

Chicago Department of Planning and Development (DPD)
Special Service Area (SSA) Program
Audit Report Package Transmittal Checklist

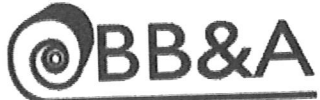
This checklist must be completed by the SSA's auditing firm as part of a single PDF audit report package. On the checklist, enter the starting page number within the PDF for each of the audit report package components listed below. Each required component on the checklist must have a numeric page number, 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 47 - Cottage Grove
 SSA Provider Name: Quad Communities Development Corporation, NFP
 Submission Date: December 28, 2021

Starting PDF Page Number	Audit Report Package Components
	Comparative Financial Statements
6	1. Statement of Net Position and Governmental Fund Balance Sheet - Current Year <u>12/31/2020</u>
7	2. Statement of Net Position and Governmental Fund Balance Sheet - Prior Year <u>12/31/2019</u>
8	3. Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance - Current Year <u>12/31/2020</u>
9	4. Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance - Prior Year <u>12/31/2019</u>
10	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*
22-24	Audit Firm CPA License <u>Plus Correspondence Regarding Renewal</u>
25-36	SSA Budget Summary page - used for comparison of actual expenses for current audit period <u>Audit Related Letters.</u>
(Uploaded Separately)	Final Modified or Amended SSA Budget Workplan (Excel file) Date approved by Commission: ___ / ___ / _____
	Note: This budget workplan must correspond to Budget Summary page noted above in audit report package.

*required if findings exist



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Bright People
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Amazing Results

**CITY OF CHICAGO
SPECIAL SERVICE AREA NO. 47**

Financial Statements

Years ended December 31, 2020 and 2019

(With Independent Auditors' Report Thereon)

CITY OF CHICAGO SPECIAL SERVICE AREA NO. 47

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Independent Auditors' Report

The Board of Commissioners of
City of Chicago Special Service Area No. 47:

We have audited the financial statements of the governmental activities and each major fund of City of Chicago Special Service Area No. 47 (SSA #47) (a taxing district authorized by the City of Chicago), as of and for the years ended December 31, 2020 and 2019 and the related notes to the financial statements, which collectively comprise the City'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 and standards applicable to financial audits contained in the Special Service Area Program Guide, issued by the City of Chicago Department of Planning and Development. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to SSA #47'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 SSA #47'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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the governmental activities and each major fund of City of Chicago Special Service Area No. 47 as of December 31, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

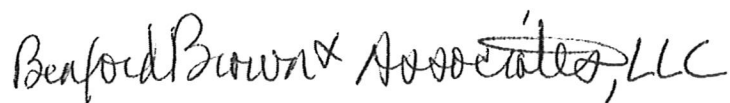
As discussed in Note 2, the financial statements of SSA #47 are intended to present the financial position and the changes in financial position of only that portion of the governmental activities and major fund of SSA #47 that is attributable to the transactions of SSA #47. They do not purport to, and do not present fairly the financial position of the City of Chicago as of December 31, 2020 and 2019 and the changes in its activities for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the management discussion and analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the statements of revenues and expenditures - budget and actual be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by GASB 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 the information because the limited procedures do not provide us with sufficient to evidence to express an opinion or provide any assurance.



Benford Brown & Associates, LLC
Chicago, IL
October 26, 2021

CITY OF CHICAGO SPECIAL SERVICE AREA NO. 47

Statement of Net Position and Governmental Funds Balance Sheet

December 31, 2020

<u>Assets</u>	<u>Governmental funds</u>	<u>Adjustments</u>	<u>Statement of net position</u>
Current assets:			
Cash	\$ 114,870	\$ -	\$ 114,870
Property tax receivables (less: allowance for loss collections of \$1,208)	378,182	-	378,182
Total assets	\$ 493,052	\$ -	\$ 493,052
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	\$ 2,649	\$ -	\$ 2,649
Total liabilities	2,649	-	2,649
Deferred inflows of resources:			
Deferred property tax revenue (note 4)	308,659	(308,659)	-
Fund balance/net position:			
Unrestricted	181,744	(181,744)	-
Total fund balance	181,744	(181,744)	-
Total liabilities, deferred inflows of resources and fund balances	\$ 493,052		
Net position:			
Unrestricted		<u>\$ 490,403</u>	<u>\$ 490,403</u>

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

Total fund balance - governmental funds	<u>\$ 181,744</u>
Property tax revenue is recognized in the period for which it is levied rather than when "available".	<u>308,659</u>
Total net position - governmental activities	<u>\$ 490,403</u>

