

**SPECIAL SERVICE AREA #38 NORTHCENTER**

**FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2009**

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To The Commissioners  
Special Service Area #38 Northcenter  
Chicago, Illinois

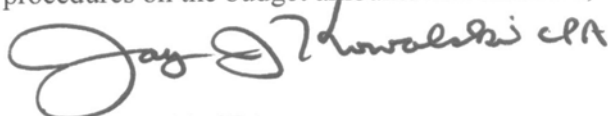
**Independent Auditors' Report**

We have audited the accompanying Statements of Assets, Liabilities and Net Assets of Special Service Area #38 Northcenter 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 #38 Northcenter 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 audits provide 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 #38 Northcenter 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 23, 2010

**SPECIAL SERVICE AREA #38 NORTHCENTER**  
**STATEMENT OF ASSETS, LIABILITIES**  
**AND NET ASSETS**  
**As of December 31, 2009**  
**(With Comparative Totals for 2008)**

ASSETS

	<u>2009</u>	<u>2008</u>
Cash	\$101,985	\$87,891
TOTAL ASSETS	<u>\$101,985</u>	<u>\$87,891</u>

LIABILITIES AND NET ASSETS

Accounts Payable	\$ 8,341	\$ 0
Due to Chamber of Commerce	<u>\$ 0</u>	<u>\$ 6,449</u>
TOTAL LIABILITIES	<u>\$ 0</u>	<u>\$ 6,449</u>
Net assets	<u>\$ 93,664</u>	<u>\$ 6,449</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 101,985</u>	<u>\$ 87,891</u>

See Accompanying Notes

**Special Services Area #38 NORTHCENTER**

**Statement of Revenue and Expenditures**

For the Year Ended December 31, 2009

(With Comparative Totals for 2008)

	2009	2009		2008	2008	
	Actual	Budget	Variance	Actual	Budget	Variance
<b>REVENUES</b>						
Interest Earnings	1,035	0	1,035	2,328	0	2,328
Membership dues	0	0	0	0	0	0
Real Estate tax levy (Note 2)	146,031	172,262	(26,231)	182,178	196,425	(14,247)
Services	0	0	0	0	0	0
Reimbursement	3,276	0	3,276	0	0	0
<b>Total Revenue</b>	<b>150,342</b>	<b>172,262</b>	<b>(21,920)</b>	<b>184,506</b>	<b>196,425</b>	<b>(11,919)</b>
<b>EXPENDITURES</b>						
<b>Advertising &amp; Promotion</b>						
Display Ads	0	0	0	0	0	0
Holiday/Seasonal Promos	0	0	0	0	0	0
Print Materials	5,500	5,500	0	5,448	5,448	0
Public /Media Relations	0	0	0	0	0	0
Special Events	0	0	0	0	0	0
Website/Technology	0	0	0	0	0	0
Service Provider Comp.	6,500	6,500	0	1,500	1,500	0
Payroll Taxes	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Total Advertising &amp; Promotion</b>	<b>12,000</b>	<b>12,000</b>	<b>0</b>	<b>6,948</b>	<b>6,948</b>	<b>0</b>
<b>Public Way Maintenance</b>						
Sidewalk Cleaning	19,240	38,000	(18,760)	31,518	36,340	(4,822)
Sidewalk Power Washing	0	6,500	(6,500)	0	4,370	(4,370)
Sidewalk Snow Plowing	38,000	50,000	(12,000)	42,000	47,740	(5,740)
Service Provider Comp.	9,750	9,750	0	5,750	5,750	0
Payroll Taxes	0	0	0	0	0	0
Other (SCA vests)	0	0	0	0	0	0
<b>Total Public Way Maintenance</b>	<b>66,990</b>	<b>104,250</b>	<b>(37,260)</b>	<b>79,268</b>	<b>94,200</b>	<b>(14,932)</b>
<b>Public Way Aesthetics</b>						
Holiday Decorations	0	0	0	0	0	0
Landscaping	27,602	38,700	(11,098)	18,241	45,166	(26,925)
Property Insurance	0	0	0	0	0	0
Streetscape Elements	9,812	21,199	(11,387)	11,223	20,599	(9,376)
Wayfinding/Signage	0	0	0	0	0	0
Service Provider Comp.	7,000	7,000	0	5,000	5,000	0
Payroll Taxes	0	0	0	0	0	0
Other	0	0	0	300	0	300
<b>Total Public Way Aesthetics</b>	<b>44,414</b>	<b>66,899</b>	<b>(22,485)</b>	<b>34,764</b>	<b>70,765</b>	<b>(36,001)</b>
<b>Tenant Retention/Attract.</b>						
Owner/Broker/Tenant Relat.	0	0	0	0	0	0
Site Marketing materials	0	0	0	0	0	0
Service Provider Comp.	0	0	0	0	0	0
Payroll Taxes	0	0	0	0	0	0
<b>Total Tenant Retention/Attract.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

