

<b>Downtown Oak Park</b>	
<b>Profit and Loss</b>	
<b>Proposed 2019 Budget (as of 9/18/18)</b>	
	<b>PROPOSED BUDGET 2019</b>
<b>Income</b>	
<b>4000 Marketing Income</b>	
<b>4010 Event Income</b>	
4011 Sponsorship - Uncork	\$2,500
4030 Uncork IL	\$50,000
4012 Sponsorship - TNO	\$1,500
Thursday Night Out Additional Ticket Sales	\$14,000
4020 OakToberfest beer/wine sales	\$90,000
4021 OakToberfest participation fee	\$3,900
4022 Oaktoberfest ATM Refund	\$400
Oaktoberfest Sponsorship	\$5,000
<b>Total 4010 Event Income</b>	<b>\$167,300</b>
<b>4040 Other Marketing Income</b>	
4045 Street Pole Banners	\$3,000
<b>Total 4040 Other Marketing Income</b>	<b>\$3,000</b>
<b>Total 4000 Marketing Income</b>	<b>\$170,300</b>
4100 Member Dues	\$4,000
4155 Holiday Decor	\$2,000
4200 Holiday Light Grant	\$5,000
4210 VOP Plantings	\$25,000
4220 SSA	\$331,060
4225 TIF	\$368,940
4226 Reserves	\$25,000
4250 Interest/Dividends	\$30
<b>Total Income</b>	<b>\$924,330</b>
	.
<b>Expenses</b>	
<b>5000 Benefits</b>	
5002 30% insurance-Health & Dental	\$16,769
5004 FICA company expense	\$14,883
5010 FUTA	\$230
5012 SUTA	\$383
<b>Total 5000 Benefits</b>	<b>\$32,263</b>

