

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: 6/28/2021

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
17	5. Statement of Revenues and Expenditures - Budget and Actual
5	Auditor's Opinion on Financial Statements
20	Schedule of Findings - Current and Prior Year, if applicable
20	Corrective Action Plan - Current and Prior Year, if applicable (if findings)*
21	Audit Firm CPA License
22	SSA Budget Summary page for the latest modified/amended budget approved by your SSA commission (for current audit period)
Separate PDF file attached - Yes/No	SSA Detailed SSA Commission Approved Budget
	Note: SSA Service Provider must submit detailed budget corresponding to Summary page, noted above, with audit report package.

*required if findings exist

SPECIAL SERVICE AREA #4
(a taxing district authorized by the City of Chicago)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019

SPECIAL SERVICE AREA #4
(a taxing district authorized by the City of Chicago)
DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Special Service Area #4
95th Street Beverly Hills Business Association (Contractor)
Chicago, IL

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, 2020 and 2019, 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 #4 (a taxing district authorized by the City of Chicago and component unit of the City of Chicago), as of December 31, 2020 and 2019, 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 11 and 12 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.

The financial statements of City of Chicago – Special Service Area #4 were issued by a predecessor auditor whose report dated May 14, 2020, expressed an unmodified opinion on those financial statements.

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, 2020 and 2019, 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.

June 4, 2021
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, 2020 and 2019**

	2020			2019		
	Governmental Funds	Adjustments	Statement of Net Position	Governmental Funds	Adjustments	Statement of Net Position
Assets						
Current Assets						
Cash and cash equivalents	\$ 6,595	\$ -	\$ 6,595	\$ 20,333	\$ -	\$ 20,333
Property tax receivable	85,119	4,746	89,865	85,119	2,771	87,890
Total Assets	<u>\$ 91,714</u>	<u>\$ 4,746</u>	<u>\$ 96,460</u>	<u>\$ 105,452</u>	<u>\$ 2,771</u>	<u>\$ 108,223</u>
Liabilities						
Accounts payable	\$ 22,496		<u>\$ 22,496</u>	\$ 27,608	\$ -	<u>\$ 27,608</u>
Deferred Inflows						
Deferred property tax revenue	85,119	(85,119)	-	85,119	(85,119)	-
Fund Balance - unassigned	(15,901)	15,901	-	(7,275)	7,275	-
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 91,714</u>			<u>\$ 105,452</u>		
Net position, unrestricted		<u>\$ 73,964</u>	<u>\$ 73,964</u>		<u>\$ 80,615</u>	<u>\$ 80,615</u>

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

Total fund balance - governmental funds	\$ (15,901)	\$ (7,275)
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	87,890
Total net position - governmental activities	<u>\$ 73,964</u>	<u>\$ 80,615</u>

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, 2020 and 2019**

	2020			2019		
	Governmental Funds	Adjustments	Statement of Activities	Governmental Funds	Adjustments	Statement of Activities
Revenues						
Property Taxes	\$ 83,701	\$ 1,975	\$ 85,676	\$ 82,348	\$ (10,853)	\$ 71,495
Interest income	7	-	7	-	-	-
Miscellaneous income (loss)	3	-	3	31	-	31
Total revenues	<u>83,711</u>	<u>1,975</u>	<u>85,686</u>	<u>82,379</u>	<u>(10,853)</u>	<u>71,526</u>
Expenditures/Expenses						
Program Costs						
Customer attraction	21,274	-	21,274	16,288	-	16,288
Public way aesthetics	44,053	-	44,053	37,387	-	37,387
Total program expense	<u>65,327</u>	<u>-</u>	<u>65,327</u>	<u>53,675</u>	<u>-</u>	<u>53,675</u>
Administration						
Operational and administrative support	27,010	-	27,010	26,984	-	26,984
Total administration expense	<u>27,010</u>	<u>-</u>	<u>27,010</u>	<u>26,984</u>	<u>-</u>	<u>26,984</u>
Total expenditures/expenses	<u>92,337</u>	<u>-</u>	<u>92,337</u>	<u>80,659</u>	<u>-</u>	<u>80,659</u>
Change in Fund Balance/Net Position	(8,626)	1,975	(6,651)	1,720	(10,853)	(9,133)
Fund Balance/Net Position						
Beginning of year	(7,275)	87,890	80,615	(8,995)	98,743	89,748
End of year	<u>\$ (15,901)</u>	<u>\$ 89,865</u>	<u>\$ 73,964</u>	<u>\$ (7,275)</u>	<u>\$ 87,890</u>	<u>\$ 80,615</u>

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

Net change in fund balance - governmental funds	\$ (8,626)	\$ 1,720
Property tax revenue is recognized in the year it is available rather than when it is levied for governmental funds	1,975	(10,853)
Net change in net position - governmental activities	<u>\$ (6,651)</u>	<u>\$ (9,133)</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, 2020 and 2019

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 95th 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 95th Street Beverly Hills Business Association to perform administrative duties as the service provider for the SSA during the reporting period. 95th 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. 92 *Omnibus 2020*. The objective of the statement is to enhance comparability in accounting and improve consistency of authoritative literature. This statement does not apply to SSA #4.

