

CENTRAL LAKE VIEW MERCHANTS ASSOCIATION

SPECIAL SERVICE AREA #17

FINANCIAL STATEMENTS

**DECEMBER 31, 2009 AND 2008
AND FOR THE YEARS THEN ENDED**

WITH

INDEPENDENT AUDITOR'S REPORT

RUZICKA & ASSOCIATES, LTD.

Certified Public Accountants

Board of Directors
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 Central Lake View Merchants Association Special Service Area #17 as of December 31, 2009 and 2008, and for the years then ended. These component unit financial statements are the responsibility of Central Lake View Merchants Association'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 Central Lake View Merchants Association Special Service Area #17 as of December 31, 2009 and 2008, and the results of its operations for the years then ended in conformity with accounting principles generally accepted in the United States of America.

May 14, 2010



CENTRAL LAKE VIEW MERCHANTS ASSOCIATION

SPECIAL SERVICE AREA #17

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash	\$ (31,403)	\$ 36,421
Contract receivable	<u>40,016</u>	<u>30,308</u>
Total assets	<u>\$ 8,613</u>	<u>\$ 66,729</u>
LIABILITIES		
Accounts payable	\$	\$
Special Service Area allocation not yet earned	<u>8,613</u>	<u>66,729</u>
Total liabilities	<u>8,613</u>	<u>66,729</u>
NET ASSETS		
Net assets	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$ 8,613</u>	<u>\$ 66,729</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, 2009 THROUGH DECEMBER 31, 2009

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	<u>\$ 444,891</u>	<u>\$ 436,278</u>	<u>\$ 8,613</u>
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	<u>444,891</u>	<u>436,278</u>	<u>8,613</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, 2008 THROUGH DECEMBER 31, 2009

FUNDS SPENT OR ENCUMBERED YEARS ENDED DECEMBER 31, 2009 and 2008

	Budget	Actual			Total	Budget Variance Favorable (Unfavorable)
		2009	2008 reclasses	2008		
REVENUE						
Tax allocation	\$ 416,605	39,092	1,351	\$ 376,162	\$ 416,605	\$ -
EXPENSES						
Salaries	83,396			60,884	60,884	22,512
Benefits and transportation	17,550			11,802	11,802	5,748
Program consultant and accounting	6,950			33,937	33,937	(26,987)
Rent	7,650			5,940	5,940	1,710
Street beautification	78,391	6,539	1,400	51,158	59,097	19,294
Façade improvements	32,000	13,774		2,950	16,724	15,276
Maintenance	92,600	10,000		127,947	137,947	(45,347)
Insurance	4,100			2,976	2,976	1,124
Supplies	11,500			3,508	3,508	7,992
Equipment lease/purchase	3,500			4,919	4,919	(1,419)
Telephone	3,450			2,683	2,683	767
Postage	4,550			6,245	6,245	(1,695)
Advertising and promotion	46,300	8,779		51,619	60,398	(14,098)
Contingency	19,070			922	922	18,148
Printing and publications	7,000		(49)	8,580	8,531	(1,531)
Conferences and meetings	850			92	92	758
Funds adjustment	(2,252)				0	(2,252)
Total expenses	416,605	39,092	1,351	376,162	416,605	
Excess of revenue over expense	\$ 0	\$ 0		\$ 0	\$ 0	\$ 0

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, 2008 THROUGH DECEMBER 31, 2008

FUNDS SPENT OR ENCUMBERED YEAR ENDED DECEMBER 31, 2008

	<u>Budget</u>	<u>Actual</u>	Budget Variance Favorable <u>(Unfavorable)</u>
REVENUE			
Tax allocation	<u>\$ 442,891</u>	<u>\$ 376,162</u>	<u>\$ 66,729</u>
EXPENSES			
Salaries	83,396	60,884	22,512
Benefits and transportation	17,550	11,802	5,748
Program consultant and accounting	7,350	33,937	(26,587)
Rent	7,650	5,940	1,710
Street beautification	78,391	51,158	27,233
Façade improvements	53,000	2,950	50,050
Maintenance	93,079	127,947	(34,868)
Insurance	4,100	2,976	1,124
Supplies	11,500	3,508	7,992
Equipment lease/purchase	3,500	4,919	(1,419)
Telephone	3,450	2,683	767
Postage	4,550	6,245	(1,695)
Advertising and promotion	48,455	51,619	(3,164)
Contingency	19,070	922	18,148
Printing and publications	7,000	8,580	(1,580)
Conferences and meetings	850	92	758
Total expenses	<u>442,891</u>	<u>376,162</u>	<u>66,729</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, 2007 THROUGH DECEMBER 31, 2008

FUNDS SPENT OR ENCUMBERED YEARS ENDED DECEMBER 31, 2008 and 2007

	Budget	Actual		Total	Budget Variance Favorable (Unfavorable)
		2008	2007		
REVENUE					
Tax allocation	\$ 327,861	13,191	314,470	\$ 327,661	\$ 200
EXPENSES					
Salaries	78,890	2,110	60,990	63,100	15,790
Benefits and transportation	12,800	433	11,590	12,023	777
Program consultant and accounting	14,000		28,481	28,481	(14,481)
Rent	4,680		3,510	3,510	1,170
Street beautification	45,847	10,390	54,591	64,981	(19,134)
Façade improvements	32,000				32,000
Maintenance	92,000	458	91,943	92,401	(401)
Insurance	2,000		2,000	2,000	0
Supplies	2,108		3,888	3,888	(1,780)
Equipment lease and maintenance	3,500		4,960	4,960	(1,460)
Equipment purchase/safety	4,200		2,104	2,104	2,096
Telephone	2,628		1,300	1,300	1,328
Postage	2,000		5,378	5,378	(3,378)
Advertising and promotion	44,500		43,674	43,674	826
Conference and meetings	240				240
Interest			61	61	(61)
Funds adjustment	(13,532)				(13,532)
Total expenses	327,861	13,391	314,470	327,861	0
Excess of revenue over expense	\$ 0	\$ 0	\$ 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, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Change in net assets	\$	\$
(Increase) decrease in contract receivable	(9,708)	25,260
(Decrease) in accounts payable		(54,261)
(Decrease) increase in Special Service Area contract not yet earned	<u>(58,116)</u>	<u>39,806</u>
Cash flow from operations	(67,824)	10,805
Cash, beginning of year	36,421	25,616
Cash, end of year	<u>\$ (31,403)</u>	<u>\$ 36,421</u>

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

CENTRAL LAKE VIEW MERCHANTS ASSOCIATION

NOTES TO FINANCIAL STATEMENT

DECEMBER 31, 2009 AND 2008

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.

**CENTRAL LAKE VIEW MERCHANTS ASSOCIATION
SPECIAL SERVICE AREA #17
SUMMARY SCHEDULE OF FINDINGS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

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.