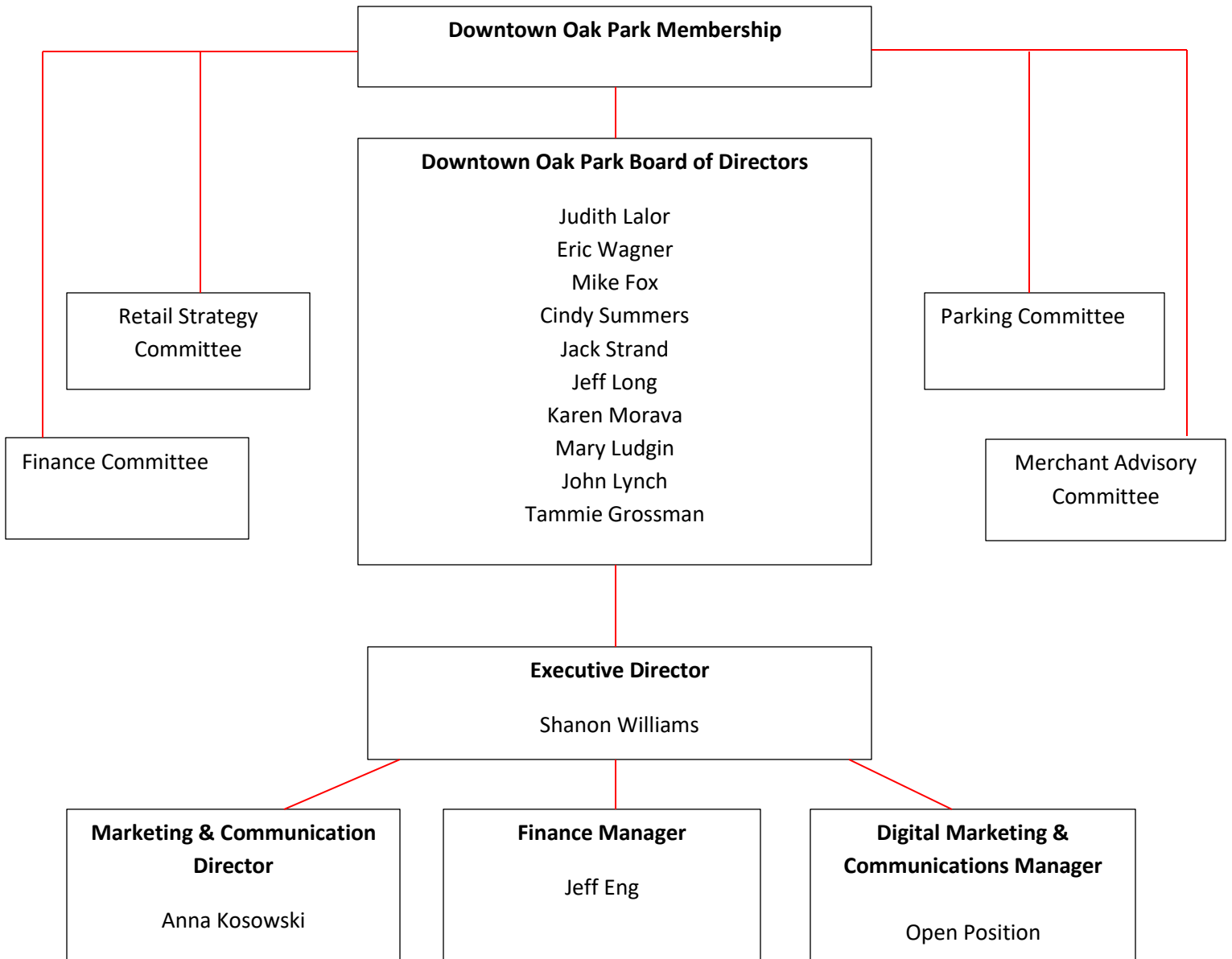
<b>Downtown Oak Park</b>	
<b>Profit and Loss</b>	
<b>Proposed 2019 Budget (as of 9/18/18)</b>	
	<b>PROPOSED BUDGET 2019</b>
5015 Capital	\$1,000
5018 Conference/Training	\$2,500
5023 Dues/Subscriptions	\$1,100
5030 Grounds Maint/Improve	
5032 Plantings - AG/W Spring	\$43,000
5033 Plantings - AG/W Summer	\$27,000
5034 Plantings - AG/W Fall	\$3,500
5036 Snow Removal	\$53,000
Snow Removal Reserve	\$15,000
5038 Grounds	\$43,200
<b>Total 5030 Grounds Maint/Improve</b>	<b>\$184,700</b>
5040 Insurance	
5042 DTOP Insurance	\$18,637
5044 Event Insurance	-\$1,817
<b>Total 5040 Insurance</b>	<b>\$16,820</b>
5055 Member Programs & Services	
5057 Awning / signage	\$3,000
5059 Misc.	\$1,000
5061 Member Seminars	\$3,000
Banners/Signs	\$3,600
5062 Annual meeting	\$2,000
<b>Total 5055 Member Programs &amp; Services</b>	<b>\$12,600</b>
5064 Meetings	\$1,900.00
5065 Finance costs	
5071 Bank and Credit Card Charges	\$3,099
5072 Bank Loan Renewal Charges	\$1,150
Extra Reserve	\$25,000
<b>Total 5065 Finance costs</b>	<b>\$29,249</b>
5067 Office Supplies & Expenses	
5068 Office Supplies	\$1,050
5069 Office Expense	\$1,500
5073 Office Kitchen	\$1,200

<b>Downtown Oak Park</b>	
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	<b>PROPOSED BUDGET 2019</b>
5075 Postage/Delivery	\$1,300
5076 Computer	
Monthly	\$4,700
5077 Copier	\$800
<b>Total 5067 Office Supplies &amp; Expenses</b>	<b>\$5,850</b>
5070 Parking & Transportation	
5078 Parking	\$3,308
<b>Total 5070 Parking &amp; Transportation</b>	<b>\$3,308</b>
5080 Printing	
5082 Envelopes / Stationary/ Bus. car	\$1,500
<b>Total 5080 Printing</b>	<b>\$1,500</b>
5085 Professional Fees	
5086 Sassetti	\$14,005
<b>Total 5085 Professional Fees</b>	<b>\$14,005</b>
5090 Public Relations	
5092 Contributions/Donations	\$2,000
5093 10% Uncork	\$5,200
<b>Total 5090 Public Relations</b>	<b>\$7,200</b>
5100 Rent	<b>\$43,000</b>
5200 Salaries	
5205 Gross	\$183,225
<b>Total 5200 Salaries</b>	<b>\$183,225</b>
5230 Holiday Season Decor	
<b>Total 5230 Holiday Season Decor</b>	<b>\$45,000</b>
5250 Utilities	
5251 AT&T	\$4,381
5252 ComEd	\$1,181
5253 Verizon	\$614
<b>Total 5250 Utilities</b>	<b>\$6,176</b>

