

**LITHUANIAN HUMAN SERVICES  
MARQUETTE PARK  
SPECIAL SERVICE AREA #14**

**FINANCIAL STATEMENTS  
For the Years Ended December 31, 2011 and 2010**

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**P.K. Johnson &**  
Associates, LLC

To the Commissioners  
Lithuanian Human Services  
Marquette Park  
Special Service Area #14  
Chicago, Illinois

Independent Auditors' Report on Financial Statements

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Of Council

We have audited the accompanying statements of financial position of Lithuanian Human Services Marquette Park Special Service Area #14 as of December 31, 2011 and 2010 and the related statements of activities cash flows for the years then ended. These financial statements are the responsibility of Lithuanian Human Services Marquette Park Special Service Area #14 management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and requirements applicable to financial audits established by the City of Chicago Department of Housing and Economic Development. 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 audits provide 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 Lithuanian Human Services Marquette Park Special Service Area #14 as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The 2011 and 2010 budget amounts, which were arrived at by the City of Chicago and the Lithuanian Human Services Marquette Park Special Service Area #14 and are shown in the statement of activities, as required by the City of Chicago Department of Housing and Economic Development, are presented for comparison purposes only. We have not performed any auditing procedures on the budget amounts and therefore, express no opinion on them. The summary schedule of audit findings is a requirement of the City of Chicago Department of Housing and Economic Development and not a required part of the basic financial statements. The City requires we disclose any exceptions to the City contract between the City and the SSA.

*P.K. Johnson & Associates, LLC*

**P.K. JOHNSON & ASSOCIATES LLC**  
**Oak Brook, Illinois**  
April 1, 2012

**LITHUANIAN HUMAN SERVICES  
MARQUETTE PARK  
SPECIAL SERVICE AREA #14**

**STATEMENTS OF FINANCIAL POSITION  
As of December 31, 2011 and 2010**

ASSETS

	<u>2011</u>	<u>2010</u>
Cash	\$ <u>217,542</u>	\$ <u>299,598</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>217,542</u></b>	<b>\$ <u>299,598</u></b>

LIABILITIES AND NET ASSETS

Accounts payable	\$ <u>-</u>	\$ <u>-</u>
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>-</u></b>
Net assets	<u>217,542</u>	<u>299,598</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>217,542</u></b>	<b>\$ <u>299,598</u></b>

See Accompanying Notes

**LITHUANIAN HUMAN SERVICES  
MARQUETTE PARK  
SPECIAL SERVICE AREA #14**

**STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2011**

	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>Variance Over (Under)</u>
<b>REVENUES</b>			
Real Estate Taxes	\$ 498,204	\$ 487,450	\$ 10,754
Interest Income	<u>302</u>	<u>-</u>	<u>302</u>
<b>Total Operating Revenue</b>	<u>498,506</u>	<u>487,450</u>	<u>11,056</u>
<b>EXPENDITURES</b>			
<b>Advertising and Promotion</b>			
Printing	-	8,000	(8,000)
Website Technology	300	2,000	(1,700)
Service Provider Direct Services	<u>3,000</u>	<u>3,000</u>	<u>-</u>
<b>Total Advertising and Promotion</b>	<u>3,300</u>	<u>13,000</u>	<u>(9,700)</u>
<b>Public Way Aesthetics</b>			
Decorative Banners	<u>9,844</u>	<u>-</u>	<u>9,844</u>
<b>Total Public Way Aesthetics</b>	<u>9,844</u>	<u>-</u>	<u>9,844</u>
<b>Safety Programs</b>			
Surveillance Cameras/Maintenance	35,000	65,250	(30,250)
Safety Seminars	-	2,000	(2,000)
Security Subcontractor	459,701	375,000	84,701
Service Provider Direct Services	<u>27,000</u>	<u>27,000</u>	<u>-</u>
<b>Total Safety Programs</b>	<u>521,701</u>	<u>469,250</u>	<u>52,451</u>
<b>Operational and Administrative Support</b>			
Audit	4,000	4,000	-
Bookkeeping	4,000	5,000	(1,000)
Meeting Expense	-	3,200	(3,200)
Office Equipment	5,327	5,600	(273)
Office Supplies	477	1,500	(1,023)
Utilities/Telephone	9,667	8,100	1,567
Postage	-	2,000	(2,000)
Service Provider Administrative Support	21,231	12,021	9,210
Bank Fees	944	-	944
Miscellaneous	<u>71</u>	<u>500</u>	<u>(429)</u>
<b>Total Operational &amp; Administrative Support</b>	<u>45,717</u>	<u>41,921</u>	<u>3,796</u>
<b>Less Contingency</b>	<u>-</u>	<u>40,000</u>	<u>(40,000)</u>
<b>Total Expenditures</b>	<u>580,562</u>	<u>564,171</u>	<u>16,391</u>
<b>Change In Net Assets</b>	(82,056)	\$ (76,721)	\$ 5,335
<b>NET ASSETS</b>			
Beginning of Year	<u>299,598</u>		
<b>END OF YEAR</b>	<u>\$ 217,542</u>		

