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

Audit Report Package Transmittal Checklist

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

SSA Name and number: Special Service Area Number 7

SSA Provider Name: Back of the Yards Neighborhood Council

Submission Date: Submission 04-27-2022

Audit Report Package Components
Comparative Financial Statements
Statement of Net Position and Governmental Fund Balance Sheet – Current Year
Statement of Net Position and Governmental Fund Balance Sheet – Prior Year
 Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance – Current Year
 Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance – Prior Year
5. Statement of Revenues and Expenditures – Budget and Actual
Auditor's Opinion on Financial Statements
Schedule of Findings – Current and Prior Year, if applicable
Corrective Action Plan – Current and Prior Year, if applicable (if findings)*
Audit Firm CPA License
SSA Budget Summary page for the latest modified/amended budget approved by your SSA commission (for current audit period)
SSA Detailed SSA Commission Approved Budget

SSA Detailed SSA Commission Approved Budget

attached – Yes/No

YES

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

^{*}required if findings exist

KEDZIE INDUSTRIAL TRACT SPECIAL SERVICE AREA NUMBER 7 (Back of the Yards Neighborhood Council, Contractor)

Financial Statements and Supplementary Information
For the Years Ended December 31, 2021 and 2020

KEDZIE INDUSTRIAL TRACT SPECIAL SERVICE AREA NUMBER 7 (Back of the Yards Neighborhood Council, Contractor)

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Certified Public Accountants & Consultants

Independent Auditor's Report

To the Board of Directors - Commissioners of Kedzie Industrial Tract Special Service Area # 7 Back of the Yards Neighborhood Council, Contractor Chicago, IL

We have audited the accompanying statements of **KEDZIE INDUSTRIAL TRACT SPECIAL SERVICE AREA NUMBER 7** (a taxing district authorized by the City of Chicago), which comprise the statement of net position and governmental funds balance sheet as of December 31, 2021 and 2020 and the related statements of activities and governmental funds, revenues, expenditures and changes in fund balance, for the years ended December 31, 2021 and 2020, 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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.

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 financial position of **KEDZIE INDUSTRIAL TRACT SPECIAL SERVICE AREA NUMBER 7** as of December 31, 2021 and 2020, and its statements of activities and governmental funds, revenues, expenditures and changes in fund balances for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United Statements 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 the financial reporting for placing the basic financial statements is an appropriate operations, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The comparison schedules of actual revenues and expenses to budget for the years ended December 31, 2021 and 2020 on page 8-9, and the Summary Schedule of Findings on page 10 are presented for comparison and analysis purposes only and are not a required part of the financial statements but are required by the City of Chicago Department of Housing and Economic Development and the City of Chicago **KEDZIE INDUSTRIAL TRACT SPECIAL SERVICE AREA NUMBER 7.** The supplementary information is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Cary J. Hall & associates, LLC

April 25, 2022 Chicago, Illinois

KEDZIE INDUSTRIAL TRACT SPECIAL SERVICE AREA NUMBER 7 (Back of the Yards Neighborhood Council, Contractor) Statements of Net Position and Governmental Funds Balance Sheet December 31, 2021 and 2020

		2021					2020	20		
	Governmental Funds	Adjustments	Statement of Net Position	nt of ition	Gove	Governmental Funds	Adiustments	mente	Stat	Statement of
ASSETS							ion for	Sign	201	T OSITIOII
Cash Real estate taxes receivable, less allowance	\$ 54,639	í (S	Э	54,639	↔	41,779	↔	1	↔	41,779
for uncollectible taxes of \$12,000	136,707	1	13(136,707		151,277				151.277
Total Assets	\$ 191,346	⇔	\$ 19	191,346	8	193,056	↔	1	69	193,056
LIABILITIES										
Accounts payable and accrued expenses	\$ 8,537		€	8,537	69	2,386	69		69	2,386
Total Liabilities	8,537	1		8.537		2 386				0000
DEFERRED INFLOWS			,			,1		Ĺ		2,300
Deferred property tax revenue	128,876	(128,876)		ī		127,082	(12	(127,082)		1
FUND BALANCE/NET POSITION										
Unassigned	53,933	(53,933)				63.588	9)	(63.588)		,
Total Fund Balance	53,933	(53,933)				63,588	9)	(63,588)		1
Total Liabilities, Deferred Inflows and Fund Balance	\$ 191,346				€	193,056				
Net Position - Unrestricted		\$ (182,809)	\$ 182	182,809			\$ (19	(190,670)	₩.	190,670
Amounts reported for governmental activities in the statement of net position are different because:	ement of net position a	ire different because	v							