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	<b>PROPOSED BUDGET 2019</b>
<b>6000 Marketing</b>	
<b>6100 Advertising</b>	
6110 General Advertising	\$9,000
6115 Online Banners	\$2,740
6120 Page Stickers/PP 5	\$7,800
6105 Social Media Advertising	\$1,000
6135 Visitors Guide/Answer Book	\$1,700
6127 Festival Theater/St. Giles Directory	\$1,000
WJ Answer Book/Chamber Community Guide	\$1,508
<b>Total 6100 Advertising</b>	<b>\$24,748</b>
<b>6300 Promotions</b>	
6352 Gift Certificate Printing	\$3,000
6339 Misc. Promotions (Save-the-Date, Magnet)	\$2,200
6340 Kiosks/Wayfinding	\$3,100
Directory Cards (Retail Restaurant Card)	\$1,500
6129 Gazette	\$1,500
6611 Artist's Commission	\$1,500
Coupon Book for New Residents	\$2,000
6640 Website	\$1,960
6642 Constant Contact	\$1,140
<b>Total 6300 Promotions</b>	<b>\$17,900</b>
<b>6635 Partnership Opportunities</b>	
6637 FLW Housewalk	\$1,500
7040 MicroBrew Food Review	\$1,000
6635 Green Film Festival	\$1,000
<b>Total 6635 Partnership Opportunities</b>	<b>\$3,500</b>
<b>7000 EVENTS at DTOP</b>	
7001 Village Event Applications & License Fees	<b>\$815</b>
<b>7022 Jazz Thaw</b>	
Music/Entertainment	\$7,000
Poster/Postcard	\$1,000
<b>7022 Jazz Thaw</b>	<b>\$8,000</b>

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<b>Profit and Loss</b>	
<b>Proposed 2019 Budget (as of 9/18/18)</b>	
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<b>7070 Thursday Night Out</b>	
<b>7173 Entertainment</b>	\$15,000
<b>7177 Promotional Material &amp; Printing</b>	\$8,000
<b>7178 Rentals - Tent/Tables/Chairs</b>	13,000
<b>7171 \$5 TNO GC &amp; \$3 Write Off</b>	\$5,500
<b>Village Application / Fees</b>	\$1,685
<b>Thursday Night Out App</b>	\$3,000
<b>Total 7070 Thursday Night Out</b>	<b>\$46,185</b>
<b>7080 Uncork Illinois</b>	
<b>7181 Wineries Taste/Glass Tickets</b>	\$15,000
<b>7183 Entertainment</b>	\$1,200
<b>7184 Grounds/Labor/Maint./Security</b>	\$2,300
<b>7188 Rentals - Tent/Tables/Chairs</b>	\$4,000
<b>7199 Glasses/Tickets</b>	\$3,750
<b>7189 Poster/Postcard</b>	\$1,000
<b>7186 Liquor &amp; License Fees</b>	\$563
<b>Total 7080 Uncork Illinois</b>	<b>\$27,813</b>
<b>Sidewalk Sale</b>	
<b>7163 Music/Entertainment</b>	\$1,500
<b>Poster/Postcard</b>	\$500
<b>7163 Music/Entertainment</b>	<b>\$2,000</b>
<b>7179 Arts dans la Rue</b>	
<b>7120 Music/Entertainment</b>	\$1,500
<b>Poster/Postcard/Signage</b>	\$1,000
<b>Table/Chair/Tent Rentals</b>	4000
<b>Village Application</b>	249
<b>7179 Arts dans la Rue</b>	<b>\$6,749</b>
<b>7050 Oak Toberfest</b>	
<b>7153 Entertainment</b>	21,000
<b>7154 Grounds/Labor/Maint./Security</b>	7,000
<b>7155 Kids Area</b>	2,000
<b>7152 Electric/Generators</b>	4,300
<b>7159 Stage &amp; Sound</b>	6,000
<b>7157 Promotional Materials &amp; Printin</b>	1,000