**LITHUANIAN HUMAN SERVICES  
MARQUETTE PARK  
SPECIAL SERVICE AREA #14**

**STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2010**

	<u>2010 Actual</u>	<u>2010 Budget</u>	<u>Variance Over (Under)</u>
<b>REVENUES</b>			
Real Estate Taxes	\$ 451,519	\$ 502,020	\$ (50,501)
Interest Income	<u>1,247</u>	<u>-</u>	<u>1,247</u>
Total Operating Revenue	<u>452,766</u>	<u>502,020</u>	<u>(49,254)</u>
<b>EXPENDITURES</b>			
Advertising and Promotion			
Website/Technology	-	2,000	(2,000)
Printing	-	8,000	(8,000)
Service Provider Direct Services	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Total Advertising and Promotion	<u>1,500</u>	<u>11,500</u>	<u>(10,000)</u>
<b>PUBLIC WAY AESTHETICS</b>			
Decorative Banners	1,054	10,000	(8,946)
Service Provider Direct Services	<u>330</u>	<u>330</u>	<u>-</u>
Total Public Way Aesthetics	<u>1,384</u>	<u>10,330</u>	<u>(8,946)</u>
<b>Safety Programs</b>			
Surveillance Cameras/Maintenance	-	10,000	(10,000)
Lighting	-	50,000	(50,000)
Security Subcontractor	433,009	315,000	118,009
Service Provider Direct Services	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total Safety Programs	<u>458,009</u>	<u>400,000</u>	<u>58,009</u>
<b>Direct Planning</b>			
SSA Work Plans	-	25,000	(25,000)
Service Provider Direct Services	<u>5,250</u>	<u>5,250</u>	<u>-</u>
Total District Planning	<u>5,250</u>	<u>30,250</u>	<u>(25,000)</u>
<b>Operational and Administrative Support</b>			
Audit Bookkeeping	4,000	4,000	-
Bookkeeping	4,000	4,000	-
Meeting Expense	-	1,000	(1,000)
Office Equipment	3,429	4,000	(571)
Office Supplies	180	1,500	(1,320)
Utilities/Telephone	9,607	7,500	2,107
Postage	1,180	3,000	(1,820)
Printing	-	500	(500)
Bank Fees	950	-	950
Miscellaneous	51	-	51
Service Provider Administrative Support	<u>29,822</u>	<u>9,940</u>	<u>19,882</u>
Total Operational & Administrative Support	<u>53,219</u>	<u>35,440</u>	<u>17,779</u>
Less Contingency	<u>-</u>	<u>40,000</u>	<u>(40,000)</u>
<b>Total Expenditures</b>	<u>519,362</u>	<u>527,520</u>	<u>(8,158)</u>
<b>Change In Net Assets</b>	<u>\$ (66,596)</u>	<u>\$ (25,500)</u>	<u>\$ 41,096</u>
<b>NET ASSETS - Beginning of Year</b>	<u>366,194</u>		
<b>END OF YEAR</b>	<u>\$ 299,598</u>		