See Accompanying Notes

## Special Services Area #38 NORTHCENTER

### Statement of Revenue and Expenditures

For the Year Ended December 31, 2009

(With Comparative Totals for 2008)

	2009			2008		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Facade Improvements</b>						
Facade Enhancement Program	0	0	0	0	0	0
Awning Cleaning Program	0	0	0	0	0	0
Service Provider Comp.	0	0	0	0	0	0
Payroll Taxes	0	0	0	0	0	0
<b>Total Facade Improvements</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Parking/Transit/Access.</b>						
Service Provider Comp.	0	0	0	0	0	0
Payroll Taxes	0	0	0	0	0	0
<b>Total Parking/Transit/Access.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Safety Programs</b>						
Safety Equipment	0	0	0	0	0	0
Security Subcontractor	0	0	0	0	0	0
Service Provider Comp.	0	0	0	0	0	0
Payroll Taxes	0	0	0	0	0	0
<b>Total Safety Programs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>District Planning</b>						
Master/Streetscape Plans	1,833	24,000	(22,167)	23,736	0	23,736
SSA Work Plans, Visioning	0	0	0	0	0	0
Branding, Identity Dev.	0	0	0	0	0	0
District Market Study	0	0	0	0	0	0
SSA Start-up Costs	0	0	0	0	0	0
Service Provider Comp.	0	3,500	(3,500)	10,000	0	10,000
Payroll Taxes	0	0	0	0	0	0
<b>Total District Planning</b>	<b>1,833</b>	<b>27,500</b>	<b>(25,667)</b>	<b>33,736</b>	<b>0</b>	<b>33,736</b>
<b>Management</b>						
Audit/Bookkeeping	3,250	800	2,450	3,150	800	2,350
Meeting Expense	500	500	0	500	500	0
Office Equip Purch/Maint.	1,000	1,000	0	1,000	1,000	0
Office Rent	3,300	3,300	0	3,300	3,300	0
Office Supplies	500	500	0	500	500	0
Office Utilities/Telephone	1,000	1,000	0	1,000	1,000	0
Postage	250	250	0	250	250	0
Office Printing	250	250	0	250	250	0
Service Provider Comp.	2,513	2,513	0	4,912	4,912	0
Bank Service Charges	340	0	340	261	0	261
Subscription/dues	0	0	0	0	0	0
Training	0	0	0	0	0	0
Insurance	0	0	0	0	0	0
Payroll Processing	0	0	0	0	0	0
Payroll Taxes	0	0	0	0	0	0
<b>Total Management</b>	<b>12,903</b>	<b>10,113</b>	<b>2,790</b>	<b>15,123</b>	<b>12,512</b>	<b>2,611</b>
Loss Collection	0	14,000	(14,000)	0	12,000	(12,000)
<b>Total Expenditures</b>	<b>138,140</b>	<b>234,762</b>	<b>(96,622)</b>	<b>169,839</b>	<b>196,425</b>	<b>(26,586)</b>
<b>Excess of Revenue over Expenditures</b>	<b>12,202</b>	<b>(62,500)</b>	<b>74,702</b>	<b>14,667</b>	<b>0</b>	<b>14,667</b>
<b>See Accompanying Notes</b>						
<b>-3B-</b>						

**SPECIAL SERVICE AREA #38 NORTHCENTER  
STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2009  
(With Comparative Totals for 2008)**

	<u>2009</u>	<u>2008</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Increase/(decrease) in net assets	\$ 12,202	\$ 14,667
Adjustment to reconcile increase in Net assets to net cash provided by operating activities:		
Increase(decrease) in accounts payable	8,341	0
Increase/(decrease) in Due to Chamber of Comm.	<u>(6,449)</u>	<u>(15,401)</u>
 Net cash provided by operating activities	 <u>14,094</u>	 <u>(734)</u>
 Net increase in cash	 14,094	 (734)
 Cash at the beginning of the year	 <u>87,891</u>	 <u>88,625</u>
 Cash at the end of year	 <u>\$101,985</u> =====	 <u>\$ 87,891</u> =====

See Accompanying Notes

**SPECIAL SERVICE AREA #38 NORTHCENTER  
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of organization- Special Service Area #38 Northcenter 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 #38 generates revenue for the sole purpose of improving and enhancing the business district of Northcenter., which are generally properties fronting Irving Park Road from Ravenswood to Western, Lincoln Avenue from Montrose to Addison, and Western Avenue from Montrose to Addison. 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 #38 Northcenter funds 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 Special Service Area #38 Northcenter 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 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 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 #38 NORTHCENTER**

**SUMMARY SCHEDULE OF AUDIT FINDINGS**

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