<b>Downtown Oak Park</b>	
<b>Profit and Loss</b>	
<b>Proposed 2019 Budget (as of 9/18/18)</b>	
	<b>PROPOSED BUDGET 2019</b>
Event Signage	1,000
7158 Rentals Tent/Tables/Chairs	13,000
7151 Beverages-Beer & Wine	32,000
7161 Staff	3,000
7156 Licenses & Permits	887
Expenses / Food Tickets etc.	500
<b>Total 7050 Oak Toberfest</b>	<b>\$91,687</b>
<b>7020 Green Halloween</b>	
Music/Entertainment (Refreshments, Kids' Prize)	2,500
Poster/Postcard	500
	<b>\$3,000</b>
<b>7090 Winterfest</b>	
<b>Total 7090 Winterfest</b>	<b>\$0</b>
<b>7030 Home For The Holidays</b>	
7133 Entertainment	5,000
7138 Rentals - Tent/Tables/Chairs	2,000
<b>Total 7030 Home For The Holidays</b>	<b>\$7,000</b>
<b>7035 March \$5 Lunch</b>	
Update Design	\$500
<b>7035 March \$5 Lunch</b>	<b>\$500</b>
<b>6400 Rebate / Shopper's Reward</b>	
6415 Rebate Certificates Redeemed	\$90,000
6405 Personnel-Visitors Center	\$5,000
6410 Printed Pieces	\$5,000
<b>Total 6400 Rebate / Shopper's Reward</b>	<b>\$100,000</b>
<b>Total 7000 EVENTS at DTOP</b>	<b>\$286,749</b>
<b>Total 6000 Marketing</b>	<b>\$332,897</b>
<b>Total Expenses</b>	<b>\$924,294</b>
<b>Net Income</b>	<b>\$36</b>



HARLEM LAKE MARION CORPORATION  
DBA DOWNTOWN OAK PARK  
FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016



HARLEM LAKE MARION CORPORATION  
DBA DOWNTOWN OAK PARK

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

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Harlem Lake Marion Corporation  
DBA Downtown Oak Park  
Oak Park, Illinois

## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of **HARLEM LAKE MARION CORPORATION DBA DOWNTOWN OAK PARK** (a nonprofit organization) which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **HARLEM LAKE MARION CORPORATION DBA DOWNTOWN OAK PARK** as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

As discussed in Note 12 to the financial statements, the Organization has adjusted beginning net assets for a change in accounting principle. Our opinion is not modified with respect to this

Oak Park, Illinois  
August 1, 2018

*Sassetti LLC*

HARLEM LAKE MARION CORPORATION  
DBA DOWNTOWN OAK PARK  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 66,595	\$ 74,629
Accounts receivable	17,570	23,369
Prepaid insurance	1,387	-
Prepaid expenses	3,812	4,264
Property and equipment, net	<u>443</u>	<u>680</u>
Total Assets	<u><u>\$ 89,807</u></u>	<u><u>\$ 102,942</u></u>
 <b>LIABILITIES</b>		
Accounts payable	\$ 25,351	\$ 23,024
Accrued expenses	119,335	72,370
Accrued wages	790	4,243
Purchased shopping certificates	<u>43,621</u>	<u>50,459</u>
Total Liabilities	<u>189,097</u>	<u>150,096</u>
 <b>NET ASSETS</b>		
Unrestricted	<u>(99,290)</u>	<u>(47,154)</u>
Total Liabilities and Net Assets	<u><u>\$ 89,807</u></u>	<u><u>\$ 102,942</u></u>

The accompanying notes are an integral  
part of the financial statements.

