

**LITTLE VILLAGE SPECIAL SERVICE
AREA #25 COMMISSION**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

**LITTLE VILLAGE SPECIAL SERVICE AREA #25 COMMISSION
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

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To the Board of Directors
Little Village Special Service Area #25 Commission
Chicago, Illinois

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of financial position of the Little Village Special Service Area #25 Commission as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Little Village Special Service Area #25 Commission as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules included in the supplementary information section are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mulcahy, Pauritsch, Salvador, & Co., Ltd.

Orland Park, Illinois
April 12, 2012



**LITTLE VILLAGE SPECIAL SERVICE AREA #25 COMMISSION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011**

ASSETS

Cash	<u>\$ 196,984</u>
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LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$ 21,293
Net assets:	
Unrestricted	<u>175,691</u>
Total liabilities and net assets	<u>\$ 196,984</u>

See notes to financial statements.

**LITTLE VILLAGE SPECIAL SERVICE AREA #25 COMMISSION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2011**

Revenues:		
Property taxes	\$ 437,810	
Interest income	<u>38</u>	
Total revenues		\$ 437,848
Expenses:		
Public way aesthetics	136,803	
Public way maintenance	112,236	
Operational and administrative support	29,661	
Advertising and promotion	24,651	
Facade improvement	5,196	
District planning	2,256	
Safety programs	864	
Tenant retention and attraction	<u>864</u>	
Total expenses		<u>312,531</u>
Change in net assets		125,317
Net assets at beginning of year		<u>50,374</u>
Net assets at end of year		<u>\$ 175,691</u>

See notes to financial statements.

**LITTLE VILLAGE SPECIAL SERVICE AREA #25 COMMISSION
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2011**

Cash flows from operating activities:	
Change in net assets	\$ 125,317
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase in accounts payable	13,112
Decrease in property taxes to be repaid to the City of Chicago	(12,161)
Decrease in due to related party	<u>(43,473)</u>
Net cash provided by operating activities	82,795
Cash at beginning of year	<u>114,189</u>
Cash at end of year	<u>\$ 196,984</u>

See notes to financial statements.

**LITTLE VILLAGE SPECIAL SERVICE AREA #25 COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

Little Village Special Service Area #25 Commission (the Commission) is a Special Service Area (SSA) formed in 2004 to create a dynamic public space to attract new businesses and shoppers to strengthen the residential community. The SSA is created by State statute and a City ordinance that allows additional property taxes to be levied to fund added services for a defined area.

B. 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Cash

For purposes of the statement of cash flows, the Commission considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

The Commission maintains its cash balance at a bank located in northern Illinois. The bank account balance, at times, exceeds federally insured limits. The Commission has not experienced any losses on this account.

D. Basis of Revenue Recognition

Property taxes are recognized as revenue when received from the City of Chicago.

E. Special Service Area Agreement

The Commission entered into an agreement with the City of Chicago on January 1, 2004, which expires December 31, 2014, whereby the City established a special service area known and designated as Little Village SSA Commission #25 to provide special services in addition to those normally provided by the City. The Little Village Chamber of Commerce has been designated as the Contractor which services the special service area.

F. Income Taxes

The Commission is serviced by the Little Village Chamber of Commerce, which operates as a not-for-profit organization and has received exempt status under Section 501(c)(3) of the Internal Revenue Code.

**LITTLE VILLAGE SPECIAL SERVICE AREA #25 COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

G. Subsequent Events

Management has evaluated subsequent events through April 12, 2012, which is the date the financial statements were available to be issued.

NOTE 2. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2011, the Little Village Chamber of Commerce charged the Commission \$93,756 for employee and administrative costs.

SUPPLEMENTARY INFORMATION

**LITTLE VILLAGE SPECIAL SERVICE AREA #25 COMMISSION
SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2011
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2010**

