City of Chicago Department of Planning and Development
Special Service Area (SSA) Program

Audit Report Package Transmittal Checklist

This checklist must be completed and submitted with audit report package to City's Department of Planning and Development (DPD) via DPD's SharePoint platform. Note: Effective with 2019 audit report package submissions, e-mail submissions are not an acceptable form of transmittal and report packages will be deemed "not submitted" unless they are uploaded into CPD's SharePoint platform. For each SSA submission enter the starting page number for each of the PDF audit report package components listed below. Each required component on the checklist must have a numeric page number, unless otherwise noted.

SSA Name and number: 103rd Street/Halsted SSA # 45
SSA Provider Name: Far South CDC
Submission Date: May 3, 2021

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<td>7</td>
<td>4. Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance – Prior Year</td>
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<td>Corrective Action Plan – Current and Prior Year, if applicable (if findings)*</td>
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<td>SSA Budget Summary page for the latest modified/amended budget approved by your SSA commission (for current audit period)</td>
</tr>
</tbody>
</table>

Separate PDF file attached – Yes/No

SSA Detailed SSA Commission Approved Budget

Note: SSA Service Provider must submit detailed budget corresponding to Summary page, noted above, with audit report package.

*required if findings exist
SPECIAL SERVICE AREA NUMBER 45
CHICAGO, ILLINOIS

FINANCIAL AND COMPLIANCE AUDIT REPORT

YEARS ENDED DECEMBER 31, 2020 AND 2019
# SPECIAL SERVICE AREA NUMBER 45

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INDEPENDENT AUDITORS’ REPORT

Board of Directors of Far South CDC - Contractor
Commissioners of Special Service Area #45
Chicago, Illinois

We have audited the accompanying financial statements of Special Service Area #45 (a taxing district authorized by the City of Chicago), which comprise the statements of net position and governmental funds balance sheets as of December 31, 2020 and 2019, and the statements of activities and governmental funds, revenues, expenditures and changes in fund balance, and revenues and expenditures-budget and actual for the years then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Special Service Area # 45 as of December 31, 2020 and 2019 and the respective changes in financial position and budgetary comparison for the years then ended in accordance with accounting principles generally accepted in the United States of America.
Other Matters

Required Supplementary Information

Management has omitted the management 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 is 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.