HARLEM LAKE MARION CORPORATION  
DBA DOWNTOWN OAK PARK  
STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
REVENUES AND OTHER SUPPORT		
Tax increment financing and special service area	\$ 650,000	\$ 650,002
Dues	3,950	3,200
OakToberfest	110,460	105,985
Uncork	56,092	53,886
Landscaping reimbursement	25,002	23,502
Event and participation income	27,691	28,989
Other marketing income	8,261	13,910
Interest income	<u>35</u>	<u>39</u>
Total Revenues and Other Support	<u>881,491</u>	<u>879,513</u>
EXPENSES		
Program	828,145	764,871
Administrative	<u>119,773</u>	<u>116,635</u>
Total Expenses	<u>947,918</u>	<u>881,506</u>
CHANGE IN NET ASSETS	(66,427)	(1,993)
NET ASSETS -		
Beginning of year, as previously stated	(47,154)	(45,161)
Prior period adjustment	<u>14,291</u>	<u>-</u>
Beginning of year, as adjusted	<u>(32,863)</u>	<u>(45,161)</u>
End of year	<u><u>\$ (99,290)</u></u>	<u><u>\$ (47,154)</u></u>

The accompanying notes are an integral  
part of the financial statements.

HARLEM LAKE MARION CORPORATION  
DBA DOWNTOWN OAK PARK  
STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017			2016		
	Program	Administrative	Total	Program	Administrative	Total
Advertising	\$ 55,399	\$ -	\$ 55,399	\$ 50,990	\$ -	\$ 50,990
OakToberfest	94,777	-	94,777	99,646	-	99,646
Uncork	27,516	-	27,516	29,557	-	29,557
Thursday night out	48,746	-	48,746	38,153	-	38,153
Winterfest	30,194	-	30,194	26,900	-	26,900
Other events	34,705	-	34,705	54,849	-	54,849
Member services	9,455	-	9,455	8,349	-	8,349
Membership programs	2,463	-	2,463	2,826	-	2,826
Public relations	7,816	-	7,816	6,122	-	6,122
Seasonal décor	42,498	-	42,498	36,028	-	36,028
Grounds maintenance	138,865	-	138,865	128,932	-	128,932
Security	-	-	-	-	-	-
Shopping certificates	137,311	-	137,311	81,318	-	81,318
Salaries	139,961	46,654	186,615	136,800	45,600	182,400
Personnel benefits and payroll taxes	20,556	6,852	27,408	18,330	6,110	24,440
Conferences and training	3,484	1,161	4,645	2,536	845	3,381
Office rent	-	40,492	40,492	-	40,288	40,288
Utilities and telephone	-	5,645	5,645	-	5,292	5,292
Insurance	12,306	4,102	16,408	11,678	3,893	15,571
Dues and subscriptions	824	275	1,099	732	244	976
Bank charges	-	4,802	4,802	-	1,249	1,249
Professional fees	9,389	3,130	12,519	15,308	5,103	20,411
Office expense	11,702	3,901	15,603	13,822	4,769	18,591
Depreciation	178	59	237	1,995	-	1,995
Bad Debt	-	2,700	2,700	-	3,242	3,242
	<u>\$ 828,145</u>	<u>\$ 119,773</u>	<u>\$ 947,918</u>	<u>\$ 764,871</u>	<u>\$ 116,635</u>	<u>\$ 881,506</u>

The accompanying notes are an integral part of the financial statements.

HARLEM LAKE MARION CORPORATION  
DBA DOWNTOWN OAK PARK  
STATEMENT OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (66,427)	\$ (1,993)
Adjustments to reconcile to net cash used in operating activities -		
Depreciation	237	1,995
Decrease in receivables	5,799	11,571
(Increase) decrease in prepaid expenses	(935)	396
Increase (decrease) in accounts payable	2,327	(6,279)
Increase (decrease) in accrued expenses	<u>50,965</u>	<u>(22,783)</u>
Net Cash Used in Operating Activities	<u>(8,034)</u>	<u>(17,093)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,034)	(17,093)
CASH AND CASH EQUIVALENTS -		
Beginning of year	<u>74,629</u>	<u>91,722</u>
End of year	<u><u>\$ 66,595</u></u>	<u><u>\$ 74,629</u></u>
NON-CASH OPERATING TRANSACTIONS		
Prior period adjustment for recognition of gift card breakage	<u><u>\$ 14,291</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral  
part of the financial statements.