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

CITY OF CHICAGO SPECIAL SERVICE AREA NO. 47

Statement of Net Position and Governmental Funds Balance Sheet

December 31, 2019

<u>Assets</u>	<u>Governmental funds</u>	<u>Adjustments</u>	<u>Statement of net position</u>
Current assets:			
Cash	\$ 51,050	\$ -	\$ 51,050
Property tax receivables (less: allowance for loss collections of \$7,075)	329,907	-	329,907
Total assets	\$ 380,957	\$ -	\$ 380,957
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	\$ 8,498	\$ -	\$ 8,498
Total liabilities	8,498	-	8,498
Deferred inflows of resources:			
Deferred property tax revenue (note 4)	303,444	(303,444)	-
Fund balance/net position:			
Unrestricted	69,015	(69,015)	-
Total fund balance	69,015	(69,015)	-
Total liabilities, deferred inflows of resources and fund balances	\$ 380,957		
Net position:			
Unrestricted		\$ 372,459	\$ 372,459

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

Total fund balance - governmental funds	\$ 69,015
Property tax revenue is recognized in the period for which it is levied rather than when "available".	303,444
Total net position - governmental activities	\$ 372,459

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

CITY OF CHICAGO SPECIAL SERVICE AREA NO. 47

Statement of Activities and Governmental Funds, Revenues, Expenditures and Changes in Fund Balance

Year ended December 31, 2020

	Governmental funds	Adjustments	Statement of activities
Revenue:			
Property tax revenue	\$ 360,728	\$ 2,215	\$ 362,943
Interest income	39	-	39
Miscellaneous income	55	-	55
Total revenue and other support	360,822	2,215	363,037
Expenditures:			
Customer Attraction	33,622	-	33,622
Public Way Aesthetics	120,347	-	120,347
Sustainability and Public Places	-	-	-
Economic/Business Development	-	-	-
SSA Management	21,819	-	21,819
Personnel	65,642	-	65,642
Loss Collection	6,663	-	6,663
Total expenditures	248,093	-	248,093
Excess of revenue over expenditures	112,729	(112,729)	
Increase in net position		114,944	114,944
Fund balance/net position as of January 1, 2020	69,015	303,444	372,459
Fund balance/net position as of December 31, 2020	\$ 181,744	\$ 305,659	\$ 487,403

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

Increase in fund balance - governmental funds	<u>\$ 112,729</u>
Property tax revenue is recognized in the year it is levied rather than when it is available for governmental funds	<u>2,215</u>
Net change in net position - governmental activities	<u>\$ 114,944</u>

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

CITY OF CHICAGO SPECIAL SERVICE AREA NO. 47

Statement of Activities and Governmental Funds, Revenues, Expenditures and Changes in Fund Balance

Year ended December 31, 2019

	Governmental funds	Adjustments	Statement of activities
Revenue:			
Property tax revenue	\$ 293,674	\$ 30,768	\$ 324,442
Late collections	70	-	70
Interest income	1,204	-	1,204
Total revenue and other support	294,948	30,768	325,716
Expenditures:			
Customer Attraction	76,325	-	76,325
Public Way Aesthetics	115,841	-	115,841
Sustainability and Public Places	2,443	-	2,443
Economic/Business Development	3,900	-	3,900
Safety Programs	-	-	-
SSA Management	21,118	-	21,118
Personnel	67,291	-	67,291
Loss Collection	24,665	-	24,665
Total expenditures	311,583	-	311,583
Excess of revenue over expenditures	(16,635)	16,635	
Increase in net position		14,133	14,133
Fund balance/net position as of January 1, 2019	82,044	272,676	354,720
Prior period adjustment (note 7)	3,606	-	3,606
Fund balance/net position as of January 1, 2019, as restated	85,650	272,676	358,326
Fund balance/net position as of December 31, 2019	\$ 69,015	\$ 303,444	\$ 372,459

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

Decrease in fund balance - governmental funds	\$ (16,635)
Property tax revenue is recognized in the year it is levied rather than when it is available for governmental funds	30,768
Net change in net position - governmental activities	\$ 14,133

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

CITY OF CHICAGO SPECIAL SERVICE AREA NO. 47

Notes to the Financial Statements

Years ended December 31, 2020 and 2019

(1) Organization Description

City of Chicago Special Service Area No. 47 (SSA #47) was created by ordinance of the Chicago City Council and is funded annually by property taxes levied on properties within SSA #47's boundaries. The property taxes are collected by the Cook County Treasurer, and then distributed by the City of Chicago to SSA #47.

