

**FAR SOUTH COMMUNITY DEVELOPMENT CORPORATION
(A CONTRACTOR FOR)**

**SPECIAL SERVICE AREA #45
CHICAGO, ILLINOIS**

FINANCIAL AND COMPLIANCE AUDIT REPORT

YEAR ENDED DECEMBER 31, 2011

FAR SOUTH COMMUNITY DEVELOPMENT CORPORATION
(A CONTRACTOR FOR)

SPECIAL SERVICE AREA #45

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Ragland & Associates, LLC

INDEPENDENT AUDITORS' REPORT

Certified Public Accountants and Management Consultants

15525 South Park / Suite 111 / South Holland, Illinois 60473 / 708-333-0634 / FAX 708-333-6680

Board of Directors
Special Service Area #45
Far South CDC - Contractor
Chicago, Illinois

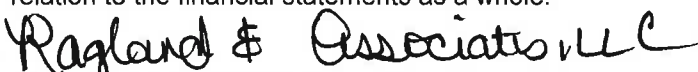
We have audited the accompanying statement of financial position of Far South Community Development Corporation (Far South CDC) (A Contractor for) Special Service Area # 45, (a taxing district authorized by the City of Chicago) as of December 31, 2011, and the related statements of activities and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of Far South CDC (A Contractor for) Special Service Area # 45's 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 the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit 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 Far South CDC (A Contractor for) Special Service Area # 45 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2012 on our consideration of Far South CDC (A Contractor for) Special Service Area # 45's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Far South CDC (A Contractor for) Special Service Area # 45 taken as a whole. The accompanying schedule of expenditures with budget variances on page 18, is presented for purposes of additional analysis are required by the City of Chicago Special Service Area Commission and are not a required part of the basic 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.


RAGLAND & ASSOCIATES, LLC
Certified Public Accountants

South Holland, Illinois
April 27, 2012

**FAR SOUTH COMMUNITY DEVELOPMENT CORPORATION
(A CONTRACTOR FOR)**

SPECIAL SERVICE AREA #45

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2011

ASSETS

Current Assets:	
Cash and Cash Equivalents (Note A-3)	\$ 185,437
Total Current Assets	185,437
Other Assets:	
Due From Far South CDC (Note A-8)	15,808
Total Other Assets	15,808
TOTAL ASSETS	\$ 201,245

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts Payable	\$ 3,735
Accrued Expenses	15,750
Total Current Liabilities	19,485
Other Current Liabilities:	
Refundable Advances (Note B-1)	179,469
Total Other Current Liabilities	179,469
TOTAL LIABILITIES	198,954
NET ASSETS	
Unrestricted (Note A-2)	2,291
Total Net Assets	2,291
TOTAL LIABILITIES AND NET ASSETS	\$ 201,245

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

**FAR SOUTH COMMUNITY DEVELOPMENT CORPORATION
(A CONTRACTOR FOR)**

SPECIAL SERVICE AREA #45

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2011

CHANGES IN NET ASSETS:	SPECIAL SERVICE AREA #45	SPECIAL SERVICE AREA #46	TOTAL
PUBLIC SUPPORT (Note A-6)			
Special Service Area #45	\$ 593,570	\$ -	\$ 593,570
Special Service Area #46	<u>-</u>	<u>47,006</u>	<u>47,006</u>
Total Public Support	<u>593,570</u>	<u>47,006</u>	<u>640,576</u>
PROGRAM EXPENSES			
1.00 Advertising & Promotion	21,201	1,025	22,226
2.00 Public Way Maintenance	103,415	-	103,415
3.00 Public Way Aesthetics	91,326	-	91,326
7.00 Safety Programs	<u>286,691</u>	<u>36,210</u>	<u>322,901</u>
Total Program Expenses	502,633	37,235	539,868
MANAGEMENT & GENERAL			
10.00 Operational & Administrative Support	<u>93,186</u>	<u>9,771</u>	<u>102,957</u>
Total Management & General	<u>93,186</u>	<u>9,771</u>	<u>102,957</u>
Total Expenses	595,819	47,006	642,825
Change In Net Assets (Note A-5)	<u>(2,249)</u>	<u>-</u>	<u>(2,249)</u>
Net Assets, Beginning of Year	-	-	-
Adjustments to Net Assets (Note A-7)	<u>4,540</u>	<u>-</u>	<u>4,540</u>
Net Assets, Beginning of Year, Adjusted	<u>4,540</u>	<u>-</u>	<u>4,540</u>
Net Assets, End of Year (Note A-2)	<u>\$ 2,291</u>	<u>\$ -</u>	<u>\$ 2,291</u>