Total fund balance - governmental funds	↔	53,933	↔	63,588
Property tax revenue is recognized in the period it is levied rather than when "available" A portion of the property tax is deferred as it is not available in the governmental funds.		128,876		127.082
Total net nosition - governmental activities				
	↔	182,809	69	190 670

KEDZIE INDUSTRIAL TRACT SPECIAL SERVICE AREA NUMBER 7

(Back of the Yards Neighborhood Council, Contractor)

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

For the Years Ended December 31, 2021 and 2020

			20	2021				2020		,
	9	Governmental			Stat	Statement of	Governmental		Statement of	
REVENUES		Funds	Adjust	Adjustments	Ă	Activities	Funds	Adjustments	Activities	
Property Taxes	છ	109,577	69	1,794	€	111,371	\$ 100,274	\$ 2,599	\$ 102,873	
Total Revenues		109,577		1,794		111,371	100.274	599	102 873	
EXPENDITURES/EXPENSES			¥.						0.0	
Program Services:										
Customer Attraction		200		,		500	002		r (
Public Way Aesthetics		7.500		,		7 500	200		009	
Safety programs		75 092				000,7	000,7	1	7,500	
Administration:		706,07		,		75,982	70,177	1	70,177	
Personnel - non-service (office)		21,000		,		21 000	21,000		000	
SSA Management		14,250		,		14,250	14 978	', '	21,000	
Total Expenditures/ Expenses		119,232				119.232	114 155		14,970	
Change in Net Position		(9,655)		1,794		(7.861)	(13 881)	2 599	(11, 133)	
FUND BALANCE/NET POSITION									(202,11)	
Beginning of Year		63,588	12.	127,082		190.670	77 469	124 483	201 052	
End of year	69	53,933	\$ 128	128,876	€	182,809	\$ 63,588	\$ 127,082	\$ 190,670	
							THE RESERVE THE PERSON NAMED IN COLUMN TWO IS NOT THE OWNER, THE PERSON NAMED IN COLUMN TWO IS NOT THE OWNER, THE PERSON NAMED IN COLUMN TWO IS NOT THE OWNER, THE PERSON NAMED IN COLUMN TWO IS NOT THE OWNER, THE PERSON NAMED IN COLUMN TWO IS NOT THE OWNER, THE PERSON NAMED IN COLUMN TWO IS NOT THE OWNER, THE PERSON NAMED IN COLUMN TWO IS NOT THE OWNER, THE PERSON NAMED IN COLUMN TWO IS NOT THE OWNER, THE PERSON NAMED IN COLUMN TWO IS NOT THE OWNER, THE PERSON NAMED IN COLUMN TWO IS NOT THE OWNER, THE PERSON NAMED IN COLUMN TWO IS NOT THE OWNER, THE PERSON NAMED IN COLUMN TWO IS NOT THE OWNER, THE O			

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

\$ (13,881)	0007	\$ (11,282)
\$ (9,655)	1,794	\$ (7,861)
Net change in fund balance - governmental funds Property tax revenue is recognized in the year it is available rather than when it	is levied for governmental funds	Net change in net position - governmental funds

KEDZIE INDUSTRIAL TRACT SPECIAL SERVICE AREA NUMBER 7 (Back of the Yards Neighborhood Council, Contractor)

Notes to Financial Statements December 31, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Reporting Entity - Special Service Area ("SSA") #7 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 Keddie Industrial Tract District. The SSA is funded by property taxes levied on properties within the SSA boundaries, which are collected by the Cook County Treasure, and then distributed by the City of Chicago, to the SSA.

Special Service Area # 7 is governed by a Commission whose members are appointed by the Mayor of Chicago. The City of Chicago contracted with the Back of the Yards Neighborhood Council to perform administrative duties as the service provider for this SSA during the reporting period. Back of the Yard's Neighborhood Council is Illinois not-for-profit corporation that is exempt from federal income taxes under Section 501 s(3) of the Internal Revenue Code.

<u>Income Taxes</u> - For tax filings, the Organization is monitored for compliance by the Back of the Yards Neighborhood Council, which is a not-for-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified by the Internal Revenue Service as a private foundation.

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

Government-Wide financial statements (Statement of Net Positions and Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting for all of the SSA's activities. The Fund Financial Statements, which focus on the SSA's governmental fund's current financial resources measurement, are prepared on the modified accrual basis.

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

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 a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied.

