WASHINGTON, PITTMAN & MCKEEVER, LLC

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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, 2023 AND 2022

COOK COUNTY, ILLINOIS
COOK COUNTY LAND BANK AUTHORITY
FINANCIAL AUDIT
GENERAL GOVERNMENTAL AND NONMAJOR SPECIAL PURPOSE FUNDS
NOVEMBER 30, 2023 AND 2022

	Page
Independent Auditor's Report	3
Management's Discussion and Analysis	6
Financial Statements	
General Governmental Fund	
Balance Sheets	15 - 16
Statements of Revenues, Expenditures and Changes in Fund Balance	17 - 18
Nonmajor Special Revenue Fund	
Balance Sheets	19
Statements of Revenues, Expenditures and Changes in Fund Balance	20
Notes to the Financial Statements	21

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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, 2023 and 2022, 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, 2023 and 2022, 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, 2023 and 2022, 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, 2023. 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, 2023, 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 municipal development plans 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. According to the Cook County Land Bank Authority's economic impact study, this activity allows CCLBA to achieve direct impact throughout Cook County including $1mil in annual property tax revenue, induced private investment in structural rehabs, newly created jobs, and the benefit cost ratio of $3.23 dollars in direct benefit to $1 dollar of CCLBA spending. In addition, this activity has created over $22.9mil in estimated economic impact from structured rehab investment and over 144 jobs. The indirect impact of CCLBA was over $59.3mil to $110.3mil increase in nearby home values. The total direct and indirect impact equates to an estimate of for every one dollar spent, the economic impact benefit cost ratio produces $10.02 to $15.86 dollars in the economy. This means for every one-dollar CCLBA spends, it produces $3.23 dollars in benefits in economic impact. As of November 30, 2023, CCLBA generated over $195mil in Community Wealth and over $20mil, in scavenger sale county redemptions.

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 has reignited in 2023 with Equity Funds that allowed CCLBA to acquire additional inventory through these channels. The purpose of this program is to break down barriers to homeownership and help transform communities by offering homes 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.

Demolition strategies were continued via additional funding of $175,000 and $250,000, respectively from the Illinois Housing Development Authority Strong Communities Program 1.0 and 1.5 to selectively demolish homes experiencing structural issues affecting the health and safety of the general public throughout Cook County. Lastly, CCLBA staff increased from fifteen to sixteen by the addition of two Asset Managers, with the loss of one employee during the year, to support our asset management division operations.

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

For this tenth year of operations, there were increases noted in all aspects of the financials as CCLBA grew its portfolio and operations. During 2023, CCLBA acquired 748 properties, sold 673 and demolished 14 properties. Additionally, 580 properties were rehabbed by developers in 2023. During 2022, CCLBA acquired 444 properties, sold 253 and demolished 2 properties. Additionally, 193 properties were rehabbed by developers in 2022. As of November 30, 2023, CCLBA inventory was 1,834 properties which includes 1,521 parcels located in the City of Chicago and 313 parcels located in suburban Cook County. As of November 30, 2022, CCLBA inventory was 1,767 properties which includes 1,274 parcels located in the City of Chicago and 493 parcels located in suburban Cook County.

Cumulatively to date, 1,755 properties were successfully reoccupied by the end of November 30, 2023 with 876 located in the City of Chicago, and 879 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 of CCLBA's operations.

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

Table 1
GENERAL GOVERNMENTAL FUND

	2023	2022	Variance	Percentage Change
ASSETS				
Property held for transfer and resale	$ 1,424,524	$ 180,000	$ 1,244,524	691%
Prepaid items	-	-	-	0%
Total assets	$ 1,424,524	$ 180,000	$ 1,244,524	691%
LIABILITIES				
Accounts payable and accrued liabilities	$ 10,080	$ -	$ 10,080	100%
Due to other funds	157,189	-	157,189	100%
Total liabilities	167,269	-	167,269	100%
DEFERRED INFLOWS of RESOURCES				
Unearned revenue	961	-	961	100%
Total deferred inflows	961	-	961	100%
FUND BALANCE				
Restricted	1,256,294	180,000	1,076,294	598%
Total fund balance	1,256,294	180,000	1,076,294	598%
Total liabilities and fund balance	$ 1,424,524	$ 180,000	$ 1,244,524	691%

Financial Analysis *(continued)*

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) 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, 2023 and 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.

In fiscal year 2023, the General Governmental Fund included CCLBA's Equity Fund activities. The newly established CCLBA Equity fund has $5 million allocated from the President's Office to accomplish key economic development initiatives. Any unspent funds are rolled over for continual programing.

