

LITTLE VILLAGE COMMUNITY FOUNDATION CORPORATION AND SUBSIDIARY  
CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2024

LITTLE VILLAGE COMMUNITY FOUNDATION CORPORATION AND SUBSIDIARY  
INDEPENDENT AUDITOR'S REPORT

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December 31, 2024

EXHIBIT II

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For the Year Ended December 31, 2024

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For the Year Ended December 31, 2024

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For the Year Ended December 31, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

# VIDAL & ASSOCIATES, LTD

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of The Little Village Community Foundation Corporation and Subsidiary

### **Opinion**

We have audited the accompanying consolidated financial statements of The Little Village Community Foundation Corporation (an Illinois nonprofit organization) and Subsidiary, which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Little Village Community Foundation Corporation and Subsidiary as of December 31, 2024 and the consolidated 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.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Little Village Community Foundation Corporation and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Little Village Community Foundation and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

(continued)

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements, continued**

- Obtain an understanding of internal control relevant to the audit 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 Little Village Community Foundation Corporation and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Little Village Foundation Corporation and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Vidal & Associates, Ltd.

*Vidal & Associates, Ltd.*

Niles, Illinois

August 25, 2025

LITTLE VILLAGE COMMUNITY FOUNDATION CORPORATION  
AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2024

EXHIBIT I

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<u>ASSETS</u>			
<u>Current Assets:</u>			
Cash	\$ 1,085,938	\$ -	\$ 1,085,938
Grants and Accounts Receivable	83,764	-	83,764
Prepaid Expenses	4,759	-	4,759
Total Current Assets	<u>1,174,461</u>	<u>-</u>	<u>1,174,461</u>
<u>Fixed Assets, at cost:</u>			
Furniture & Office Equipment	21,306	-	21,306
Xquina Construction in Progress	3,670,350	-	3,670,350
Land	59,700	-	59,700
	<u>3,751,356</u>	<u>-</u>	<u>3,751,356</u>
Accumulated Depreciation	(7,500)	-	(7,500)
Total Fixed Assets	<u>3,743,856</u>	<u>-</u>	<u>3,743,856</u>
<u>Other Assets:</u>			
Loan Origination Fees, net of Accumulated Amortization of \$7,500	<u>21,872</u>	<u>-</u>	<u>21,872</u>
 TOTAL ASSETS	 <u>\$ 4,940,190</u>	 <u>\$ -</u>	 <u>\$ 4,940,190</u>
<u>LIABILITIES AND NET ASSETS</u>			
<u>Current Liabilities:</u>			
Current Maturities of Long Term Debt	\$ 19,347	\$ -	\$ 19,347
Accounts Payable	56,441	-	56,441
Accrued Expenses	793,251	-	793,251
Deposits	2,000	-	2,000
Total Current Liabilities	<u>871,039</u>	<u>-</u>	<u>871,039</u>
 <u>Long Term Debt, net of Current Maturities</u>	 <u>1,071,780</u>	 <u>-</u>	 <u>1,071,780</u>
<u>Net Assets:</u>			
Net Assets	<u>2,997,371</u>	<u>-</u>	<u>2,997,371</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 4,940,190</u>	 <u>\$ -</u>	 <u>\$ 4,940,190</u>

The accompanying notes are an integral part of these consolidated financial statements

LITTLE VILLAGE COMMUNITY FOUNDATION CORPORATION  
AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024

EXHIBIT II

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<u>Support and Other Income:</u>			
Grant Revenue	\$ 1,090,881	\$ -	\$ 1,090,881
Corporate Grants	172,050	-	172,050
Individual Donations	29,030	-	29,030
Government Grants	99,862	-	99,862
Fiscal Agent Grants	250,000	-	250,000
Miscellaneous Income	4,176	-	4,176
	<hr/>	<hr/>	<hr/>
TOTAL SUPPORT AND REVENUE	1,645,999	-	1,645,999
	<hr/>	<hr/>	<hr/>
<u>Expenses:</u>			
Program Services	833,708	-	833,708
Supporting Services:			
Management and General	306,272	-	306,272
Fundraising	115,918	-	115,918
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	1,255,898	-	1,255,898
	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	390,101	-	390,101
	<hr/>	<hr/>	<hr/>
Net Assets, Beginning of Year	2,607,270	-	2,607,270
	<hr/>	<hr/>	<hr/>
Net Assets, End of Year	\$ 2,997,371	\$ -	\$ 2,997,371
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these consolidated financial statements.