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

**FAR SOUTH COMMUNITY DEVELOPMENT CORPORATION
(A CONTRACTOR FOR)**

SPECIAL SERVICE AREA #45

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:

Decrease in net assets (Note A-5)	\$ (2,249)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	-
(Decrease) increase in:	
Other assets	26,396
Accounts payable and accrued expenses	(30,626)
Refundable Advances	(86,501)
Other adjustments (Note A-7)	<u>4,540</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(88,440)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(88,440)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>273,877</u>
CASH AND CASH EQUIVALENTS, END OF YEAR (Note A-3)	<u><u>\$ 185,437</u></u>

SUPPLEMENTAL INFORMATION:

Interest Expense	<u><u>\$ -</u></u>
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The accompanying notes are an integral part of these financial statements.

**FAR SOUTH COMMUNITY DEVELOPMENT CORPORATION
(A CONTRACTOR FOR)**

SPECIAL SERVICE AREA #45

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

ORGANIZATION

Far South CDC (FSCDC), contractor for Special Service Area #45 (SSA #45) is a not-for-profit Illinois corporation exempt from income tax under Section 501(c) (3) of the U. S. Internal Revenue Code. The Organization which is located within the boundaries of the City of Chicago serves as coordinator and executor of comprehensive plans designed to improve the community business district outlined for the SSA through programs which improve the economic development, aesthetics, marketing and special events for the business district.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF ACCOUNTING

The financial statements of FSCDC (a contractor for) Special Service Area #45 have been prepared on the accrual basis of accounting. Consequently, revenues are recognized when earned and expenses when incurred. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

2. FINANCIAL STATEMENT PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Statement of Financial Accounting Standards, *Financial Statements of Not-for-Profit Organizations*. Under the terms of that Statement, Special Service Area #45 is required to report information regarding its financial position and activities according to three classes of net assets, as applicable: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization's expenses are reported as general operating expenses disclosed in the Statements of Activities and Changes in Net Assets. The Organization had unrestricted net assets in the amount of \$2,291 for the year ended December 31, 2011.

Date of Management's Review

Management has evaluated subsequent events through April 27, 2012, the date which the financial statements were available to be issued.

3. CASH AND CASH EQUIVALENTS

For purposes of the Statement of Cash Flows, the Organization considers all cash in bank checking accounts highly liquid with maturities of three months or less to be cash equivalents. The Organization has no investments as of December 31, 2011.

4. DONATED GOODS AND SERVICES

In accordance with the requirements of Statement of Financial Accounting Standards (SFAS) No. 116, Accounting for Contributions Received and Contributions Made, donated goods or facilities are reflected as contributions in the financial statements at fair value.

5. INCOME TAX STATUS

The Organization is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. During fiscal year 2011, there was no unrelated business income. Accordingly, no provision for income taxes has been made. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b) (1) (A) and has been classified as an organization that is not a private foundation under Section 509(a) (2).

Uncertainty Income Tax Position

While there is no unrelated business income for the current year and related income taxes, the term "tax position" as used in the FASB interpretation refers to a position in a previously filed tax return or a position expected to be taken in a future tax return that is reflected in measuring current or deferred income tax assets and liabilities for interim or annual periods. The term "tax position" also encompasses, but is not limited to:

- A decision not to file a tax return
- An allocation or a shift of income between jurisdictions
- The characterization of income or a decision to exclude reporting taxable income in a tax return
- A decision to classify a transaction, entity, or other position in a tax return as tax-exempt

While this disclosure may not have immediate applicability to the Organization's assets, it is required for full disclosure for any tax uncertainty that may arise from possible income tax transactions.

6. PUBLIC SUPPORT AND REVENUE

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor-imposed restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, as applicable, depending on the nature of the restriction. When a restriction expires (i.e., when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net asset released from restrictions. Federal grant awards (direct and pass-through) are classified as refundable grant advances payable until expended for the purposes of grants since they are conditional promises to give.

7. ADJUSTMENTS, TRANSFERS, AND OTHER INCREASES (DECREASES) IN NET ASSETS

Other increases in net assets for fiscal year ended December 31, 2011 resulted from changes in the other assets and accounts receivable accounts due to overstatement/understatement in prior year(s). Adjustments to net assets as of December 31, 2011 are \$4,540.