SSA #47 was established to provide various services including but not limited to: public way maintenance and beautification; district marketing and advertising; business retention/attraction, special events and promotional activities; auto and bike transit; security; façade improvements; and other commercial and economic development initiatives for the south lakefront communities of North Kenwood, Oakland, Douglas and Grand Boulevard.

SSA #47 is governed by a Commission whose members are appointed by the Mayor of Chicago. The City of Chicago contracted with Quad Cities Community Development Corporation, NFP (QCDC) to perform administrative duties as the service provider for SSA #47 for 2020. QCDC is an Illinois not-for-profit corporation that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

(2) Summary of Significant Accounting Policies

Government-Wide and Fund Financial Statements

The financial statements of SSA #47 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 U.S. GAAP. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Government-wide financial statements (statement of net position and statement of activities) are prepared using the economic resources measurement focus and accrued basis of accounting for all of SSA #47's activities. The Fund Financial Statements, which focus on SSA #47's governmental funds current financial resources measurement focus, are prepared on the modified accrual basis. SSA #47 accounts for its activities in one fund, its general fund.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

CITY OF CHICAGO SPECIAL SERVICE AREA NO. 47

Notes to the Financial Statements

Years ended December 31, 2020 and 2019

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 sixty (60) days subsequent to year-end. Expenditures are recorded when the liability is incurred.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash, Cash Equivalents and Investments

SSA #47's cash and cash equivalent are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Presently, SSA #47 does not have any short-term investments.

Cash and cash equivalents are subject to custodial credit risk in the event of a bank failure, the SSA's deposit may not be returned. SSA #47 maintains its cash in bank deposit, at times, may exceed FDIC insured limits. The amount of cash that exceed FDIC insured limits is \$0 as of December 31, 2020 and 2019.

Receivables

All property tax receivables are shown net of allowances. The allowance was estimated to be \$8,066 (2.38%) and \$1,208 (0.37%), respectively, of outstanding property taxes for fiscal years 2020 and 2019.

Prepaid Items

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

Fund Equity/Net Position

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned. Non-spendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by enabling

CITY OF CHICAGO SPECIAL SERVICE AREA NO. 47

Notes to the Financial Statements

Years ended December 31, 2020 and 2019

legislation or an outside party. Committed fund balance is a limitation imposed by SSA #47's board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of SSA #47's board of commissioners. Unassigned fund balance is the net resources in excess of what can be properly classified in one of the above four (4) categories.

When both restricted and unrestricted fund balances are available for use, it is the SSA's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balance is reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

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

(3) Budgetary Information

SSA #47 follows these procedures in establishing the budgetary data reflected in the financial statements:

- By mid-March the SSA Manager submits to SSA #47's Board of Commissioners a proposed operating budget for the following year commencing January 1. The operating budget includes proposed expenditures/expenses and the means of financing them.
- By mid-July the final budget is submitted to the City of Chicago for review and approval.
- During December the budget is legally enacted through passage of an appropriation ordinance.
- The SSA #47 is authorized to make budget revisions however they cannot alter the total expenditures within assigned expense categories within the general fund and must be approved by SSA #47's Board of Commissioners. The budget was amended this year.
- Formal budgetary integration is employed as a management control device during the year.
- A budget for the General Fund is adopted on a basis consistent with U.S. GAAP.
- The SSA #47 budgets revenue, expenditures/expenses and transfers based on anticipated funds to be received. Budgets reflect gains or losses, by fund, for each fiscal year.

CITY OF CHICAGO SPECIAL SERVICE AREA NO. 47

Notes to the Financial Statements

Years ended December 31, 2020 and 2019

(4) Property Taxes

Property taxes become an enforceable lien on the real property on January 1 of the year it is levied. Taxes are payable in two installments in the subsequent year. The first installment is an estimate based on the prior year billed levy (55%) and is due in March. The second installment is due on August 1, or 30 days from the mailing of the tax bills if issued later than July 1. The second installment is based on the remaining amount of the levy on file with the County. Bills are issued and collected by Cook County who remits SSA #47's share to the City. The City then remits the monies collected from Cook County to SSA #47.

(5) Deferred Inflows of Resources

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

(6) Related Party Transactions

SSA #47's contracted service provider is Quad Communities Development Corporation (QCDC), which provides certain administrative services for SSA #47. As of December 31, 2020 and 2019, there was no balance owed to QCDC. Typically, any balance due to QCDC would have resulted from the time difference that 1) goods and services are being provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payment are being made.