LITTLE VILLAGE COMMUNITY FOUNDATION CORPORATION  
AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024

EXHIBIT III

	Program Services	Supporting Services		Total
		Management and General	Fund Raising	
Salaries	\$ 71,930	\$ 69,814	\$ 69,814	\$ 211,556
Payroll Tax Expense	5,687	5,520	5,520	16,727
Program Contractor Expense	96,414	-	-	96,414
Meetings and Events Expense	-	5,556	-	5,556
Accounting Fees	-	73,999	-	73,999
Advertising	-	-	23,968	23,968
Bank and Credit Card Charges	-	2,368	-	2,368
Micro Grant Expense	26,000	-	-	26,000
Grant Expenses	548,426	-	-	548,426
Meals and Entertainment	-	4,283	-	4,283
Equipment Rental Expense	-	2,843	-	2,843
Office Supplies	-	5,254	-	5,254
Occupancy	11,043	11,382	11,045	33,472
Computer Expense	2,199	2,266	2,199	6,664
Interest Expense	-	76,722	-	76,722
Professional Fees	-	6,932	-	6,932
Travel	-	452	-	452
Depreciation Expense	-	3,162	-	3,162
Amortization Expense	-	7,500	-	7,500
Taxes and Licenses	68,638	2,257	-	70,895
Insurance Expense	3,371	25,834	3,372	32,577
Miscellaneous Expense	-	128	-	128
	<u>\$ 833,708</u>	<u>\$ 306,272</u>	<u>\$ 115,918</u>	<u>\$ 1,255,898</u>

The accompanying notes are an integral part of these consolidated financial statements

LITTLE VILLAGE COMMUNITY FOUNDATION CORPORATION  
AND SUBSIDIARY

EXHIBIT IV

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2024

Cash Flows From Operating Activities:

Change in Net Assets	\$ 390,101
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities:	
Depreciation and Amortization	10,662
Changes in Operating Assets and Liabilities:	
Accounts Receivable	(34,609)
Prepaid Expense	(4,759)
Interest Reserve	3,989
Loan Origination Fees	(7,501)
Accounts Payable	31,138
Accrued Expenses	793,252

NET CASH PROVIDED BY OPERATING ACTIVITIES

1,182,273

Cash Flows From Investment Activities:

Funding of Construction in Progress	(785,998)
Purchase of Fixed Assets	(10,461)

NET CASH USED IN INVESTMENT ACTIVITIES

(796,459)

Cash Flows From Financing Activities:

Principal Debt Payments	(8,873)
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NET CASH USED IN FINANCING ACTIVITIES

(8,873)

NET INCREASE IN CASH

376,942

Cash:

Beginning of Year	708,997
End of Year	\$ 1,085,939

Supplemental Disclosures of Cash Flow Information:

Cash Paid for Interest	\$ 76,722
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The accompanying notes are an integral part of these consolidated financial statements



LITTLE VILLAGE COMMUNITY FOUNDATION CORPORATION AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

(1) Nature of the Organization

The Little Village Community Foundation Corporation (“the Foundation”) is an Illinois not-for-profit entity incorporated under the General Not-For-Profit Corporation Act of Illinois on August 3, 2018. The Foundation’s mission is to provide culturally relevant programming, bilingual resources, workforce training, and access to capital for current and emerging entrepreneurs that invest in the Little Village community. The Foundation also provides leadership and investments to assist with digital divide and tech insecurity for youth and businesses in the Little Village community.

