

SPECIAL SERVICE AREA #17

Administered By

CENTRAL LAKE VIEW MERCHANTS ASSOCIATION

FINANCIAL STATEMENTS

**DECEMBER 31, 2010 AND 2009
AND FOR THE YEARS THEN ENDED**

WITH

INDEPENDENT AUDITOR'S REPORT

DRAFT

RUZICKA & ASSOCIATES, LTD.

Certified Public Accountants

Board of Commissioners
Special Service Area #17
Central Lake View Merchants Association
3355 N. Clark Street
Chicago, Illinois 60657

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying component unit financial statements of Special Service Area #17 administered by Central Lake View Merchants Association as of December 31, 2010 and 2009, and for the years then ended. These component unit financial statements are the responsibility of Special Service Area #17's management. Our responsibility is to express an opinion on these component unit financial statements based on our audits.

We conducted our audits 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 component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Special Service Area #17 as of December 31, 2010 and 2009, and the results of its operations for the years then ended in conformity with accounting principles generally accepted in the United States of America.

April 29, 2011

CENTRAL LAKE VIEW MERCHANTS ASSOCIATION

SPECIAL SERVICE AREA #17

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash	\$ 1,228	
Contract receivable	<u>182,096</u>	<u>40,016</u>
Total assets	<u>\$ 183,324</u>	<u>\$ 40,016</u>
LIABILITIES		
Due Central Lakeview Merchants Association	\$ 108,533	\$ 31,403
Special Service Area allocation not yet earned	<u>74,771</u>	<u>8,613</u>
Total liabilities	<u>183,304</u>	<u>40,016</u>
NET ASSETS		
Net assets	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$ 183,304</u>	<u>\$ 40,016</u>

See independent auditor's report and notes to financial statements.

CENTRAL LAKE VIEW MERCHANTS ASSOCIATION

SPECIAL SERVICE AREA #17

**STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL**

FOR THE ALLOCATION PERIOD JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

FUNDS SPENT OR ENCUMBERED YEAR ENDED DECEMBER 31, 2009

	<u>Revised Budget</u>	<u>Actual</u>	<u>Budget Variance Favorable (Unfavorable)</u>
REVENUE			
Tax allocation	\$ 540,041	\$ 465,297	\$ 74,744
EXPENSES			
Salaries	82,869	81,028	1,841
Benefits and transportation	21,611	9,042	12,569
Program consultant and accounting	7,750	9,697	(1,947)
Rent and utilities	20,400	11,779	8,621
Street beautification	99,991	102,269	(2,278)
Façade improvements	35,000	14,975	20,025
Maintenance	141,000	131,030	9,970
Insurance	2,890	4,496	(1,606)
Supplies	7,450	3,025	4,425
Equipment lease/purchase	4,500	8,127	(3,627)
Telephone	6,600	3,313	3,287
Postage	6,550	2,857	3,693
Advertising and promotion	64,000	68,242	(4,242)
Tenant retention/attraction	4,500	166	4,334
Direct planning	1,800		1,800
Safety programs	400	2,486	(2,086)
Dues and subscriptions	2,100	398	1,702
Printing and publications	7,000	11,906	(4,906)
Conferences and meetings	850	166	684
Contingency	22,780	295	22,485
Total expenses	<u>540,041</u>	<u>465,297</u>	<u>74,744</u>
Excess of revenue over expense	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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CENTRAL LAKE VIEW MERCHANTS ASSOCIATION

SPECIAL SERVICE AREA #17

STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL

FOR THE ALLOCATION PERIOD JANUARY 1, 2009 THROUGH DECEMBER 31, 2010

FUNDS SPENT OR ENCUMBERED YEARS ENDED DECEMBER 31, 2010 and 2009

	Budget	Actual		Total	Budget Variance Favorable (Unfavorable)
		2010	2009		
REVENUE					
Tax allocation	\$ 444,891	8,613	\$ 436,278	\$ 444,891	\$ -
EXPENSES					
Salaries	88,380		89,726	89,726	(1,346)
Benefits and transportation	18,600		16,151	16,151	2,449
Program consultant and accounting	6,950		12,042	12,042	(5,092)
Rent	7,650		7,589	7,589	61
Street beautification	76,991		81,371	81,371	(4,380)
Facade improvements	17,000		15,000	15,000	2,000
Maintenance	127,000	8,613	116,082	124,695	2,305
Insurance	4,100		4,063	4,063	37
Supplies	11,500		4,688	4,688	6,812
Equipment lease/purchase	3,500		8,025	8,025	(4,525)
Telephone	3,450		3,350	3,350	100
Postage	6,550		6,692	6,692	(142)
Advertising and promotion	46,300		66,172	66,172	(19,872)
Contingency	19,070		1,691	1,691	17,379
Printing and publications	7,000		2,416	2,416	4,584
Conferences and meetings	850		1,220	1,220	(370)
Total expenses	444,891	8,613	436,278	444,891	
Excess of revenue over expense	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