Total assets also increased due to in fiscal year 2023, CCLBA acquired seven single family properties using equity funds totaling $1,244,524 property held for resale for its Fannie Mae/Freddie Mac/Hud initiative to acquire foreclosed property and resell to homebuyers.

Total liabilities increased by $167,269 (100%) due to the following factors: 1) Accounts payable and accrued liabilities increased $10,080 in fiscal year 2023 as opposed to zero in fiscal year 2022 due to a grant fund activity related to a purchase assistance program. Under this program, buyers of CCLBA properties or developer of renovated properties are awarded six percent of the purchase price of a home up to a maximum amount of $20,000 or what the lender requirements will allow. 2) Due to other funds increased in fiscal year 2023 to $157,189 when compared with fiscal year 2022 where it was zero. This was due to expenditures incurred relating to the Strong Communities Program 1.5 which was paid by the County until grant reimbursement is applied for and received by CCLBA after year end.

Unearned revenue was $961 for the Flood buyout program. This was the amount of excess grant revenue received ($175,000) over expenditures ($174,039) in fiscal year 2023. There was no such occurrence in the fiscal year 2022.

Lastly, the increase noted in the total liabilities and fund balance was due to the infusion of $1.4mil in activities from the equity fund and the flood buyout program.

Financial Analysis *(continued)*

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

	2023	2022	Variance	Percentage Change
REVENUES				
Miscellaneous	$ 174,040	$ -	$ 174,040	100%
Total Revenues	174,040	-	174,040	100%
EXPENDITURES				
Economic and human development				
Contractual services	158,150	-	158,150	100%
Operations and maintenance	174,040	-	174,040	100%
Contingencies and special purpose	938,423	-	938,423	100%
Inventory adjustments	(913,753)	-	(913,753)	-100%
Debt Service - interest	2,096	-	2,096	100%
Total expenditures/expenses	358,956	-	358,956	100%
Other Financing Sources (uses)				
Transfers-in	1,261,210	-	1,261,210	100%
Other financing sources (uses)	1,261,210	-	1,261,210	100%
Net change in fund balance	1,076,294	-	1,076,294	100%
Fund Balance - Beginning	180,000	180,000	-	0%
Fund Balance - Ending	$ 1,256,294	$ 180,000	$ 1,076,294	598%

Table 2 represents the restricted fund balances carried for (i) the remaining four properties held as noted for the flood buyout, activities related to the Strong Communities Program 1.0 and 1.5 in the grant fund; and (ii) the seven properties purchased using funds available in the Equity Fund. CCLBA received $174,040 in reimbursements out of $175,000 available. CCLBA also expended $158,150 and will be seeking reimbursement shortly.

Overall, in fiscal year 2023, the increases in revenue and expenditures are due to engaging in activities relating to the programs mentioned above as opposed to fiscal year 2022 that involved only the activities relating to the flood buyout program.

Financial Analysis *(continued)*

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

	2023	2022	Variance	Percentage Change
ASSETS				
Due from others	$ 205,828	$ -	$ 205,828	100%
Property held for resale	7,814,200	7,519,167	295,033	4%
Prepaid items	200,000	220,000	(20,000)	-9%
Total assets	$ 8,220,028	$ 7,739,167	$ 480,861	6%
LIABILITIES				
Accounts payable	$ 1,440,253	$ 803,921	$ 636,332	79%
Accrued salaries payable	65,291	42,115	23,176	55%
Due to other funds	14,865,040	20,536,685	(5,671,645)	-28%
Total liabilities	$ 16,370,584	$ 21,382,721	$ (5,012,137)	-23%
FUND BALANCE (DEFICIT)				
Nonspendable	200,000	220,000	(20,000)	-9%
Unassigned	(8,350,556)	(13,863,554)	5,512,998	-40%
Total fund balance (deficit)	(8,150,556)	(13,643,554)	5,492,998	-40%
Total liabilities and fund balance (deficit)	$ 8,220,028	$ 7,739,167	$ 480,861	6%

Within the Assets category, in fiscal 2023 total assets increased by $480,861 (6%) as a result of several factors: 1) Due from others increased by $205,828 (100%) due to timing of year-end property sales for which the receipts had not been received by November 30, 2023. This did not occur in fiscal year 2022. 2) Property held for resale experienced a net increase of $295,033 (4%) due to 748 acquisitions and 673 dispositions. 3) Prepaid items decreased by $20,000 (9%) due to the $20,000 fee released to renew and extend CCLBA's line of credit in 2023. The line of prepaid items is the cash collateral held with Chicago Community Loan Fund and is reserved to pay annual 10% of total line available to renew and extend our line of credit.