Ragland, Arnold, Buchanan, Morris & Associates, LLC

RAGLAND, ARNOLD, BUCHANAN, MORRIS & ASSOCIATES, LLC
Certified Public Accountants

Mokena, Illinois
May 1, 2021
## SPECIAL SERVICE AREA NUMBER 45

### STATEMENTS OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEETS

**DECEMBER 31, 2020 AND 2019**

<table>
<thead>
<tr>
<th></th>
<th>Governmental Funds</th>
<th>Adjustments</th>
<th>Statement of Net Position</th>
<th>Governmental Funds</th>
<th>Adjustments</th>
<th>Statement of Net Position</th>
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<tbody>
<tr>
<td><strong>ASSETS</strong></td>
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<td>CASH AND CASH EQUIVALENTS (NOTE 4-A &amp; 5)</td>
<td>$ 718,859</td>
<td>$ -</td>
<td>$ 318,850</td>
<td>$ 110,590</td>
<td>$ -</td>
<td>$ 110,590</td>
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<td>PROPERTY TAX RECEIVABLE, NET OF ALLOWANCE FOR UNCOLLECTABLE TAXES (NOTE 4-B)</td>
<td>910,818</td>
<td>910,818</td>
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<td>685,592</td>
<td>685,592</td>
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<td><strong>TOTAL ASSETS</strong></td>
<td>$ 1,129,677</td>
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<td>$ 1,129,677</td>
<td>$ 796,182</td>
<td>$ -</td>
<td>$ 796,182</td>
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<td><strong>LIABILITIES</strong></td>
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<td>ACCOUNTS PAYABLE AND ACCRUED EXPENSES</td>
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<td>$ 79,038</td>
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<td></td>
<td>4,742</td>
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<td>DUE TO FAR SOUTH CDC (NOTE 7)</td>
<td>233,523</td>
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<td>233,523</td>
<td>180,087</td>
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<td>180,087</td>
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<td><strong>TOTAL LIABILITIES</strong></td>
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<td>312,561</td>
<td>290,769</td>
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<td>290,769</td>
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<tr>
<td><strong>DEFERRED INFLOWS</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DEFERRED PROPERTY TAX REVENUE</td>
<td>735,199</td>
<td>(735,199)</td>
<td>632,938</td>
<td>(632,938)</td>
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<td>-</td>
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<td><strong>FUND BALANCES/NET POSITION</strong> (NOTE 4-D)</td>
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<td>NON-SPENDABLE</td>
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<tr>
<td>COMMITTED</td>
<td>-</td>
<td>-</td>
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<tr>
<td>UNASSIGNED (DEFICIT)</td>
<td>81,917</td>
<td>(81,917)</td>
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<td></td>
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<tr>
<td><strong>TOTAL FUND BALANCE (DEFICIT)</strong></td>
<td>81,917</td>
<td>(81,917)</td>
<td>(127,525)</td>
<td>127,525</td>
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<tr>
<td><strong>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</strong></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td><strong>NET POSITION</strong> (NOTE 4-D)</td>
<td>$ 1,129,677</td>
<td>$ -</td>
<td>$ 796,182</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<td><strong>RESTRICTED</strong></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td>$ (817,116)</td>
<td>$ 817,116</td>
<td>$ 505,413</td>
<td>$ 505,413</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:**

- **TOTAL FUND BALANCE-GOVERNMENTAL FUNDS**: $ 81,917
- **PROPERTY TAX REVENUE IS RECOGNIZED IN THE PERIOD FOR WHICH LEVIED RATHER THAN WHEN "AVAILABLE." A PORTION OF THE PROPERTY TAX IS DEFERRED AS IT IS NOT AVAILABLE IN THE GOVERNMENTAL FUNDS**: 735,199
- **TOTAL NET POSITION-GOVERNMENTAL ACTIVITIES**: $ 817,116

The accompanying notes are an integral part of these financial statements.
SPECIAL SERVICE AREA NUMBER 45  
STATEMENTS OF ACTIVITIES AND GOVERNMENTAL FUNDS, REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

<table>
<thead>
<tr>
<th></th>
<th>Governmental Funds</th>
<th>Adjustments</th>
<th>Statement of Activities</th>
<th>Governmental Funds</th>
<th>Adjustments</th>
<th>Statement of Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Property Taxes (Note 6)</td>
<td>$685,798</td>
<td>$102,261</td>
<td>$788,059</td>
<td>$853,669</td>
<td>$268,570</td>
<td>$585,099</td>
</tr>
<tr>
<td>Interest Income</td>
<td>82</td>
<td>-</td>
<td>82</td>
<td>66</td>
<td>-</td>
<td>66</td>
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<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>$685,880</td>
<td>$102,261</td>
<td>$788,141</td>
<td>$853,735</td>
<td>(268,570)</td>
<td>$585,165</td>
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<td><strong>EXPENDITURES/EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Attraction (Note 10)</td>
<td>15,790</td>
<td>-</td>
<td>15,790</td>
<td>74,600</td>
<td>-</td>
<td>74,600</td>
</tr>
<tr>
<td>Public Way Aesthetics</td>
<td>60,782</td>
<td>-</td>
<td>60,782</td>
<td>147,976</td>
<td>-</td>
<td>147,976</td>
</tr>
<tr>
<td>Sustainability &amp; Public Places</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Economic/Business Development</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Safety Programs</td>
<td>181,558</td>
<td>-</td>
<td>181,558</td>
<td>238,627</td>
<td>-</td>
<td>238,627</td>
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<tr>
<td>Support Services</td>
<td>218,308</td>
<td>-</td>
<td>218,308</td>
<td>178,315</td>
<td>-</td>
<td>178,315</td>
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<tr>
<td><strong>TOTAL EXPENDITURES/EXPENSES</strong></td>
<td>476,438</td>
<td>-</td>
<td>476,438</td>
<td>639,518</td>
<td>-</td>
<td>639,518</td>
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<tr>
<td><strong>TOTAL OF REVENUES OVER (EXPENDITURES)</strong></td>
<td>209,442</td>
<td>102,261</td>
<td>311,703</td>
<td>214,217</td>
<td>(268,570)</td>
<td>(54,353)</td>
</tr>
<tr>
<td>Change in Net Position (Note 3)</td>
<td>209,442</td>
<td>102,261</td>
<td>311,703</td>
<td>214,217</td>
<td>(268,570)</td>
<td>(54,353)</td>
</tr>
<tr>
<td><strong>FUND BALANCE/NET POSITION</strong></td>
<td></td>
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<tr>
<td>Beginning of the Year</td>
<td>(127,525)</td>
<td>632,938</td>
<td>505,413</td>
<td>(341,742)</td>
<td>901,508</td>
<td>559,766</td>
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<tr>
<td>Other Adjustments (Note 8)</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>END OF YEAR</strong></td>
<td>$81,917</td>
<td>$735,199</td>
<td>$817,116</td>
<td>$127,525</td>
<td>$632,938</td>
<td>$505,413</td>
</tr>
</tbody>
</table>

**AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:**

**NET CHANGE IN FUND BALANCE-GOVERNMENTAL FUNDS**

209,442

214,217

**PROPERTY TAX REVENUE IS RECOGNIZED IN THE PERIOD FOR WHICH LEVED RATHER THAN WHEN "AVAILABLE" FOR GOVERNMENTAL FUNDS**

102,261

(268,570)

**$311,703**

**$54,353**

The accompanying notes are an integral part of these financial statements.
## SPECIAL SERVICES AREA NUMBER 45
### STATEMENTS OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
#### FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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<td>VARIANCE</td>
<td>BUDGET</td>
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<td><strong>REVENUES:</strong></td>
<td></td>
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</tr>
<tr>
<td>Property Taxes</td>
<td>$ 991,216</td>
<td>$ 685,796</td>
<td>($305,418)</td>
<td>$ 911,535</td>
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<tr>
<td>Interest Income</td>
<td>-</td>
<td>82</td>
<td>82</td>
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</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>$ 991,216</td>
<td>$ 685,880</td>
<td>($305,336)</td>
<td>$ 911,535</td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
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<tr>
<td>1.00 Customer Attraction</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>1.01 Website/Technology</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,128</td>
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<tr>
<td>1.02 Special Events</td>
<td>31,903</td>
<td>535</td>
<td>(31,368)</td>
<td>20,000</td>
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<tr>
<td>1.05 Decorative Banners</td>
<td>33,324</td>
<td>-</td>
<td>(33,324)</td>
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<td>1.06 Holiday Decorations</td>
<td>27,400</td>
<td>15,255</td>
<td>(12,145)</td>
<td>22,000</td>
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<td>1.07 Print Materials</td>
<td>5,000</td>
<td>-</td>
<td>(5,000)</td>
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<tr>
<td>Total 1.00 - Customer Attraction</td>
<td>97,627</td>
<td>15,790</td>
<td>(81,837)</td>
<td>78,128</td>
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<tr>
<td>2.00 Public Way Aesthetics</td>
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<tr>
<td>2.03 Façade Enhancement Program</td>
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<td>20,493</td>
<td>(267,007)</td>
<td>230,010</td>
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<td>2.08 Sidewalk Maintenance-Service Contract</td>
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<td>40,289</td>
<td>(65,911)</td>
<td>96,000</td>
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<td>2.10 City Permits</td>
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<td>-</td>
<td>9,725</td>
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<td>2.11 Snow Removal</td>
<td>30,000</td>
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<td>(30,000)</td>
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<td>3.00 Sustainability &amp; Public Places</td>
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<tr>
<td>3.01 Garbage/Recycling Material Program</td>
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<td>-</td>
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<tr>
<td>Total 3.00 - Sustainability &amp; Public Places</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>4.00 Economic/Business Development</td>
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<tr>
<td>4.10 Business Technical Assistance</td>
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<td>25,000</td>
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<td>4.11 Neighborhood Opportunity Fund</td>
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<td>Total 4.00 - Economic/Business Development</td>
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<td>(31,200)</td>
<td>25,000</td>
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<tr>
<td>5.00 Safety Programs</td>
<td></td>
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</tr>
<tr>
<td>5.03 Security Patrol Services</td>
<td>215,720</td>
<td>181,558</td>
<td>(34,162)</td>
<td>157,658</td>
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<tr>
<td>Total 5.00 - Safety Programs</td>
<td>215,720</td>
<td>181,558</td>
<td>(34,162)</td>
<td>157,658</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
<table>
