

LITTLE VILLAGE SPECIAL SERVICE AREA  
# 25  
(Little Village Chamber of Commerce, Contractor)  
FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

LITTLE VILLAGE SPECIAL SERVICE AREA  
#25  
(Little Village Chamber of Commerce, Contractor)

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STATE OF ILLINOIS CPA LICENSE

# VIDAL & ASSOCIATES, LTD

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners of  
Little Village Special Service Area #25  
(Little Village 26<sup>th</sup> Street Area Chamber of Commerce, Contractor)  
Chicago, Illinois

We have audited the accompanying financial statements of Little Village Special Service Area #25 (a taxing district authorized by the City of Chicago) as of and for the years ended December 31, 2019 and 2018 and the related notes to the financial statements which collectively comprise the Special Service Area #25's basic financial statements as listed in the table of contents.

### **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 unqualified audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Special Service Area #25 (a taxing district authorized by the City of Chicago) as of December 31, 2019 and 2018, and the changes in its financial position and budgetary comparison for the years then ended in accordance with accounting principles generally accepted in the United States of America.

(continued)

## INDEPENDENT AUDITOR'S REPORT

Little Village Special Service Area # 25

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### **Other Matter**

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Vidal & Associates, Ltd.

*VIDAL & ASSOCIATES, LTD.*

May 10, 2020

LITTLE VILLAGE SPECIAL SERVICE AREA #25  
STATEMENTS OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEETS  
DECEMBER 31, 2019 AND 2018

	2019		2018	
	Governmental Fund	Statement of Net Position	Governmental Fund	Statement of Net Position
<u>Assets</u>				
<u>Current Assets</u>				
Cash	\$ 125,232	\$ 125,232	\$ 64,914	\$ 64,914
Property tax receivable, net of allowance for uncollectable taxes of \$32,205 and \$30,886	382,276	382,276	366,574	366,574
Total Assets	\$ 507,508	\$ 507,508	\$ 431,488	\$ 431,488
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Accounts Payable	\$ 8,592	\$ 8,592	-	-
Total Current Liabilities	8,592	8,592	-	-
<u>Deferred Inflows</u>				
Deferred Property Tax Revenue	376,959	(376,959)	349,023	(349,023)
Unassigned	121,957	(121,957)	82,465	(82,465)
<u>Fund Balance/Net Position</u>				
Total Liabilities, Deferred Inflows and Fund Balance	\$ 507,508	\$ 498,916	\$ 431,488	\$ 431,488
Net Position - Restricted			\$ (431,488)	\$ (431,488)
Amounts Reported for Governmental Activities in the Statement of Net Position are different because:				
Total Fund Balance - Governmental Fund		\$ 121,957		\$ 82,465
Property Tax Revenue is recognized in the period for which it's levied rather than when "available". A portion of the property tax is deferred as its not available in the Governmental Funds		376,959		349,023
Total Net Positions - Governmental Activities		\$ 498,916		\$ 431,488

The accompanying notes are an integral part of these financial statements

LITTLE VILLAGE SPECIAL SERVICE AREA #25

STATEMENTS OF ACTIVITIES AND GOVERNMENTAL FUND, REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	Governmental Fund	Adjustments	Statement of Activities	Governmental Fund	Adjustments	Statement of Activities
<u>Revenues</u>						
Property Taxes	\$ 362,781	\$ 36,528	\$ 399,309	\$ 370,215	\$ 5,635	\$ 375,850
TIFF Funds	-	-	-	-	-	-
Interest Income	253	-	253	206	-	206
Total Revenues	<u>363,034</u>	<u>36,528</u>	<u>399,562</u>	<u>370,421</u>	<u>5,635</u>	<u>376,056</u>
<u>Expenditures / Expenses</u>						
1.00 Customer /Attraction	77,474	-	77,474	96,459	-	96,459
2.00 Public Way / Aesthetics	142,844	-	142,844	145,957	-	145,957
3.00 Sustainability and Public Places	4,861	-	4,861	4,988	-	4,988
4.00 Economic / Business Development	-	-	-	6,900	-	6,900
6.00 SSA Management	15,980	-	15,980	12,064	-	12,064
7.00 Personnel	82,383	-	82,383	100,623	-	100,623
Total Expenditures / Expenses	<u>323,542</u>	<u>-</u>	<u>323,542</u>	<u>366,991</u>	<u>-</u>	<u>366,991</u>
(Deficiency) Excess of Revenues Over Expenditures / Expenses	39,492	-	39,492	3,430	(3,430)	-
Change in Net Position	-	36,528	36,528	-	9,065	9,065
Fund Balance / Net Position, Beginning of Year	82,465	349,023	431,488	79,035	343,388	422,423
Fund Balance / Net Position, End of Year	<u>\$ 121,957</u>	<u>\$ 385,551</u>	<u>\$ 507,508</u>	<u>\$ 82,465</u>	<u>\$ 349,023</u>	<u>\$ 431,488</u>

