ROSELAND SPECIAL SERVICE AREA #71
(CALUMET AREA INDUSTRIAL COMMISSION – CONTRACTOR)

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2019

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(3 Pages)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

August 3rd, 2020

To the Finance Committee of ROSELAND SPECIAL SERVICE AREA (SSA) #71

We have audited the financial statements of ROSELAND SPECIAL SERVICE AREA (SSA) #71 (a taxing district authorized by the City of Chicago) for the year ended December 31, 2019, and have issued our report dated August 3rd, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, Government Auditing Standards and the Uniform Guidance), 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 15th, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Other Audit Findings or Issues

Because of the significance of these findings, they are presented in the front of our communication rather than at the end. The following is a summary of matters we noted and discussed with you during the course of our audit:

- A finding, similar to the prior year, was reported for the year. See audit report.
- Due to the uncertainty of consequences related to the coronavirus outbreak, the SSA should consider the impact, if any, on its financial outlook over the next 12-24 months.
- Liquidity and Uncertainties disclosure notes were added to the financials. See audit report.
- Because the SSA is small, the Board should review bank statements, monthly and/or whenever it convenes, for questionable and unusual transactions. If the Board can rely on periodic financials, these can be used as a substitute, provided bank reconciliations with bank statements are included with the periodic financials.
- Per the "Actual vs Budget" report, there was no significant overspending noted that required a finding, except in the area of personnel expense which merely required a reclassification due to miscoding, see final bullet below. Sec. 5.02 of the City Agreement appears to allow the SSA the right to transfer funds between line items or make Budget revisions as long as it does not affect the maximum compensation set forth in the agreement.
- Various adjusting journal entries were proposed during the audit. The most significant being the Tax Levy for the current and prior year. The effect on the net position of the SSA was a decrease of $104,770.
- Tax Levy Receivable from the prior year should represent collections made within 60 days after the fiscal year. However, due to the outbreak of the coronavirus, collections received through June 30, 2020 were received and recognized as revenue as of December 31, 2019. The assumption being that collections were received sooner but reported later by the city due to the coronavirus effect. The impact contributes to the "Excess of Revenue over Expenses" for the year.
- Accounts Payable totaling $3,800 for the year ended, consist of amounts accrued for under reported audit fees.
- Certain account reclassifications were made that included:
  - reclassifying SSA Manager salary from Director Development to SSA Manager and vice-versa

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the SSA are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Organization 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. The following are our findings:
Accounting estimates are 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 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. The most sensitive estimate(s) affecting the financial statements was (were):

- Management's estimates have been discussed above in Other Audit Findings or Issues. Based on our audit, the estimates appear reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Deferred Inflows
- Related Party
- Liquidity
- Uncertainties (Coronavirus Impact)

**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 trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management and discussed above in Other Audit Findings or Issues. See attached Proposed Adjusted Journal Entries.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as 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 August 3rd, 2020.

**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 the Organization'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.

**Additional 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 the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. Additional audit findings were as follows:

- The following are general reminders and or other findings:
  - In general, 1099s should be issued to any 'individual' that was paid $600 or more for services rendered.
  - GAAP (Generally Accepted Accounting Principles) requires recognizing income when both received and earned, and reporting expenses when both paid, incurred and reasonably
estimated. In addition to cash transactions, the SSA should maintain a list during the year and at year end for:

- In-Kind (Contributed) services with an explanation of how $ value was determined
- Unpaid and anticipated expenses related to the fiscal year under audit

- Contributed Services and Donated Assets:
  - Contributed professional services are recognized if the services received (a) create or enhance long term assets, or (b) required specialized skills provided by individuals possessing those skills, and (c) would typically need to be purchased if not contributed.
  - Additionally, contributions of tangible assets 'if received' should be recognized when received.

- Internal control weakness is discussed above in Other Audit Findings or Issues as a "Finding".

