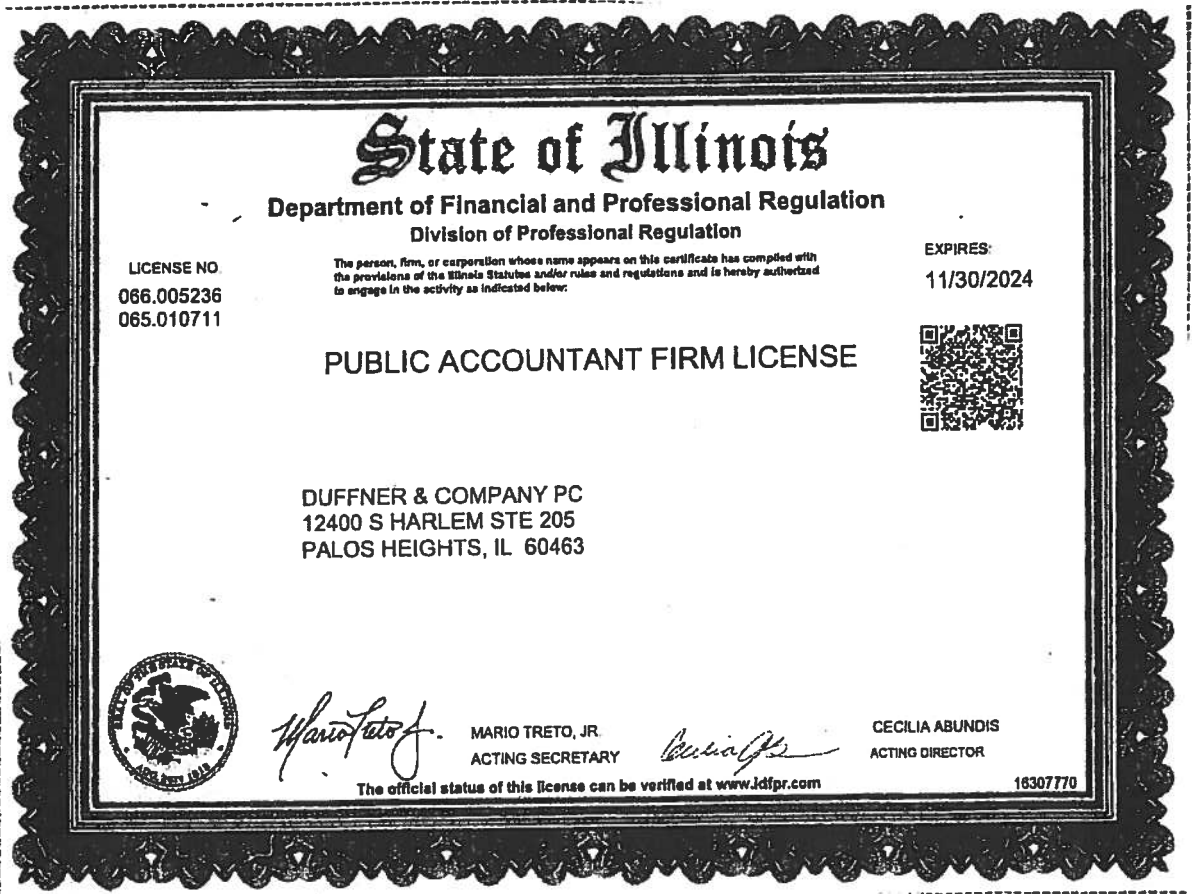
Management will review the subcontractor's agreements and will incorporate required provisions in future proposal requests per requirements in the Service Provider Agreement.

**Prior Year Audit Findings**

2020-1 *Criteria and Condition*: Sub-contractor agreements entered into by the Contractor, lacked the requirements outlined in the City contract.

*Current Status*: See Findings 2021-1.

**SPECIAL SERVICE AREA #4**  
**(a taxing district authorized by the City of Chicago)**  
**December 31, 2021**  
**EXHIBIT TO AUDIT PACKAGE**



## Exhibit A Budget

### Special Service Area # 4

SSA Name: 95th Street

### 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 #	Estimated Late Collections and Interest	Total All Sources
	Collectable Levy	Estimated Loss Collection				
1.00 Customer Attraction	\$26,600	\$1,500	\$0	\$1,050	\$1,769	\$30,919
2.00 Public Way Aesthetics	\$29,737	\$269	\$1,680	\$481	\$0	\$32,167
3.00 Sustainability and Public Places	\$0	\$0	\$0	\$100	\$0	\$100
4.00 Economic/ Business Development	\$0	\$0	\$0	\$100	\$0	\$100
5.00 Safety Programs	\$0	\$0	\$0	\$100	\$0	\$100
6.00 SSA Management	\$10,891	\$0	\$0	\$0	\$0	\$10,891
7.00 Personnel	\$13,887	\$0		\$0	\$0	\$13,887
	<b>Sub-total</b>	<b>\$81,115</b>				
<b>GRAND TOTALS</b>	<b>Levy Total</b>	<b>\$82,884</b>	<b>\$1,680</b>	<b>\$1,831</b>	<b>\$1,769</b>	<b>\$88,164</b>

#### LEVY ANALYSIS

Estimated 2020 EAV:	\$10,691,293
Authorized Tax Rate Cap:	2.000%
Maximum Potential Levy limited by Rate Cap:	\$213,826
Requested 2020 Levy Amount:	\$82,884
Estimated Tax Rate to Generate 2020 Levy:	0.7752%