GASB Statement No. 93 *Replacement of Interbank Offered Rates*. The objective of the statement is to address other accounting and financial reporting implications that result from the replacement of IBOR. This statements does not apply to SSA #4.

GASB Statement No. 94 *Public-Private and Public-Public Partnerships*. The objective of this statements is to improve financial reporting by addressing issues related to public-private and public-public arrangements. This statement does not apply to SSA #4.

SPECIAL SERVICE AREA #4
(a taxing district authorized by the City of Chicago)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

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

GASB Statement No. 95 *Postponement of the Effectiveness Dates of Certain Authoritative Guidance*. The objective of this statements is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This statement does not apply to SSA #4.

GASB Statement No. 96 *Subscription Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. This statement does not apply to SSA #4.

GASB Statement No. 97 *Certain Component Unit Criteria and Accounting and Financial Reporting For Internal Revenue Code Section 457 Deferred Compensation Plans*. The objective of this statement is to increase consistency and comparability related to the reporting of fiduciary component units. 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

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

**SPECIAL SERVICE AREA #4
(a taxing district authorized by the City of Chicago)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

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

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

Cash and Cash Equivalents

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

D. Property Tax Receivable/Deferred Revenue

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

The 2019 property tax assessment, which was levied in December 2019, is to finance the SSA budget for fiscal year beginning January 1, 2020 and the revenue produced from that assessment is to be recognized

SPECIAL SERVICE AREA #4
(a taxing district authorized by the City of Chicago)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

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

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, 2020.

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 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, 2020 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, 2020.

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, 2020.

SPECIAL SERVICE AREA #4
(a taxing district authorized by the City of Chicago)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

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

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, 2020.

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 #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.
- 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

95th Street Special Service Area #4 shares office space, equipment and employees through its affiliation with 95th Street Beverly Hills Business Association.

95th Street 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, 2020 and 2019, the Organization owes \$22,496 and \$27,608, 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

SPECIAL SERVICE AREA #4
(a taxing district authorized by the City of Chicago)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

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. 95th Street Beverly Hills Business Association has been designated as “Contractor” under terms of the agreement. The City has authorized a levy not to exceed 1.0% of the equalized assessed value of all property within the area to produce sufficient revenues to provide those special services.

The maximum amount to be paid to the Organization is the lesser of \$85,119 or the amount of the service funds collected during 2020 and 2019. For each subsequent period of the agreement, the maximum amount to be paid is the lesser of the budget for that year or the amount of service tax funds actually collected for the preceding tax year.

Note 3 - 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 & Trust in Chicago, Illinois and all tax revenue funds are automatically deposited into this checking account. The Contractor (95th Street Beverly Hills Business Association) did not commingle Service Tax funds with funds from any other source.

Note 4 - Subsequent Events

For the fiscal year ended December 31, 2020, the Organization has evaluated subsequent events through June 4, 2021, which is the date the financial statements were available to be issued. As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact tax levy income. Other financial impact could occur though such potential impact is unknown at this time.

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, 2020 and 2019**

	2020			2019		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
Revenues						
Property Taxes	\$ 83,701	\$ 90,935	\$ (7,234)	\$ 82,348	\$ 90,843	\$ (8,495)
Interest income	7	-	7	31	-	31
Miscellaneous income /loss	3	-	3	-	-	-
Total revenues	83,711	90,935	(7,224)	82,379	90,843	(8,464)
Expenditures						
Programs						
1.00 Customer Attraction						
1.01 Website	5,092	3,600	1,492	3,204	1,580	1,624
1.02 Special events	-	4,621	(4,621)	2,090	2,780	(690)
1.05 Decorative banners	2,564	4,500	(1,936)	1,204	10,777	(9,573)
1.06 Holiday decorations	10,750	13,610	(2,860)	8,240	9,277	(1,037)
1.07 Print materials	1,212	1,720	(508)	1,046	2,077	(1,031)
1.08 Display advertising	-	1,000	(1,000)	-	4,777	(4,777)
1.09 PR/Media relations	1,656	-	1,656	340	2,630	(2,290)
1.10 4th of July flags	-	-	-	164	-	164
Total	21,274	29,051	(7,777)	16,288	33,898	(17,610)
2.00 Public Way Aesthetics						
2.02 Landscaping	4,410	5,500	(1,090)	3,430	2,950	480
2.04 Way finding/signage	-	1,528	(1,528)	250	153	97
2.05 Streetscape elements	598	928	(330)	632	750	(118)
2.07 Sidewalk maintenance	35,573	30,000	5,573	26,700	28,314	(1,614)
2.09 Snow removal	3,472	-	3,472	6,375	-	6,375
Total	44,053	37,956	6,097	37,387	32,167	5,220