**Other Information in Documents Containing Audited Financial Statements**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles. The information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Finance Committee and management of ROSELAND SPECIAL SERVICE AREA (SSA) #71 and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

[Signature]
ROSELAND SPECIAL SERVICE AREA #71
(CALUMET AREA INDUSTRIAL COMMISSION – CONTRACTOR)
Financial Statements
Year Ended December 31, 2019 and 2018

AND

Independent Auditor’s Report
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INDEPENDENT AUDITOR'S REPORT

To the Commissioners of ROSELAND SPECIAL SERVICE AREA #71
(Calumet Area Industrial Commission, Contractor)
Chicago, Illinois

Report on the Financial Statements
We have audited the accompanying financial statements of ROSELAND SPECIAL SERVICE AREA (SSA) #71 (a taxing district authorized by the City of Chicago) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the SSA'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 the 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 audits. We conducted our audits 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 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 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified audit opinion.

Unmodified Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ROSELAND SPECIAL SERVICE AREA (SSA) #71 as of December 31, 2019 and 2018, and the changes in financial position and budgetary comparison for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 1, the financial statements of SSA #71 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 the Calumet Area Industrial Commission that is attributable to the transactions of SSA #71. They do not claim to, and do not present fairly the financial position of the Calumet Area Industrial Commission as of December 31, 2019, the changes in its activities, or, where applicable, its cash flows for the year 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 Matter
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 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. 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 statement 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.

Other Information
The summary schedule of findings has not been subjected to generally accepted auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Oak Park, Illinois 60301
August 3rd, 2020
ROSELAND SPECIAL SERVICE AREA #71
"Calumet Area Industrial Commission – Contractor"
(An Illinois Not-For-Profit Corporation)
Statement of Net Position and Governmental Funds Balance Sheet
December 31, 2019

See accompanying notes to the financial statements.
ROSELAND SPECIAL SERVICE AREA #71
"Calumet Area Industrial Commission – Contractor"
(An Illinois Not-For-Profit Corporation)
Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balance
December 31, 2019

See accompanying notes to the financial statements.
### ROSELAND SPECIAL SERVICE AREA #71

"Calumet Area Industrial Commission – Contractor"
(An Illinois Not-For-Profit Corporation)