8. RELATED PARTY TRANSACTIONS

Special Service Area #45 shares office space, equipment and staff through its affiliation with the Far South CDC. Special Service Area #45 advanced FSCDC funds to satisfy financial obligations and/or further the objectives of its mission. The amount *Due From Far South CDC* as of December 31, 2011 is \$15,808.

NOTE B - COMMITMENTS AND CONTINGENCIES

1. REFUNDABLE ADVANCE

As of December 31, 2011, Special Service Area #45 has not expended the entire amount advanced by the City of Chicago in the amount of \$179,469. Funds not expended by the end of the contract year are required to be refunded to the City of Chicago.

**FAR SOUTH COMMUNITY DEVELOPMENT CORPORATION
(A CONTRACTOR FOR)**

SPECIAL SERVICE AREA #45

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2011

FIINDING 2010-01

Far South CDC – Contractor withdrew funds from Special Service Area #45's checking account based upon the budget plan but prior to expenditures actually being incurred for Special Service Area #45. This resulted in a \$42,204 receivable due to Special Service Area #45 from the contractor at December 31, 2010.

2011 STATUS (See Finding 2011-1)

Far South CDC – Contractor is not in compliance with Section 5.03, (Method of Payment) of the "Agreement for Special Service Area #45". The repeat infringement by the Contractor resulted in a \$15,808 "Due From Far South CDC" at December 31, 2011



Ragland & Associates, LLC

Certified Public Accountants and Management Consultants 1551 North LaSalle / Suite 110 / South Loop West / Chicago, Illinois 60643 / 708-333-0634 / FAX 708-333-6680

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Special Service Area #45
Chicago, Illinois

We have audited the financial statements of Far South Community Development Corporation (Far South CDC) (A Contractor for) Special Service Area # 45 (a taxing district authorized by the City of Chicago) as of and for the year ended December 31, 2011, and have issued our report thereon dated April 27, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Far South CDC (A Contractor for) Special Service Area #45's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Far South CDC (A Contractor for) Special Service Area #45's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did identify deficiencies in internal control over financial reporting that we consider to be control deficiencies, as defined above and described in the accompanying schedule of findings and questioned costs as items 2011-01 and 2011-02.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Far South CDC (A Contractor for) Special Service Area #45's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and others within the entity, the Board of Trustees, and the funding sources and is not intended to be and should not be used by anyone than these specified parties.

Ragland & Associates, LLC

RAGLAND & ASSOCIATES, LLC
Certified Public Accountants

South Holland, Illinois
April 27, 2012

SUPPLEMENTAL INFORMATION

FAR SOUTH COMMUNITY DEVELOPMENT CORPORATION
(A CONTRACTOR FOR)

SPECIAL SERVICE AREA #45

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2011

SECTION 1 - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes

 X no

Significant deficiency(ies) identified
that are not considered to be
material weakness(es)?

_____ yes

 X none reported

Noncompliance material to financial
statements noted?

_____ yes

 X no

Auditor Statement

We (Ragland & Associates, LLC) have read and understand the necessary audit requirements contained in the Service Provider Agreement. Accordingly, based on our audit, the following exceptions (Findings 2011-1 and 2011-2) were noted during the year ended December 31, 2011 audit.

SECTION II – FINANCIAL STATEMENT FINDINGS

FAR SOUTH COMMUNITY DEVELOPMENT CORPORATION (A CONTRACTOR FOR) SPECIAL SERVICE AREA # 45

BASIC FINANCIAL STATEMENT FINDINGS CASH ADVANCES TO CONTRACTOR, FAR SOUTH CDC YEAR ENDED DECEMBER 31, 2011

FINDING 2011-01 – CONTROL DEFICIENCY

Far South CDC (A Contractor for) SSA # 45 continued is in violation of Section 5.03, *Method of Payment* provision of the City of Chicago contract.

Condition

During our testing, we noted that the Organization did not adhere to the SSA # 45 Service Provider Agreement Contract, Section 5.03, Method of Payment, which caused Far South CDC to have a Due to SSA # 45 balance of \$15,808 as of December 31, 2011, from 2010 SSA # 45 funds used without the expenses being incurred.

Cause

The Organization received a large Refundable Advance from SSA # 45 at the beginning of the fourth quarter 2010. The Organization started to spend these funds according to the budget and not based on incurred expenses.