CENTRAL LAKE VIEW MERCHANTS ASSOCIATION

SPECIAL SERVICE AREA #17

**STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL**

FOR THE ALLOCATION PERIOD JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

FUNDS SPENT OR ENCUMBERED YEAR ENDED DECEMBER 31, 2009

	Budget	Actual	Budget Variance Favorable (Unfavorable)
REVENUE			
Tax allocation	\$ 444,891	\$ 436,278	\$ 8,613
EXPENSES			
Salaries	88,380	89,726	(1,346)
Benefits and transportation	18,600	16,151	2,449
Program consultant and accounting	6,950	12,042	(5,092)
Rent	7,650	7,589	61
Street beautification	76,991	81,371	(4,380)
Façade improvements	17,000	15,000	2,000
Maintenance	127,000	116,082	10,918
Insurance	4,100	4,063	37
Supplies	11,500	4,688	6,812
Equipment lease/purchase	3,500	8,025	(4,525)
Telephone	3,450	3,350	100
Postage	6,550	6,692	(142)
Advertising and promotion	46,300	66,172	(19,872)
Contingency	19,070	1,691	17,379
Printing and publications	7,000	2,416	4,584
Conferences and meetings	850	1,220	(370)
Total expenses	444,891	436,278	8,613
Excess of revenue over expense	\$ 0	\$ 0	\$ 0

See independent auditor's report and notes to financial statements.

CENTRAL LAKEVIEW MERCHANTS ASSOCIATION

SPECIAL SERVICE AREA #17

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Change in net assets	\$	\$
(Increase) in contract receivable	(142,080)	(9,708)
Increase in amount due Central Lakeview Merchants Association	77,103	31,403
Increase (decrease) in Special Service Area contract not yet earned	<u>66,158</u>	<u>(58,116)</u>
Cash flow from operations	1,181	(36,421)
Cash, beginning of year		36,421
Cash, end of year	<u>\$ 1,181</u>	<u>\$ -</u>

See independent auditor's report and notes to financial statements.

SPECIAL SERVICE AREA #17
Administered By
CENTRAL LAKE VIEW MERCHANTS ASSOCIATION

NOTES TO FINANCIAL STATEMENT

DECEMBER 31, 2010 AND 2009

1. Purpose of Organization and nature of SSA #17:

Central Lake View Merchants Association (the Association) is an Illinois not-for-profit corporation that is exempt from federal taxes under Section 501 C-6 of the Internal Revenue Code. The Association is dedicated to assist in the planning, developing, and servicing of the Lakeview neighborhood of Chicago. The Association, by contract with the City of Chicago, is the provider of special services to the Lake View area funded by Special Service Area #17 taxes. Special Service Area #17 is bounded by Sheffield Avenue from Diversey Parkway to Waveland Avenue; Waveland Avenue from Sheffield Avenue to Clark Street; Clark Street from Belmont Avenue to Grace Street; Belmont Avenue from Clark Street to Racine Avenue; and Addison Street from Clark street to Sheffield Avenue. Special Services authorized in the Establishment Ordinance include maintenance and beautification activities; security programs; recruitment and promotion of new businesses in the Area and retention and promotion of existing businesses in the Area; coordinated marketing and promotional activities; strategic planning for the general development of the Area; financing of storefront façade and signage improvements; parking and transit programs; and other technical assistance activities to promote commercial and economic development, including, but not limited to, enhanced local land use oversight and control initiatives, community service and pre-development costs.

2. Summary of Significant Accounting Policies:

The Organization's accounts are maintained on the accrual basis of accounting. Tax revenues are recognized based on the period of collection, which is generally one year later than the tax levy year. The full SSA award based on the approved budget is initially recorded as a grant receivable offset by Special Service Area allocation not yet earned. SSA revenues are earned as eligible expenses are incurred with a corresponding reduction in the amount not yet earned. The SSA grant receivable is reduced as funds are collected from the city of Chicago.

3. Estimates:

The preparation of financial statements in conformity with the accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

SPECIAL SERVICE AREA #17
Administered By
CENTRAL LAKE VIEW MERCHANTS ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS
YEARS ENDED DECEMBER 31, 2010 AND 2009

We have read the Service Provider Agreement.

Certain categories experienced cost overruns while other categories were under spent. The SSA #17 Commission approved the changes in the relevant budget categories and also approved the cost overruns. In no case did Central Lakeview Merchants Association expend more than the entitled revenue generated by SSA #17.

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