Total liabilities decreased by $5mil (23%) as compared with fiscal year 2022 as a result of several factors: 1) Accounts payable increased by $636,332 (79%) due to timing difference in paying bills. 2)) Accrued salaries payable increased by $23,176 (55%) as a result of hiring two asset managers in 2023. 3) Due to other funds decreased by $5.6mil due to the revenues generated by CCLBA being used to pay down the shortfall mentioned below.

Total fund balance (deficit) decreased by $5.4mil (40%) as compared with fiscal year 2022 also as a result of several factors: 1) Nonspendable, which represents the cash collateral held with CCLF, decreased $20,000 due to the fees needed to renew and CCLBA's extend the line of credit in 2023. 2) Unassigned decreased by $5.5mil (40%) as a result of plans implemented in 2023 to help reduce the shortfall. In fiscal year 2022, the Office of the Chief Financial Officer (OCFO) and Department of Budget and Management Services (DBMS) acknowledged that all of CCLBA's direct revenue from property sales does not fully support the overhead cost to operate CCLBA.

Financial Analysis *(continued)*

In addition, the redemption of delinquent property taxes by owners due to CCLBA's legal actions are not accounted for in CCLBA's revenue which is approximately an additional $1mil per year. Recognizing that while CCLBA is generating revenue from property sales, putting properties back on the tax roll by activating vacant and abandoned properties, and triggering payments for tax redemption, those contributions are not quantified in the financial statements. The direct revenue from sales alone was not sufficient to pay down the shortfall of $13.6mil as of fiscal year 2022 year-end and support ongoing operations. Beginning fiscal year 2023, OCFO and DBMS have agreed on a three-year plan through fiscal year 2025 to subsidize the CCLBA operating expenses while the revenues generated by the CCLBA are used to pay down the shortfall, the impact of which reduced the fund balance (deficit) from $13.6mil to $8.2mil as of November 30, 2023.

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

	2023	2022	Variance	Percentage Change
REVENUES				
Miscellaneous	$ 5,442,551	$ 5,297,580	$ 144,971	3%
Total Revenues	5,442,551	5,297,580	144,971	3%
EXPENDITURES				
Economic and human development				
Personal services	1,732,116	1,360,078	372,038	27%
Contractual services	975,693	725,978	249,715	34%
Supplies and materials	7,235	4,741	2,494	53%
Operations and maintenance	4,137,678	2,138,956	1,998,722	93%
Contingencies and special purpose	1,056,119	3,881,389	(2,825,270)	-73%
Inventory adjustments	295,033	(222,960)	517,993	-232%
Debt Service - interest	-	5,540	(5,540)	-100%
Total expenditures/expenses	8,203,874	7,893,722	310,152	4%
Other Financing Sources (uses)				
Transfers-in	8,372,599	-	8,372,599	100%
Transfers-out	(118,278)	(82,979)	(35,299)	43%
Net other financing sources (uses)	8,254,321	(82,979)	8,337,300	-10047%
Net change in fund balance	5,492,998	(2,679,121)	8,172,119	-305%
Fund Balance (Deficit) - Beginning	(13,643,554)	(10,964,433)	(2,679,121)	24%
Fund Balance (Deficit) - Ending	$ (8,150,556)	$ (13,643,554)	$ 5,492,998	-40%

CCLBA's revenues increased by $144,971 (3%) in fiscal year 2023 as compared with fiscal year 2022. This was driven by an increase in commercial property sales for that given year.

Financial Analysis *(continued)*

CCLBA's expenditures increased by $310,152 (4%) in fiscal year 2023 over fiscal year 2022 despite the significant decrease in contingencies and special purpose and increase in operations and maintenance. This was mainly due to the increase in personal services reflects the hiring that took place during the year. The increases noted in operations and maintenance and in inventory adjustments were offset against corresponding decrease in contingencies and special purpose. Contingencies and special purpose consist mainly of categories including delinquent tax expenditures, use of line of credit to buy properties held for resale before it is reclassed to the balance sheet at year-end, professional services, surveys, reports, scaffolding costs associated with maintaining unsold properties and acquiring Scavenger Sale tax certificate properties, property maintenance costs, and professional fees.

CCLBA's fund balance increased by $5.5 million (40%) due to the infusion of appropriation transfers in of $8,372,599 used to cover expenditures so that the revenue received during the year would be applied directly to the fund balance shortfall. As noted above, CCLBA has a three-year subsidy plan through fiscal year 2025 supporting CCLBA operating expenditures while the revenues generated by the CCLBA are used to pay down this shortfall.

