

**LAKE VIEW EAST CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #8**

**FINANCIAL STATEMENTS
For the Years Ended December 31, 2010 and 2009**

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To the Commissioners
Lake View East Chamber of Commerce
Special Service Area #8
Chicago, Illinois

Independent Auditors' Report on Financial Statements

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Of Council

We have audited the accompanying statements of financial position of Lake View East Chamber of Commerce Special Service Area #8 as of December 31, 2010 and 2009 and the related statements of activities cash flows for the years then ended. These financial statements are the responsibility of Lake View East Special Service Area #8 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 requirements applicable to financial audits established by the City of Chicago Department of Planning and Development. Those standards require that we plan and perform the audit 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits 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 Lake View East Chamber of Commerce Special Service Area #8 as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The 2010 and 2009 budget amounts, which were arrived at by the City of Chicago and the Lake View East Chamber of Commerce Special Service Area and are shown in the statement of activities, as required by the City of Chicago Department of Planning and Development, are presented for comparison purposes. We have not performed any auditing procedures on the budget amounts and therefore, express no opinion on them. The summary schedule of audit findings is a requirement of the City of Chicago Department of Planning and Development and not a required part of the basic financial statements. The city requires we disclose any exceptions to the city contract between the city and the SSA.

P.K. Johnson & Associates, LLC

P.K. JOHNSON & ASSOCIATES, LLC
Oak Brook, Illinois
April 18, 2011

LAKE VIEW EAST CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #8

STATEMENTS OF FINANCIAL POSITION
As of December 31, 2010 and 2009

ASSETS

	<u>2010</u>	<u>2009</u>
Cash	\$ <u>276,754</u>	\$ <u>267,418</u>
TOTAL ASSETS	\$ <u>276,754</u>	\$ <u>267,418</u>

LIABILITIES AND NET ASSETS

Net assets	\$ <u>276,754</u>	\$ <u>267,418</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>276,754</u>	\$ <u>267,418</u>

See Accompanying Notes

**LAKE VIEW EAST CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #8**

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010**

	<u>2010 Actual</u>	<u>2010 Budget</u>	<u>Variance Over (Under)</u>
REVENUES			
Real estate taxes current period	\$ 606,211	\$ 747,550	\$ (141,339)
Real estate taxes prior period	26,182	-	26,182
Interest	<u>1,463</u>	<u>-</u>	<u>1,463</u>
Total Revenue	<u>633,856</u>	<u>747,550</u>	<u>(113,694)</u>
EXPENDITURES			
Advertising and Promotion			
Display Ads	30,000	30,000	-
Holiday/Seasonal	25,000	28,000	(3,000)
Print Materials	15,000	15,000	-
Public/Media Relations Services	10,000	10,000	-
Special Events	30,000	30,000	-
Website/Technology	13,100	10,000	3,100
Travel and Tourism	10,000	15,000	(5,000)
Service Provider Direct Services	<u>26,100</u>	<u>26,100</u>	<u>-</u>
Total Advertising and Promotion	<u>159,200</u>	<u>164,100</u>	<u>(4,900)</u>
Public Way Maintenance			
Equipment Purchase and Maintenance	3,950	15,000	(11,050)
Liability Property Insurance	4,896	4,000	896
Sidewalk Power Washing	-	20,000	(20,000)
Staff Wages and Fringe Benefits	83,000	75,000	8,000
Storage Rental	8,400	8,500	(100)
Supplies	8,350	8,000	350
Service Provider Direct Services	25,000	25,000	-
Utilities	<u>3,600</u>	<u>-</u>	<u>3,600</u>
Total Public Way Maintenance	<u>137,196</u>	<u>155,500</u>	<u>(18,304)</u>
Public Way Aesthetics			
Banner Purchase/Maintenance	30,000	30,000	-
Holiday Decorations	25,000	25,000	-
Landscaping	55,000	55,000	-
Property Insurance	4,000	4,000	-
Streetscape	10,200	15,000	(4,800)
Wayfinding/Signage	900	8,000	(7,100)
Service Provider Direct Services	<u>21,050</u>	<u>21,050</u>	<u>-</u>
Total Public Way Aesthetics	<u>146,150</u>	<u>158,050</u>	<u>(11,900)</u>
Tenant Retention/Attraction			
Property Owner/Broker/Tenant Relations	7,500	10,000	(2,500)
Technical Assistance to Businesses	4,700	8,000	(3,300)
Site Marketing Materials	5,000	5,000	-
Service Provider Direct Services	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Tenant Retention/Attraction	<u>22,200</u>	<u>28,000</u>	<u>(5,800)</u>

