

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

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

**LITTLE VILLAGE SPECIAL SERVICE AREA #25 COMMISSION
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 7
Supplementary Information:	
Schedules of Expenses - Budget and Actual:	
Year Ended December 31, 2012	8 - 9
Year Ended December 31, 2011	10 - 11
Schedule of Findings	12

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

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Little Village Special Service Area #25 Commission which comprise the statement of financial position as of December 31, 2012, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Little Village Special Service Area #25 Commission as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenses - budget and actual for the year ended December 31, 2012 is presented for purposes of additional analysis and is 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 2012 financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 for the year ended December 31, 2012, as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the statement of financial position of 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 (not presented herein), and we expressed an unmodified opinion on those financial statements. That audit was conducted for purposes of forming an opinion on the financial statements as a whole. The schedule of expenses - budget and actual for the year ended December 31, 2011 is presented for purposes of additional analysis. 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 2011 financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 schedule of expenses - budget and actual for the year ended December 31, 2011 is fairly stated in all material respects in relation to the financial statements from which it has been derived.

Mulcahy, Pauretsch, Salvador, Co., Ltd.

Orland Park, Illinois
April 24, 2013

**LITTLE VILLAGE SPECIAL SERVICE AREA #25 COMMISSION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012**

ASSETS

Cash	<u>\$ 171,536</u>
------	-------------------

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$ 26,201
Net assets:	
Unrestricted	<u>145,335</u>
Total liabilities and net assets	<u>\$ 171,536</u>

See notes to financial statements.

**LITTLE VILLAGE SPECIAL SERVICE AREA #25 COMMISSION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012**

Revenues:		
Property taxes	\$ 414,686	
Interest income	<u>14</u>	
Total revenues		\$ 414,700
Expenses:		
Public way aesthetics	147,530	
Public way maintenance	102,797	
Advertising and promotion	78,652	
Operational and administrative support	55,800	
Administrative - non-personnel	26,777	
District planning	23,500	
Facade improvement	<u>10,000</u>	
Total expenses		<u>445,056</u>
Change in net assets		(30,356)
Net assets at beginning of year		<u>175,691</u>
Net assets at end of year		<u>\$ 145,335</u>

See notes to financial statements.

**LITTLE VILLAGE SPECIAL SERVICE AREA #25 COMMISSION
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2012**

Cash flows from operating activities:	
Change in net assets	\$ (30,356)
Adjustment to reconcile change in net assets to net cash used by operating activities:	
Increase in accounts payable	<u>4,908</u>
Net cash used by operating activities	(25,448)
Cash at beginning of year	<u>196,984</u>
Cash at end of year	<u>\$ 171,536</u>

See notes to financial statements.

**LITTLE VILLAGE SPECIAL SERVICE AREA #25 COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

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, 2016, 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, 2012**

G. Subsequent Events

Management has evaluated subsequent events through April 24, 2013, which is the date the financial statements were available to be issued.

NOTE 2. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2012, the Little Village Chamber of Commerce charged the Commission \$80,183 for employee and administrative costs.

SUPPLEMENTARY INFORMATION

**LITTLE VILLAGE SPECIAL SERVICE AREA #25 COMMISSION
SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Advertising and promotion:			
1.01 Website and/or social media	\$ 5,080	\$ 12,936	\$ (7,856)
1.02 Public and/or media relations	6,000	1,772	4,228
1.03 Special events	25,000	25,000	-
1.04 Display advertising	14,336	13,888	448
1.05 Print materials	5,000	5,056	(56)
1.06 Other: Air time purchase	57,000	20,000	37,000
Total advertising and promotion	112,416	78,652	33,764
Public way maintenance:			
2.01 Sidewalk cleaning	88,000	87,809	191
2.05 Equipment purchase/maintenance	15,400	12,587	2,813
2.10 Supplies	4,704	2,401	2,303
Total public way maintenance	108,104	102,797	5,307
Public way aesthetics:			
3.01 Decorative banner purchase	5,000	3,277	1,723
3.02 Holiday decorations	35,000	50,908	(15,908)
3.05 Landscaping	80,000	66,374	13,626
3.05 Liability/property insurance	2,500	809	1,691
3.05 Other: 26th Street maintenance	12,161	21,661	(9,500)
3.10 Halloween decorations	5,000	4,501	499
Total public way aesthetics	139,661	147,530	(7,869)
Facade improvement:			
5.01 Facade enhancement	5,000	5,000	-
5.05 Other: sidewalk cafe	5,000	5,000	-
5.04 Service provider direct	7,000	-	7,000
Total facade improvement	17,000	10,000	7,000
District planning:			
8.05 Economic impact study	26,730	23,500	3,230