HARLEM LAKE MARION CORPORATION  
DBA DOWNTOWN OAK PARK  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

1. NATURE OF CORPORATION

Harlem Lake Marion Corporation DBA Downtown Oak Park (the Corporation) oversees and coordinates the activities of a retail shopping area geographically contained within a special taxing district in Oak Park's central business district known as Special Services Area Number One. Responsibilities of the Corporation include overseeing advertising, promotion, physical maintenance and general supervision of the area.

The by-laws of the Corporation establish that a vote to nullify dissolution of the Corporation is held every five years from the anniversary of the original dissolution date. A majority vote from service area members is required for the nullification of the dissolution. At a special meeting held in 2017 a majority of members voted to continue the Corporation for a period of five years through May 18, 2022. The previously dissolution date was May 7, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - As required by the generally accepted accounting principles for Not-for-Profit accounting, the Corporation 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. As of December 31, 2017 and 2016, the Corporation had no temporarily or permanently restricted net assets.

Basis of Accounting - The financial statements of the Corporation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

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 disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Donated Services - No amounts have been reflected in the financial statements for donated services. The Corporation pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Corporation with specific assistance programs and various committee assignments.

Expense Allocation - The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.



HARLEM LAKE MARION CORPORATION  
DBA DOWNTOWN OAK PARK  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Income Taxes - The Corporation is exempt from federal income taxes under the provisions of the Internal Revenue Code Section 501(c)(6). However, income deemed to be "unrelated business income" would be taxable only to the extent such revenues exceed costs and expenses as fairly allocated. The Corporation's Board does not believe that it has taxable income for 2017 or prior years. The Corporation's Form 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally for three years after they were filed

Cash Flow Information - For purpose of the Statements of Cash Flows, the Corporation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. No amounts were paid for interest and income taxes for the years ended December 31, 2017 and 2016.

Property and Equipment - Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Corporation capitalizes all asset acquisitions greater than \$300. Depreciation is computed using the straight line method over the estimated useful lives of the assets ranging from five to ten years. Depreciation charges against income totaled \$237 and \$1,995 for the periods ended December 31, 2017 and 2016, respectively.

Accounts Receivable - The Corporation reviews receivables and determines the need for an allowance for doubtful accounts based on management's experience and information. As of December 31, 2017 and 2016, no allowance for doubtful accounts was considered necessary.

Purchased Shopping Certificates - Shopping certificates are sold by the Corporation to be used at participating merchants in Oak Park's central business district. The shopping certificates have no expiration date. When shopping certificates are sold a liability is recorded by the Corporation. When redeemed gift certificates are presented to the Corporation by merchants for reimbursement a reduction in the liability is recorded. With the adoption of ASU 2016-05, Recognition of Breakage for Certain Prepaid Stored-Value Products, the Corporation has examined historical redemption data and has estimated shopping certificate breakage accordingly. Actual redemption amounts could vary from historical experience during future time periods. See discussion of adoption of this standard in Notes 6 and 7.

Reclassifications - Certain reclassifications have been made to the December 31, 2016 financial statements in order to conform with current presentation.

Subsequent Events - The Corporation has evaluated subsequent events through August 1, 2018, the date which the financial statements were available to be issued.

HARLEM LAKE MARION CORPORATION  
DBA DOWNTOWN OAK PARK  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

2. PROPERTY AND EQUIPMENT

Property and equipment consist of the following, stated at cost at December 31:

	2017	2016
Office equipment	\$ 35,074	\$ 56,438
Less: accumulated depreciation	<u>(34,630)</u>	<u>(55,758)</u>
	<u>\$ 444</u>	<u>\$ 680</u>

3. CONCENTRATIONS

During 2017 and 2016, receipts from the Corporation's two largest grantors amounted to approximately seventy-three and seventy-four percent, respectively, of total revenues and support.

The Corporation maintains its cash and cash equivalents at Community Bank of Oak Park River Forest. The balances may, at times, exceed federally insured limits.

The Corporation's ability to continue is dependent on tax increment financing and special service area revenues contracted through the Village of Oak Park. The Corporation currently has a contract which extends through May 18, 2022.

4. LEASE COMMITMENT

The Corporation has a lease agreement which expires April 30, 2019. Rent expense for the years ended December 31, 2017 and 2016 was \$40,492 and \$40,288, respectively.