The governmental fund financial statements are prepared on the modified accrual basis of accounting, with only current assets and liabilities included on the balance sheet. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period.

KEDZIE INDUSTRIAL TRACT SPECIAL SERVICE AREA NUMBER 7 (Back of the Yards Neighborhood Council, Contractor)

Notes to Financial Statements

December 31, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

<u>Fund Equity/Net Position</u> - 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 categories.

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

Special Service Area Agreement - The City of Chicago has established a special service area known and designated as "Special Service Area Number 7" to provide special services in addition to those services generally provided by the City. Back of the Yards Neighborhood Council has been designated as "Contractor" under terms of the agreement. The City has authorized a levy not to exceed 2.5% of the equalized assessed value of all property within the area to produce sufficient revenues to provide those special services.

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

<u>Date of Management's Review</u> - Management has evaluated subsequent events through April 25, 2022, the date on which the financial statements were available to be issued.

NOTE 2 - CONCENTRATIONS

The Special Service Area receives 100% of its operating support from revenues collected from taxes levied or imposed upon property within the area.

KEDZIE INDUSTRIAL TRACT SPECIAL SERVICE AREA NUMBER 7 (Back of the Yards Neighborhood Council, Contractor)

Notes to Financial Statements December 31, 2021 and 2020

NOTE 3 - RELATED PARTY TRANSACTIONS

The Organization is an affiliate of Special Service Area Numbers 13, 10, 39 and Back of the Yards Neighborhood Council. The Organization contracts with the Back of the Yards Neighborhood Council as sole service provider in order to administer and provide direct services on behalf of the Organization, which has no employees.

Expense reimbursements to the Service Provider are summarized below:

	 2021	2020
Sidewalk maintenance Display advertising	\$ 4,000	\$ 4,000
Maintenance - personnel		-
Maintenance supplies	1,900	1,900
Audit / Bookkeeping	500	5,000
Office rent	6,000	6,000
Office utilities	1,000	1,000
Liability - property insurance	2,750	2,750
Personnel	21,000	21,000
Totals	\$ 31,250	\$ 35,750

NOTE 4 - PROPERTY TAXES

Property taxes become an enforceable line on 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 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 the SSA's share to the City who remits the monies to the SSA.



KEDZIE INDUSTRIAL TRACT SPECIAL SERVICE AREA NUMBER 7

(Back of the Yards Neighborhood Council, Contractor) Schedule of Revenues and Expenditures - Budget and Actual

For the Years Ended December 31, 2021 and 2020

		2021			2020	
REVENUES	Actual	Budget	Variance	Actual	Budget	Variance
Real estate taxes current period Real estate taxes - prior period Real estate taxes - carryover Estimated late collections and interest	\$ 127,015 (17,441)	\$ 128,876 - 15,000 4,715	\$ (1,861) (17,441) (15,000) (4,712)	\$ 116,370 (14,602) -	\$ 150,100	\$ (33,730) (14,602)
Total Revenues EXPENDITURES	109,577	148,591	(39,014)	100,274	148,591	(48,317)
PROGRAM SERVICES:						
Customer Attraction Website Print Materials	200	500	(200)	500	500	- (004)
Total Customer Attraction	200	1,000	(200)	500	1 000	(200)
Public Way Aesthetics)	200	(000)
Landscaping	•	1		1	4,000	(4.000)
Vvay IIInding / signage	1	3,000	(3,000)	,	2,000	(2,000)
City permits	4,000	4,000	i	4,000	3,000	1,000
Simpline	I.	2,000	(2,000)	ı	ı	ī
	1,900	1,900	ı	1,900	1,900	,
Gate maintenance / repair	1,600	5,133	(3,533)	1,600	5,133	(3,533)
Total Public Way Aesthetics	7,500	16,033	(8,533)	7,500	16.033	(8 533)
Economic and Business Development						(0)
COVID-19 assistance / relief		1,000	(1,000)	1	ı	,
Total Economic and Business Development	ı	1,000	(1,000)	,		ı

KEDZIE INDUSTRIAL TRACT SPECIAL SERVICE AREA NUMBER 7 (Back of the Yards Neighborhood Council, Contractor) Schedule of Revenues and Expenditures - Budget and Actual For the Years Ended December 31, 2021 and 2020