The accompanying notes are an integral part of these financial statements

EXHIBIT II

LITTLE VILLAGE SPECIAL SERVICE AREA #25  
 STATEMENTS OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES AND FUND BALANCES  
 (CONTINUED)  
 YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Amounts reported for governmental activities in the statements of activities are different because: Net Change In Fund Balance - Governmental Funds	-	\$ 3,430
Property Tax Revenue is Recognized in the year for which it is levied rather than when "available". A portion of the Property Tax is deferred as it is not available in the Governmental Funds.	36,528	5,635
Change In Net Position	\$ 36,528	\$ 9,065

The accompanying notes are an integral part of these financial statements

LITTLE VILLAGE SPECIAL SERVICE AREA #25  
STATEMENTS OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019		2018		Over (Under) Variance	Actual	Budget	Actual	Over (Under) Variance
	Budget	Actual	Budget	Actual					
<u>Revenues</u>									
Property Taxes	347,263	\$ 362,781	\$ 15,518	\$ 370,215	\$ (45,964)				
Interest Income	-	253	253	206	206				
<b>Total Revenues</b>	<b>347,263</b>	<b>363,034</b>	<b>15,771</b>	<b>370,421</b>	<b>(45,758)</b>				
<u>Expenses &amp; Programs:</u>									
1.00 Customer / Attraction									
1.02 Special Events	14,000	14,000	-	10,000	10,000				
1.04 Social Media Outreach	6,000	6,000	-	1,000	1,000				
1.03 Free Wi-Fi Program	7,240	-	(7,240)	-	-				
1.05 Decorative Banners	11,233	11,233	-	15,353	(647)				
1.06 Holiday Decorations	41,907	41,798	(109)	55,551	(449)				
1.07 Print Materials	5,000	4,443	(557)	1,855	(145)				
1.08 Display Advertising	-	-	-	2,500	2,500				
1.09 Public / Media Relations	-	-	-	10,200	10,200				
<b>Total Customer / Attraction</b>	<b>85,380</b>	<b>77,474</b>	<b>(7,906)</b>	<b>96,459</b>	<b>(741)</b>				
2.00 Public Way / Aesthetics									
2.02 Landscaping	70,000	67,290	(2,710)	65,940	(3,060)				
2.03 Façade Enhancement Program - Rebate	10,000	5,000	(5,000)	-	(5,000)				
2.05 Streetscape Elements	500	-	(500)	9,200	(7,856)				
2.06 Public Art	3,700	-	(3,700)	-	(6,000)				
2.08 Sidewalk Maintenance	70,000	70,554	554	70,267	8,067				
2.10 City Permits	1,000	-	(1,000)	550	(250)				
2.11 Powerwashing of Sidewalks	-	-	-	5,600	(5,600)				
<b>Total Public Way / Aesthetics</b>	<b>155,200</b>	<b>142,844</b>	<b>(12,356)</b>	<b>145,957</b>	<b>(19,699)</b>				

