

**SPECIAL SERVICE AREA #17**

**Administered By**

**CENTRAL LAKE VIEW MERCHANTS ASSOCIATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2011 AND 2010  
AND FOR THE YEARS THEN ENDED**

**WITH**

**INDEPENDENT AUDITOR'S REPORT**

# ***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

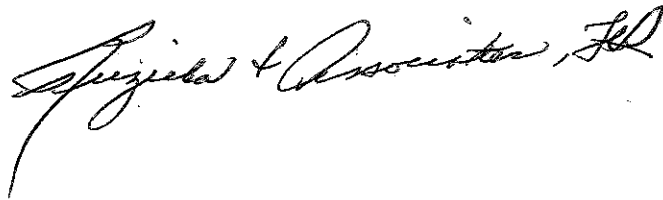
## **INDEPENDENT AUDITOR'S REPORT**

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, 2011 and 2010, 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, 2011 and 2010, and the results of its operations for the years then ended in conformity with accounting principles generally accepted in the United States of America.

February 20, 2012



**CENTRAL LAKE VIEW MERCHANTS ASSOCIATION**

**SPECIAL SERVICE AREA #17**

**STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Cash	\$ 5,000	\$ 1,228
Contract receivable	-	<u>182,096</u>
Total assets	<u>\$ 5,000</u>	<u>\$ 183,324</u>
<b>LIABILITIES</b>		
Due to Central Lakeview Merchants Association	\$ 1,939	\$ 108,580
Special Service Area allocation not yet earned	<u>3,061</u>	<u>74,744</u>
Total liabilities	<u>5,000</u>	<u>183,324</u>
<b>NET ASSETS</b>		
Net assets	<u>                    </u>	<u>                    </u>
Total liabilities and net assets	<u>\$ 5,000</u>	<u>\$ 183,324</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, 2011 THROUGH DECEMBER 31, 2011**

**FUNDS SPENT OR ENCUMBERED YEAR ENDED DECEMBER 31, 2011**

	<u>Budget</u>	<u>Actual</u>	Budget Variance Favorable <u>(Unfavorable)</u>
<b>REVENUE</b>			
Tax allocation	\$ 541,941	\$ 444,294	\$ 97,647
Less: accounts receivable write down	(94,586)		(94,586)
Net revenue	<u>447,355</u>	<u>\$ 444,294</u>	<u>\$ 3,061</u>
<b>EXPENSES</b>			
Salaries	79,870	83,966	(4,096)
Benefits and transportation	12,510	7,324	5,186
Program consultant and accounting	11,750	8,647	3,103
Rent and utilities	25,080	31,760	(6,680)
Street beautification	158,000	95,739	62,261
Façade improvements	25,000	2,321	22,679
Maintenance	99,991	107,960	(7,969)
Insurance	2,890	2,149	741
Supplies	10,450	11,475	(1,025)
Equipment lease/purchase	4,500	3,514	986
Telephone			0
Postage	4,500	4,553	(53)
Advertising and promotion	75,300	77,971	(2,671)
Tenant retention/attraction			0
Direct planning			0
Safety programs			0
Dues and subscriptions			0
Printing and publications	7,000	4,471	2,529
Conferences and meetings	400	850	(450)
Contingency	24,700	1,594	23,106
Less: accounts receivable write down	(94,586)		(94,586)
Total expenses	<u>447,355</u>	<u>444,294</u>	<u>3,061</u>
Excess of revenue over expense	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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, 2011

FUNDS SPENT OR ENCUMBERED YEARS ENDED DECEMBER 31, 2011 AND 2010

	Revised Budget	Actual			Budget Variance Favorable (Unfavorable)
		2011	2010	Total	
<b>REVENUE</b>					
Tax allocation	\$ 500,791	35,494	\$ 465,297	\$ 500,791	\$ -
<b>EXPENSES</b>					
Salaries	82,869		81,028	81,028	1,841
Benefits and transportation	21,611	5,499	9,042	14,541	7,070
Program consultant and accounting	6,950		9,697	9,697	(2,747)
Rent and utilities	7,100		11,779	11,779	(4,679)
Street beautification	99,991		102,269	102,269	(2,278)
Façade improvements	35,000	20,025	14,975	35,000	0
Maintenance	141,000	9,970	131,030	141,000	0
Insurance	520		4,496	4,496	(3,976)
Supplies	7,000		3,025	3,025	3,975
Equipment lease/purchase	4,500		8,127	8,127	(3,627)
Telephone	5,370		3,313	3,313	2,057
Postage	6,550		2,857	2,857	3,693
Advertising and promotion	49,900		68,242	68,242	(18,342)
Tenant retention/attraction	4,500		166	166	4,334
Direct planning	1,800				
Safety programs	400		2,486	2,486	
Dues and subscriptions	2,100		398	398	1,702
Printing and publications	5,000		11,906	11,906	(6,906)
Conferences and meetings	850		166	166	684
Contingency	17,780		295	295	17,485
<b>Total expenses</b>	<b>500,791</b>	<b>35,494</b>	<b>465,297</b>	<b>500,791</b>	
<b>Excess of revenue over expense</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

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, 2010.**

	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance Favorable (Unfavorable)</u>
<b>REVENUE</b>			
Tax allocation	<u>\$ 540,041</u>	<u>\$ 465,297</u>	<u>\$ 74,744</u>
<b>EXPENSES</b>			
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>

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, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Change in net assets	\$	\$
Decrease (increase) in contract receivable	182,096	(142,080)
(Decrease) in amount due Central Lakeview Merchants Association	(106,641)	77,150
(Decrease) increase in Special Service Area contract not yet earned	<u>(71,683)</u>	<u>66,158</u>
Cash flow from operations	3,772	1,228
Cash, beginning of year	1,228	
Cash, end of year	<u>\$ 5,000</u>	<u>\$ 1,228</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, 2011 AND 2010**

**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.

On January 1, 2012, SSA#17 was reconstituted with new boundaries. With this reconstitution, all monies owing from the City of Chicago to SSA#17 prior to January 1, 2012 will not be received. Therefore, there are no contract receivables shown on the Balance Sheet as of December 31, 2011.

**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, 2011 AND 2010**

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.