(7) Net Position Restatement

During 2020, adjustments were made to the financial statements to properly state cash and accounts payable in relation to stale-dated checks. The prior period adjustments are as follows:

Government-wide fund balance/net position – government activities - at January 1, 2019	\$ 82,044
Adjustments to government-wide fund balance/net position – government activities:	
To adjust cash	<u>3,606</u>
Fund balance/Net position – government activities at January 1, 2019, as restated	<u>\$ 85,650</u>

CITY OF CHICAGO SPECIAL SERVICE AREA NO. 47

Notes to the Financial Statements

Years ended December 31, 2020 and 2019

(8) Risks and Uncertainties Related to the COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared an outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the pandemic has impacted millions of individuals worldwide. In response, many countries have implemented measures to combat the pandemic that have impacted global business operations.

In response to the pandemic declaration, SSA #47's service provider, QCDC, has implemented mitigation procedures in order to the public to comply with state and local health and safety standards including having implemented procedures allowing its employees to work remotely.

QCDC continues to monitor the pandemic and follow the recommended health and safety laws and guidelines. Management has continued to focus on fundraising efforts in order to support its operations.

No impairments were recorded as of the statement of net position date; however, due to significant uncertainty surrounding the situation, management's judgment regarding this could change in the future. In addition, while SSA #47's results of activities and financial position could be negatively impacted, the extent of the impact cannot be reasonably estimated at this time.

(9) Subsequent Events

In connection with the preparation of the financial statements for the year ending December 31, 2020 and in accordance with ASC Topic 855, *Subsequent Events*, management has evaluated subsequent events through October 26, 2021, which is the date the financial statements were available to be issued. No subsequent events have been identified that are required to be disclosed through that date.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHICAGO SPECIAL SERVICE AREA NO. 47

Statement of Revenues and Expenditures - Budget and Actual

For the year ended December 31, 2020

	Actual	Budget	Variance
Revenues:			
Property tax revenue	\$ 360,728	\$ 338,666	\$ 22,062
Tax increment financing (TIF) rebate No. A71	-	-	-
Late collections	-	-	-
Sales of product income	-	-	-
Interest income	39	-	39
Miscellaneous income	55	-	55
Total revenues	360,822	338,666	22,156
Expenditures:			
Customer attraction -			
Websites	-	2,000	(2,000)
Special events	17,250	30,100	(12,850)
Social media outreach	-	1,500	(1,500)
Decorative banners	-	1,000	(1,000)
Holiday decorations	6,500	10,000	(3,500)
Print materials	9,605	10,000	(395)
Display advertising	267	10,000	(9,733)
Marketing	-	10,000	(10,000)
Marketing	-	1,500	(1,500)
Total customer attraction	33,622	76,100	(42,478)
Public way aesthetics -			
Landscaping (plants, watering, etc.)	11,600	11,600	-
Facade enhancement program - rebates	-	2,000	(2,000)
Way finding/signage	-	1,000	(1,000)
Streetscape elements (included capital installation and maintenance)	500	2,403	(1,903)
Public art	-	1,000	(1,000)
Sidewalk maintenance - material	-	500	(500)
Sidewalk maintenance	107,497	107,497	-
City permits	750	2,250	(1,500)
Total public way aesthetics	120,347	128,250	(7,903)
Sustainability and public places -			
Small Business Improvement Grant	-	4,000	(4,000)
Total sustainability and public places	-	4,000	(4,000)

