

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: **Wicker Park Bucktown SSA33**

SSA Provider Name: **Wicker Park Bucktown Chamber of Commerce**

Submission Date: **May 3, 2021**

Starting PDF Page Number	Audit Report Package Components
	Comparative Financial Statements
6	1. Statement of Net Position and Governmental Fund Balance Sheet – Current Year
6	2. Statement of Net Position and Governmental Fund Balance Sheet – Prior Year
7	3. Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance – Current Year
7	4. Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance – Prior Year
14-15	5. Schedules of Revenues and Expenditures – Budget and Actual
4-5	Auditor's Opinion on Financial Statements
16	Schedule of Findings – Current and Prior Year, if applicable
16	Corrective Action Plan – Current and Prior Year, if applicable (if findings)*
17	Audit Firm CPA License
18	SSA Budget Summary page for the latest modified/amended budget approved by your SSA commission (for current audit period)
Separate PDF file attached – Yes/No	SSA Detailed SSA Commission Approved Budget
	Note: SSA Service Provider must submit detailed budget corresponding to Summary page, noted above, with audit report package.

**required if findings exist*

SPECIAL SERVICE AREA 33
MANAGED BY WICKER PARK BUCKTOWN
CHAMBER OF COMMERCE
(a taxing district authorized by the City of Chicago)
FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Special Service Area 33
Managed by Wicker Park Bucktown Chamber of Commerce
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Independent Auditor's Report

To the Commissioners of
Special Service Area 33
Wicker Park Bucktown Chamber of Commerce
Chicago, Illinois

We have audited the accompanying financial statements of Special Service Area 33 Wicker Park Bucktown, (a taxing district authorized by the City of Chicago) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the SSA 33 basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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 net position of Special Service Area 33 as of December 31, 2020 and 2019, and its statements of activities and governmental funds, revenues, expenditures and changes in fund balance for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of revenues and expenditures - budget and actual on pages 10 and 11, are presented for comparison and analysis purposes only. The supplementary information is not a required part of the basic financial statements. We have not performed any auditing procedures on the budget amounts and therefore, express no opinion on them.

Eilts & Associates, Inc.

EILTS & ASSOCIATES, INC.

April 27, 2021

Chicago, Illinois

Special Service Area 33
Managed by Wicker Park Bucktown Chamber of Commerce
Statements of Net Position and Governmental Fund Balance Sheet
December 31, 2020 and December 31, 2019

	2020			2019		
	Governmental Fund	Adjustments	Statement of Net Position	Governmental Fund	Adjustments	Statement of Net Position
ASSETS						
Cash and Cash Equivalents	\$ 194,885	\$ -	\$ 194,885	\$ 8,006	\$ -	\$ 8,006
Property Tax Receivable, Net of Allowance	1,224,090	-	1,224,090	1,169,710	-	1,169,710
TIF Rebate Receivable	2,204	-	2,204	2,249	-	2,249
Security Deposit	1,250	-	1,250	1,250	-	1,250
Total Assets	\$ 1,422,429	\$ -	\$ 1,422,429	\$ 1,181,215	\$ -	\$ 1,181,215
LIABILITIES						
Accounts Payable	65,695	-	65,695	46,377	-	46,377
Due to Related Party	6,774	-	6,774	13,921	-	13,921
Due to City of Chicago	-	-	-	2,410	-	2,410
Total Liabilities	72,469	-	72,469	62,708	-	62,708
DEFERRED INFLOWS						
Deferred Property Tax Revenue	1,224,090	(1,224,090)	-	1,169,710	(1,169,710)	-
Total Deferred Inflows	1,224,090	(1,224,090)	-	1,169,710	(1,169,710)	-
FUND BALANCE / NET POSITION						
Unassigned	125,870	(125,870)	-	(51,203)	51,203	-
Total Fund Balance	125,870	(125,870)	-	(51,203)	51,203	-
Total Liabilities, Deferred Inflows and Fund Balance	\$ 1,422,429			\$ 1,181,215		
Net Position - Unrestricted		\$ (1,349,960)	\$ 1,349,960		\$ (1,118,507)	\$ 1,118,507
Amounts reported for government activities in the statement of net position are different because:						
Total fund balance - governmental funds			\$ 125,870			\$ (51,203)
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 government funds.			1,224,090			1,169,710
Total net position - governmental activities			\$ 1,349,960			\$ 1,118,507