Criteria

SSA # 45 Contract, Section 5.03, Method of Payment, states that the Contractor shall establish a separate checking account and that SSA funds shall not be commingled with other sources.

Effect

Funds were advanced from the SSA # 45 checking account in 2010 to the Contractor based on the budget plan, but prior to expenses being incurred for SSA # 45. Money has been drawn down in 2011, for a balance as of December 31, 2011, Due to SSA # 45 of \$15,808.

Recommendation

We recommend that the Contractor keep drawing down this money and adhere to the Service Provider Agreement, Section 5.03, Method of Payment whereby only actual expenses incurred by the Contractor are reimbursed.

**FAR SOUTH COMMUNITY DEVELOPMENT CORPORATION
(A CONTRACTOR FOR)**

**BASIC FINANCIAL STATEMENT FINDINGS
LINE OF CREDIT
YEAR ENDED DECEMBER 31, 2011**

FINDING 2011-02 – CONTROL DEFICIENCY

Far South CDC – Contractor did not account for and report financial data consistent with assertions of management and internal accounting controls over line of credit.

Condition

During our testing, we noted that the Organization did not follow established protocol for the accounting and reporting of two (2) lines of credit in accordance with Generally Accepted Accounting Principles (GAAP) as follows:

*The organization failed to properly record two (2) lines of credit that had outstanding principle balances in the amount of \$2,368.57 and \$2,368.86 respectively which resulted in the understatement of Far South CDC's total liabilities as of December 31, 2010.

Cause

Accountant is not adhering to existing protocol and system of internal control (as established by GAAP) as it pertains to accounting, reporting and monitoring of the Organization's obligations.

Criteria

Sufficient internal controls should be in place and operating effectively to enable management to account and report accurate financial data, consistent with assertions of management, in a timely manner and in accordance with GAAP.

Effect

The basic financial statements may not properly include and/or classify all liabilities. This also increases the possibility that management will not detect errors or potential fraud in financial reporting in a timely manner that could result in material misstatements of the financial statements.

Recommendation

Monitor compliance with internal financial policies and procedures as it pertains to accounting, reporting and monitoring of liabilities. Consider performing a completeness and accuracy test to ensure all liabilities are properly accounted for in accordance with Generally Accepted Accounting Principles.



THE FAR SOUTH CDC

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www.farsouthcdc.org

Corrective Action Plan

**Far South Community Development Corporation
(A Contractor for)
Special Service Area # 45
Basic Financial Statement Findings – Auditee Response
Year Ended December 31, 2011**

The Far South Community Development Corporation concurs with the findings listed the audit report in 2010-01 (Reoccurring) and 2011-01.

FINDING 2011-01 (Repeat)

Management previously disbursed funds from the SSA checking account to the contractor to reimburse expenditures based upon anticipated budget amounts and not expenses that were actually incurred by Far South CDC (A Contractor for) SSA #45. Upon clarification, management now only reimburses to the contractor, expenditures that have actually been incurred by the contractor and are for the benefit for and allocable to the SSA. Also, Management has been drawing down the money, by allocating certain “shared expenses” 100% to Far South CDC to use the SSA funds.

FINDING 2011-2

The organization did not account for and report financial data which failed to record two (2) lines of credit that had outstanding principle balances which resulted in the understatement of Far South CDC’s total liabilities as of December 31, 2010.

The organization will adhere to auditor’s suggestions and move to set up proper internal controls of the organization.

The organization recognizes that maintaining appropriate documentation for all program expenses, and a detailed record properly illustrating the organization’s total liabilities. The organization will take immediate steps to replace current accountant and shift financial control from the external accountant back to the organization. We will adhere to financial reporting in proper record keeping training from new accountant and set up internal control metrics that will be drafted and passed by the organization’s Board of Directors. The organization will develop and keep a depreciation schedule for all equipment purchased or

given to the organization. The organization has already begun the process of internal financial controls through the purchase of QuickBooks software to monitor both checking accounts from Beverly Bank & Trust Company and BMO Harris Bank, produce profit & loss statements, ledgers, and bill payments to vendors and employees. The organization will add these processes to the year-end procedures.