The following is a schedule by year of future minimum rental payments required under the noncancellable lease terms for the years ended December 31:

2018	41,707
2019	<u>13,902</u>
Total minimum payments required	<u>\$ 55,609</u>

HARLEM LAKE MARION CORPORATION  
DBA DOWNTOWN OAK PARK  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

5. LINE OF CREDIT

The Corporation has a line of credit agreement with Community Bank of Oak Park River Forest secured by substantially all assets of the organization. The current line of credit agreement expired on May 1, 2018 and was renewed with substantially the same terms. The new note matures on May 1, 2020. The limit on the line of credit is \$150,000, and the interest rate is the Wall Street Journal Prime plus 1% with a floor of 6%. No amounts were drawn against the line of credit during 2017 and 2016 and there was no balance at December 31, 2017 and 2016.

6. NEW ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 7840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard will be effective for the Corporation's December 31, 2020 financial statements and the Corporation is currently evaluating the impact of the standard on its financial statements.

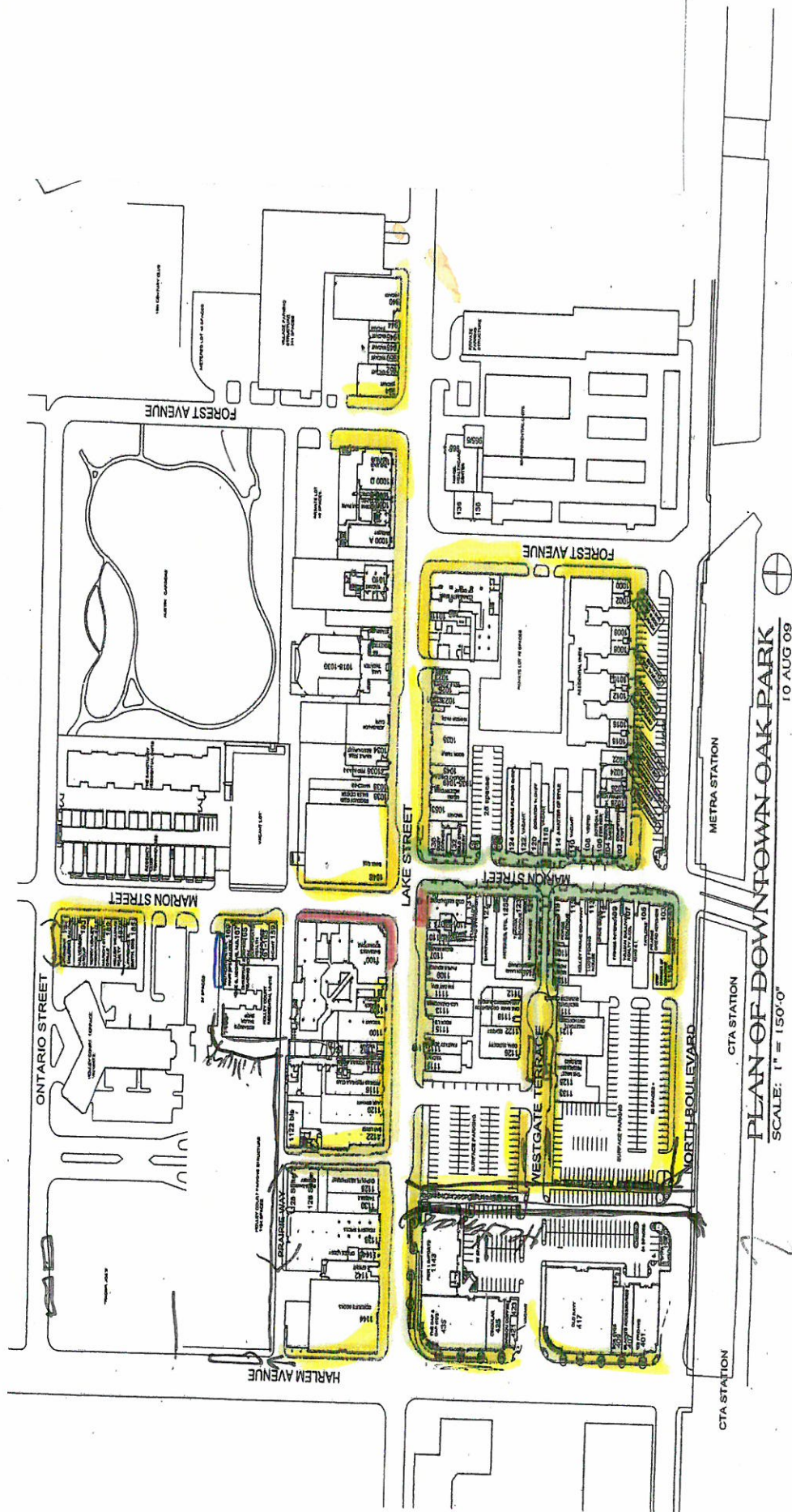
In March 2016, the FASB issued ASU 2016-05, Recognition of Breakage for Certain Prepaid Stored-Value Products. Under the new guidance, companies issuing gift cards will be subject to breakage accounting consistent with the new revenue standard in Topic 606. Breakage accounting contemplates the portion of the value of the gift cards that will ultimately not be redeemed, generally based on historical or other empirical information. Once the breakage amount has been determined, the amount of the liability should be derecognized and updates to the breakage estimate should be done at the end of each reporting period.