**LITTLE VILLAGE SPECIAL SERVICE AREA #25 COMMISSION
SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Personnel:			
10.01 Executive director	27,000	27,000	-
10.02 Program director	25,200	25,200	-
10.03 Office administrator	3,600	3,600	-
Total personnel	55,800	55,800	-
Administrative - non-personnel:			
11.02 SSA audit	5,250	5,248	2
11.03 Bookkeeping	3,500	3,500	-
11.04 Office rent	5,000	5,000	-
11.05 Office utilities	2,500	2,500	-
11.06 Office supplies	3,500	3,500	-
11.07 Office equipment lease/maintenance	2,000	2,000	-
11.08 Office printing	500	500	-
11.09 Postage	2,000	2,000	-
11.09 Meeting expense	2,000	2,002	(2)
11.11 Subscriptions / dues	500	500	-
11.12 Bank fees	-	27	(27)
11.14 Other: training and development	1,500	-	1,500
Total administrative - non-personnel	28,250	26,777	1,473
Loss collection:			
12.00 Loss collection	30,000	-	30,000
Total expenses	\$ 517,961	\$ 445,056	\$ 72,905

**LITTLE VILLAGE SPECIAL SERVICE AREA #25 COMMISSION
SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2011**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Advertising and promotion:			
1.01 Display advertisements	\$ 1,000	\$ 100	\$ 900
1.03 Special events	5,000	5,000	-
1.05 Special events	15,000	9,606	5,394
1.06 Website and technology	1,500	175	1,325
1.07 Service provider direct	3,900	3,900	-
1.08 Other advertising	-	5,870	(5,870)
Total advertising and promotion	26,400	24,651	1,749
Public way maintenance:			
2.03 Graffiti removal	5,000	-	5,000
2.05 Sidewalk cleaning	72,000	77,456	(5,456)
2.06 Sidewalk power washing	35,000	-	35,000
2.10 Supplies	5,000	5,000	-
2.14 Service provider direct	20,280	20,280	-
2.15 Other maintenance stipend	-	9,500	(9,500)
Total public way maintenance	137,280	112,236	25,044
Public way aesthetics:			
3.01 Decorative banner purchase	15,000	-	15,000
3.02 Holiday decorations	30,000	51,939	(21,939)
3.03 Landscaping	67,500	52,174	15,326
3.05 Streetscape elements	13,500	10,850	2,650
3.07 Service provider direct	21,840	21,840	-
Total public way aesthetics	147,840	136,803	11,037
Tenant retention and attraction:			
4.03 Site marketing materials	3,500	-	3,500
4.04 Technical assistance to businesses	1,500	-	1,500
4.06 Service provider direct	864	864	-
Total tenant retention and attraction	5,864	864	5,000
Facade improvement:			
5.01 Facade enhancement	30,000	-	30,000
5.04 Service provider direct	5,196	5,196	-
Total facade improvement	35,196	5,196	30,000

**LITTLE VILLAGE SPECIAL SERVICE AREA #25 COMMISSION
SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2011**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Safety programs:			
7.01 Public way surveillance cameras	5,000	-	5,000
7.09 Service provider direct	864	864	-
Total safety programs	5,864	864	5,000
District planning:			
8.01 SSA work plans, visioning, etc.	1,500	-	1,500
8.02 District branding, identity development	2,000	-	2,000
8.04 District master plan	5,000	-	5,000
8.05 Parking studies	4,500	-	4,500
8.07 Service provider direct	2,256	2,256	-
Total district planning	15,256	2,256	13,000
Operational and administrative support:			
10.01 Audit	2,500	5,200	(2,700)
10.02 Audit / bookkeeping	5,000	-	5,000
10.03 Meeting expense	2,000	1,177	823
10.04 Office equipment lease/maintenance	1,980	1,500	480
10.05 Office rent	5,000	5,000	-
10.06 Office supplies	3,500	-	3,500
10.07 Office utilities/telephone	2,500	1,784	716
10.08 Postage	2,000	-	2,000
10.09 Office printing	500	-	500
10.10 Service provider administrative support	15,000	15,000	-
10.11 Subscriptions/dues	500	-	500
10.12 Support other	1,500	-	1,500
Total operational and administrative support	41,980	29,661	12,319
Loss collection:			
11.00 Loss collection	30,000	-	30,000
Total expenses	\$ 445,680	\$ 312,531	\$ 133,149

**LITTLE VILLAGE SPECIAL SERVICE AREA #25 COMMISSION
SCHEDULE OF FINDINGS
YEAR ENDED DECEMBER 31, 2012**

Findings:

None.