See notes to the financial statements and independent auditor's report

Special Service Area 33
Managed by Wicker Park Bucktown Chamber of Commerce
Statements of Activities and Governmental Fund, Revenues, Expenditures and Changes in Fund Balance
For the Years Ended December 31, 2020 and December 31, 2019

	2020			2019		
	Governmental Fund	Adjustments	Statement of Activities	Governmental Fund	Adjustments	Statement of Activities
REVENUES						
Property Revenues and Interest	\$ 1,151,856	\$ 54,380	\$ 1,206,236	\$ 1,083,145	\$ 48,575	\$ 1,131,720
TIF Rebates	-	-	-	8,565	-	8,565
Bank Interest	59	-	59	50	-	50
Total Revenues	1,151,915	54,380	1,206,295	1,091,760	48,575	1,140,335
EXPENDITURES/EXPENSES						
Customer Attraction	154,518	-	154,518	212,669	-	212,669
Public Way Aesthetics	544,041	-	544,041	699,657	-	699,657
Sustainability and Public Places	1,385	-	1,385	20,837	-	20,837
Safety Programs	4,779	-	4,779	10,287	-	10,287
Total Services Expense	704,723	-	704,723	943,450	-	943,450
SSA Management	49,386	-	49,386	78,290	-	78,290
Personnel	220,733	-	220,733	213,063	-	213,063
Total Administration Expense	270,119	-	270,119	291,353	-	291,353
Total Expenditures	974,842	-	974,842	1,234,803	-	1,234,803
Excess of Revenues Over/(Under) Expenditures	177,073	54,380	231,453	(143,043)	48,575	(94,468)
Change in Net Position	177,073	54,380	231,453	(143,043)	48,575	(94,468)
Fund Balance/Net Position						
Beginning of the Year	(51,203)	1,169,710	1,118,507	91,840	1,121,135	1,212,975
End of the Year	\$ 125,870	\$ 1,224,090	\$ 1,349,960	\$ (51,203)	\$ 1,169,710	\$ 1,118,507
Amounts reported for governmental activities in the statement of activities is different because:						
Net Change in Fund Balance - Governmental Funds			\$ 177,073			\$ (143,043)
Property Tax is recognized in the year it is levied rather than when it is available for Governmental Funds			54,380			48,575
Change in Net Position			\$ 231,453			\$ (94,468)

See notes to the financial statements and independent auditor's report

Special Service Area 33
Managed by Wicker Park Bucktown
Chamber of Commerce
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

NOTE 1 – Nature of Activities and Reporting Entity

Special Service Area 33 (SSA) is a taxing district authorized by City of Chicago located in Chicago, Illinois. Its scope of services is to fund various activities to improve and enhance the Wicker Park & Bucktown area. These services include promotional and advertising, maintenance of the public way, safety, and other functions. The SSA is funded by property tax levied on properties within the SSA boundaries, which are collected by the Cook County Treasurer, and then distributed by the City of Chicago to the SSA. Special Service Area 33 is governed by a Commission whose Commissioners are appointed by the Mayor of Chicago.

The City of Chicago contracted with the Wicker Park Bucktown Chamber of Commerce (“WPB”) to perform administrative duties as the service provider for this SSA during the reporting period. Wicker Park Bucktown Chamber of Commerce is an Illinois not-for-profit corporation, exempt from federal taxes under Section 501c(6) of the Internal Revenue Code.

NOTE 2 – Summary of Significant Accounting Policies

(a) Governmental-Wide and Fund Financial Statements

The financial statements of the SSA have been prepared in conformity with accounting principles generally accepted in 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). Governmental-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.

Special Service Area 33
Managed by Wicker Park Bucktown
Chamber of Commerce
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

NOTE 2 – Summary of Significant Accounting Policies – (Continued)

(b) 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 included on the balance sheet. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, 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 as 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 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.

(c) 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.

Special Service Area 33
Managed by Wicker Park Bucktown
Chamber of Commerce
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

NOTE 2 – Summary of Significant Accounting Policies – (Continued)

(c) Assets, Liabilities, and Net Position – (Continued)

Receivables - All property tax receivables are shown net of allowances. As of December 31, 2020, and 2019, the allowance is estimated to be less than half a percent ($\frac{1}{2}\%$) at \$9,790 and \$6,598, respectively.

