

RANDALL GROSS & COMPANY, LTD.
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June 28, 2010

To the Board of Directors
95th Street Beverly Hills Business Association
Chicago, Illinois

We have audited the financial statements of 95th Street Special Service Area Number 4 City of Chicago grant (a component of 95th Street Beverly Hills Business Association for the year ended December 31, 2009, and have issued our report thereon dated June 28, 2010. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated February 22, 2010, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by 95th Street Beverly Hills Business Association are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. All items have been corrected by adjusting journal entries.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 28, 2010.

Management Consultations with Other Independent Accountants

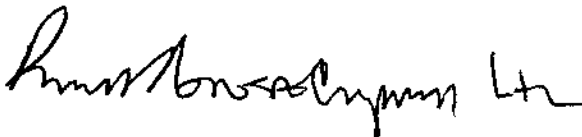
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of 95th Street Beverly Hills Business Association and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Randall Gross & Company, Ltd.

**95th Street Special Service Area Number 4
95th Street Beverly Hills Business Association, Contractor**

FINANCIAL STATEMENTS

Years Ended December 31, 2009 and 2008

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INDEPENDENT AUDITOR'S REPORT

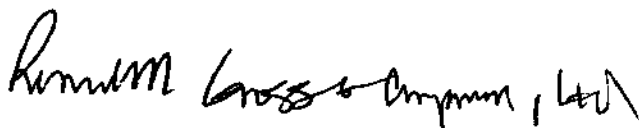
To the Board of Directors
95th Street Beverly Hills Business Association

We have audited the accompanying statement of financial position of the Special Service Area Number 4 of the 95th Street Beverly Hills Business Association, Contractor (a nonprofit organization) as of December 31, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the organization's 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 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 our audit provides 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 the Special Service Area Number 4 as of December 31, 2009, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. The information included in the accompanying Schedule 1 is presented for supplemental analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the audit of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

The 2008 financial statements were compiled by other accountants, and their report thereon dated April 10, 2009 stated that they did not audit or review those financial statements, and accordingly expressed no opinion or other form of assurance on them.



Barrington, Illinois
June 28, 2010

95th Street Special Service Area Number 4
95th Street Beverly Hills Business Association, Contractor
STATEMENT OF FINANCIAL POSITION
December 31, 2009 and 2008

	<u>2009</u> (Audited)	<u>2008</u> (Unaudited)
Current Assets		
Accounts receivable (Net of allowance of \$340 in 2009)	\$ 865	\$ 940
Equipment, net (Note 2)	<u>14,702</u>	<u>16,963</u>
Total Assets	<u>\$ 15,567</u>	<u>\$ 17,903</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 1,475	
Due to 95 th Street Beverly Hills Business Assoc.	<u>11,878</u>	\$ <u>21,396</u>
Net assets, unrestricted	2,214	(3,493)
Total Liabilities and Net Assets	<u>\$ 15,567</u>	<u>\$ 17,903</u>

The accompanying notes are an integral part of this statement.

95th Street Special Service Area Number 4
 95th Street Beverly Hills Business Association, Contractor
 STATEMENT OF ACTIVITIES

December 31, 2009 and 2008

	2009 <u>(Audited)</u>		2008 <u>(Unaudited)</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
		<u>Over (Under) Variance</u>		<u>Over (Under) Variance</u>
Changes in Unrestricted Net Assets				
Revenues:				
Tax Levy Revenue -Current Year	\$ 81,171	\$ 85,000	\$ 94,378	\$ 85,800
		\$ (3,829)		\$ 8,578
Expenses				
Program Costs :				
1.00 Advertising & Promotion	6,135	6,150	8,061	6,150
2.00 Public Way Maintenance	32,598	38,585	39,089	36,450
3.00 Public Way Aesthetics	24,554	26,700	22,317	30,500
4.00 Tenant Retention /Attraction	1,800	1,850	850	850
8.00 District Planning	1,240	1,240	575	575
		-		-
Total Program Expense	<u>66,327</u>	<u>74,525</u>	<u>70,892</u>	<u>74,525</u>
		(8,198)		(3,633)
Administrative				
10.00 Operation & Administrative Support	9,137	7,275	10,944	7,275
11.00 Tax Levy Loss Collection	-	4,000	-	4,000
		(4,000)		(4,000)
Total Administrative expenses	<u>9,137</u>	<u>11,275</u>	<u>10,944</u>	<u>11,275</u>
		(2,138)		(331)
Total expenses	<u>75,464</u>	<u>85,800</u>	<u>81,836</u>	<u>85,800</u>
		(10,336)		(3,964)
Increase (Decrease) in Net Assets	5,707	(800)	12,542	-
		6,507		12,542
Unrestricted Net Assets:				
Beginning of Year (Deficit)	<u>(3,493)</u>		<u>(16,035)</u>	
End of Year (Deficit)	<u>\$ 2,214</u>		<u>\$ (3,493)</u>	

The accompanying notes are an integral part of this statement.