Overall, the financial position of CCLBA has sustained consistent revenue and consistent expenditures in fiscal year 2023. CCLBA was able to successfully continue its operational needs as it successfully fulfilled its mission.

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. The schedule below represents all funds utilized by CCLBA.

Table 5

	Budget	Actual	Variance (Over)/Under
Revenue - Special Revenue Fund	$ -	$ 5,442,551	$ (5,442,551)
Revenue - Equity Fund	5,000,000	1,261,210	3,738,790
Revenue - Grant Fund	400,000	174,040	225,960
Appropriation Transfer	12,388,620	8,372,599	4,016,021
Total Revenue and Appropriation Transfers	17,788,620	15,250,400	2,538,220
Personal Services	1,807,993	1,850,394	(42,401)
Contractual Services	1,655,316	1,133,843	521,473
Supplies and Materials	7,529	7,235	294
Operations and Maintenance	4,279,971	4,282,232	(2,261)
Rental and Leasing	7,394	29,486	(22,092)
Contingencies and Special Purpose	10,030,417	1,377,918	8,652,499
Total Expenses	17,788,620	8,681,108	9,107,512
REVENUES IN EXCESS OF EXPENSES	$ -	$ 6,569,292	$ (6,569,292)

The total budget for CCLBA for fiscal year 2023 was $17.7mil which consists of $5mil relating to the Equity fund, $400,000 relating to various grants and $12.3mil relating to the appropriation transfer in to help with the fund balance shortfall discussed above.

Revenues was less the budgeted amounts by $2.5mil despite higher net proceeds from property sales. This was mainly due to the appropriation transfer and the Equity fund not being fully utilized during the year. Appropriation Transfers in was less than budgeted by $4mil as a result of the reduced expenditures noted during the year. The appropriation transfer was used to cover the $8.3mil in expenses incurred during fiscal year 2023. As noted above, CCLBA has a three-year subsidy plan through fiscal year 2025 with the County to support CCLBA operating expenses while the revenues generated by CCLBA are used to pay down this shortfall. Equity fund was also not fully utilized during the year to purchase inventory.

Overall, CCLBA's spending in all other categories was below budget. The largest variance was noted in contingencies and special purpose which was less than budgeted by $3.6mil.

Budgetary Highlights *(continued)*

CCLBA will continue its efforts to strategically convey its inventory as it eliminates blight and increase homeownership.

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.

Lastly, as noted in the last audit recommendations, CCLBA has increased its communication with the County's Comptroller's Office and is working more collaboratively on all accounting functions. We have applied a more consistent valuation methodology for the CCLBA's portfolio, and budgeted for an accountant to support our financial and accounting operations in fiscal year 2024. In addition, CCLBA has improved its procedures to record property sale deposits timelier on a monthly and year-end basis. This will ensure fiscal revenues are recorded in their proper fiscal year.

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, 2023

	GENERAL GOVERNMENTAL FUND		
	Grant Fund	Equity Fund	2023
ASSETS			
Property held for transfer and resale	$ 180,000	$ 1,244,524	$ 1,424,524
Prepaid items	-	-	-
Total Assets	180,000	1,244,524	$ 1,424,524
LIABILITIES			
Accounts payable and accrued liabilities	$ -	$ 10,080	$ 10,080
Due to other funds	157,189	-	157,189
Total Liabilities	157,189	10,080	167,269
DEFERRED INFLOWS of RESOURCES			
Unearned revenue	961	-	961
Total deferred inflows	961	-	961
FUND BALANCE			
Restricted	21,850	1,234,444	1,256,294
Total fund balance	21,850	1,234,444	1,256,294
Total liabilities and fund balance	$ 180,000	$ 1,244,524	$ 1,424,524

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, 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
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED NOVEMBER 30, 2023

	GENERAL GOVERNMENTAL FUND		
	Grant Fund	Equity Fund	2023
REVENUES			
Other Operating Grant Revenue	$ 174,040	$ -	$ 174,040
Total Revenues and Other Sources	174,040	-	174,040
EXPENDITURES			
Economic and human development			
Contractual services	158,150	-	158,150
Operations and maintenance	174,040	-	174,040
Contingencies and special purpose	-	938,423	938,423
Inventory adjustments	-	(913,753)	(913,753)
Debt Service			
Interest and other charges	-	2,096	2,096
Total Expenditures	332,190	26,766	358,956
OTHER FINANCING SOURCES			
Appropriations from County resources	-	1,261,210	1,261,210
Other Sources of Financial Resources	-	1,261,210	1,261,210
Changes in fund balance	(158,150)	1,234,444	1,076,294
Fund Balance - beginning of the year	180,000	-	180,000
Fund Balance - end of the year	$ 21,850	$ 1,234,444	$ 1,256,294