Fund Equity / Net Position - Governmental Fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by the SSA board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the SSA's board. Unassigned fund balances are 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 balance first, then unrestricted fund balance. Furthermore, committed fund balance is reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used. For the government-wide financial statements, net position is reported as invested in capital assets net of related debt, restricted or unrestricted. Invested in capital assets, net of related debt, if applicable, is comprised of the net capital asset balance less any related debt. Restricted net position is when restrictions are placed on net assets from 1) externally imposed by creditors, grantors, contributors, or laws, or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation. The remaining net position is classified as unrestricted.

(d) Subsequent Events

Subsequent events have been evaluated through April 27, 2021, the date the financial statements were available to be issued.

Special Service Area 33
Managed by Wicker Park Bucktown
Chamber of Commerce
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

NOTE 3 – Cash and Cash Equivalents

The SSA defines cash and cash equivalents 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 SSA maintains its cash balance in a financial institution located in Chicago, IL. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2020, and 2019, the SSA's cash and cash equivalents did not exceed the FDIC insured limit.

NOTE 4 – Property Taxes

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

NOTE 5 – Deferred Inflows of Revenue

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

NOTE 6 – Fund Equity / Net Position

The SSA is required to present information regarding its financial position and activities according to the Agreement for Special Service Area 17 between the City of Chicago and Wicker Park Bucktown Chamber of Commerce. As of December 31, 2020, and 2019, the SSA had total fund balance of \$125,870 and fund deficit of (\$51,203), respectively. The excess funds will be utilized in this special service area during future years.

Special Service Area 33
Managed by Wicker Park Bucktown
Chamber of Commerce
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

NOTE 7 – Related Party

The SSA is affiliated with Wicker Park Bucktown Chamber of Commerce which provides certain administrative services for the SSA. As of December 31, 2020, and 2019, \$6,774 and \$13,921, respectively, was payable for services provided. During years ending December 31, 2020 and 2019, SSA 33 paid Wicker Park Bucktown Chamber of Commerce \$288,181 and \$338,946, respectively. The balance resulted from the time lag that 1) goods and services are being provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments are being made.

NOTE 8 – Risks and Uncertainties

In January 2020, the World Health Organization declared the spread of the Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the SSA, COVID-19 may impact various parts of its 2021 operations and financial results, including potential reduction in collection of property tax levies.

Management believes the SSA is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 outbreak continues to evolve as of the date the SSA's financial statements were issued. Given the uncertainty related to the pandemic, the SSA is not able to estimate the effects of the COVID-19 outbreak on its operations, financial condition and liquidity for the year ended December 31, 2021.

Supplementary Information

Special Service Area 33
Managed by Wicker Park Bucktown
Chamber of Commerce
Schedule of Revenues and Expenditures - Budget and Actual
December 31, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUE			
Property Taxes and Interest	\$ 1,182,906	\$ 1,151,856	\$ 31,050
Bank Interest	<u>-</u>	<u>59</u>	<u>(59)</u>
Total Revenues	1,182,906	1,151,915	30,991
EXPENDITURES			
Customer Attraction	270,500	154,518	115,982
Public Way Aesthetics	667,196	544,041	123,155
Sustainability and Public Places	18,000	1,385	16,615
Economic Business Development	10,500	-	10,500
Safety Programs	40,000	4,779	35,221
SSA Management	66,100	49,386	16,714
Personnel	<u>250,610</u>	<u>220,733</u>	<u>29,877</u>
Total Expenditures	<u>1,322,906</u>	<u>974,842</u>	<u>348,064</u>
Excess of Revenues Over/(Under) Expenditures	<u>\$ (140,000)</u>	<u>\$ 177,073</u>	<u>\$ (317,073)</u>
CARRYOVER			
	<u>140,000</u>	<u>-</u>	<u>140,000</u>
Net Revenues In Excess of Expenses	<u>\$ -</u>	<u>\$ 177,073</u>	<u>\$ (177,073)</u>