CITY OF CHICAGO SPECIAL SERVICE AREA NO. 47

Statement of Revenues and Expenditures - Budget and Actual

For the year ended December 31, 2020

	Actual	Budget	Variance
Economic/Business development -			
Site marketing (materials, services, etc.)	-	5,000	(5,000)
Supplemental transit (shuttle, trolley, etc.)	-	3,900	(3,900)
Strategic planning	-	8,056	(8,056)
Economic impact study	-	5,000	(5,000)
Total economic and business development	-	21,956	(21,956)
Safety programs -			
Safety improvements program - rebates	-	4,000	(4,000)
Security patrol services	-	6,000	(6,000)
Total safety programs	-	10,000	(10,000)
SSA management -			
Annual report	-	200	(200)
Audit	1,500	3,000	(1,500)
Bookkeeping	2,334	2,880	(546)
Office rent	8,467	8,500	(33)
Office utilities	2,200	2,200	-
Office supplies	1,200	1,200	-
Equipment lease and maintenance	2,110	2,120	(10)
Office printing	983	1,950	(967)
Postage and delivery	167	200	(33)
Meeting expense	-	250	(250)
Dues and subscriptions	150	650	(500)
Bank charges	85	100	(15)
Property/Liability insurance	-	1,025	(1,025)
Conferences and training	-	250	(250)
IT Monitoring services	1,458	1,500	(42)
Marketing and public relations	1,165	1,175	(10)
Total SSA management	21,819	27,200	(5,381)
Personnel -			
Executive director	15,400	15,400	-
Program manager	41,742	47,000	(5,258)
Administrative assistant	8,500	8,500	-
Total personnel	65,642	70,900	(5,258)
Loss collection	6,663	-	6,663
Total expenditures	248,093	338,406	(90,313)
Excess of revenue over expenditures	\$ 112,729	\$ 260	\$ 112,469
Carryover	-	-	-
Net revenues in excess of expenditures	\$ 112,729	\$ 260	\$ 112,469

CITY OF CHICAGO SPECIAL SERVICE AREA NO. 47

Statement of Revenues and Expenditures - Budget and Actual

For the year ended December 31, 2019

	Actual	Budget	Variance
Revenues:			
Property tax revenue	\$ 293,674	\$ 324,442	\$ (30,768)
Tax increment financing (TIF) rebate No. A71	-	19,604	(19,604)
Late collections	-	1,208	(1,208)
Sales of product income	525	-	525
Interest income	70	-	70
Miscellaneous income	679	-	679
Total revenues	294,948	345,254	(50,306)
Expenditures:			
Customer attraction -			
Websites	2,894	2,894	-
Special events	21,552	21,792	(240)
Social media outreach	6,204	1,500	4,704
Decorative banners	-	307	(307)
Holiday decorations	11,450	12,950	(1,500)
Print materials	6,400	10,200	(3,800)
Display advertising	18,100	18,341	(241)
Marketing	9,725	9,725	-
Total customer attraction	76,325	77,709	(1,384)
Public way aesthetics -			
Landscaping (plants, watering, etc.)	11,510	25,884	(14,374)
Facade enhancement program - rebates	-	100	(100)
Streetscape elements (included capital installation and maintenance)	1,899	3,500	(1,601)
Public art	-	4,865	(4,865)
Sidewalk maintenance	101,106	101,106	-
City permits	1,326	1,326	-
Make Way For People	-	10,800	(10,800)
Total public way aesthetics	115,841	147,581	(31,740)
Sustainability and public places -			
People spots	2,443	3,897	(1,454)
Total sustainability and public places	2,443	3,897	(1,454)
Economic/Business development -			
Site marketing (materials, services, etc.)	-	4,900	(4,900)
Supplemental transit (shuttle, trolley, etc.)	3,900	3,900	-
SSA designation	-	15,036	(15,036)
Total economic and business development	3,900	23,836	(19,936)

CITY OF CHICAGO SPECIAL SERVICE AREA NO. 47

Statement of Revenues and Expenditures - Budget and Actual

For the year ended December 31, 2019

	Actual	Budget	Variance
Safety programs -			
Façade enhancement program - rebates	-	1,000	(1,000)
Safety improvements program-rebate	-	2,700	(2,700)
Security patrol services	-	3,500	(3,500)
Total safety programs	-	7,200	(7,200)
SSA management -			
Annual report	-	1,000	(1,000)
Audit	2,500	3,000	(500)
Bookkeeping	2,904	2,904	-
Office rent	11,970	11,970	-
Office utilities	2,912	2,704	208
Office supplies	772	2,628	(1,856)
Equipment lease and maintenance	-	777	(777)
Office printing	-	350	(350)
Postage and delivery	-	200	(200)
Meeting expense	-	500	(500)
Dues and subscriptions	60	585	(525)
Bank charges	-	580	(580)
Storage fees	-	600	(600)
Property/Liability insurance	-	1,000	(1,000)
Professional development	-	145	(145)
Total SSA management	21,118	28,943	(7,825)
Personnel -			
Executive director	61,833	57,333	4,500
Program manager	5,458	10,965	(5,507)
Total personnel	67,291	68,298	(1,007)
Loss collection	24,665	-	24,665
Total expenditures	311,583	357,464	(45,881)
Excess of revenue over expenditures	\$ (16,635)	\$ (12,210)	\$ (4,425)
Carryover	-	12,210	12,210
Net revenues in excess of expenditures	\$ (16,635)	\$ -	\$ 7,785

OTHER INFORMATION

CITY OF CHICAGO SPECIAL SERVICE AREA NO. 47

Service Provider Agreement Compliance

Summary Schedule of Findings and Responses

Year ended December 31, 2020

We read and understand the necessary audit requirements contained in the Service Provider Agreement. Accordingly, based on our audit we noted the following exceptions during the year ending December 31, 2020.