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			
Appropriations from County resources	-	-	-
Other Sources of Financial Resources	-	-	-
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
NONMAJOR - SPECIAL REVENUE FUND
BALANCE SHEETS
AS OF NOVEMBER 30, 2023 AND 2022

	SPECIAL REVENUE FUND	
	2023	**2022**
ASSETS		
Due from others	$ 205,828	$ -
Property held for resale	7,814,200	7,519,167
Prepaid items	200,000	220,000
Total assets	$ 8,220,028	$ 7,739,167
LIABILITIES		
Accounts payable	$ 1,440,253	$ 803,921
Accrued salaries payable	65,291	42,115
Due to other funds	14,865,040	20,536,685
Total liabilities	16,370,584	21,382,721
FUND BALANCE (DEFICIT)		
Nonspendable	200,000	220,000
Unassigned	(8,350,556)	(13,863,554)
Total fund balance (deficit)	(8,150,556)	(13,643,554)
Total liabilities and fund balance (deficit)	$ 8,220,028	$ 7,739,167

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

COOK COUNTY, ILLINOIS
COOK COUNTY LAND BANK AUTHORITY
NONMAJOR - SPECIAL REVENUE FUND
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED NOVEMENBER 30, 2023 AND 2022

	SPECIAL REVENUE FUND	
	2023	**2022**
REVENUES		
Miscellaneous	$ 5,442,551	$ 5,297,580
Total Revenues	5,442,551	5,297,580
EXPENDITURES		
Economic and human development		
Personal services	1,732,116	1,360,078
Contractual services	975,693	725,978
Supplies and materials	7,235	4,741
Operations and maintenance	4,137,678	2,138,956
Contingencies and special purpose	1,056,119	3,881,389
Inventory adjustments	295,033	(222,960)
Debt Service - Interest	-	5,540
Total expenditures/expenses	8,203,874	7,893,722
Other Financing Sources (uses)		
Transfers-in	8,372,599	-
Transfers-out	(118,278)	(82,979)
Net other financing sources (uses)	8,254,321	(82,979)
Net change in fund balance	5,492,998	(2,679,121)
Fund Balance (Deficit) - Beginning	(13,643,554)	(10,964,433)
Fund Balance (Deficit) - Ending	$ (8,150,556)	$ (13,643,554)

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, 2023 and 2022, 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 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 $9,238,724 and $7,699,167 as of November 30, 2023 and 2022.

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 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 nonspendable fund balances as of November 30, 2023 and 2022.

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 Governmental fund had a restricted fund balance as of November 30, 2023 and 2022.

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, 2023 and 2022.

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, 2023 and 2022.

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, 2023 and 2022.

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, 2023 and 2022, the amount owed to the County was $15,022,229 and $20,536,685, 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, 2023 and 2022, pension expense was $118,278 and $82,979, respectively, which was reported under personal services on the statements of revenues, expenditures, and changes in fund balance.

NOTE 4 – OTHER FINANCING SOURCES

During fiscal year 2023, CCLBA entered into an agreement with the County’s Office of the Chief Financial Officer (OCFO) and the County’s Department of Budget and Management Services (DBMS) on a three-year plan through fiscal year 2025 to subsidize the CCLBA operating expenses while the revenues generated by the CCLBA are used to pay down the shortfall noted the fund balance as well as reduce the Due to others account. As of November 30, 2023 and 2022, appropriations transfers-in was $9,633,809 and $-0-, respectively.

NOTE 5 - 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, 2023 and 2022, 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, 2023 and 2022, no further transfers have been made. As of November 30, 2023 and 2022, the balance of these properties was $180,000 for both years.

NOTE 6 - 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, $20,000 was applied towards fees for the extension of the line of credit, thus reducing the cash collateral to $200,000. For the years ended November 30, 2023 and 2022, the balance outstanding on the line of credit was $-0-, respectively. As of November 30, 2023 and 2022, the cash collateral held by the lender was $200,000 and $220,000, respectively.

NOTE 7 – FINANCIAL CONDITION

Although CCLBA had fund balance shortfall for the years ended 2023 and 2022, 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 improving cash flow; 2) substantially increase the development and sale of its commercial portfolio during 2023 and 2024; 3) the OCFO and the DBMS have agreed on a three-year plan through fiscal year 2025 to subsidize the CCLBA operating expenses while the revenues generated by the CCLBA are used to pay down the shortfall.

NOTE 8 - 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.