2021	Actual Budget Variance Actual	75,982 93,858 (17,876) 70,177 95,35	75,982 93,858 (17,876) 70,177			21,000 - 21,000 21,000	21,000 21,000 - 21,000 21,000		4,000 5.000 (1,000)	1 (000); t	000		1,000 1,000 - 1,000 1,000	(200)		2,750 3,000 (250) 2,978 3,000	14,978	119,232 148,591 (29,359) 114,155 148,591	
		Safety Programs Security patrol services	Total Safety Programs	ADMINISTRATION:	Personnel	Non-service (office) personnel	Total Personnel	SSA Management	Audit	Bookkeeping	Office rent	1131 20110	Office utilities	Commission meetings and trainings	Meeting expenses	Liability / property insurance	Total SSA Management	Total Expenses	

KEDZIE INDUSTRIAL TRACT SPECIAL SERVICE AREA NUMBER 7

(Back of the Yards Neighborhood Council, Contractor)

Summary Schedule of Findings
For the Year Ended December 31, 2021 and 2020

We have read the requirements of the Service Provider Agreement between Special Service Area # 7 Contractor, and the City of Chicago. Based on our understanding of the agreement and the facts surrounding the performance under the agreement, we noted no exceptions.

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

CURRENT YEAR FINDINGS:

None

PRIOR YEAR FINDINGS

None

See independent auditor's report on additional information.

SPECIAL SERVICE AREA 7 (Back Of the Yards Neighborhood Council, Contractor)

Audit Firm CPA License

For the Years Ended December 31, 2021 and 2020



SPECIAL SERVICE AREA 7

(Back Of the Yards Neighborhood Council, Contractor)

Budget Summary Page For the Years Ended December 31, 2021 and 2020

Exhibit A Budget

Special Service Area # 7

SSA Name:

Kedzie Industrial Tract

2021 BUDGET SUMMARY

Budget and Services Period: January 1, 2021 through December 31, 2021

		2020	Levy				
(Funded Cat	regory egories Comprise of Services)	Collectable Levy	Estimated Loss Collection	Carryover Funds	TIF Rebate Fund #	Estimated Late Collections and Interest	Total All Sources
1.00 Custo Attraction	mer	\$1,000	\$0	\$0	\$0	\$0	\$1,000
2.00 Public Aesthetics		\$12,602	\$431	\$0	\$0	\$3,000	\$16,033
3.00 Sustai Public Plac	inability and ces	\$0	\$0	\$0	\$0	\$0	\$0
4.00 Econo Business D	emic/ Development	\$1,000	\$0	\$0	\$0	\$0	\$1,000
5.00 Safety	Programs	\$75,427	\$1,716	\$15,000	\$0	\$1,715	\$93,858
6.00 SSA M	anagement	\$15,700	\$0	\$0	\$0	\$0	\$15,700
7.00 Persor	nnel	\$21,000	\$0		\$0	\$0	\$21,000
	Sub-total	\$126,729	\$2,147				\$21,000
GRAND TOTALS	Levy Total	\$128,8	376	\$15,000	\$0	\$4,715	\$148,591

LEVY ANALYSIS	
Estimated 2020 EAV:	\$16,357,769
Authorized Tax Rate Cap:	0.980%
Maximum Potential Levy limited by Rate Cap:	\$160,306
Requested 2020 Levy Amount:	\$128,876
Estimated Tax Rate to Generate 2020 Levy:	0.7879%

DEPARTMENT OF CHICAGO DEPARTMENT OF PLANNING AND BEVELOPMENT 2021 SPECIAL SERVICE AREA SERVICE PROVIDER DISCLOSURE

The City of Chicago, through its Department of Planning and Development ("DPD"), regularly enters into agreements ("Services Contracts") for the provision of special services to City of Chicago Special Service Areas ("SSA") with corporations ("Service Providers") pursuant to authorizing ordinances of the City Council of the City of Chicago.

DPD recognizes that Service Providers may have loans or lines of credit in connection with the operation of their businesses from time to time. Service Providers may establish a loan or line of credit in connection with the provision of special services to a Special Service Area; however, financing may not be secured by any tax revenue, including, but not limited to future tax revenue anticipated to be generated by the levy of Special Service Area taxes, or by any interest in a Services Contract. Documentation of any loan or line of credit to a Service Provider shall not make any references to Special Service Area funds or place any requirements on the deposit of any Special Service Area funds. As a condition of entering into a Services Contract with a Service Provider, DPD reserves the right to review the documentation of any loans or lines of credit utilized by the Service Provider in order to front-fund services on behalf of an SSA to ensure full compliance with DPD policy.

The Service Provider hereby consents to the review by DPD, or by any third party at the direction of DPD, of any and all documentation regarding loans or lines of credit, and hereby agrees to promptly amend any such documentation as necessary to ensure full compliance with DPD policy.