SPECIAL SERVICE AREA #27

FINANCIAL STATEMENTS

For the Year Ended December 31, 2009
# SPECIAL SERVICES AREA #27

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To The Commissioners
Special Service Area #27
Chicago, Illinois

Independent Auditors' Report

We have audited the accompanying Statements of Assets, Liabilities and Net Assets of Special Service Area #27 as of December 31, 2009 and the related Statement of Revenues, Expenditures and Changes in Net Assets, Statement of Cash Flows and Summary Schedule of Audit Findings for the year then ended. These financial statements are the responsibility of Special Service Area #27 management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph, present fairly, in all material respects, the financial position of Special Service Area #27 as of December 31, 2009 and its revenues, expenditures, changes in net assets, cash flows and summary schedule of audit findings for the year then ended in conformity with generally accepted auditing standards.

The 2009 and 2008 budget amounts, which were arrived at by the Special Service Area and are shown in the Statement of Revenue, Expenditures and Changes in Net Assets, are presented for comparison purposes only. We have not performed any auditing procedures on the budget amounts and therefore, express no opinion on them.

Jay J. Kowalski, CPA
April 24, 2010
SPECIAL SERVICE AREA #27  
STATEMENT OF ASSETS, LIABILITIES  
AND NET ASSETS  
As of December 31, 2009  
(With comparative Totals for 2008)  

ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$172,393</td>
<td>$140,337</td>
</tr>
<tr>
<td>Prepaid Expense</td>
<td>6,691</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$179,085</td>
<td>$140,337</td>
</tr>
</tbody>
</table>

LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$38,643</td>
<td>$39,621</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>$38,643</td>
<td>$39,621</td>
</tr>
<tr>
<td>Net assets</td>
<td>$140,442</td>
<td>$100,716</td>
</tr>
<tr>
<td>TOTAL LIABILITIES AND NET ASSETS</td>
<td>$179,085</td>
<td>$140,337</td>
</tr>
</tbody>
</table>

See Accompanying Notes -2-
<table>
<thead>
<tr>
<th>Revenue/Expenditures</th>
<th>2009 Actual</th>
<th>2009 Budget</th>
<th>Variance</th>
<th>2008 Actual</th>
<th>2008 Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Earnings</td>
<td>1,954</td>
<td>0</td>
<td>1,954</td>
<td>762</td>
<td>0</td>
<td>762</td>
</tr>
<tr>
<td>Membership dues</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Real Estate tax levy (Note 2)</td>
<td>466,458</td>
<td>483,250</td>
<td>(16,792)</td>
<td>485,728</td>
<td>481,507</td>
<td>26,221</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>468,412</td>
<td>483,250</td>
<td>(14,838)</td>
<td>490,510</td>
<td>481,507</td>
<td>29,003</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PROGRAMS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising &amp; Promotion</td>
<td>74,533</td>
<td>68,000</td>
<td>6,533</td>
<td>110,956</td>
<td>43,000</td>
<td>67,956</td>
</tr>
<tr>
<td>Public Way Maintenance</td>
<td>84,247</td>
<td>102,000</td>
<td>(17,753)</td>
<td>63,472</td>
<td>140,500</td>
<td>(77,028)</td>
</tr>
<tr>
<td>Public Way Aesthetics</td>
<td>181,586</td>
<td>151,000</td>
<td>30,586</td>
<td>143,265</td>
<td>141,000</td>
<td>2,265</td>
</tr>
<tr>
<td>Tenant Retention/Attract.</td>
<td>1,050</td>
<td>6,050</td>
<td>(5,000)</td>
<td>1,000</td>
<td>2,000</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Facade Improvements</td>
<td>21,049</td>
<td>52,000</td>
<td>(30,951)</td>
<td>13,750</td>
<td>45,000</td>
<td>(31,250)</td>
</tr>
<tr>
<td>Parking/Transit/Access.</td>
<td>2,525</td>
<td>4,225</td>
<td>(2,000)</td>
<td>4,000</td>
<td>8,000</td>
<td>(4,000)</td>
</tr>
<tr>
<td>Safety Programs</td>
<td>2,525</td>
<td>22,525</td>
<td>(20,000)</td>
<td>5,000</td>
<td>18,200</td>
<td>(13,200)</td>
</tr>
<tr>
<td>District Planning</td>
<td>6,000</td>
<td>46,000</td>
<td>(40,000)</td>
<td>5,000</td>
<td>15,000</td>
<td>(10,000)</td>
</tr>
<tr>
<td><strong>Total Program Expense</strong></td>
<td>373,615</td>
<td>452,100</td>
<td>(78,485)</td>
<td>346,446</td>
<td>412,700</td>
<td>(66,254)</td>
</tr>
<tr>
<td><strong>Administration</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit/Bookkeeping</td>
<td>4,220</td>
<td>4,000</td>
<td>220</td>
<td>6,500</td>
<td>3,600</td>
<td>3,300</td>
</tr>
<tr>
<td>Meeting Expense</td>
<td>534</td>
<td>250</td>
<td>284</td>
<td>330</td>
<td>250</td>
<td>80</td>
</tr>
<tr>
<td>Office Equip Purch/Maint.</td>
<td>1,200</td>
<td>1,200</td>
<td>0</td>
<td>1,652</td>
<td>1,652</td>
<td>0</td>
</tr>
<tr>
<td>Office Rent</td>
<td>3,600</td>
<td>3,600</td>
<td>0</td>
<td>3,200</td>
<td>3,200</td>
<td>0</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>600</td>
<td>600</td>
<td>0</td>
<td>3,000</td>
<td>3,000</td>
<td>0</td>
</tr>
<tr>
<td>Office Utilities/Telephone</td>
<td>500</td>
<td>500</td>
<td>0</td>
<td>2,200</td>
<td>2,200</td>
<td>0</td>
</tr>
<tr>
<td>Postage</td>
<td>1,500</td>
<td>1,500</td>
<td>0</td>
<td>4,000</td>
<td>4,000</td>
<td>0</td>
</tr>
<tr>
<td>Office Printing</td>
<td>7,059</td>
<td>500</td>
<td>6,559</td>
<td>5,000</td>
<td>5,000</td>
<td>0</td>
</tr>
<tr>
<td>Service Provider Comp.</td>
<td>32,076</td>
<td>13,000</td>
<td>19,076</td>
<td>18,754</td>
<td>16,776</td>
<td>1,978</td>
</tr>
<tr>
<td>Bank Service Charges</td>
<td>2,323</td>
<td>2,323</td>
<td>0</td>
<td>1,272</td>
<td>1,272</td>
<td>0</td>
</tr>
<tr>
<td>Insurance</td>
<td>1,353</td>
<td>1,353</td>
<td>0</td>
<td>1,353</td>
<td>1,353</td>
<td>0</td>
</tr>
<tr>
<td>Miscellaneous Expense</td>
<td>106</td>
<td>106</td>
<td>0</td>
<td>2,643</td>
<td>2,643</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Administration Expense</strong></td>
<td>55,071</td>
<td>25,150</td>
<td>29,921</td>
<td>60,214</td>
<td>38,878</td>
<td>11,336</td>
</tr>
<tr>
<td><strong>Loss Collection</strong></td>
<td>0</td>
<td>20,450</td>
<td>(20,450)</td>
<td>0</td>
<td>9,929</td>
<td>(9,929)</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>428,666</td>
<td>497,700</td>
<td>(69,044)</td>
<td>396,659</td>
<td>481,507</td>
<td>(64,847)</td>
</tr>
<tr>
<td><strong>Excess of Revenue over Expenditures</strong></td>
<td>38,726</td>
<td>(14,450)</td>
<td>54,176</td>
<td>93,850</td>
<td>0</td>
<td>93,850</td>
</tr>
</tbody>
</table>