<thead>
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<th></th>
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</thead>
<tbody>
<tr>
<td><strong>6.00 SSA Management &amp; Administration Costs</strong></td>
<td></td>
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<tr>
<td>6.02 Audit Fees</td>
<td>3,725</td>
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<td>(725)</td>
<td>3,000</td>
<td>3,000</td>
<td>-</td>
</tr>
<tr>
<td>6.03 Bookkeeping/Accounting Fees</td>
<td>1,245</td>
<td>1,950</td>
<td>705</td>
<td>2,000</td>
<td>600</td>
<td>(1,400)</td>
</tr>
<tr>
<td>6.04 Office Rent</td>
<td>19,500</td>
<td>18,963</td>
<td>(537)</td>
<td>8,000</td>
<td>13,558</td>
<td>5,558</td>
</tr>
<tr>
<td>6.05 Office Utilities &amp; Telecommunications</td>
<td>3,120</td>
<td>7,073</td>
<td>3,953</td>
<td>3,000</td>
<td>4,123</td>
<td>1,123</td>
</tr>
<tr>
<td>6.06 Office Supplies</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6.07 Office Equipment-Lease &amp; Maintenance</td>
<td>1,995</td>
<td>-</td>
<td>(1,995)</td>
<td>1,600</td>
<td>139</td>
<td>(1,461)</td>
</tr>
<tr>
<td>6.09 Postage</td>
<td>1,245</td>
<td>-</td>
<td>(1,245)</td>
<td>1,000</td>
<td>-</td>
<td>(1,000)</td>
</tr>
<tr>
<td>6.12 Banking Fees</td>
<td>1,245</td>
<td>-</td>
<td>(1,245)</td>
<td>1,000</td>
<td>216</td>
<td>(784)</td>
</tr>
<tr>
<td>6.12.1 Loan Interest Expense</td>
<td>-</td>
<td>4,064</td>
<td>4,064</td>
<td>3,000</td>
<td>6,804</td>
<td>3,804</td>
</tr>
<tr>
<td>6.16 Storage Space Fees</td>
<td>425</td>
<td>-</td>
<td>(425)</td>
<td>344</td>
<td>-</td>
<td>(344)</td>
</tr>
<tr>
<td>6.17 Liability &amp; Property Insurance</td>
<td>740</td>
<td>1,120</td>
<td>380</td>
<td>600</td>
<td>665</td>
<td>65</td>
</tr>
<tr>
<td>6.18 Conferences &amp; Training</td>
<td>740</td>
<td>-</td>
<td>(740)</td>
<td>600</td>
<td>-</td>
<td>(600)</td>
</tr>
<tr>
<td>Dues &amp; Subscriptions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,332</td>
<td>1,332</td>
</tr>
<tr>
<td><strong>Total 6.00 - SSA Management &amp; Administration Costs</strong></td>
<td>33,580</td>
<td>36,170</td>
<td>2,190</td>
<td>24,144</td>
<td>35,344</td>
<td>11,200</td>
</tr>
<tr>
<td><strong>7.00 Personnel Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.01 Personnel Expenses-Executive Director</td>
<td>20,600</td>
<td>19,642</td>
<td>(958)</td>
<td>16,000</td>
<td>16,000</td>
<td>-</td>
</tr>
<tr>
<td>7.02 Personnel Expenses-Assist Exec Director</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,000</td>
<td>-</td>
<td>(8,000)</td>
</tr>
<tr>
<td>7.03 Personnel Exp-Executive Admin Asstt</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,000</td>
<td>6,167</td>
<td>1,167</td>
</tr>
<tr>
<td>7.04 Personnel Expenses-Human Resource</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,000</td>
<td>-</td>
<td>(8,000)</td>
</tr>
<tr>
<td>7.05 Personnel Expenses-Director of Finance</td>
<td>21,800</td>
<td>20,591</td>
<td>(1,209)</td>
<td>16,000</td>
<td>16,000</td>
<td>-</td>
</tr>
<tr>
<td>7.06 Personnel Expenses-Director of Marketing</td>
<td>25,300</td>
<td>23,750</td>
<td>(1,550)</td>
<td>16,000</td>
<td>16,000</td>
<td>-</td>
</tr>
<tr>
<td>7.07 Personnel Expenses-Administrative Asstnt</td>
<td>7,920</td>
<td>7,937</td>
<td>17</td>
<td>8,000</td>
<td>8,000</td>
<td>-</td>
</tr>
<tr>
<td>7.04 Personnel Expenses-SSA Program Mgr # 45</td>
<td>75,000</td>
<td>72,083</td>
<td>(2,917)</td>
<td>61,000</td>
<td>61,000</td>
<td>-</td>
</tr>
<tr>
<td>7.50 Personnel Expenses-Taxes &amp; Fringe Ben</td>
<td>38,369</td>
<td>38,135</td>
<td>(234)</td>
<td>55,758</td>
<td>19,804</td>
<td>(35,954)</td>
</tr>
<tr>
<td><strong>Total 7.00 - Personnel Expenses</strong></td>
<td>188,989</td>
<td>182,138</td>
<td>(6,851)</td>
<td>193,758</td>
<td>142,971</td>
<td>(50,787)</td>
</tr>
<tr>
<td><strong>8.00 Loss Collection</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.01 Loss Collection</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total 8.00 - Loss Collection</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>991,216</td>
<td>476,438</td>
<td>(514,778)</td>
<td>911,535</td>
<td>639,518</td>
<td>(272,017)</td>
</tr>
<tr>
<td><strong>NET EXCESS OF REVENUES OVER (EXPENSES)</strong></td>
<td>$ -</td>
<td>$ 209,442</td>
<td>$ 209,442</td>
<td>$ -</td>
<td>$ 214,217</td>
<td>$ 214,217</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
SPECIAL SERVICE AREA NUMBER 45
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

