WASHINGTON, PITTMAN & MCKEEVER, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS
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COOK COUNTY, ILLINOIS
COOK COUNTY LAND BANK AUTHORITY

FINANCIAL AUDIT
GENERAL GOVERNMENTAL AND NONMAJOR SPECIAL PURPOSE FUNDS

FOR THE YEARS ENDED NOVEMBER 30, 2022 AND 2021

COOK COUNTY, ILLINOIS
COOK COUNTY LAND BANK AUTHORITY
FINANCIAL AUDIT
GENERAL GOVERNMENTAL AND NONMAJOR SPECIAL PURPOSE FUNDS
NOVEMBER 30, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cook County Land Bank Authority
Cook County, Illinois

Opinions

We have audited the accompanying financial statements of the General Governmental Fund and the Nonmajor Special Revenue Fund of Cook County, Cook County Land Bank Authority, as of and for the years ended November 30, 2022 and 2021, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Governmental Fund and the Nonmajor Special Revenue Fund of Cook County Land Bank Authority, as of November 30, 2022 and 2021, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cook County, Cook County Land Bank Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements are intended to present the General Governmental Fund and the Nonmajor Special Revenue Fund that is attributable to the transactions of Cook County Land Bank Authority. They do not purport to, and do not, present fairly the financial position of Cook County, Illinois as of November 30, 2022 and 2021, and the changes in its financial position, for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Cook County Land Bank Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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 evidence to express an opinion or provide any assurance.

Restricted Use of this Auditor's Report

This report is intended solely for the information and use of Cook County, Illinois, Cook County Land Bank Authority's Board of Directors, and Cook County Land Bank Authority's management and is not intended to be and should not be used by anyone other than these specified parties.

Washington, Pittman & McKeever, LLC

WASHINGTON, PITTMAN & McKEEVER, LLC

Chicago, Illinois
June 28, 2024

The management's discussion and analysis of Cook County Land Bank Authority's (CCLBA) financial performance provides an overall review of the CCLBA's financial activities for the year ended November 30, 2022. The intent of this discussion and analysis is to look at CCLBA's financial performance as a whole in comparison to the prior fiscal year. Readers should review the basic financial statements and notes to enhance their understanding of CCLBA's financial performance.

Reporting on the CCLBA as a Whole

As of November 30, 2022, CCLBA acquired the majority of its current inventory from awarded tax certificates in the 2015, 2017, and 2019 Scavenger Sale. The Scavenger Sale occurs every two years and consists of properties whose taxes have not been paid in three years or longer. The tax certificate holder has the right to secure the deed to the property if the taxes remain unpaid. The Scavenger Sale certificate properties are evaluated individually by Acquisition Specialists on staff. The Acquisition Specialists are real estate professionals with deep community and economic development experience. They perform market analysis and develop pricing based on property location, property condition, and comparable property sales. They also evaluate municipalities and public interest to determine whether to pursue full title. The legal process allows the delinquent taxes to be separated from the asset, removing a major obstacle in property redevelopment. This activity allows CCLBA to achieve direct impact throughout Cook County including $160mil in community wealth and $20mil in scavenger sale redemptions due to our notifications of CCLBA's intent to the current owners.

CCLBA continues to work in close collaboration with Fannie Mae, Freddie Mac, and the U.S. Department of Housing and Urban Development (HUD). The Homebuyer Direct Program (initially rolled out in 2017) continued throughout 2022. The purpose of this program is to break down barriers to home ownership and help transform communities by offering homes in need of renovation at below-market prices in neighborhoods across Cook County. This Homebuyer Direct Program initiative helps prospective homebuyers buy, rehab, and ultimately move into the home of their dreams.

The Homebuyer Direct program serves two important functions for buyers: helping them build equity during the purchase process and allowing them to incorporate their own ideas into the design of their new home. Since the launch of this program, several homes have been sold.

Demolition activity continued via additional funding ($175,000) from the Illinois Housing Development Authority Strong Communities Program 1.0 to selectively demolish homes experiencing structural health and safety hazardous conditions to the general public throughout Cook County. Lastly, CCLBA staff increased to fifteen, adding one Senior Legal Counsel position to reduce outside legal expenses and improve legal operations within CCLBA.