See accompanying notes...
SPECIAL SERVICE AREA #27
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2009
(With Comparative Totals for 2008)

<table>
<thead>
<tr>
<th>CASH FLOWS FROM OPERATING ACTIVITIES:</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase/(decrease) in net assets</td>
<td>$39,726</td>
<td>$93,850</td>
</tr>
<tr>
<td>Adjustment to reconcile increase in</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets to net cash provided by</td>
<td></td>
<td></td>
</tr>
<tr>
<td>operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) in Prepaid Expense</td>
<td>$(6,691)</td>
<td>$(60,203)</td>
</tr>
<tr>
<td>Increase/(decrease) in accounts/loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>payable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash provided by operating</td>
<td>32,056</td>
<td>33,647</td>
</tr>
<tr>
<td>activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net increase in cash</td>
<td>32,056</td>
<td>33,647</td>
</tr>
<tr>
<td>Cash at the beginning of the year</td>
<td>140,337</td>
<td>106,690</td>
</tr>
<tr>
<td>Cash at the end of year</td>
<td>$172,393</td>
<td>$140,337</td>
</tr>
</tbody>
</table>

See Accompanying Notes
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SPECIAL SERVICE AREA #27
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of organization- Special Service Area #27 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 #27 generates revenue for the sole purpose of improving and enhancing the business district of Lakeview. 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 #27 funds along with the Lakeview Chamber of Commerce the operation of a 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 Six Corners Special Service Area #27 without physical segregation as to various restricted portions. All earnings on such are allocated to unrestricted revenue. For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be 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 – REAL ESTATE TAX REVENUE

The Organization’s principal source of revenue is from real estate taxes levied on certain property 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 Organization. Taxes are levied in one year, but paid in two installments the following year by the property owners. The Organization recognizes this revenue in the year in which the funds become available.
SPECIAL SERVICE AREA #27

SUMMARY SCHEDULE OF AUDIT FINDINGS

I HAVE READ THE SERVICE PROVIDER AGREEMENT AND NO EXCEPTIONS WERE NOTED.