Statement of Revenues and Expenses – Actual versus Budget

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Actual</th>
<th>Budget</th>
<th>Over (Under)</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property tax levy</td>
<td>350,528</td>
<td>351,194</td>
<td>(180,666)</td>
<td>-575 (100)</td>
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<tr>
<td>TIF rebates</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Other income</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>350,528</td>
<td>351,194</td>
<td>(180,666)</td>
<td>-575 (100)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Actual</th>
<th>Budget</th>
<th>Over (Under)</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.00 Customer Attraction</td>
<td></td>
<td></td>
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<tr>
<td>1.01 Website</td>
<td>1,378</td>
<td>3,000</td>
<td>1,622</td>
<td>5,000 (500)</td>
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<td>1.02 Special Events</td>
<td>860</td>
<td>3,000</td>
<td>2,140</td>
<td>1,043 (1,067)</td>
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<td>1.04 Social Media Outreach</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
<td>500</td>
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<td>1.05 Decorative Banners</td>
<td>5,450</td>
<td>10,550</td>
<td>5,100</td>
<td>5,000</td>
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<tr>
<td>1.06 Holiday Decorations</td>
<td>15,374</td>
<td>18,626</td>
<td>3,252</td>
<td>3,252</td>
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<td>1.07 Post Materials</td>
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<td>-</td>
<td>17,218</td>
<td>17,218</td>
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<tr>
<td><strong>Total Customer Attraction</strong></td>
<td>23,062</td>
<td>57,500</td>
<td>34,438</td>
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<td>2.00 Public Way Aesthetics</td>
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<tr>
<td>2.02 Landscaping (plants, watering, etc.)</td>
<td>18,801</td>
<td>24,000</td>
<td>5,199</td>
<td>5,199</td>
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<tr>
<td>2.03 Facade Enhancement Program - Rebates</td>
<td>10,000</td>
<td>24,000</td>
<td>14,000</td>
<td>14,000</td>
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<td>2.04 Way Finding/Signage</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>2.05 Sidewalk Elements (including capital, installation, maintenance, and repair)</td>
<td>5,333</td>
<td>28,667</td>
<td>23,334</td>
<td>23,334</td>
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<td>2.07 Sidewalk Maintenance - Materials and Supplies</td>
<td>51,371</td>
<td>50,000</td>
<td>1,371</td>
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<td>2.08 Sidewalk Maintenance - Service Contract</td>
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<td>6,000</td>
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<td>2.10 City Permits</td>
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<td>2,000</td>
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<tr>
<td><strong>Total Public Way Aesthetics</strong></td>
<td>91,914</td>
<td>171,665</td>
<td>79,751</td>
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<td>3.00 Sustainability and Public Places</td>
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<td>3.01 Garbage/Recycling Material Program</td>
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<td>24,166</td>
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<td>24,166</td>
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<tr>
<td><strong>Total Sustainability and Public Places</strong></td>
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<td>24,166</td>
<td>24,166</td>
<td>24,166</td>
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<td>4.00 Economic / Business Development</td>
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<td>4.01 Site Marketing (materials, services, etc.)</td>
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<td>-</td>
<td>-</td>
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<td>4.07 Economic Impact, Market, and Branding Study</td>
<td>1,680</td>
<td>40,000</td>
<td>38,320</td>
<td>38,320</td>
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<tr>
<td><strong>Total Economic / Business Development</strong></td>
<td>1,680</td>
<td>40,000</td>
<td>38,320</td>
<td>38,320</td>
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<td>5.00 Safety Programs</td>
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<tr>
<td>5.03 Security Patrol Services</td>
<td>95,318</td>
<td>117,218</td>
<td>21,900</td>
<td>21,900</td>
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<tr>
<td>5.10 Safety Meeting</td>
<td>-</td>
<td>48</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Total Safety Programs</strong></td>
<td>95,366</td>
<td>117,218</td>
<td>21,852</td>
<td>21,852</td>
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<tr>
<td><strong>6.00 SSA Management</strong></td>
<td></td>
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<tr>
<td>6.01 SSA Annual Report</td>
<td>-</td>
<td>575</td>
<td>575</td>
<td>575</td>
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<tr>
<td>6.02 SSA Audit</td>
<td>6,000</td>
<td>8,000</td>
<td>2,000</td>
<td>2,000</td>
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<td>6.03 Bookkeeping</td>
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<td>3,000</td>
<td>1,000</td>
<td>1,000</td>
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<td>6.04 Office Rent</td>
<td>5,245</td>
<td>5,769</td>
<td>524</td>
<td>524</td>
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<td>6.05 Office Utilities</td>
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<td>1,800</td>
<td>1,800</td>
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<td>6.06 Office Supplies</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
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<tr>
<td>6.07 Office Equipment Lease/Maintenance</td>
<td>800</td>
<td>800</td>
<td>600</td>
<td>600</td>
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<tr>
<td>6.08 Office Utilities</td>
<td>1,663</td>
<td>1,650</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>6.10 Commission Meetings and Training</td>
<td>807</td>
<td>1,100</td>
<td>303</td>
<td>303</td>
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<tr>
<td>6.12 SSA Bank Account Fees</td>
<td>3,780</td>
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<td>0</td>
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<td>6.13 SSA Bank Account Fees</td>
<td>3,780</td>
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<td>0</td>
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<tr>
<td>6.14 Equipment Purchase/Maintenance</td>
<td>1,000</td>
<td>1,100</td>
<td>100</td>
<td>100</td>
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<tr>
<td>6.15 Supplies</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total SSA Management</strong></td>
<td>19,601</td>
<td>27,134</td>
<td>7,533</td>
<td>7,533</td>
</tr>
<tr>
<td><strong>7.00 SSA Non-Service Personnel</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.01 President</td>
<td>20,000</td>
<td>18,819</td>
<td>1,181</td>
<td>1,181</td>
</tr>
<tr>
<td>7.02 Director of Economic Development</td>
<td>9,145</td>
<td>12,638</td>
<td>3,493</td>
<td>3,493</td>
</tr>
<tr>
<td>7.03 SSA Manager</td>
<td>63,216</td>
<td>66,377</td>
<td>3,161</td>
<td>3,161</td>
</tr>
<tr>
<td><strong>Total SSA Non-Service Personnel</strong></td>
<td>92,361</td>
<td>96,679</td>
<td>4,318</td>
<td>4,318</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>323,983</td>
<td>531,194</td>
<td>207,619</td>
<td>207,619</td>
</tr>
</tbody>
</table>