For this ninth year of operations, there were increases noted in all aspects of the financials as CCLBA grew its portfolio and operations. During 2022, CCLBA acquired 444 properties, sold 253 and demolished 2 properties. Additionally, 193 properties were rehabbed by developers in 2022. During 2021, CCLBA acquired 617, sold 236, and demolished 11 properties. Also, 239 properties were rehabbed by developers in 2021. As of November 30, 2022, CCLBA inventory was 1,767 properties. 1,274 parcels located in the City of Chicago, and 493 parcels were located in suburban Cook County.

Reporting on the CCLBA as a Whole *(continued)*

As of November 30, 2021, CCLBA inventory was 1,581 properties. 1,118 parcels located in the City of Chicago and 463 parcels were located in suburban Cook County.

Cumulatively to date, 1,119 properties were successfully reoccupied by the end of November 30, 2022 with 680 located in the City of Chicago and 439 located in suburban Cook County.

Financial Analysis

The statements of revenues, expenditures, and changes in fund balance report information about the CCLBA's activities during the current fiscal year. The difference between assets and liabilities is one way to measure financial health or financial position. Increases or decreases in CCLBA's fund balance is one indicator of whether its financial health is improving or deteriorating. Examples of other nonfinancial factors are changes in economic conditions, changes in the number of distressed properties to be acquired within the County, and new or changed governmental legislation. Increase in staffing is to build organizational capacity and efficiency.

A comparative analysis of the General Governmental Fund balance sheets is presented below:

Table 1
GENERAL GOVERNMENTAL FUND

	2022	2021	Variance	Percentage Change
ASSETS				
Property held for transfer	$ 180,000	$ 180,000	$ -	0%
Prepaid items	-	-	-	0%
Total assets	$ 180,000	$ 180,000	$ -	0%
LIABILITIES				
Accounts payable and accrued liabilities	$ -	$ -	$ -	0%
Due to other funds	-	-	-	0%
Total liabilities	-	-	-	0%
FUND BALANCE				
Restricted	180,000	180,000	-	0%
Total fund balance	180,000	180,000	-	0%
Total liabilities and fund balance	$ 180,000	$ 180,000	$ -	0%

The table above represents the General Governmental Fund – Grant Fund comparative balance sheet activity derived from the intergovernmental agreement between CCLBA, Metropolitan Water Reclamation District of Greater Chicago (MWRD), and the Forest Preserve District of Cook County (Forest Preserve). CCLBA's Riverside Lawn flood buyout program required CCLBA purchase 23 properties designated as property held for transfer (Riverside Lawn) for the purpose of alleviating flooding risks at the Riverside Lawn region of Cook County Illinois. Once all properties were acquired and demolished, the land was transferred to an appropriate agency (Forest Preserve)

Financial Analysis *(continued)*

and converted to open space and maintained as such in perpetuity. These lands were recorded in the properties held for transfer in table 1 above. At November 30, 2020, CCLBA began transferring the lands in accordance with the agreement, reducing the fund balance from $1,035,000 in 2020 to $180,000 in 2021. On March 1, 2021, CCLBA transferred the deeds of 19 of 23 properties purchased under this agreement to the Forest Preserve. As of November 30, 2022, no further transfers have been made and the remaining fund balance is $180,000. These properties are recorded in the restricted fund balance in table 1 above.