See Accompanying Notes

**LAKE VIEW EAST CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #8**

**STATEMENT OF ACTIVITIES (continued)
For the Year Ended December 31, 2010**

	<u>2010 Actual</u>	<u>2010 Budget</u>	<u>Variance Over (Under)</u>
EXPENDITURES (continued)			
Facade Improvements			
Facade Enhancement Program	\$ 41,000	\$ 60,000	\$ (19,000)
Service Provider Direct Services	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Facade Improvements	<u>46,000</u>	<u>65,000</u>	<u>(19,000)</u>
Parking/Transit/Accessibility			
Shared Valet Program	<u>3,000</u>	<u>5,000</u>	<u>(2,000)</u>
Total Parking/Transit/Accessibility	<u>3,000</u>	<u>5,000</u>	<u>(2,000)</u>
Safety Programs			
Security Subcontractor	<u>6,300</u>	<u>4,000</u>	<u>2,300</u>
Total Safety Programs	<u>6,300</u>	<u>4,000</u>	<u>2,300</u>
District Planning			
Identity Branding	9,000	15,000	(6,000)
District Master Plan	-	5,000	(5,000)
SSA Work Plans	-	2,000	(2,000)
Service Provider Direct Services	<u>-</u>	<u>5,000</u>	<u>(5,000)</u>
Total District Planning	<u>9,000</u>	<u>27,000</u>	<u>(18,000)</u>
Operational & Administrative Support			
Audit Bookkeeping	3,500	3,500	-
Meeting Expense	1,200	1,200	-
Office Equipment	6,000	6,000	-
Office Rent	48,600	48,600	-
Office Supplies	1,500	1,500	-
Utilities/Telephone	3,500	3,500	-
Postage	800	800	-
Service Provider Administrative Support	26,400	28,800	(2,400)
Other	<u>3,974</u>	<u>3,000</u>	<u>974</u>
Total Operational & Administrative Support	<u>95,474</u>	<u>96,900</u>	<u>(1,426)</u>
Less Contingency	<u>-</u>	<u>60,000</u>	<u>(60,000)</u>
TOTAL EXPENDITURES	<u>624,520</u>	<u>763,550</u>	<u>(139,030)</u>
Change in Net Assets	<u>9,336</u>	\$ (16,000)	\$ (25,336)
NET ASSETS			
Beginning of Year	<u>267,418</u>		
END OF YEAR	<u>\$ 276,754</u>		