ORGANIZATION

Far South CDC, (a contractor for) Special Service Area #45 is a not-for-profit Illinois corporation exempt from income tax under Section 501(c)(3) of the U. S. Internal Revenue Code. The Organization which is located within the boundaries of the City of Chicago serves as coordinator and executor of comprehensive plans designed to improve the community business district outlined for the SSA through programs which improve the economic development, aesthetics, marketing and special events for the business district.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. REPORTING ENTITY

   Special Service Area 45 (SSA # 45) provides services on behalf of the City of Chicago (City) within a specified geographic area. These services include promotional and advertising, maintenance of the public way, safety, and other functions. The SSA is exempt from federal income tax under Section 501(c)(3) of the internal revenue code.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

   The financial statements of SSA #45 have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units, hereinafter referred to as GAAP (generally accepted accounting principles). The accepted standard-setting body for establishing governmental accounting and financial reporting principles is GASB (the Governmental Accounting Standards Board).

   Government-Wide financial statements (statement of net position and statement of activities) are prepared using the economic resources measurement focus and the accrual basis of accounting for all of the SSA’s activities. The Fund Financial Statements, which focus on the SSA’s governmental funds current financial resources measurement focus, are prepared on the modified accrual basis.

   The SSA accounts for its activities in one fund, its general fund.

3. 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.

   The governmental fund financial statements are prepared on the modified accrual basis of accounting with only current assets and liabilities are 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 statements 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 the 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.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Financial Statements

Comparative financial statements were presented in full. Prior year amounts were taken from the 2019 revised audit report, issued in Governmental funds financial statement format at May 15, 2020, and revised at December 10, 2020, with an unmodified opinion.