	2011			2010		
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Advertising and promotion:						
1.01 Display advertisements	\$ 1,000	\$ 100	\$ 900	\$ 2,500	\$ -	\$ 2,500
1.03 Print materials	5,000	5,000	-	1,000	-	1,000
1.05 Special events	15,000	9,606	5,394	10,000	3,375	6,625
1.06 Website and technology	1,500	175	1,325	2,500	745	1,755
1.07 Service provider direct	3,900	3,900	-	5,500	2,122	3,378
1.08 Other advertising	-	5,870	(5,870)	-	3,393	(3,393)
Total advertising and promotion	26,400	24,651	1,749	21,500	9,635	11,865
Public way maintenance:						
2.03 Graffiti removal	5,000	-	5,000	-	(1,000)	1,000
2.05 Sidewalk cleaning	72,000	77,456	(5,456)	75,000	125,457	(50,457)
2.06 Sidewalk power washing	35,000	-	35,000	-	-	-
2.10 Supplies	5,000	5,000	-	5,000	-	5,000
2.14 Service provider direct	20,280	20,280	-	11,000	11,000	-
2.15 Other maintenance stipend	-	9,500	(9,500)	-	-	-
Total public way maintenance	137,280	112,236	25,044	91,000	135,457	(44,457)
Public way aesthetics:						
3.01 Decorative banner purchase	15,000	-	15,000	10,000	-	10,000
3.02 Holiday decorations	30,000	51,939	(21,939)	20,000	1,168	18,832
3.03 Landscaping	67,500	52,174	15,326	120,000	84,360	35,640
3.05 Streetscape elements	13,500	10,850	2,650	-	-	-
3.07 Service provider direct	21,840	21,840	-	12,500	12,500	-
Total public way aesthetics	147,840	136,803	11,037	162,500	98,028	64,472
Tenant retention and attraction:						
4.03 Site marketing materials	3,500	-	3,500	3,500	-	3,500
4.04 Technical assistance to businesses	1,500	-	1,500	15,000	-	15,000
4.06 Service provider direct	864	864	-	3,500	3,500	-
Total tenant retention and attraction	5,864	864	5,000	22,000	3,500	18,500
Facade improvement:						
5.01 Facade enhancement	30,000	-	30,000	30,000	1,000	29,000
5.04 Service provider direct	5,196	5,196	-	6,500	6,500	-
5.05 Facade improvement other	-	-	-	-	300	(300)
Total facade improvement	35,196	5,196	30,000	36,500	7,800	28,700
Parking and transit:						
6.08 Parking fee subsidy	-	-	-	2,500	-	2,500
6.09 Parking wayfinding and signage	-	-	-	2,500	-	2,500
6.13 Service provider direct	-	-	-	3,500	3,500	-
Total parking and transit	-	-	-	8,500	3,500	5,000

**LITTLE VILLAGE SPECIAL SERVICE AREA #25 COMMISSION
SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2011
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009**

	2011			2010		
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Safety programs:						
7.01 Public way surveillance cameras	5,000	-	5,000	7,500	-	7,500
7.04 Police bicycle purchase	-	-	-	2,500	2,797	(297)
7.09 Service provider direct	<u>864</u>	<u>864</u>	<u>-</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Total safety programs	<u>5,864</u>	<u>864</u>	<u>5,000</u>	<u>12,500</u>	<u>5,297</u>	<u>7,203</u>
District planning:						
8.01 SSA work plans, visioning, etc.	1,500	-	1,500	-	-	-
8.02 District Branding, Identity Development	2,000	-	2,000	15,000	-	15,000
8.04 District master plan	5,000	-	5,000	-	-	-
8.05 Parking studies	4,500	-	4,500	-	-	-
8.07 Service provider direct	<u>2,256</u>	<u>2,256</u>	<u>-</u>	<u>6,000</u>	<u>8,525</u>	<u>(2,525)</u>
Total district planning	<u>15,256</u>	<u>2,256</u>	<u>13,000</u>	<u>21,000</u>	<u>8,525</u>	<u>12,475</u>
Operational and administrative support:						
10.01 Audit	2,500	5,200	(2,700)	-	-	-
10.02 Audit / bookkeeping	5,000	-	5,000	5,000	8,757	(3,757)
10.03 Meeting expense	2,000	1,177	823	1,500	3,409	(1,909)
10.04 Office equipment lease / maintenance	1,980	1,500	480	-	-	-
10.05 Office rent	5,000	5,000	-	5,000	5,000	-
10.06 Office supplies	3,500	-	3,500	2,000	2,716	(716)
10.07 Office utilities / telephone	2,500	1,784	716	600	600	-
10.08 Postage	2,000	-	2,000	2,000	-	2,000
10.09 Office printing	500	-	500	-	560	(560)
10.10 Service provider administrative support	15,000	15,000	-	15,000	15,000	-
10.11 Subscription / dues	500	-	500	500	-	500
10.12 Support other	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>1,500</u>	<u>36</u>	<u>1,464</u>
Total operational and administrative support	<u>41,980</u>	<u>29,661</u>	<u>12,319</u>	<u>33,100</u>	<u>36,078</u>	<u>(2,978)</u>
Loss collection:						
11.00 Loss collection	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenses	<u>\$ 445,680</u>	<u>\$ 312,531</u>	<u>\$ 133,149</u>	<u>\$ 428,600</u>	<u>\$ 307,820</u>	<u>\$ 120,780</u>

**LITTLE VILLAGE SPECIAL SERVICE AREA #25 COMMISSION
SCHEDULE OF FINDINGS
YEAR ENDED DECEMBER 31, 2011**

Findings:

None.