SPECIAL SERVICE AREA #27

FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

SPECIAL SERVICES AREA #27

TABLE OF CONTENTS

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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

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

	2009	2008
Cash	$172,393	$140,337
Prepaid Expense	6,691	0
TOTAL ASSETS	$179,085	$140.337

LIABILITIES AND NET ASSETS

Accounts Payable	$ 38,643	$ 39,621
TOTAL LIABILITIES	$ 38,643	$ 39,621
Net assets	$140,442	$100,716
TOTAL LIABILITIES AND NET ASSETS	$179,085	$140,337

See Accompanying Notes

Special Services Area #27

Statement of Revenue and Expenditures

For the Year Ended December 31,2009

(With Comparative Totals for 2008)

	2009 Actual	2009 Budget	Variance	2008 Actual	2008 Budget	Variance
REVENUES						
Interest Earnings	1,954	0	1,954	782	0	782
Membership dues	0	0	0	0	0	0
Real Estate tax levy (Note 2)	466,458	483,250	(16,792)	489,728	461,507	28,221
Total Revenue	468,412	483,250	(14,838)	490,510	461,507	29,003
EXPENDITURES						
PROGRAMS:						
Advertising & Promotion	74,533	68,000	6,533	110,958	43,000	67,958
Public Way Maintenance	84,247	102,000	(17,753)	63,472	140,500	(77,028)
Public Way Aesthetics	181,686	151,000	30,686	143,266	141,000	2,266
Tenant Retention/Attract.	1,050	6,050	(5,000)	1,000	2,000	(1,000)
Facade Improvements	21,049	52,000	(30,951)	13,750	45,000	(31,250)
Parking/Transit/Access.	2,525	4,525	(2,000)	4,000	8,000	(4,000)
Safety Programs	2,525	22,525	(20,000)	5,000	18,200	(13,200)
District Planning	6,000	46,000	(40,000)	5,000	15,000	(10,000)
Total Program Expense	373,615	452,100	(78,485)	346,446	412,700	(66,254)
Administration:						
Audit/Bookkeeping	4,220	4,000	220	6,500	3,500	3,000
Meeting Expense	534	250	284	330	250	80
Office Equip Purch/Maint.	1,200	1,200	0	1,952	1,952	0
Office Rent	3,600	3,600	0	3,200	3,200	0
Office Supplies	600	600	0	3,000	3,000	0
Office Utilities/Telephone	500	500	0	2,200	2,200	0
Postage	1,500	1,500	0	4,000	4,000	0
Office Printing	7,059	500	6,559	5,000	5,000	0
Service Provider Comp.	32,076	13,000	19,076	18,764	15,776	2,988
Bank Service Charges	2,323	0	2,323	1,272	0	1,272
Insurance	1,353	0	1,353	1,353	0	1,353
Miscellaneous Expense	106	0	106	2,643	0	2,643
Total Administration Expense	55,071	25,150	29,921	50,214	38,878	11,336
Loss Collection	0	20,450	(20,450)	0	9,929	(9,929)
Total Expenditures	428,686	497,700	(69,014)	396,660	461,507	(64,847)
Excess of Revenue over Expenditures	39,726	(14,450)	54,176	93,850	0	93,850

See Accompanying Notes

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

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase/(decrease) in net assets	$ 39,726	$ 93,850
Adjustment to reconcile increase in Net assets to net cash provided by operating activities:		
(Increase) in Prepaid Expense	(6,691)	
Increase/(decrease) in accounts/loans payable	(979)	(60,203)
Net cash provided by operating activities	32,056	33,647
Net increase in cash	32,056	33,647
Cash at the beginning of the year	140,337	106,690
Cash at the end of year	$172,393	$140,337

See Accompanying Notes

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.