**LITHUANIAN HUMAN SERVICES  
MARQUETTE PARK  
SPECIAL SERVICE AREA #14**

**STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Cash flows from <b>OPERATING</b> activities		
Increase/(decrease) in net assets	\$ (82,056)	\$ (66,596)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Increase/(decrease) accounts payable	<u>          -</u>	<u>          -</u>
Net cash provided/ (used) by <b>operating</b> activities	<u>(82,056)</u>	<u>(66,596)</u>
Net increase/(decrease) in cash	(82,056)	(66,596)
Cash at the beginning of the year	<u>299,598</u>	<u>366,194</u>
Cash at the end of year	<u>\$ 217,542</u>	<u>\$ 299,598</u>
 Supplemental disclosure of cash flows		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Taxes paid	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes

**LITHUANIAN HUMAN SERVICES  
MARQUETTE PARK  
SPECIAL SERVICE AREA #14**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization** - Lithuanian Human Services Marquette Park Special Service Area #14 was created by the City of Chicago to provide additional services to the area. The primary source of funds is from real estate taxes on property in the Special Service Area. Special Services Area #14 generates revenue for the sole purpose of hiring and coordinating the efforts of a licensed security firm which will attempt to reduce the number of illegal incidences occurring in the Marquette Park area.

**Basis of Accounting** - The accompanying financial statements have been prepared on the accrual method. Based on information provided by the Department of Housing and Economic Development, the recognition of revenue by the SSA when received would be considered within generally accepted accounting principles. This allows Special Service Area's to prepare financial statements on the accrual method.

**Cash and Cash Equivalents** - Cash and cash equivalents are held in the name of Special Service Area #14 as required by the City of Chicago. All cash and earnings on such are to be used only as allowed by the city. For purposes of the statements of cash flows, the Special Service Area #14 considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 – NET ASSETS**

Should the City decide to terminate the SSA, any funds remaining in the checking account are required to be returned to the City. The City is required to use the returned funds to provide services to the SSA area.

**NOTE 3 – RELATED PARTY TRANSACTIONS**

Lithuanian Human Services has been selected by the City as contractor to provide the services mentioned in Note 1. The Organization collects the funds and pays expenses to provide the agreed services. The Organization was paid \$51,231 in 2011 and \$56,652 in 2010.



**LITHUANIAN HUMAN SERVICES  
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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – REAL ESTATE TAX REVENUE**

The Special Service Area #14's principal source of revenue is real estate taxes levied on certain property located in Marquette Park. The taxes are assessed and collected by Cook County, and paid to the City of Chicago, which then remits to the Special Service Area #14. Taxes are levied in one year, but paid in two installments the following year by the property owners. The Special Service Area #14 recognizes this revenue in the year in which the funds become available. The use of the funds received is limited to expenditures agreed to by the City of Chicago based on a budget prepared by the SSA and approved by the City. Individuals who pay their real estate taxes late are charged interest. The later the payment the greater the interest charge. The City passes the interest charge on to the SSA.

**NOTE 5 – CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS**

The Special Service Area #14 maintains its cash balances in one financial institution located in Chicago, Illinois. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The cash balances exceed the F.D.I.C. limits several times during the years under audit.

**NOTE 6 – SUBSEQUENT EVENTS**

Management believes that as of April 1, 2012, the date these financial statements were issued, that no subsequent events had occurred since December 31, 2011 which would be required to be disclosed in these financial statements.

**LITHUANIAN HUMAN SERVICES  
MARQUETTE PARK  
SPECIAL SERVICE AREA #14**

**SUMMARY SCHEDULE OF AUDIT FINDINGS  
For the Year Ended December 31, 2011**

We have read the agreement between the City of Chicago and Special Service Area #14 and state there are no findings to report the status of.