After CCLBA successfully conveyed 19 out of 23 properties, there has been no end user for the remaining four properties. A comparative analysis of the General Governmental Fund statements of revenues, expenditures, and changes in fund balance is presented below:

Table 2
GENERAL GOVERNMENTAL FUND

	2022	2021	Variance	Percentage Change
REVENUES				
Miscellaneous	$ -	$ -	$ -	0%
Total Revenues	-	-	-	0%
EXPENDITURES				
Economic and human development				
Personal services	-	-	-	0%
Contractual services	-	-	-	0%
Supplies and materials	-	-	-	0%
Operations and maintenance	-	-	-	0%
Contingencies and special purpose	-	-	-	0%
Inventory adjustments	-	855,000	(855,000)	-100%
Debt Service - Interest	-	-	-	0%
Capital outlays	-	-	-	0%
Total expenditures/expenses	-	855,000	(855,000)	-100%
Other Financing Sources (uses)				
Transfers-out	-	-	-	0%
Other financing sources (uses)	-	-	-	0%
Net change in fund balance	-	(855,000)	855,000	-100%
Fund Balance - Beginning	180,000	1,035,000	(855,000)	-83%
Fund Balance - Ending	$ 180,000	$ 180,000	$ -	0%

The table above represents the outstanding fund balance carried for these four properties that remain. The fund balance remained unchanged between the years ended November 30, 2022 and 2021 at $180,000.

Financial Analysis *(continued)*

This flood buyout program concluded in 2022 as there were no more prospective properties the Land Bank intended to acquire for this flood buyout program.

CCLBA also has access to the Special Revenue fund for a significant portion of its activities during the year. A comparative analysis of the Special Revenue Fund balance sheets is presented below:

Table 3
SPECIAL REVENUE FUND

	2022	2021	Variance	Percentage Change
ASSETS				
Due from others	$ -	$ 771,939	$ (771,939)	-100%
Property held for resale	7,519,167	7,742,127	(222,960)	-3%
Prepaid items	220,000	-	220,000	100%
Total assets	$ 7,739,167	$ 8,514,066	$ (774,899)	-9%
LIABILITIES				
Accounts payable	$ 803,921	$ 2,388,585	$ (1,584,664)	-66%
Accrued salaries payable	42,115	29,756	12,359	42%
Line of credit	-	626,724	(626,724)	-100%
Due to other funds	20,536,685	16,433,434	4,103,251	25%
Total liabilities	$ 21,382,721	$ 19,478,499	$ 1,904,222	10%
FUND BALANCE (DEFICIT)				
Nonspendable	220,000	-	220,000	100%
Unassigned	(13,863,554)	(10,964,433)	(2,899,121)	26%
Total fund balance (deficit)	(13,643,554)	(10,964,433)	(2,679,121)	24%
Total liabilities and fund balance (deficit)	$ 7,739,167	$ 8,514,066	$ (774,899)	-9%

Within the Assets category, CCLBA's due from others had a zero balance as of November 30, 2022 compared to 2021 due to timing difference. Property held for resale decreased by 3% from various property sale activities in the given year. Prepaid items increased by $220,000 as a result of recording the Cash Collateral held by Chicago Community Loan Fund, the lender of CCLBA's line of credit. This collateral is held with CCLF and is reserved to pay annual 10% of total line available to renew and extend CCLBA's line of credit. Total assets decreased by 9% as a result of cumulative activities noted above.

Liabilities had an overall net increased of $1.9mil (10%) in fiscal year 2022 as compared with fiscal year 2021 due to the following factors: 1) Due to other funds increased by $4.1mil as expenditures incurred during the year exceeded the revenue generated by CCLBA, thus the County paid for the expenditures and recognized the liability. 2) Line of credit decreased by $626,724 as there was no outstanding borrowing on the line of credit at the end of fiscal year 2023. 3) Accounts payable decreased by $1.5mil due to timing difference in payment of bills from year to year.

Financial Analysis *(continued)*

Nonspendable fund balance represents the cash collateral held with CCLF being recognized and properly stated in fiscal year 2022 as opposed to 2021. The total fund balance (deficit) at the end of fiscal year 2022 was $13.6mil, an increase of 24% compared to the previous year's at $10.9mil. This was due to the continued effect of CCLBA incurring more expenditures over revenues generated during fiscal year 2022.