See Accompanying Notes

**LAKE VIEW EAST CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #8**

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2009**

	<u>2009 Actual</u>	<u>2009 Budget</u>	<u>Variance Over (Under)</u>
REVENUES			
Real estate taxes current period	\$ 625,410	\$ 661,650	\$ (36,240)
Real estate taxes prior period	13,731	-	13,731
Interest	2,347	-	2,347
Total Revenue	<u>641,488</u>	<u>661,650</u>	<u>(20,162)</u>
EXPENDITURES			
Advertising and Promotion			
Display Ads	25,000	25,000	-
Holiday/Seasonal	25,000	25,000	-
Print Materials	11,588	13,000	(1,412)
Public/Media Relations Services	5,000	6,000	(1,000)
Special Events	45,300	30,000	15,300
Website/Technology	8,000	8,000	-
Service Provider Direct Services	29,100	26,100	3,000
Gift Card Program	2,225	3,500	(1,275)
Total Advertising and Promotion	<u>151,213</u>	<u>136,600</u>	<u>14,613</u>
Public Way Maintenance			
Equipment Purchase and Maintenance	1,800	5,000	(3,200)
Liability Property Insurance	5,580	4,000	1,580
Staff Wages and Fringe Benefits	23,000	83,500	(60,500)
Storage Rental	8,400	8,400	-
Supplies	10,620	8,500	2,120
Sidewalk Power Washing	-	35,000	(35,000)
Service Provider Direct Services	88,500	20,000	68,500
Incentive Program	2,800	2,500	300
Utilities	3,700	4,000	(300)
Total Public Way Maintenance	<u>144,400</u>	<u>170,900</u>	<u>(26,500)</u>
Public Way Aesthetics			
Banner Purchase/Maintenance	30,000	25,000	5,000
Holiday Decorations	28,522	25,000	3,522
Landscaping	56,003	50,000	6,003
Property Insurance	3,500	3,500	-
Streetscape	11,500	10,000	1,500
Wayfinding/Signage	3,000	3,000	-
Service Provider Direct Services	23,240	22,250	990
Total Public Way Aesthetics	<u>155,765</u>	<u>138,750</u>	<u>17,015</u>
Tenant Retention/Attraction			
Property Owner/Broker/Tenant Relations	11,000	10,000	1,000
Site Marketing Materials	5,400	3,000	2,400
Technical Assistance to Residents	2,500	2,000	500
Service Provider Direct Services	2,500	2,500	-
Total Tenant Retention/Attraction	<u>21,400</u>	<u>17,500</u>	<u>3,900</u>

See Accompanying Notes

**LAKE VIEW EAST CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #8**

**STATEMENT OF ACTIVITIES (continued)
For the Year Ended December 31, 2009**

	<u>2009 Actual</u>	<u>2009 Budget</u>	<u>Variance Over (Under)</u>
EXPENDITURES (continued)			
Façade Improvements			
Façade Enhancement Program	\$ 19,000	\$ 55,000	\$ (36,000)
Service Provider Direct Services	<u>1,876</u>	<u>2,500</u>	<u>(624)</u>
Total Façade Improvements	<u>20,876</u>	<u>57,500</u>	<u>(36,624)</u>
Parking/Transit Accessibility			
On Street Parking Management	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total Parking/Transit Accessibility	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Safety Programs			
Public Way Surveillance Cameras/Maintenance	500	-	500
Security Subcontractor	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Total Safety Programs	<u>4,500</u>	<u>4,000</u>	<u>500</u>
District Planning			
Identity Development	20,000	15,000	5,000
Service Provider Direct Services	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total District Planning	<u>25,000</u>	<u>20,000</u>	<u>5,000</u>
Operational & Administrative Support			
Audit Bookkeeping	3,500	3,500	-
Meeting Expense	2,000	1,200	800
Office Equipment	5,900	6,000	(100)
Office Rent	48,000	48,000	-
Office Supplies	1,500	1,500	-
Utilities/Telephone	3,750	3,500	250
Postage	550	800	(250)
Service Provider Administrative Support	30,900	28,900	2,000
Subscriptions/Dues	2,500	-	2,500
Other	<u>6,050</u>	<u>3,000</u>	<u>3,050</u>
Total Operational & Administrative Support	<u>104,650</u>	<u>96,400</u>	<u>8,250</u>
Less Contingency	<u>-</u>	<u>33,000</u>	<u>(33,000)</u>
TOTAL EXPENDITURES	<u>629,804</u>	<u>676,650</u>	<u>(46,846)</u>
Changes in Net Assets	<u>11,684</u>	<u>\$ (15,000)</u>	<u>\$ 26,684</u>
NET ASSETS			
Beginning of Year	<u>255,734</u>		
END OF YEAR	<u>\$ 267,418</u>		