1. Improper Recognition of Revenue

SSA #47 did not recognize property tax revenue during 2020 in accordance with generally accepted accounting principles. It is required that property tax revenue and related receivables be recorded on an accrual basis, however, SSA #47 recorded its property tax revenue on a cash basis which is not considered to be in accordance with generally accepted accounting principles. The effect of this condition was that property taxes revenue, property taxes receivable, deferred revenue, loss collections and fund balance/net position accounts were materially misstated. This finding has also occurred in previous years and is considered a repeat finding.

Management Response

Management has agreed to record the proposed adjusting journal entries as recommended. Furthermore management will implement procedures to ensure that property taxes revenue, property taxes receivable, deferred revenue, and loss collections are recorded on an accrual basis on an going basis.

2. Late Submittal of Annual Audited Financial Statements

SSA #47 did not submit its annual audited financial statements within 120 calendar days after the end of the calendar year as required by the Service Provider Agreement. This finding has also occurred in previous years and is considered a repeat finding.

Management Response

Management agrees with the finding and is working with its accountant to close its accounting records in a timely manner so that the annual audited financial statements will be submitted within 120 calendar days after the end of the calendar year on an ongoing basis.

State of Illinois

Department of Financial and Professional Regulation Division of Professional Regulation

LICENSE NO.
066.004323
065.023690

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



BENFORD BROWN & ASSOCIATES LLC
8334 S STONY ISLAND AVE
CHICAGO, IL 60617-1759



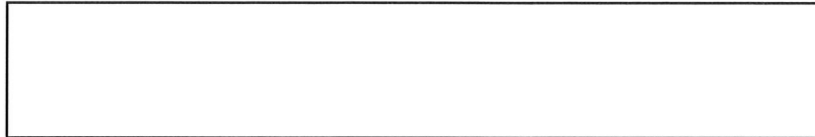
DEBORAH HAGAN
ACTING SECRETARY

JESSICA BAER
DIRECTOR

The official status of this license can be verified at www.idfpr.com

13459828

Cut on Dotted Line



From: Rhonda McFarland
Sent: Thursday, December 16, 2021 6:41 PM
To: Timothy Watson <twatson@benfordbrown.com>
Cc: Joseph Kennedy (joseph@jhk2.com) <joseph@jhk2.com>
Subject: RE: BB&A LLC - License Renewal

guess not, I'll share that. did the state send a new cert or some type of communication?

Rhonda McFarland
Executive Director
Quad Communities Development Corporation, NFP
4210 South Berkeley Avenue
Chicago IL 60653.3012
773.268.7232 Office
312.560.5029 Mobile

From: Timothy Watson [<mailto:twatson@benfordbrown.com>]
Sent: Thursday, December 16, 2021 6:39 PM
To: Rhonda McFarland <rmcfarland@Qcdc.org>
Cc: Joseph Kennedy (joseph@jhk2.com) <joseph@jhk2.com>
Subject: Re: BB&A LLC - License Renewal

OK. I guess they weren't aware of the automatic extension provided to all firms due to the state's technology challenges.

Sincerely,

Timothy S. Watson, CPA
Partner
Benford Brown & Associates, LLC
8334 S. Stony Island Ave
Chicago, IL 60617
(773) 731-1300 x401
twatson@benfordbrown.com

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DISCLOSURE REQUIRED BY U.S. TREASURY DEPARTMENT CIRCULAR 230, Benford Brown & Associates, LLC must inform you that any advice in this communication to you was not intended or written to be used, and cannot be used, to avoid any government penalties that may be imposed on a taxpayer.

From: Rhonda McFarland <rmcfarland@Qcdc.org>
Sent: Thursday, December 16, 2021 4:02:44 PM
To: Timothy Watson <twatson@benfordbrown.com>
Cc: Joseph Kennedy (joseph@jkh2.com) <joseph@jkh2.com>
Subject: BB&A LLC - License Renewal

Tim

We are undergoing an additional SSA Program review by the City of Chicago. Its third party reviewer/auditor noted that your firms license expired on 11/30/2021.

If you have a current certificate, please send it to me to share with them.