Overall, total liabilities and fund balance (deficit) decreased by $(774,899) or 9% as a result of cumulative activity in the revenue and expenditures. A comparative analysis of the Special Revenue Fund statements of revenues, expenditures, and changes in fund balance is presented below:

Table 4
SPECIAL REVENUE FUND

	2022	2021	Variance	Percentage Change
REVENUES				
Miscellaneous	$ 5,297,580	$ 5,126,118	$ 171,462	3%
Total Revenues	5,297,580	5,126,118	171,462	3%
EXPENDITURES				
Economic and human development				
Personal services	1,360,078	1,041,572	318,506	31%
Contractual services	725,978	1,217,845	(491,867)	-40%
Supplies and materials	4,741	2,162	2,579	119%
Operations and maintenance	2,138,956	1,996,738	142,218	7%
Contingencies and special purpose	3,881,389	2,544,018	1,337,371	53%
Inventory adjustments	(222,960)	(4,350,185)	4,127,225	-95%
Debt Service - Interest	5,540	22,419	(16,879)	-75%
Capital outlays	-	19,114	(19,114)	-100%
Total expenditures/expenses	7,893,722	2,493,683	5,400,039	217%
Other Financing Sources (uses)				
Transfers-out	(82,979)	(152,656)	69,677	-46%
Other financing sources (uses)	(82,979)	(152,656)	69,677	-46%
Net change in fund balance	(2,679,121)	2,479,779	(5,158,900)	-208%
Fund Balance (Deficit) - Beginning	(10,964,433)	(13,444,212)	2,479,779	-18%
Fund Balance (Deficit) - Ending	$ (13,643,554)	$ (10,964,433)	$ (2,679,121)	24%

CCLBA's revenues increased by 3% in fiscal year 2022 as compared with fiscal year 2021. This was driven by an increase in property sales for fiscal year 2022.

CCLBA's expenses increased by 217% in fiscal year 2022 as compared with fiscal year 2021 primarily due to inventory valuation adjustment decrease of $4,127,225 as well as a 53% increase

Financial Analysis *(continued)*

in contingencies and special purpose funds. Contingencies and special purpose consist mainly of categories including delinquent tax expenses, expenses relating to the purchase of inventory, professional services expenses, surveys, reports, and scaffolding costs associated with maintaining unsold properties and acquiring Scavenger Sale tax certificate properties. There were increases also noted in personal services as there were new hires during fiscal year 2023 as well as in operations and maintenance which fluctuate based on the number of properties held and the condition of the properties.

CCLBA's fund balance increased by $2.6mil (24%) in fiscal year 2022 as compared with fiscal year 2021 due to continued effect of CCLBA incurring more expenditures over revenues generated during fiscal year 2022.

Overall, the financial position of CCLBA has sustained consistent revenue, and despite an increase in expenditures in 2022, CCLBA was able to successfully continue its operations as it successfully fulfilled its mission with the assistance of Cook County.

Budgetary Highlights

CCLBA adopts an annual Operating Budget. The Operating Budget includes proposed expenses and the resources available for financing them. CCLBA's budget remains in effect the entire year and can be revised upon the approval of the Board. A fiscal year monthly budget comparison and analysis is presented to the Board by management as interim financial statements; however, they are not reported nor shown in the financial statement section of this report.

Table 5

	Budget	Actual	Variance (Over)/Under
Revenue - Special Revenue Fund	$ 10,249,212	$ 5,297,580	$ 4,951,632
Revenue - Grant Fund	526,609	-	526,609
Total Revenue	10,775,821	5,297,580	5,478,241
Personal Services	1,734,903	1,443,057	291,846
Contractual Services	1,645,141	725,978	919,163
Supplies and Materials	8,972	4,741	4,231
Operations and Maintenance	2,141,177	2,125,456	15,721
Rental and Leasing	20,894	13,500	7,394
Capital Equipment and Improvements	9,723	-	9,723
Contingencies and Special Purpose	5,215,011	3,663,969	1,551,042
Total Expenses	10,775,821	7,976,701	2,799,120
EXPENSES IN EXCESS OF REVENUES	$ -	$ (2,679,121)	$ 2,679,121

The total budget for CCLBA for fiscal year 2022 was $10.7mil. Total actual revenues underperformed the budgeted amounts by $5.4mil as a result of lower than expected net proceeds

Budgetary Highlights *(continued)*

from property sales. CCLBA will continue its efforts to strategically convey its inventory as we eliminate blight and increase homeownership. CCLBA's spending in all other categories was less than budgeted. The largest variance was continencies and special purpose in the amount of $1.5mil.