The accompanying notes are an integral part of these financial statements



LITTLE VILLAGE SPECIAL SERVICE AREA #25  
STATEMENTS OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019		2018		Over (Under) Variance	Actual	Budget	Actual	Over (Under) Variance
	Budget	Actual	Budget	Actual					
<u>Expenses &amp; Programs:</u>									
3.00 Sustainability and Public Places									
3.01 Garbage / Recycling Material Program	5,000	4,861	(139)	5,000	4,988	(12)			
<u>Expenses &amp; Programs:</u>									
4.00 Economic / Business Development									
4.06 Strategic Planning	-	-	-	7,000	6,900	(100)			
4.09 SSA Designation	-	-	-	2,500	-	(2,500)			
<u>Expense &amp; Programs:</u>									
5.00 Safety Programs									
5.03 Security Patrol Services	-	-	-	22,000	-	(22,000)			
<u>Expenses &amp; Programs:</u>									
6.00 SSA Management									
6.02 SSA Audit	6,410	6,410	-	4,700	4,675	(25)			
6.03 Bookkeeping	1,000	1,000	-	1,000	1,000	-			
6.05 Office Utilities	1,500	1,500	-	1,200	1,200	-			
6.06 Office Supplies	1,500	1,500	-	1,200	1,200	-			
6.07 Office Equipment Lease/Maintenance	1,500	1,500	-	1,000	1,000	-			
6.08 Office Printing	1,500	1,500	-	1,000	1,000	-			
6.09 Postage	1,500	1,500	-	1,000	1,000	-			
6.10 Meeting Expense	1,500	410	(1,090)	1,500	270	(1,230)			
6.11 Subscriptions / Dues	500	-	(500)	500	-	(500)			
6.12 Banking Fees	500	-	(500)	500	-	(500)			
6.14 Equipment Purchase Maintenance	500	-	(500)	211	54	(157)			
6.15 Supplies	500	-	(500)	-	-	-			
6.17 Liability / Property Insurance	890	660	(230)	1,500	665	(835)			
6.18 Training	-	-	-	889	-	(889)			
Total SSA Management	19,300	15,980	(3,320)	16,200	12,064	(4,136)			

The accompanying notes are an integral part of these financial statements

LITTLE VILLAGE SPECIAL SERVICE AREA #25  
STATEMENTS OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	Budget	Actual	Over (Under) Variance	Budget	Actual	Over (Under) Variance
<u>7.00 Personnel:</u>						
7.01 Executive Director	42,000	42,000	-	45,000	45,000	-
7.02 Program Director	31,250	31,250	-	31,250	31,250	-
7.03 Administrative Assistant	9,133	9,133	-	15,240	15,240	-
7.04 Office Administrator	-	-	-	9,133	9,133	-
Total Personnel	82,383	82,383	-	100,623	100,623	-
Total Expenses & Programs	347,263	323,542	(23,721)	416,179	366,991	(49,188)
Excess of Revenues over Expenses (Deficit)	\$ -	\$ 39,492	\$ 39,492	-	3,430	3,430

The accompanying notes are an integral part of these financial statements

LITTLE VILLAGE SPECIAL SERVICE AREA # 25  
(LITTLE VILLAGE CHAMBER OF COMMERCE, CONTRACTOR)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Nature of Organization

Little Village Special Service Area # 25, (“the SSA”) formed in 2004 to create a dynamic public space to revitalize and attract new businesses and shoppers to strengthen the residential community. The City of Chicago formed a taxing district that allows property taxes levied and collected to fund added services for a defined area.

(1) Summary of Significant Accounting Policies

Government – Wide and Fund Financial Statements

The financial statements of the SSA have been prepared in conformity with the accounting principles generally accepted in the United States of America as applied to governmental units, hereinafter referred to as GAAP. (Generally Accepted Accounting Principles) The accepted standard -setting body for establishing governmental accounting and financial reporting principles is GASB. (The Governmental Accounting Standards Board)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements report information on all of the activities of the Special Service Area. Governmental activities include those items funded by the tax levies. While separate governmental activities incorporate data from the governmental funds; the fund financial statements are on major governmental funds. The SSA reports on one major governmental fund, the General Fund.

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The governmental fund financial statements are reported using the *current financial resources measurement focus and modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current year. For this purpose, the SSA considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting.