The Little Village Business Incubator, LLC (“Incubator”) is an Illinois Limited Liability Company formed on November 7, 2019. The Incubator owns and manages a multi-unit commercial real property located at 3523-25 W 26<sup>th</sup> Street Chicago Illinois which is currently under reconstruction.

On April 8, 2022 the Foundation paid \$250,000 in exchange for the remaining member equity interest in the Little Village Business Incubator, LLC from the Little Village 26<sup>th</sup> Street Area Chamber of Commerce, Inc.

(2) Summary of Significant Accounting Policies

(a) Consolidation of Financial Statements:

The consolidated financial statements include the accounts of the Foundation and the Incubator. All significant intercompany transactions have been eliminated, therefore the Foundation consolidated the results of the Incubator’s operations consisting of the following selected assets, liabilities and equity at December 31, 2024:

Cash	\$ 107,139
Land and Construction in Progress	3,751,922
Accounts Payable	457
Other Current Liabilities	1,520,469
Long Term Liabilities	1,073,780
Member Equity	\$1,264,355

The consolidated financial statements have been prepared to focus on the Foundation to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by the classification of fund balances and transactions into two classes of net assets; net assets with donor restrictions, and net assets without donor restrictions as recommended by the Financial Accounting Standard Board (FASB) in its Accounting Standards Update (ASU) no. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities. The Foundation adopted the change in accounting principle, with retrospective application for 2017 financial statements, FASB (ASU) No. 2016-14 effective January 1, 2018.

Accordingly, the net assets of The Foundation and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net Assets that are not subject to donor-imposed stipulations. As of December 31, 2024, the Foundation had \$3,004,871 in Net Assets Without Donor Restrictions.

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LITTLE VILLAGE COMMUNITY FOUNDATION CORPORATION AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(continued)

(2) Summary of Significant Accounting Policies (continued)

Net Assets With Donor Restrictions – Net Assets subject to donor-imposed stipulations that the assets be maintained by the Foundation. The donor has restricted the use of designated funds to be used strictly for the reconstruction of the real property that will house the Xquina Business Incubator. As of December 31, 2024, Net Assets with Donor Restrictions did not have a balance.

(b) Cash and Cash Equivalents:

For purposes of the consolidated statements of cash flows, the Foundation and subsidiary considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

(c) Promises to Give:

Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise becomes unconditional.

(d) Functional Expenses:

Direct expenses have been charged to program, general and administrative or fund-raising categories based on specific identification. Indirect expenses have been allocated depending on the type of expense and are based on full-time equivalents of personnel, by program area or occupancy percentages.

(e) Contributed Services:

During the years ended December 31, 2024, the value of contributed services meeting the requirements for recognition in the consolidated financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Foundation.

(f) Estimates:

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(g) Contributions:

The Foundation accounts for contributions in accordance with FASB ASC 958-605 "Not-For-Profit Entities, Revenue Recognition". Per FASB ASC 958-605, contributions, including unconditional promises to give are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions from unconditional promises to give that are to be received after one year are discounted at an appropriate discount rate based on an average federal funds rate.

(continued)

LITTLE VILLAGE COMMUNITY FOUNDATION CORPORATION AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(continued)

(2) Summary of Significant Accounting Policies (continued)

(h) Fixed Assets and Depreciation:

All fixed assets are carried at cost if purchased and fair market value if donated. Generally accepted accounting principles require fixed assets to be capitalized and depreciated over their estimated useful lives. Depreciation is computed by the straight-line method over the useful lives of the assets as follows:

Furniture & Fixtures – 5 to 7 years

(i) Income Taxes:

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

(3) Concentrations of Credit Risk

The Foundation and Subsidiary maintain cash balances at a financial institution in Illinois. All cash accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. Cash balances exceeded insured balances by \$378,236 at December 31, 2024.

(4) Advertising Costs

The consolidated advertising expenses amounted to \$23,968 for the year ended December 31, 2024.