| Net revenue in excess of expenditures | 26,545 | 26,953 | 53,036 | 53,036 |

See accompanying notes to the financial statements.
NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Reporting Entity
Special Service Area 71 (SSA, or SSA 71) 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 area's 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. The SSA is governed by a Commission whose members are appointed by the Mayor of Chicago. The City of Chicago contracted with the SSA to perform certain administrative duties as the service provider. Calumet Area Industrial Commission (aka the Contractor) is an Illinois not-for-profit corporation that is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code.

Basis of Presentation
The financial statements of the SSA have been prepared in conformity with the 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 the establishing governmental accounting and financial reporting principles is GASB (the Governmental Accounting Standards Board). The SSA 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 the related cash flows. Property taxes are recognized as revenues in the year they are levied. The governmental fund financial statements are prepared on the modified accrual basis of accounting with only current assets and liabilities included on the balance sheet. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e. both measurable and available to finance expenditures of the current period. Available means collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end. Expenditures are recorded when the liability is incurred. The preparation of financial statement in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

ASSETS, LIABILITIES, AND NET POSITION:

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

Receivables
All property tax receivables are shown net of allowances, if applicable, as of December 31, 2019.
**Fund Equity / Net Position**

Government 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's board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the SSA's board. Unassigned fund balance is a net resource in excess of what can be properly classified in one of the above four categories. When both restricted and unrestricted fund balances are available for use, it is the SSA's policy to use the unrestricted fund balance first, then restricted fund balance. Furthermore, committed fund balance, if applicable, 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 statement, net position is reported as invested in capital assets net of related debt, restricted or unrestricted. Invested in capital assets, net of related debt, if applicable, is comprised of the net capital asset balance less any related debt.

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

**NOTE 2—PRIOR YEAR RECLASSIFICATION AND SUMMARIZED INFORMATION**

Fund balance sub-section areas have been reclassified to restricted fund balance.

The financial statements include certain prior-year summarized information presented for comparative purposes. Such comparative information is in total but does not show adjustments, and therefore, does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the SSA's financial statements for the fiscal year ended December 31, 2018, from which the summarized information was derived.

The net position of the SSA has not been affected by these changes.

**NOTE 3—CASH**

Cash includes one demand deposit account at one financial institution. The account balance sometimes exceeds federally insured limits, but the SSA believes it is not exposed to any significant credit risk. The carrying amounts reported in the financial statements approximate fair values because of the highly liquid nature of cash.

**NOTE 4—PROPERTY TAXES**

Property taxes are an enforceable lien on real property on January 1 of the year it is levied. Taxes are payable in two installments in the subsequent year. Bills are issued and collected by Cook County who remits the SSA's share to the City who then remits the monies to the SSA.

Property Tax Levies in the current year are considered Deferred Tax Revenue for reporting purposes.