Property taxes associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the SSA.

Budgetary Information

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund. The Commission submits a proposed operating budget for the fiscal year to the City of Chicago for approval. The operating budget includes proposed expenditures and the means of financing them for the General Fund. The annual appropriation lapses at fiscal year-end.

(continued)

LITTLE VILLAGE SPECIAL SERVICE AREA # 25  
(LITTLE VILLAGE CHAMBER OF COMMERCE, CONTRACTOR)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018  
(continued)

(1) Summary of Significant Accounting Policies (continued)

Cash and Investments

The commission's cash and cash equivalents are considered to be cash on hand, demand deposits, short-term investments with original maturities of three months or less from the date of acquisition.

(2) Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows* of resources, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenues) until that time.

The Commission has only one type of item, which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable property tax revenue*, is reported in the governmental fund's balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Net Position Flow Assumption

In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Commission's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund Balance Flow Assumptions

Sometimes the Commission will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Commission's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

(continued)

LITTLE VILLAGE SPECIAL SERVICE AREA # 25  
(LITTLE VILLAGE CHAMBER OF COMMERCE, CONTRACTOR)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018  
(continued)

(2) Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance  
(continued)

Fund Balance Policies

Fund balance of the governmental fund is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Commission itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Commission's highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for the Commission that can, by adoption or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Commission for specific purposes but do not meet the criteria to be classified as committed. Intent can be expressed by the Board of Directors or by an individual or body to which the Commission delegates the authority. The Board of Directors may also assign fund balances as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

(3) Special Service Area Agreement

The Commission entered into an agreement with the City of Chicago on January 1, 2004, which which require renewals from time to time, whereby the City established a special service area (a taxing district authorized by the City of Chicago) 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.

(4) Property Taxes

Property taxes become an enforceable lien on real property on January 1 of the year it is levied. Taxes are payable in two installments in the subsequent year. The first installment is an estimate based on the prior year billed levy (55%) and is due in March. The second installment is due on August 1<sup>st</sup> or thirty days from the mailing of the tax bills if issued later than July 1. The second installment is based on the remaining amount of the levy on file with Cook County. Bills are issued and collected by Cook County who remits the Commission's share to the City of Chicago who then remits the monies to the Commission.

(continued)

LITTLE VILLAGE SPECIAL SERVICE AREA # 25  
(LITTLE VILLAGE CHAMBER OF COMMERCE, CONTRACTOR)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018  
(continued)

(5) Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenditures/expenses. Actual results could differ from those estimates.

(6) Comparative Data

As required by the City of Chicago, comparative data for the prior year has been presented in the statement of revenue and expenditures – budget.

(7) Concentration of Credit Risks

The Organization maintains its cash balances at a financial institution in the Chicago metropolitan area which is federally insured up to prescribed limits. At December 31, 2019 and 2018 the organization's account was within insured limits.

(8) Receivables

Property tax receivables are presented net of an allowance for uncollectible taxes in the amount of \$32,205 and \$30,886 for the years ended December 31, 2019 and 2018, respectively.

(9) Related Party Transactions

During the years ended December 31, 2019 and 2018, the Little Village Chamber of Commerce charged commissions of \$90,883 and \$112,684 for employee and administrative costs, respectively.

(10) Subsequent Events

Subsequent events were evaluated through May 10, 2020, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

LITTLE VILLAGE SPECIAL SERVICE AREA #25  
SUMMARY SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

SUMMARY SCHEDULE OF FINDINGS

As part of our audit, we have reviewed the Agreement for Special Service Area #25 between the City of Chicago and the Organization for the years ended December 31, 2019 and 2018.

Based on our understanding of the agreement and the facts surrounding the performance under the agreement, we noted no exceptions. Many contractual items were included in the agreement which deal with non-accounting and non-financial matters of which we had no knowledge.

No findings were generated for the years ended December 31, 2019 and 2018.



# State of Illinois

## Department of Financial and Professional Regulation Division of Professional Regulation

LICENSE NO.  
066.004527  
065.018974

The person, firm, or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below:

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