Contact Person: Abraham David Lacy, Executive Director
E-mail: lacy@farsouthcdc.org

**FAR SOUTH COMMUNITY DEVELOPMENT CORPORATION
(A CONTRACTOR FOR)**

SPECIAL SERVICES AREA #45

SCHEDULE OF EXPENDITURES - BUDGET VS. ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2011

EXPENDITURES:	SPECIAL SERVICE AREA #45 ACTUAL	SPECIAL SERVICE AREA #46 ACTUAL	TOTAL ACTUAL	BUDGET	OVER (UNDER) VARIANCE
1.00 Advertising & Promotion					
1.03 Print Materials	\$ 13,000	\$ -	\$ 13,000	\$ 13,000	\$ -
1.06 Website/Technology	-	-	-	-	-
1.07 Service Provider Direct	8,201	1,025	9,226	8,201	1,025
Total 1.00 - Advertising & Promotion	<u>21,201</u>	<u>1,025</u>	<u>22,226</u>	<u>21,201</u>	<u>1,025</u>
2.00 Public Way Maintenance					
2.05 Sidewalk Cleaning	95,415	-	95,415	110,000	(14,585)
2.14 Service Provider Direct	8,000	-	8,000	8,000	-
Total 2.00 - Public Way Maintenance	<u>103,415</u>	<u>-</u>	<u>103,415</u>	<u>118,000</u>	<u>(14,585)</u>
3.00 Public Way Aesthetics					
3.01 Decorative Banners	44,591	-	44,591	50,000	(5,409)
3.02 Holiday Decorations	37,735	-	37,735	30,000	7,735
3.03 Landscaping	-	-	-	-	-
3.07 Service Provider Direct	9,000	-	9,000	9,000	-
Total 3.00 - Public Way Aesthetics	<u>91,326</u>	<u>-</u>	<u>91,326</u>	<u>89,000</u>	<u>2,326</u>
7.00 Safety Programs					
7.01 Public Way Surv. Cameras	-	20,717	20,717	15,000	5,717
7.07 Security Sub-Contractor	276,691	15,493	292,184	300,000	(7,816)
7.09 Service Provider Direct	10,000	-	10,000	10,000	-
Total 7.00 - Safety Programs	<u>286,691</u>	<u>36,210</u>	<u>322,901</u>	<u>325,000</u>	<u>(2,099)</u>
8.00 District Planning					
8.07 Service Provider Direct	-	-	-	6,000	(6,000)
Total 8.00 - District Planning	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>(6,000)</u>
10.00 Administration Costs					
10.01 Audit Fees	11,750	-	11,750	6,000	5,750
10.02 Bookkeeping/Accounting Fees	5,699	3,207	8,906	5,699	3,207
10.03 Meeting Expenses	3,000	160	3,160	3,000	160
10.04 Office Equipment Maint./Lease	5,000	1,954	6,954	5,000	1,954
10.05 Occupancy	6,100	1,202	7,302	9,600	(2,298)
10.06 Office Supplies	4,000	302	4,302	4,000	302
10.07 Telephone	2,000	-	2,000	2,000	-
10.08 Postage	2,000	-	2,000	2,000	-
10.09 Printing and Duplication	2,000	-	2,000	2,000	-
10.10 Service Provider Admin. Support	46,637	2,946	49,583	40,637	8,946
10.12 Other Equipment/Depreciation	5,000	-	5,000	5,000	-
10.13 Miscellaneous	-	-	-	-	-
Total 10.00 - Administration Costs	<u>93,186</u>	<u>9,771</u>	<u>102,957</u>	<u>84,936</u>	<u>18,021</u>
11.00 Loss Collection					
11.00 Loss Collection	-	-	-	4,500	(4,500)
Total 11.00 - Loss Collection	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,500</u>	<u>(4,500)</u>
TOTAL EXPENDITURES	<u>\$ 595,819</u>	<u>\$ 47,006</u>	<u>\$ 642,825</u>	<u>\$ 648,637</u>	<u>\$ (5,812)</u>

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

**FAR SOUTH COMMUNITY DEVELOPMENT CORPORATION
(A CONTRACTOR FOR)**

SPECIAL SERVICE AREA #45

EXIT CONFERENCE

YEAR ENDED DECEMBER 31, 2011

An exit conference was held on April 27, 2012 and this report was discussed with Organization personnel. Those in attendance were:

**Special Service Area #45
(Far South CDC – Contractor)**

Names
Leon Walker
Abraham Lacy
Dorian Johnson

Title
Chairman
Executive Director
Program Manager

Ragland & Associates, LLC

Names
Gregory Arnold
Kymberly Buchanan, CPA
Lyle Morris

Title
Principal
Manager
Manager