Total expenses were less than budgeted by $2.7mil primarily due to the reduced usage of the line of credit to purchase properties held for resale usually accounted for in the contingencies and special purpose line, and less spending in all other categories overall.

Summary and Future Considerations

CCLBA has partnered with many community development corporations, municipalities, residents and small business owners to increase property ownership in historically dis-invested communities. We have re-purposed properties for social service and faith-based organizations serving those same communities, enabling them to extend their reach and impact to more Cook County Residents.

CCLBA continues to demonstrate its mission that there is a robust market for naturally-occurring affordable housing in every community.

CCLBA has improved its collaboration with the County's Comptroller's Office regarding communication, inventory valuation, and has increased our meetings and coordinated on a quarterly basis to ensure year-end adjustments are made annually. CCLBA budgeted for a Senior Finance Business Manager position that would start in 2023. The Senior Finance Business Manager will manage and provide oversight for all of the finance and accounting needs of the CCLBA, act as a liaison between other departments, and report CCLBA's fiscal activity to the Board of Directors and CCLBA senior management.

Requests for Information

This financial report is designed to provide a general overview of the financial operations of the Cook County Land Bank Authority. Questions concerning any of the information in this report or requests for additional information should be sent to the Executive Director, 69 W. Washington Street, Suite 3100, Chicago, Illinois 60602.

COOK COUNTY, ILLINOIS
COOK COUNTY LAND BANK AUTHORITY
GENERAL GOVERNMENTAL FUND
BALANCE SHEET
AS OF NOVEMBER 30, 2022

	GENERAL GOVERNMENTAL FUND		
	Grant Fund	Equity Fund	2022
ASSETS			
Property held for transfer	$ 180,000	$ -	$ 180,000
Prepaid items	-	-	-
Total Assets	180,000	-	$ 180,000
LIABILITIES			
Accounts payable and accrued liabilities	$ -	$ -	$ -
Due to other funds	-	-	-
Total Liabilities	-	-	-
FUND BALANCE			
Restricted	180,000	-	180,000
Total fund balance	180,000	-	180,000
Total liabilities and fund balance	$ 180,000	$ -	$ 180,000

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

COOK COUNTY, ILLINOIS
COOK COUNTY LAND BANK AUTHORITY
GENERAL GOVERNMENTAL FUND
BALANCE SHEET
AS OF NOVEMBER 30, 2021

	GENERAL GOVERNMENTAL FUND		
	Grant Fund	Equity Fund	2021
ASSETS			
Property held for transfer	$ 180,000	$ -	$ 180,000
Prepaid items	-	-	-
Total Assets	180,000	-	$ 180,000
LIABILITIES			
Accounts payable and accrued liabilities	$ -	$ -	$ -
Due to other funds	-	-	-
Total Liabilities	-	-	-
FUND BALANCE			
Restricted	180,000	-	180,000
Total fund balance	180,000	-	180,000
Total liabilities and fund balance	$ 180,000	$ -	$ 180,000

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

COOK COUNTY, ILLINOIS
COOK COUNTY LAND BANK AUTHORITY
GENERAL GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED NOVEMBER 30, 2022

	GENERAL GOVERNMENTAL FUND		
	Grant Fund	Equity Fund	2022
REVENUES			
Other Operating Grant Revenue	$ -	$ -	$ -
Total Revenues and Other Sources	-	-	-
EXPENDITURES			
Economic and human development			
Contractual services	-	-	-
Operations and maintenance	-	-	-
Contingencies and special purpose	-	-	-
Inventory adjustments	-	-	-
Debt Service			
Interest and other charges	-	-	-
Total Expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Appropriations from County resources	-	-	-
Other Sources of Financial Resources (Uses)	-	-	-
Changes in fund balance	-	-	-
Fund Balance - beginning of the year	180,000	-	180,000
Fund Balance - end of the year	$ 180,000	$ -	$ 180,000