95th Street Special Service Area Number 4
95th Street Beverly Hills Business Association, Contractor
STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2009 and 2008

Cash Flows from operating activities	<u>2009</u> (Audited)	<u>2008</u> (Unaudited)
Increase(decrease) in unrestricted net assets	\$ 5,707	\$ 12,542
Adjustments to reconcile increase in net assets to cash provided by operating activities		
Depreciation	2,261	2,261
Accounts receivable	75	(940)
Accounts payable	1,475	
Due to 95 th Street Beverly Hills Business Association	(9,518)	(13,863)
Net cash provided from operating activities	<u>-</u>	<u>-</u>
 Cash and Cash Equivalents		
Beginning of the year	\$ -	\$ -
End of the year	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

95th Street Special Service Area Number 4
95th Street Beverly Hills Business Association, Contractor
NOTES TO FINANCIAL STATEMENTS

Note 1 **Summary of Accounting Policies**

Nature of Organization

95th Street Beverly Hills Business Association, Contractor for 95th Street Special Service Area Number 4 (Organization) is a not-for-profit corporation organized under the laws of the State of Illinois. The Organization was formed to revitalize the 95th Street Beverly Hills business district. The Organization is located within the boundaries of the City of Chicago.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 226, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 116, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Organization had no temporarily or permanently restricted net assets as of December 31, 2009 and 2008. The Organization has unrestricted (deficit) net assets in the amount of \$2,214 and \$3,493 respectively.

Cash and Cash Equivalents

Cash and cash equivalents is defined as short term liquid investments such as cash in banks, money markets, and other financial instruments that can be reduced to cash in thirty days or less. The Organization maintains its cash in bank accounts, which, at times, may exceed the federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents. The Organization has established a separate checking account at the Suburban Bank & Trust in Chicago, Illinois and all tax revenue funds are automatically deposited into this checking account. The Contractor did not commingle Service Tax funds with funds from any other source.

Revenue Recognition

The Organization's financial statements are presented on the accrual basis of accounting. Revenues are recognized when the amount can be readily estimated or committed, and the payment is reasonably certain. Expenses are recorded when incurred. Accounts receivable represent amounts earned, but not received at year end.

Trade Receivables

Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on an annual basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received.

95th Street Special Service Area Number 4
95th Street Beverly Hills Business Association, Contractor
NOTES TO FINANCIAL STATEMENTS

Note 1 **Summary of Accounting Policies– Continued**

Income Taxes

The Organization is a part of the 95th Street Beverly Hills Business Association, which is a not-for-profit organization that is exempt from federal income taxes under Section 501 (c)(6) of the Internal Revenue Code and is not classified by the Internal Revenue Service as a private foundation.

Equipment

The Organization capitalizes all equipment in excess of \$500.00. Property and equipment are stated at cost. Depreciation is provided on the straight-line method over the useful lives of the assets.

Related Party Transactions

95th Street Special Service Area Number 4 shares office space, equipment and employees through its affiliation with 95th Street Beverly Hills Business Association. 95th Street Special Service Area Number 4 has no employees of its own, but reimburses 95th Street Beverly Hills Business Association for payroll and related costs of the individual working on the programs. It also reimburses 95th Street Beverly Hills Business Association for a portion of its operating expenses. The 95th Street Special Service Area Number 4 had \$11,878 and \$21,396 due to 95th Street Beverly Hills Business Association as of December 31, 2009 and 2008 respectively.

Use of Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Special Service Area Agreement

The Organization entered into an agreement with the City of Chicago on January 1, 2009, which expired December 31, 2009; whereby the City has established a special service area known and designated as 95th Street Special Service Area Number 4 to provide special services in addition to those services generally provided by the City. 95th Street Beverly Hills Business Association, Contractor has been designated as "Contractor" under terms of the agreement. The City has authorized a levy not to exceed 2% of the equalized assessed value of all property within the area to produce sufficient revenues to provide those special services.

The maximum amount to be paid to the Organizations is the lesser of \$85,800 or the amount of service tax collected for the tax years 2009 and 2008. For each subsequent year of the agreement, the maximum amount to be paid is the lesser of the budget for that year or the amount of service tax funds actually collected for the preceding tax year. The agreement continued through December 31, 2009.