Property Tax Receivables are taxes previously levied from the prior year and due.
NOTE 5—ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at December 31 are amounts billed by vendors but not yet paid, and expenses owed to vendors but not yet billed by the vendors.

NOTE 6—DEFERRED INFLOWS

See Property Tax note previously mentioned.

NOTE 7—RELATED PARTY

The SSA is affiliated with Calumet Area Industrial Commission (CAIC), that acts as the contractor to operate the SSA Program independent of CAIC. CAIC is entitled to recover certain administrative costs for its service. These costs are identified in 7.00 Non-Service Personnel.

NOTE 8—LIQUIDITY

Financial assets available for general expenditures within one year of the Statement of Net Position and Government Funds Balance Sheet date comprise the following at yearend:

- Total current assets: $735,914
- Total current liabilities: (3,800)
- Total financial assets: 732,114
- Less: Net fund balance with restrictions: (426,424)
- Financial assets available to meet general expenditures within one year: $305,690

The SSA does not have a formal liquidity policy; however, the organization has a goal to maintain financial assets, primarily consisting of net current assets to meet first quarter general operating expenses.

NOTE 9—UNCERTAINTIES

The organization has not evaluated the consequences of the coronavirus outbreak on its financial statements as of yearend.

NOTE 10—SUBSEQUENT EVENTS

The organization has evaluated subsequent events through August 3rd, 2020, the date on which the financial statements were available to be issued.
FINDING #1
The SSA made changes to its Chart of Accounts (COA), per prior year findings, but still has inconsistencies within its COA. The SSA adopted a 5-Number series to identify its accounts in the financial system for Expenses only (with 3 a digit extension to correspond to the City budget). While this is acceptable, the 5-Number series should be used for the other category accounts also:

<table>
<thead>
<tr>
<th>10000</th>
<th>Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>20000</td>
<td>Liabilities</td>
</tr>
<tr>
<td>30000</td>
<td>Net Assets</td>
</tr>
<tr>
<td>40000</td>
<td>Revenue</td>
</tr>
<tr>
<td>50000.x.xx</td>
<td>Expenses</td>
</tr>
<tr>
<td>6- series</td>
<td>Not used</td>
</tr>
</tbody>
</table>

The numbering used for assets, liabilities, net assets, and revenue is inconsistent. Some are 4-Number series. Additionally, Service Charge Fee (6850) should be under 50000.6.12.

Corrective Action Plan For Finding #1
Management has been made aware of the issue and will review again appropriate changes to its COAs to correspond to the illustration provided in Finding #1 above. Management expects the change to be completed before the next fiscal year ends.
FINDING #1
SSA 71 should consider changing its Chart of Accounts (COA) for proper coding of categories, such as: assets, liabilities, net assets, revenues and expenses. Presently, SSA 71 codes its COA to correspond to its expense budget as requested by the City of Chicago's SSA Program. However, COAs generally segregate the previously mentioned categories in the following manner:

<table>
<thead>
<tr>
<th>Series</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-</td>
<td>Assets</td>
</tr>
<tr>
<td>2-</td>
<td>Liabilities</td>
</tr>
<tr>
<td>3-</td>
<td>Net Assets</td>
</tr>
<tr>
<td>4-</td>
<td>Revenue</td>
</tr>
<tr>
<td>5-</td>
<td>Cost of Sales</td>
</tr>
<tr>
<td>6-</td>
<td>Expenses</td>
</tr>
</tbody>
</table>

SSA 71 uses the number series above to correspond to its SSA expense budget. This makes it difficult when working with a financial Trial Balance to determine what accounts are assets, liabilities, etc.

Corrective Action Plan For Finding #1
Not corrected

FINDING #2
As a result of the above, certain beginning balances for the fiscal year were reflected as assets when they should have been reflected as an expense in the prior year. That is, revenue and expense balances should not have rolled forward as a beginning balances.

Corrective Action Plan For Finding #2
Corrected