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

COOK COUNTY, ILLINOIS
COOK COUNTY LAND BANK AUTHORITY
GENERAL GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED NOVEMBER 30, 2021

	GENERAL GOVERNMENTAL FUND		
	Grant Fund	Equity Fund	2021
REVENUES			
Other Operating Grant Revenue	$ -	$ -	$ -
Total Revenues and Other Sources	-	-	-
EXPENDITURES			
Economic and human development			
Contractual services	-	-	-
Operations and maintenance	-	-	-
Contingencies and special purpose	-	-	-
Inventory adjustments	855,000	-	855,000
Debt Service			
Interest and other charges	-	-	-
Total Expenditures	855,000	-	855,000
OTHER FINANCING SOURCES (USES)			
Appropriations from County resources	-	-	-
Other Sources of Financial Resources (Uses)	-	-	-
Changes in fund balance	(855,000)	-	(855,000)
Fund Balance - beginning of the year	1,035,000	-	1,035,000
Fund Balance - end of the year	$ 180,000	$ -	$ 180,000

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

COOK COUNTY, ILLINOIS
COOK COUNTY LAND BANK AUTHORITY
NONMAJOR - SPECIAL REVENUE FUND
BALANCE SHEETS
AS OF NOVEMBER 30, 2022 AND 2021

	SPECIAL REVENUE FUND	
	2022	**2021**
ASSETS		
Due from others	$ -	$ 771,939
Property held for resale	7,519,167	7,742,127
Prepaid items	220,000	-
Total assets	$ 7,739,167	$ 8,514,066
LIABILITIES		
Accounts payable	$ 803,921	$ 2,388,585
Accrued salaries payable	42,115	29,756
Line of credit	-	626,724
Due to other funds	20,536,685	16,433,434
Total liabilities	21,382,721	19,478,499
FUND BALANCE (DEFICIT)		
Nonspendable	220,000	-
Unassigned	(13,863,554)	(10,964,433)
Total fund balance (deficit)	(13,643,554)	(10,964,433)
Total liabilities and fund balance (deficit)	$ 7,739,167	$ 8,514,066

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

COOK COUNTY, ILLINOIS
COOK COUNTY LANK BANK AUTHORITY
NONMAJOR - SPECIAL REVENUE FUND
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED NOVEMEBER 30, 2022 AND 2021

	SPECIAL REVENUE FUND	
	2022	**2021**
REVENUES		
Miscellaneous	$ 5,297,580	$ 5,126,118
Total Revenues	5,297,580	5,126,118
EXPENDITURES		
Economic and human development		
Personal services	1,360,078	1,041,572
Contractual services	725,978	1,217,845
Supplies and materials	4,741	2,162
Operations and maintenance	2,138,956	1,996,738
Contingencies and special purpose	3,881,389	2,544,018
Inventory adjustments	(222,960)	(4,350,185)
Debt Service - Interest	5,540	22,419
Capital outlays	-	19,114
Total expenditures/expenses	7,893,722	2,493,683
Other Financing Sources (uses)		
Transfers-out	(82,979)	(152,656)
Other financing sources (uses)	(82,979)	(152,656)
Net change in fund balance	(2,679,121)	2,479,779
Fund Balance (Deficit) - Beginning	(10,964,433)	(13,444,212)
Fund Balance (Deficit) - Ending	$ (13,643,554)	$ (10,964,433)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Cook County Land Bank Authority ("CCLBA") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to government units. The governmental accounting and reporting principles are established by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for establishing accounting and financial reporting principles. The CCLBA's significant accounting policies are described below.

Reporting Entity

The CCLBA was established by Cook County Ordinance No. 13-O-07, 1-16-2013, as an agency of Cook County (County), which is funded by the County. The purpose of this Ordinance is to create the Cook County Land Bank Authority that will use available resources to facilitate the return of vacant, abandoned and tax-delinquent properties to productive use thereby combating community deterioration, creating economic growth and stabilizing the housing and job market.