4. ASSETS, LIABILITIES, AND INVESTMENTS

A. 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. The City of Chicago requires Far South CDC to hold SSA 45 money in a separate account and cannot be comingled with Far South CDC's other operations. The Organization has no investments as of December 31, 2020 and 2019.

B. RECEIVABLES

All property tax receivables are shown net of allowances. For the years ended, December 31, 2020 and 2019, the allowance is estimated to be 1.1% of the outstanding property taxes. The allowance for uncollectible property taxes were $10,130 and $7,625, respectively. Property taxes receivable and deferred revenue are similar amounts, as they are future cash receipts that will be collected in the subsequent year.

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes Receivable</td>
<td>$ 920,948</td>
<td>$ 693,217</td>
</tr>
<tr>
<td>Less: Allowance for Uncollectible Taxes</td>
<td>(10,130)</td>
<td>(7,625)</td>
</tr>
<tr>
<td>Equals Net Property Taxes Receivables</td>
<td>$ 910,818</td>
<td>$ 685,592</td>
</tr>
</tbody>
</table>

C. PREPAID ITEMS

The SSA had no prepaid items as of December 31, 2020 and 2019, respectively.

D. FUND EQUITY/NET POSITION

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned. Non-spendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by enabling legislation or an outside party. Committed fund balance is a limitation imposed by the SSA board through approval of resolutions. Assigned fund balances is a limitation imposed by a designee of the SSA board. Unassigned fund balance is the net resources in excess of what can be properly classified in one of the above four (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 asset 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.

5. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in a bank deposit account at Harris Bank, which a times, may exceed the FDIC federally insured limits. The SSA has not experienced any losses in such accounts. The Organization believes that the SSA is not exposed to any significant credit risk in cash. As of December 31, 2020 and 2019, cash in bank did not exceed the $250,000 ceiling for FDIC insurance, respectively.

6. PROPERTY TAXES

Property taxes become an enforceable lien on real property on January 1st of the year it is levied. Taxes are payable in (2) 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 August 1st, or 30 days from the mailing of the tax bills if issued later than July 1st. 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 the SSA's share to the City, who then remits the monies to the SSA.

7. RELATED PARTY TRANSACTIONS

The SSA is affiliated with Far South CDC, which is the service provider for the SSA and pays certain expenses on behalf of the SSA, such as personnel costs, rent and utilities, equipment lease, and line of credit loan and bills the SSA for its portion of the expenses. As of December 31, 2020 and 2019 $233,523 and $180,087 was payable to Far South CDC from SSA # 45 for services provided.

8. OTHER ADJUSTMENTS

No adjustments were made to fund balance/net position for the year ended December 31, 2020.

No adjustments were made to fund balance/net position for the year ended December 31, 2019.

9. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through May 1, 2021, the date which the financial statements were originally available to be issued.
10. CUSTOMER ATTRACTION

The SSA expenses all the Customer Attraction (advertising and promotions) costs in the year it was incurred. For the years ended, December 31, 2020 and 2019 the total marketing and promotions expense (Customer Attraction) was $15,790 and $74,000, respectively.

11. TIF FUNDS ALLOCATION

For the last five (5) years, SSA 45 funds have been levied by multiple Tax Increment Funds (TIFs) by about 6% to 32% off the top of 2020 and 2019 Property Tax Levies. This means that even though the levy and budget say that they should have received for the years ended December 31, 2020 and 2019, $1,031,216 and $911,535, respectively. The SSA will only receive 94% to 68%, or $685,798 and $853,669 for the years ended December 31, 2020 and 2019, respectively. The COVID-19 tax deferrals and exemptions made by the City and Cook County also reduced collections for 2020 by about 35% to 40%.
SUPPLEMENTAL INFORMATION
SPECIAL SERVICE AREA NUMBER 45

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2020

We (RABM & Associates, LLC) noted certain expenditures for which actual expenses exceeded original budgeted amounts for the following expense line items:

1. Interest Income
2. 1.02-Customer Attraction-Special Events
3. 1.07-Customer Attraction-Print Materials
4. 5.03-Safety Programs-Security Patrol Services
5. 6.04-SSA Management & Administration Costs-Office Rent
6. 6.05-SSA Management & Administration Costs-Office Utilities & Telecommunications
7. 6.06-SSA Management & Administration Costs-Office Supplies
8. 6.12.1-SSA Management & Administration Costs-Loan Interest Expense
9. 6.17-SSA Management & Administration Costs-Liability & Property Insurance
10. SSA Management & Administration Costs-Dues & Subscriptions
11. 7.03-Personnel Expenses-Executive Admin Asst

But, auditors did note that the overall total actual expenses did not exceed total budgeted expenses for the year ended December 31, 2019.

We (RABM & Associates, LLC) could not obtain the approved budget amendments for the year ended December 31, 2019.
SPECIAL SERVICE AREA NUMBER 45
SCHEDULE OF CURRENT YEAR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2020

We (RABM & Associates, LLC) noted certain expenditures for which actual expenses exceeded original budgeted amounts for the following expense line items:

1. Interest Income
2. 6.03-SSA Management & Administration Costs-Bookkeeping/Accounting Fees
3. 6.05-SSA Management & Administration Costs-Office Utilities & Telecommunications
4. 6.12.1-SSA Management & Administration Costs-Loan Interest Expense
5. 6.17-SSA Management & Administration Costs-Liability & Property Insurance
6. 7.03-Personnel Expenses-Executive Admin Assn

But, auditors did note that the overall total actual expenses did not exceed total budgeted expenses for the year ended December 31, 2020.

We (RABM & Associates, LLC) could not obtain the approved budget amendments for the year ended December 31, 2020.
Finding 2020-1:

Condition

While analyzing the numbers into the Statements of Revenue and Expenses-Budget vs. Actual, we (RABM) noted certain expenditures for which actual expenses exceeded budgeted amounts for the following expense line items:

1. Interest Income
2. 6.03-SSA Management & Administration Costs-Bookkeeping/Accounting Fees
3. 6.05-SSA Management & Administration Costs-Office Utilities & Telecommunications
4. 6.12.1-SSA Management & Administration Costs-Loan Interest Expense
5. 6.17-SSA Management & Administration Costs-Liability & Property Insurance
6. 7.03-Personnel Expenses-Executive Admin Asstnt

Cause

The Contractor, Far South CDC failed to properly monitor and allocate expenses in accordance with the City of Chicago Department of Housing and Economic Development Special Service Area Guidelines or obtain budget modifications to include the allocation of expenses for the above mentioned line items.

Response

The Contractor, Far South CDC will continue to work with their outside accountant and auditor to direct the proper allocation and grouping of expenses going forward to ensure that actual line item expenditures will not exceed budgeted line items per the Special Service Area Audit Guidelines. The Contractor, Far South CDC made significant improvements with this finding from having eleven (11) line items in revenue and expenses over budget in 2019. In 2020 The Contractor, Far South CDC had only six (6) mostly immaterial line items in revenue and expenses over budget.
Finding 2020-2:

Condition

While analyzing the numbers into the Statements of Revenue and Expenses-Budget vs. Actual, we (RABM) noted that there were two (2) significant changes in spending that denoted budget modifications were made. Auditors were unable to obtain these approved budget modifications.

Cause

The Contractor, Far South CDC failed to obtain and send the budget modifications to the office and to the auditor in accordance with the City of Chicago Department of Housing and Economic Development Special Service Area Guidelines.

Response

The Contractor, Far South CDC will continue to work with their outside accountant, auditor, and office to obtain the approved budget modifications.

Contact Person: Abraham D. Lacy, Executive Director
Email: lacy@fa-southcduc.org
INDEPENDENT AUDITORS' REPORT ON THE
ADDITIONAL PROCEDURES PERFORMED BY THE AUDITOR WITH REGARDS TO THE SPECIAL
SERVICE AREA ANNUAL AUDITED FINANCIAL STATEMENT GUIDELINES

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. As part of our audit and request by the Special Service Area Annual Audited Financial Statement Guidelines prepared by the City of Chicago Department of Housing and Economic Development dated June 2013, we have read the requirements contained in the Agreement for Special Service Area #45 between the City of Chicago and Far South CDC.

