

**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**

**CONTENTS**

|  | <u>Page</u> |
|--|-------------|
| Independent Auditor's Report             | 1           |
| Statement of Financial Position          | 2           |
| Statement of Activities                  | 3           |
| Statement of Cash Flows                  | 4           |
| Notes to Financial Statements            | 5 - 6       |
| Supplementary Information:               |             |
| Schedule of Expenses - Budget and Actual | 7 - 8       |
| Schedule of Findings                     | 9           |

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> |
|------|-------------------|

**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<br>provided by operating activities: |                   |
| Increase in accounts payable   | 13,112            |
| Decrease in property taxes to be repaid to the City<br>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) |
| <b>Advertising and promotion:</b>            |                           |                |  |                           |                |  |
| 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)  |
| <b>Total advertising and promotion</b>       | <b>26,400</b>             | <b>24,651</b>  | <b>1,749</b>                                   | <b>21,500</b>             | <b>9,635</b>   | <b>11,865</b>                                  |
| <b>Public way maintenance:</b>               |                           |                |  |                           |                |  |
| 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)  | -                         | -              | -  |
| <b>Total public way maintenance</b>          | <b>137,280</b>            | <b>112,236</b> | <b>25,044</b>                                  | <b>91,000</b>             | <b>135,457</b> | <b>(44,457)</b>                                |
| <b>Public way aesthetics:</b>                |                           |                |  |                           |                |  |
| 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         | -  |
| <b>Total public way aesthetics</b>           | <b>147,840</b>            | <b>136,803</b> | <b>11,037</b>                                  | <b>162,500</b>            | <b>98,028</b>  | <b>64,472</b>                                  |
| <b>Tenant retention and attraction:</b>      |                           |                |  |                           |                |  |
| 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          | -  |
| <b>Total tenant retention and attraction</b> | <b>5,864</b>              | <b>864</b>     | <b>5,000</b>                                   | <b>22,000</b>             | <b>3,500</b>   | <b>18,500</b>                                  |
| <b>Facade improvement:</b>                   |                           |                |  |                           |                |  |
| 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)  |
| <b>Total facade improvement</b>              | <b>35,196</b>             | <b>5,196</b>   | <b>30,000</b>                                  | <b>36,500</b>             | <b>7,800</b>   | <b>28,700</b>                                  |
| <b>Parking and transit:</b>                  |                           |                |  |                           |                |  |
| 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          | -  |
| <b>Total parking and transit</b>             | <b>-</b>                  | <b>-</b>       | <b>-</b>                                       | <b>8,500</b>              | <b>3,500</b>   | <b>5,000</b>                                   |

**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) |
| <b>Safety programs:</b>                             |                           |                          |  |                           |                          |  |
| 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>                                       |
| <b>Total safety programs</b>                        | <b><u>5,864</u></b>       | <b><u>864</u></b>        | <b><u>5,000</u></b>                            | <b><u>12,500</u></b>      | <b><u>5,297</u></b>      | <b><u>7,203</u></b>                            |
| <b>District planning:</b>                           |                           |                          |  |                           |                          |  |
| 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>                                 |
| <b>Total district planning</b>                      | <b><u>15,256</u></b>      | <b><u>2,256</u></b>      | <b><u>13,000</u></b>                           | <b><u>21,000</u></b>      | <b><u>8,525</u></b>      | <b><u>12,475</u></b>                           |
| <b>Operational and administrative support:</b>      |                           |                          |  |                           |                          |  |
| 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>                                   |
| <b>Total operational and administrative support</b> | <b><u>41,980</u></b>      | <b><u>29,661</u></b>     | <b><u>12,319</u></b>                           | <b><u>33,100</u></b>      | <b><u>36,078</u></b>     | <b><u>(2,978)</u></b>                          |
| <b>Loss collection:</b>                             |                           |                          |  |                           |                          |  |
| 11.00 Loss collection                               | <u>30,000</u>             | <u>-</u>                 | <u>30,000</u>                                  | <u>20,000</u>             | <u>-</u>                 | <u>20,000</u>                                  |
| <b>Total expenses</b>                               | <b><u>\$ 445,680</u></b>  | <b><u>\$ 312,531</u></b> | <b><u>\$ 133,149</u></b>                       | <b><u>\$ 428,600</u></b>  | <b><u>\$ 307,820</u></b> | <b><u>\$ 120,780</u></b>                       |

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

**Findings:**

None.