See notes to the financial statements and independent auditor's report

Special Service Area 33
Managed by Wicker Park Bucktown
Chamber of Commerce
Schedule of Revenues and Expenditures - Budget and Actual
December 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUE			
Property Taxes and Interest	\$ 1,130,866	\$ 1,083,145	\$ 47,721
TIF Rebates	6,317	8,565	(2,248)
Bank Interest	<u>-</u>	<u>50</u>	<u>(50)</u>
Total Revenues	1,137,183	1,091,760	45,423
EXPENDITURES			
Customer Attraction	221,500	212,669	8,831
Public Way Aesthetics	709,885	699,657	10,228
Sustainability and Public Places	25,000	20,837	4,163
Safety Programs	40,500	10,287	30,213
SSA Management	65,000	78,290	(13,290)
Personnel	<u>215,298</u>	<u>213,063</u>	<u>2,235</u>
Total Expenditures	<u>1,277,183</u>	<u>1,234,803</u>	<u>42,380</u>
Excess of Revenues Over/(Under) Expenditures	<u>\$ (140,000)</u>	<u>\$ (143,043)</u>	<u>\$ 3,043</u>
CARRYOVER			
	<u>140,000</u>	<u>-</u>	<u>140,000</u>
Net Revenues In Excess of Expenses	<u>\$ -</u>	<u>\$ (143,043)</u>	<u>\$ 143,043</u>

See notes to the financial statements and independent auditor's report

**Special Service Area 33
Managed by Wicker Park Bucktown
Chamber of Commerce
Summary Schedule of Audit Findings
For the Year Ended December 31, 2020**

As part of our audit and request by the Special Service Area Annual Audited Financial and Accounting Guide prepared by the City of Chicago Department of Planning and Economic Development, we have read and understand the requirements contained in the Service Provider Agreement. After conducting the audit, we determined that there were no exceptions noted.

The auditor's report expresses an unmodified opinion on the financial statements of Special Service Area 33. No significant deficiencies or material weaknesses were disclosed during the audit of the financial statements.

2020 Audit Finding:

No findings

Update on 2019 – Prior Year Findings:

One actual expenditure category reported in the 2019 audit exceed the approved 2019 budget amount that was submitted and approved by the City of Chicago. This category was SSA Management category.

2019 Audit Corrective Action Plan:

The Commission of Special Service Area 33 will pay particularly close attention when creating, approving and modifying future annual budgets as well as monitoring actual annual spending.

Special Service Area 33
Managed by Wicker Park Bucktown Chamber of Commerce
CPA Professional License
For the Year Ended December 31, 2020



Special Service Area 33
Managed by Wicker Park Bucktown Chamber of Commerce
Budget
For the Year Ended December 31, 2020

Exhibit A
Budget

	Special Service Area # 33
SSA Name:	Wicker Park Bucktown

2020 BUDGET SUMMARY

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

CATEGORY	2019 Levy		Carryover Funds	TIF Rebate Fund #A08	Estimated Late Collections and Interest	Total All Sources
	Collectable Levy	Estimated Loss Collection				
1.00 Customer Attraction	\$196,000	\$0	\$74,500	\$0	\$0	\$270,500
2.00 Public Way Aesthetics	\$609,000	\$6,598	\$45,000	\$0	\$6,598	\$667,196
3.00 Sustainability and Public Places	\$18,000	\$0	\$0	\$0	\$0	\$18,000
4.00 Economic/ Business Development	\$10,000	\$0	\$500	\$0	\$0	\$10,500
5.00 Safety Programs	\$20,000	\$0	\$20,000	\$0	\$0	\$40,000
6.00 SSA Management	\$66,100	\$0	\$0	\$0	\$0	\$66,100
7.00 Personnel	\$250,610	\$0		\$0	\$0	\$250,610
	Sub-total	\$1,169,710	\$6,598			
GRAND TOTALS	Levy Total	\$1,176,308	\$140,000	\$0	\$6,598	\$1,322,906

LEVY ANALYSIS

Estimated 2019 EAV:	\$526,164,278
Authorized Tax Rate Cap:	0.304%
Maximum Potential Levy limited by Rate Cap:	\$1,599,539
Requested 2019 Levy Amount:	\$1,176,308
Estimated Tax Rate to Generate 2018 Levy:	0.2236%

LEVY CHANGE FROM PREVIOUS YEAR

2018 Levy Total (in 2019 budget)	\$1,124,082
2019 Levy Total (in 2020 budget)	\$1,176,308
Percentage Change	4.65%
Community meeting required if levy amount increases greater than 5% from previous levy.	

CARRYOVER CALCULATION

2019 Budget Total	\$1,277,183
2020 Carryover	\$140,000
Percentage	10.962%
Must be less than 25%	