**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, 2020 and 2019**

	2020			2019		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
Expenditures (cont.)						
Administration						
6.00 SSA Management						
6.02 SSA audit	\$ 4,375	\$ 4,000	\$ 375	\$ 4,000	\$ 4,000	\$ -
6.03 Bookkeeping	1,110	750	360	1,429	750	679
6.04 Office rent	3,300	2,100	1,200	2,500	2,100	400
6.05 Office utilities	1,042	1,400	(358)	1,951	1,400	551
6.06 Office supplies	1,118	691	427	1,077	691	386
6.07 Office equipment lease/maintenance	-	200	(200)	-	200	(200)
6.08 Office printing	808	200	608	315	200	115
6.09 Postage	112	250	(138)	252	400	(148)
6.10 Meeting expenses	783	-	783	528	700	(172)
6.17 Liability/property insurance	475	450	25	1,045	450	595
Total	<u>13,123</u>	<u>10,041</u>	<u>3,082</u>	<u>13,097</u>	<u>10,891</u>	<u>2,206</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>92,337</u>	<u>90,935</u>	<u>1,402</u>	<u>80,659</u>	<u>90,843</u>	<u>(10,184)</u>
Excess (deficit) of Revenues over Expenditures	<u>\$ (8,626)</u>	<u>\$ -</u>	<u>\$ (8,626)</u>	<u>\$ 1,720</u>	<u>\$ -</u>	<u>\$ 1,720</u>

OTHER INFORMATION

SPECIAL SERVICE AREA #4
(a taxing district authorized by the City of Chicago)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

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, 2020 and 2019 audits.

Finding 2020-1 and 2019-1

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

2019-1 *Criteria and Condition*: Sub-contractor agreements entered into by the Contractor, lacked the requirements outlined in the City contract.

Current Status: See Findings 2020-1.

SPECIAL SERVICE AREA #4
(a taxing district authorized by the City of Chicago)
December 31, 2020
EXHIBIT TO AUDIT PACKAGE



Exhibit A Budget

Special Service Area # 4

SSA Name: 95th Street Business Association

2020 BUDGET SUMMARY

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

CATEGORY	2019 Levy		Carryover Funds	TIF Rebate Fund #	Estimated Late Collections and Interest	Total All Sources
	Collectable Levy	Estimated Loss Collection				
1.00 Customer Attraction	\$21,594	\$1,641	\$843	\$1,832	\$3,141	\$29,051 ✓
2.00 Public Way Aesthetics	\$36,456	\$1,500	\$0	\$0	\$0	\$37,956 ✓
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	\$10,041	\$0	\$0	\$0	\$0	\$10,041 ✓
7.00 Personnel	\$13,887	\$0		\$0	\$0	\$13,887 ✓
	Sub-total	\$81,978				
GRAND TOTALS	Levy Total	\$85,119	\$843	\$1,832	\$3,141	\$90,935

LEVY ANALYSIS

Estimated 2019 EAV:	\$10,690,737
Authorized Tax Rate Cap:	2.000%
Maximum Potential Levy limited by Rate Cap:	\$213,815
Requested 2019 Levy Amount:	\$85,119
Estimated Tax Rate to Generate 2018 Levy:	0.7962%

SSA Name:	95th Street Business Association
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LEVY CHANGE FROM PREVIOUS YEAR	
2018 Levy Total (in 2019 budget)	\$90,843
2019 Levy Total (in 2020 budget)	\$85,119
Percentage Change	-6.30%
Community meeting required if levy amount increases greater than 5% from previous levy.	

CARRYOVER CALCULATION	
2019 Budget Total	\$90,843
2020 Carryover	\$843
Percentage	0.928%
Must be less than 25%	

SSA Name:	95th Street Business Association
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2019 BUDGET & SERVICES - SIGNATURE PAGE

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

The 2020 Budget & Services were approved by the SSA Commission.

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SSA Chairperson Signature

Printed Name

Date