The CCLBA will acquire, hold, and transfer interest in real property throughout Cook County as approved by the Board of Directors for the following purposes: to promote redevelopment and reuse of vacant, abandoned, and tax-delinquent properties; support targeted efforts to stabilize neighborhoods; stimulate residential, commercial and industrial development; all in ways that are consistent with goals and priorities established by this Ordinance, local government partners and other community stakeholders.

As defined by GAAP, the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable.

The financial statements only present the Governmental and the Nonmajor Special Revenue Funds activity attributable to the transactions of the CCLBA and do not purport to, and do not, present fairly the financial position of the CCLBA on a government-wide basis or the County as of November 30, 2022 and 2021, nor changes in the CCLBA's or the County's financial position for the years then ended in conformity with GAAP.

The Governmental and Nonmajor Special Revenue Funds are not legally separate from the County; therefore, the financial information of the Governmental and Nonmajor Special Revenue Funds are included in the financial statements of Cook County, Illinois. The County's Annual Comprehensive Financial Reports may be obtained by writing to the County's Comptroller's Office or accessing its website at www.cookcountyil.gov.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

In government, the basic reporting entity is a fund. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, inflows, outflows, and equities, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. A balance sheet and statement of revenues, expenditures, and changes in fund balance have been presented for the General Governmental and Nonmajor Special Revenue funds activities attributable to the transactions of the CCLBA.

General Governmental Fund:

These are two funds that accounts for all properties held for transfer/resale that were funded through grants received from other government agencies called the grant fund and also from the equity fund which are part of the General fund of the County received by the CCLBA.

Nonmajor Special Revenue Fund:

This is the fund that accounts for resources obtained from specific revenue sources that are legally restricted to expenditures for specified purposes. Special revenue fund accounts for, among other things, federal grant programs, taxes levied with statutorily defined distributions, and other resources restricted as to purpose. This fund is subject to expenditure limitations established by the County. Resources for this fund are generated from the selling of inventory of properties held. This fund is appropriated and held in the Office of the Comptroller of the County.

Measurement Focus and Basis of Accounting

The accompanying financial statements have been prepared using the flow of current resources measurement focus and the modified accrual basis of accounting, whereby revenues (including property sales) are recognized as soon as they are both measurable and available for financing current obligations, collected during the year or within 60 days thereafter and expenditures are expected to be paid with available expendable resources and are recognized when obligations are incurred. Debt principal retirements and other payments related to long-term obligations other than debt, are reported as expenditures when due.

Property Held for Resale (Inventory)

Property held for resale is part of the CCLBA's program for improving disadvantages areas and is considered inventory. The CCLBA may acquire by gift, transfer or purchase real or personal property on terms and conditions and in a manner the CCLBA considers appropriate. Purchased and donated properties are inventoried at the lower of cost or market. Evaluations are performed periodically that will require adjustments to be made given the nature of distressed properties which are the focus of CCLBA. As a result of these evaluations and current purchases/sales activities, property held for resale were valued at $7,699,167 and $7,922,127 as of November 30, 2022 and 2021.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions may be given in addition to property donations and are considered to be available for unrestricted use unless specifically restricted by the donor and accounted for under miscellaneous revenues.

Fund Balance

It is the CCLBA's policy to consider restricted resources to have been spent last when an expenditure is incurred for which both restricted and unrestricted (i.e., committed, assigned or unassigned) resources are available. In those funds, the CCLBA considers assigned resources to have been spent first, followed by committed and then restricted resources.

Within the general governmental and special revenue funds, the CCLBA's fund balances are reported based on the following classifications:

Nonspendable This consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The Nonmajor Special Revenue Fund had a nonspendable fund balance as of November 30, 2022. There were no nonspendable fund balances as of November 30, 2021.

Restricted This consists of amounts that are restricted to specific purposes, which is when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The General Governmental fund had a restricted fund balance as of November 30, 2022 and 2021.

Committed This consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the CCLBA's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the CCLBA removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The CCLBA's highest level of decision-making authority rests with the County and the Board of Directors. There were no committed fund balances as of November 30, 2022 and 2021.