(5) Grant Expenses

Direct Grant Expenses for the year ended December 31, 2024 are as follows:

Advertising and Marketing	\$ 54,350
Workshops	202,000
Programming	84,629
Coaching	9,972
General Program Expense	40,685
Instructors	29,952
Technical Assistance	30,300
Supplies & Materials	15,553
Donations	1,000
Fiscal Agent Fees	70,881
Miscellaneous	2,095
Professional Services	2,009
Goodwill	<u>5,000</u>
Total	<u>\$ 528,426</u>

(6) Uncertain Tax Positions

The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. All federal income tax returns are still subject to examination due to the Foundation's recent date of formation.

(continued)

LITTLE VILLAGE COMMUNITY FOUNDATION CORPORATION AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(continued)

(7) Subsequent Events

The Foundation has evaluated subsequent events through August 25, 2025, the date which the consolidated financial statements were available to be issued.

Construction on the Xquina project began in April 2024 and has reached 66% completion as of August 25, 2025. Major Phase one which consists of masonry work, new roof, an elevator shaft, steel structural work and window installation have been completed.

In 2025, a comprehensive onsite review was conducted. The review identified additional change orders totaling \$1,600,000 which have left the project under funded. The Foundation has secured additional financing commitments to cover a significant portion of the additional costs identified.

(8) Xquina Construction in Progress

The Xquina Construction in Progress is stated at cost, which includes the cost of the land and building, construction costs and other direct costs attributable to the construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and put into use.

(9) Long – Term Debt

The Foundation and Incubator entered into a \$1,100,000 long-term debt refinance transaction with Old National Bank on June 9, 2023. Terms of the note include 12 monthly interest payments calculated on the unpaid principal balance beginning July 9, 2023 at an interest rate of 6.150% followed by 47 monthly payments of principal and interest of \$7,191 beginning July 9, 2024 and one payment of principal and interest amounting to \$1,023,076 on June 9, 2028. The loan is collateralized by real property located at 3523-25 W 26<sup>th</sup> street, Chicago Illinois with a current cost of \$3,730,050.

TOTAL	\$1,091,127
CURRENT MATURITIES	<u>19,347</u>
LONG-TERM DEBT	<u>\$1,071,780</u>

Future maturities are as follows:

For the years ended December 31,

2025	\$ 19,347
2026	21,028
2027	22,358
2028	<u>1,028,394</u>
	<u>\$ 1,091,127</u>

(continued)

LITTLE VILLAGE COMMUNITY FOUNDATION CORPORATION AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(continued)

(10) Leases

The Foundation leases office space with a one-year lease term at \$1,650 per month terminating on December 31, 2024. Rent expense amounted to \$19,650 for the year ended December 31, 2024. The lease was renewed on March 1, 2025 at \$1,900 per month through December 31, 2025.

(11) Grants and Accounts Receivable

Grants and Accounts Receivable are recorded at cost and consisted of the following grants at December 31, 2024:

Business Affairs Consumer Protection	\$ 2,616
DCEO	23,643
WBDC	15,000
US Department of Agriculture	<u>42,505</u>
	<u>\$ 83,764</u>
Allowance for Doubtful Accounts	<u>\$ 0</u>

(12) Fixed Assets

Fixed Asset balances as of December 31, 2024 are as follows:

Furniture & Office Equipment	\$ 21,306
Xquina Construction in Progress	3,670,350
Land	59,700
Less Accumulated Depreciation:	<u>( 7,500)</u>
Total, net	<u>\$3,743,856</u>

Depreciation Expense amounted to \$3,162 for the year ended December 31, 2024.

(13) Liquidity and Availability of Financial Assets

The following reflects the Foundation's financial assets as of the financial position date. As part of the Foundation's liquidity management, cash in excess of daily requirements is invested in short term investments.

Cash	\$ 1,085,938
Grants and Accounts Receivable	83,764
Prepaid Expenses	4,759
Accounts Payable	( 56,441)
Accrued Expenses	( 793,251)
Current Maturities of Long Term Debt	( 19,347)
Deposits	<u>( 2,000)</u>
	<u>\$ 303,422</u>