I note that both of the 2020 audit reports are dated prior to 11/30/2021, however this may still be questioned by the City given how close the dates are.

Rhonda McFarland
Executive Director
Quad Communities Development Corporation, NFP
4210 South Berkeley Avenue
Chicago IL 60653.3012
773.268.7232 Office
312.560.5029 Mobile



8334 South Stony Island Avenue
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www.benfordbrown.com

October 26, 2021

To Board of Commissioners - City of Chicago Special Service Area No. 47
and Quad Communities Development Corporation - Service Provider

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Chicago Special Service Area No. 47 (SSA #47) which comprise the statements of net position and governmental funds balance sheet as of December 31, 2020 and 2019 and the related statements of activities and governmental funds, revenues, expenditures and changes in fund balance, and statements of revenues and expenditures – budget and actual, for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 26, 2021. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 13, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by SSA #47 are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into by SSA #47 during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements was the disclosure of related party transactions in Note 4 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Letter to Those Charged
with Governance 1/3

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. As a result of audit procedures performed, we proposed six (6) adjusting journal entries that resulted in a decrease in current year fund balance/net position of \$45,682. We also noted that the proposed adjusting journal entries from 2018 had not been recorded. We proposed these three (3) adjusting journal entries from the 2018 audit that resulted in a decrease in prior year fund balance/net position of \$16,582. Management has agreed to record all proposed adjusting journal entries in order to correct all identified misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 26, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to SSA #47's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as SSA #47's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Letter to Those Charged
with Governance 2/3

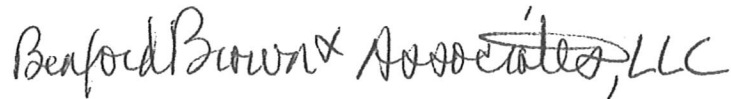
Other Matters

We applied certain limited procedures to the statements of revenues and expenditures – budget and actual, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of Board of Commissioners and management of SSA #47 and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Benford Brown & Associates, LLC". The signature is written in black ink and is positioned above the printed name of the firm.

Benford Brown & Associates, LLC
Chicago, IL

Letter to Those Charged
with Governance 3/3



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October 26, 2021

To Board of Commissioners - City of Chicago Special Service Area No. 47
and Quad Communities Development Corporation - Service Provider

In planning and performing our audit of the financial statements of City of Chicago Special Service Area No. 47 (SSA #47) as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered SSA #47's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SSA #47's internal control. Accordingly, we do not express an opinion on the effectiveness of SSA #47's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of SSA #47's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses. We consider the following finding to be a material weakness in SSA #47's internal control.

SSA #47's financial statements as of and for the year ended December 31, 2020 were materially misstated as a result of improper revenue recognition related to the 2019 tax levy collected in 2020 and the reversal of staledated checks. The effect of this condition was that the cash, property taxes receivable, deferred revenue, property taxes revenue, loss collection and fund balance/net position accounts were materially misstated. The misstatements included an understatement of current year fund balance/net position of \$44,855 and overstatement of prior year fund balance/net position of \$305,386. Management has agreed to record these adjusting journal entries as recommended and to implement procedures to ensure that property taxes receivable, deferred revenue, property taxes revenue and loss collections are properly stated going forward.

Communication of Significant
Deficiencies... 1/2

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

This communication is intended solely for the information and use of the board of commissioners and management of the City of Chicago Special Service Area No. 47 and others within the City of Chicago Department of Planning and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Benford Brown & Associates, LLC

Benford Brown & Associates, LLC
Chicago, IL



Quad Communities Development Corporation, NFP

Response to Deficiency in Internal Controls 2020 Financial Audit Report For City of Chicago Special Service Areas 47 and 56 (SSA 47 and SSA 56)

Board of Directors:

Chairman
Shirley Newsome

Vice-Chairman
Craig Jeffrey

Treasurer
Fred Bonner

Secretary
Diane Marshall

Members:

Gerald Beechum
Jacqueline Callery
Kimberly du Buclet
Mathew Khari Humphries
Terry Griffin

Executive Director
Rhonda McFarland

December 28, 2021

In the audit review of financial records for the period ending December 31, 2020 related to both Special Service Areas 47 and 56 (SSA 47) (SSA 56), the auditing firm of Benford, Brown & Associates, LLC found that there were "Material Weakness in SSA 56 Internal Control". The auditor's notations as provided in a letter dated November 22, 2021 to the Commissioners and Board of Directors is as follows:

SSA 56 financial statements as of and for the year ended December 31, 2020 were materially misstated as a result of improper revenue recognition related to the 2019 tax levy collected in 2020. The effect of this condition was that the property taxes receivable, deferred revenue, property taxes revenue, loss collection and fund balance/net position accounts were materially misstated. The misstatements included an understatement of current year fund balance/net position of \$20,301 and overstatement of prior year fund balance/net position of \$102,259. Management has agreed to record these adjusting journal entries as recommended and to implement procedures to ensure that property taxes receivable, deferred revenue, property taxes revenue and loss collections are properly stated going forward.