Assigned This consists of net amounts that are constrained by the CCLBA's intent to be used for specific purposes, but that are neither restricted nor committed. Fund balance assignments can only be removed or changed by action of the County. There were no assigned fund balances as of November 30, 2022 and 2021.

Unassigned This consists of residual fund balance (deficit) that has not been designated for specific purposes within the funds. The Nonmajor Special Revenue Fund had an unassigned fund balance as of November 30, 2022 and 2021.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DUE FROM/TO OTHER FUNDS

Grants and other funds received by the CCLBA are deposited with the Cook County Treasurer. The Due To Other Funds represents expended funds in excess of cash receipts by CCLBA and owed to the County. As of November 30, 2022 and 2021, the amount owed to the County was $20,536,685 and $16,433,434, respectively.

NOTE 3 - PENSION COSTS

The CCLBA utilizes the special revenue fund assigned to them to pay for pension costs to the County's Employees' and Officers' Annuity and Benefit Fund of Cook County. During the years ended November 30, 2022 and 2021, pension expense was $82,979 and $98,618, respectively, which was reported under personal services on the statements of revenues, expenditures, and changes in fund balance.

NOTE 4 - RELATED PARTIES

As indicated in Note 1, the CCLBA is an Agency authorized by Cook County. CCLBA employees' salaries are from the special revenue fund assigned to CCLBA. The CCLBA also uses the County's accounting software, Comptroller office services, copier, computers, and printers. For the years ended November 30, 2022 and 2021, there was no administrative fee charged by the County for these services, which would have been reported under operations and maintenance on the statements of revenues, expenditures, and changes in fund balance.

In addition, per the July 1, 2016 intergovernmental agreement between CCLBA, Metropolitan Water Reclamation District of Greater Chicago (MWRD), and the Forest Preserve District of Cook County (Forest Preserve), CCLBA purchased 23 properties designated as property held for transfer (Riverside Lawn) for the purpose of alleviating flooding risks at the Riverside Lawn region of Cook County, Illinois. Once all properties have been acquired and demolished, the land will be transferred to an appropriate agency (Forest Preserve) and converted to open space and maintained as such in perpetuity. These properties are recorded in the restricted fund balance. As of March 1, 2021, CCLBA transferred the deeds of 19 of 23 properties purchased under this agreement to the Forest Preserve. As of November 30, 2022 and 2021, the balance of these properties was $180,000 for both years.

NOTE 5 - LINE OF CREDIT

On December 7, 2017, CCLBA entered into a line of credit agreement for $3,000,000 for the acquisition of properties, primarily single-family homes, from various sources, including but not limited to: the National Community Stabilization Trust in low to moderate communities in Cook County. The line of credit bears interest at 6% per annum and principal payments are due upon sale of related properties. As a condition of this loan, CCLBA paid loan fees in the amount of $30,000 and cash collateral in the amount of $250,000. On December 1, 2021, the line of credit was extended through March 1, 2024, reduced to $2,000,000 and $30,000 was applied towards fees for the extension of the line of credit, thus reducing the cash collateral to $220,000. Subsequently in May 2024, CCLBA applied to reduce the line of credit to $500,000 and extend it to March 2, 2025. For the years ended November 30, 2022 and 2021, the balance outstanding on the line of credit was $-0- and $626,724, respectively. As of November 30, 2022 and 2021, the cash collateral held by the lender was $220,000 for both years.

NOTE 6 – FINANCIAL CONDITION

Although CCLBA had fund balance shortfall for the years ended 2022 and 2021, CCLBA has initiated several activities that will offset this shortfall and address liquidity concerns. CCLBA is positioned to: 1) manage its expenses by reducing all finance and administrative expenses within CCLBA, thereby making these costs more efficient and improve cash flow; 2) substantially increase the development and sale of its commercial portfolio during 2023 and 2024; 3) hold discussions with Cook County on ways to better monitor its cash flow and share certain CCLBA's expenses.

NOTE 7 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 28, 2024, which is the date the financial statements were approved and available to be issued.