95th Street Special Service Area Number 4
 95th Street Beverly Hills Business Association, Contractor
 NOTES TO FINANCIAL STATEMENTS

Note 2 **Equipment**

	2009 <u>(Audited)</u>	2008 <u>(Unaudited)</u>
Equipment consists of the following as of December 31:		
Maintenance equipment	\$ 22,618	\$ 22,618
Flag pole	<u>1,617</u>	<u>1,617</u>
	24,235	24,235
Less: Accumulated depreciation	<u>(9,533)</u>	<u>(7,272)</u>
	<u>\$ 14,702</u>	<u>\$ 16,963</u>

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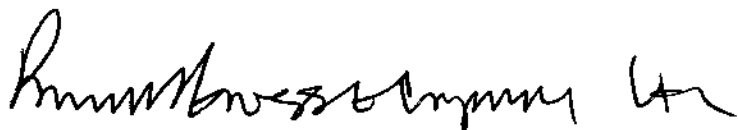
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INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors
95th Street Special Service Area Number 4
95th Street Beverly Hills Business Association, Contractor
Chicago, Illinois

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information which follows is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

The 2008 supplementary information of revenue, expenses compared to budget were compiled by other accountants, and their report thereon dated April 10, 2010 stated that they did not audit or review those financial statements and supplemental information and accordingly, expressed no opinion or other form of assurance on them.



June 28, 2010

95th Street Special Services Area Number 4
95th Street Beach, Hills Business Association, Contractor

SCHEDULE OF EXPENSES WITH BUDGET VARIANCES

Schedule 1
December 31, 2009 and 2008

2009

2008

Expense/Programs	Actual	Budget	Over/Under Variance	Actual	Budget	Over/Under Variance
1.00 Advertising & Promotion						
1.01 Display Ads	1,807	2,000	(193)	3,041	2,000	1,041
1.02 Holiday/Seasonal Promotions	1,684	1,700	(121)	2,035	1,700	335
1.03 Print Materials	190	-	(191)	535	-	535
1.06 Website/Technology	2,450	2,450	-	2,450	2,450	-
1.07 Service Provider Direct Services	6,135	6,150	(15)	8,061	6,150	1,911
Total	2,837	8,935	(6,098)	375	500	(175)
2.00 Public Way Maintenance						
2.01 Equipment Purchase & Maintenance	23,536	25,000	(1,464)	36,004	34,300	1,704
2.04 Liability/Property Insurance	4,250	2,500	1,750	2,760	1,650	1,110
2.05 Sidewalk Maintenance	1,650	1,650	-	39,089	36,450	2,639
2.07 Sidewalk Snow Plowing	32,998	38,515	(5,987)	19,867	24,250	(4,383)
2.14 Service Provider Direct Services	2,384	2,500	(116)	2,450	2,450	-
Total	16,170	19,250	(3,080)	22,317	30,500	(8,183)
3.00 Public Way Aesthetics						
3.01 Decorative Banner	1,800	1,850	(50)	850	850	-
3.02 Holiday Decorations	1,800	1,850	(50)	850	850	-
3.05 Scape Elements	2,450	2,450	-	2,450	2,450	-
3.07 Service Provider Direct Services	3,530	2,500	1,030	-	-	-
3.08 Other	24,514	26,700	(2,186)	-	-	-
Total	12,440	12,440	-	575	575	-
4.00 Tourist & Retention /Attraction						
4.06 Service Provider Direct Services	1,240	1,240	-	575	575	-
Total	1,240	1,240	-	575	575	-
8.00 District Planning						
8.07 Service Provider Direct Services	631	625	26	630	625	5
Total	631	625	26	630	625	5
Administration						
10.00 Operational & Administrative Support						
10.01 Audit/Bookkeeping	762	700	62	706	700	6
10.02 Meeting Expense	512	800	(288)	982	800	182
10.05 Office Supplies	1,631	1,500	131	1,728	1,500	228
10.06 Office Utilities/Telephone	640	700	(60)	845	700	145
10.07 Postage	174	300	(126)	2,430	2,450	-
10.08 Office Printing	2,450	2,450	-	220	200	20
10.09 Service Provider Administrative Support	200	200	-	3,383	300	3,083
10.10 Subscriptions/Dues	2,317	-	2,317	10,944	2,275	8,669
10.11 Other	9,137	7,275	1,862	-	-	-
Total	75,464	81,800	(6,336)	81,836	81,800	36

The accompanying notes are an integral part of this statement

95th Street Special Service Area Number 4
95th Street Beverly Hills Business Association, Contractor

SUMMARY SCHEDULE OF FINDINGS

For the Years Ended December 31, 2009 and 2008

Finding #1:

We have reviewed the Agreement for Special Service Area Number 4 between the City of Chicago and the Contractor (95th Street Beverly Hills Business Association) for the year ended December 31, 2009 and 2008. We noted no exceptions.