As the Service Provider, Quad Communities Development Corporation, NFP (QCDC), is responsible for managing and maintaining all SSA financial records in compliance with the City of Chicago guidelines and Generally Accepted Accounting Practices. QCDC offers the following response:

Response and Corrective Action:

In July 2020, QCDC retained the services of a new Financial and Accounting Consulting Firm (Finance Manager) and concerted all financial records into an upgraded Quick Books Enterprise (QBE) platform. As part of the firm's initial review of the agency's records, they observed that no prior year adjustments had been posted, as typically advised by the Audit Firm. This resulted in the tax receivable, deferred revenue, loss collection and fund balance/net position balances having carry over balances year-over-year (YOY).



Quad Communities Development Corporation, NFP

Our Finance Manager, after review and consultation with the Auditors, determined that the necessary corrective action would be 1) YOY balances noted in the Finding would continue to be reflected in the financial statements and within the QBE system until the December 31, 2020 audit reports were completed. 2) The Auditor's recommended adjustments as of December 31, 2020 would be posted within the QBE financial system with an effective date of January 1, 2021. 3) All adjustments would be posted no later than 30 days following the completion and final December 31, 2020 audit reports.

Internal Control Process Change(s):

Effective January 1, 2022 on a month-to-month basis, Property Tax Revenue will be matched to the applicable Levy Tax Year and the correct offset to the "Taxes Receivable" account balance will be posted. This process will be based on the guidance received from the Auditing Firm and will be reviewed with the Auditor as appropriate on a regular basis. This updated monthly internal control practice will result with all of the effective accounts being accurately stated monthly as part of the closing process.

Page 2 of 2

*Response to Deficiency
in Internal Controls*

4210 South Berkeley, Chicago, Illinois 60653-3012

WWW.QCDC.ORG

(773) 268-7232 Office

contactus@qcdc.org



November 22, 2021

Benford Brown & Associates, LLC
8334 South Stony Island Avenue
Chicago, IL 60617

Ref.: Management Representation Letter
SSA 47 – 2020 Financial Audit

Dear Sirs/Mesdames:

This representation letter is provided in connection with your audit of the financial statements of **City of Chicago Special Service Area 47 (SSA 47)**, which comprise the respective financial position of the governmental activities and each major fund as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements (collectively, the “financial statements”), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We understand that obtaining representations from us concerning the information contained in this letter is a significant procedure and we understand that the purpose of your testing of transactions was to obtain reasonable assurance that SSA 47’s financial statements were fairly stated in all material respects.

We confirm, to the best of our knowledge and belief, as of December 31, 2020, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter executed May 27, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all properly classified funds and other financial information of the primary government and all component units required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.

- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, after the date of the financial statements that would require adjustment to or disclosure in the financial statements or the schedule of findings and responses.
- 8) The effects of all known actual or possible litigation claims and assessments have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
- 9) Guarantees, whether written or oral, under which SSA 47 is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the audit.
 - c) Unrestricted access to persons within the SSA 47 from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of SSA 47 or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements and supplementary information.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the SSA 47 and involves –
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the SSA 47's financial statements communicated by employees, former employees, regulators, or others.

- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the identity of the SSA 47's related parties and all the related party relationships and transactions of which we are aware.

Government - Specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have a process to track the status of audit findings and recommendations.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 22) SSA 47 has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on non-compliance.
- 27) As part of your audit, you assisted with the preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those non-audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed, and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 28) SSA 47 has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

- 29) SSA 47 has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 31) The financial statements include all fiduciary activities required by GASBS No. 84.
- 32) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended, and GASBS No. 84.
- 33) All funds that meet the quantitative criteria in GASBS No. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 34) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits are properly classified as to risk and are properly disclosed.
- 40) We have appropriately disclosed SSA 47's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 41) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 42) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Very truly yours,

***City of Chicago Special Service Area 47
Quad Communities Development Corporation, NFP, Service Provider***