See Accompanying Notes

**LAKE VIEW EAST CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #8**

**STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
Cash flows from OPERATING activities		
Increase in net assets	\$ <u>9,336</u>	\$ <u>11,684</u>
Net cash provided by operating activities	\$ <u>9,336</u>	\$ <u>11,684</u>
Net increase in cash	9,336	11,684
Cash at the beginning of the year	<u>267,418</u>	<u>255,734</u>
Cash at the end of year	\$ <u>276,754</u>	\$ <u>267,418</u>
 Supplemental Disclosure of Cash Flows		
Interest paid	\$ <u>-</u>	\$ <u>-</u>
Taxes paid	\$ <u>-</u>	\$ <u>-</u>

See Accompanying Notes

**LAKE VIEW EAST CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #8**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization - Lake View East Chamber of Commerce Special Services Area #8 was created by the City of Chicago to provide additional services to the area. The primary source of funds is from real estate taxes on certain property in the Special Service Area. Special Services Area #8 generates revenue for the sole purpose of improving and enhancing the business district of Lake View East; the boundaries of which are generally properties fronting Broadway from Diversey on the south to Grace on the north; Clark from Diversey on the south to Belmont on the north; Halsted from Diversey on the south to Belmont on the north; on Belmont Avenue, from Halsted to Broadway and the north side of Diversey from Sheridan on the east to Halsted on the west.

Activities and services funded include: cleaning and beautification activities, coordination of advertising and promotional events, attraction and recruitment of new quality businesses to the area, and technical assistance to existing and potential businesses.

In addition, Special Service Area #8 funds the operation of a storefront public services office in the heart of the commercial area, which is a resource to both businesses and area residents.

Basis of Accounting - The accompanying financial statements have been prepared on the accrual method. Based on information provided by the Department of Planning and Development, the recognition of revenue by the SSA when received would be considered within generally accepted accounting principles. This allows Special Service Area's to prepare financial statements on the accrual method.

Cash and Cash Equivalents - Cash and cash equivalents are held in the name of Special Service Area #8 as required by the City of Chicago. All cash and earnings on such are to be used as allowed by the City of Chicago. For purposes of the statements of cash flows, the Special Service Area #8 considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

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

NOTE 2 – RELATED PARTY TRANSACTIONS

Lake View East Chamber of Commerce has been selected by the City as contractor to provide the services mentioned in Note 1. The Chamber collects the funds and pays expenses to provide the agreed services. The Chamber was paid approximately \$166,550 in 2010 and \$181,110 in 2009 for administration of the SSA. The amount listed includes payments to the Chamber to cover shared expenses in addition to the administration fee.

**LAKE VIEW EAST CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #8**

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – REAL ESTATE TAX REVENUE

The Special Service Area #8's principal source of revenue is real estate taxes levied on certain property located in the boundaries listed in Note 1. The taxes are assessed and collected by Cook County, and paid to the City of Chicago, which then remits to the Special Service Area #8. Taxes are levied in one year, but paid in two installments the following year by the property owners. The Special Service Area #8 recognizes this revenue in the year in which the funds become available. The late payment of real estate taxes by a property owner results in the addition of an interest charge which increases as long as the taxes are unpaid. When paid, the interest collected by the City is passed on to the SSA.

NOTE 4 – CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSIT IN EXCESS OF INSURED LIMITS

The Special Service Area #8 maintains its cash balances in one financial institution located in Chicago, Illinois. During 2010 and 2009, the balance was insured by the Federal Deposit Insurance Corporation up to \$250,000. The cash balance did exceed the insurance limits during both years.

NOTE 5 - SUBSEQUENT EVENTS

Management believes that as of April 18, 2011, the date these financial statements were issued, that no subsequent events had occurred since December 31, 2010 which would be required to be disclosed in these financial statements.

**LAKE VIEW EAST CHAMBER OF COMMERCE
SPECIAL SERVICE AREA #8**

**SUMMARY SCHEDULE OF AUDIT FINDINGS
For the Year Ended December 31, 2010**

We have read the agreement between the City of Chicago and Special Service Area #8 and state there are no findings to report the status of.