We also reviewed and confirmed that Per Article 5.03, the Contractor established and maintained a separate bank account in Chicago, Illinois and that all service tax funds were automatically deposited into this bank account.

Based on our understanding of the agreement and the facts surrounding the performance under the agreement, we noted no significant findings. Many of the contractual items that were included in the agreement dealt with non-accounting and non-financial matters of which we had no knowledge.

RAGLAND, ARNOLD, BUCHANAN, MORRIS & ASSOCIATES, LLC
Certified Public Accountants
Mokena, Illinois
May 1, 2021
State of Illinois
Department of Financial and Professional Regulation
Division of Professional Regulation

LICENSE NO.
066 004868
065 031551

EXPIRES:
11/30/2021

PUBLIC ACCOUNTANT FIRM LICENSE

RAGLAND, ARNOLD, BUCHANAN, MORRIS & ASSOCIATES, LLC
9457 ENTERPRISE DR
MOKENA, IL 60448-8319

BRYAN A. SCHNEIDER
SECRETARY

JESSICA BAER
DIRECTOR

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

13454207
## Exhibit A
## Budget

### Special Service Area # 45

| SSA Name: | SSA 45 103rd St/Halsted |

### 2020 BUDGET SUMMARY

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

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>2019 Levy</th>
<th></th>
<th></th>
<th></th>
<th>Total All Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Collectable Levy</td>
<td>Estimated Loss Collection</td>
<td>Carryover Funds</td>
<td>TIF Rebate Fund #</td>
<td></td>
</tr>
<tr>
<td>1.00 Customer Attraction</td>
<td>$46,389</td>
<td>$25,619</td>
<td>$0</td>
<td>$0</td>
<td>$97,627</td>
</tr>
<tr>
<td>2.00 Public Way Aesthetics</td>
<td>$220,900</td>
<td>$100,000</td>
<td>$20,000</td>
<td>$0</td>
<td>$443,700</td>
</tr>
<tr>
<td>3.00 Sustainability and Public Places</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>4.00 Economic/ Business Development</td>
<td>$14,000</td>
<td>$10,000</td>
<td>$0</td>
<td>$0</td>
<td>$31,200</td>
</tr>
<tr>
<td>5.00 Safety Programs</td>
<td>$135,720</td>
<td>$40,000</td>
<td>$20,000</td>
<td>$0</td>
<td>$235,720</td>
</tr>
<tr>
<td>6.00 SSA Management</td>
<td>$33,980</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$33,980</td>
</tr>
<tr>
<td>7.00 Personnel</td>
<td>$188,989</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$188,989</td>
</tr>
<tr>
<td>Sub-total</td>
<td>$639,978</td>
<td>$175,519</td>
<td></td>
<td></td>
<td>$188,989</td>
</tr>
<tr>
<td>GRAND TOTALS</td>
<td>Levy Total</td>
<td>$815,597</td>
<td>$40,000</td>
<td>$0</td>
<td>$1,031,216</td>
</tr>
</tbody>
</table>

### LEVY ANALYSIS

- Estimated 2019 EAV: $54,203,812
- Authorized Tax Rate Cap: 2.000%
- Maximum Potential Levy limited by Rate Cap: $1,084,070
- Requested 2019 Levy Amount: $815,597
- Estimated Tax Rate to Generate 2018 Levy: 1.5047%

### LEVY CHANGE FROM PREVIOUS YEAR

- 2018 Levy Total (in 2019 budget): $805,768
- 2019 Levy Total (in 2020 budget): $815,597
- Percentage Change: 1.22%
  - Community meeting required if levy amount increases greater than 3% from previous levy.

### CARRYOVER CALCULATION

- 2019 Budget Total: $911,535
- 2020 Carryover: $40,000
- Percentage: 4.388%
  - Must be less than 25%