This standard is effective for the fiscal year ending December 31, 2020, with early adoption permitted. The entity may use a modified retrospective transition, which includes a cumulative-effect adjustment to net assets as of the beginning of the fiscal year in which the guidance is adopted. The Corporation has elected to early adopt this standard and has recorded a cumulative adjustment to beginning net assets for breakage incurred from gift certificate sales from 2016 and prior. See Note 7.

HARLEM LAKE MARION CORPORATION  
DBA DOWNTOWN OAK PARK  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

7. PRIOR PERIOD ADJUSTMENT

As described in Note 6, the Organization has adopted ASU 2016-05, related to gift certificate breakage. Management has elected to record a cumulative adjustment to beginning net assets at January 1, 2017 to implement the standard. Based on historical redemption rates, management has determined that the total adjustment to beginning net assets as a result of the adoption of this standard is an increase of \$14,291.



CLEAR SNOW  
 HEATED VEHICLES - NO SERVICE  
 DO NOT CLEAR SNOW



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## DOWNTOWN OAK PARK BOARD OF DIRECTORS

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**Judith Lalor, Merchant Director**

Term expires: May 2021  
The Little Gem Café  
189 N Marion St.  
Oak Park, 60301  
Phone: 708-613-5791  
[judithlalor@yahoo.com](mailto:judithlalor@yahoo.com)

**Eric Wagner, Visit Oak Park**

Term expires: May 2021  
President & CEO  
Visit Oak Park  
1010 Lake St., Suite 402  
Oak Park, Illinois 60301  
Phone: 708-524-7800  
[sara@visitoakpark.com](mailto:sara@visitoakpark.com)

**Tammie Grossman, VOP Representative**

Village of Oak Park  
123 Madison Ave  
Oak Park, Illinois 60302  
Phone: 708-358-5648  
Fax: 708-358-5641  
[tgrossman@oak-park.us](mailto:tgrossman@oak-park.us)

**Jeff Long, Merchant Director**

Term expires: May 2021  
General Manager FFC  
1114 Lake St  
Oak Park, Illinois 60301  
(708) 383-1114  
[jlong@ffc.com](mailto:jlong@ffc.com)

**Mike Fox, Treasurer**

Term expires: May 2020  
R.P. Fox & Associates  
1110 Pleasant St  
Oak Park, Illinois 60301  
Phone: 708-848-9550  
[mikefox@rpfox.com](mailto:mikefox@rpfox.com)

**Anne Smith, Owner Director**

Term expires: May 2020  
Vantage Oak Park  
150 Forest Ave  
Oak Park, Illinois 60301  
Phone: 708-848-1150  
[smiller@vantageoakpark.com](mailto:smiller@vantageoakpark.com)

**Mary Ludgin, Owner Director**

Term expires: May 2019  
Heitman/Shops of Downtown Oak Park  
191 North Wacker Drive, Suite 2500  
Chicago, Illinois 60606  
Phone: 312-541-6761  
[mary.ludgin@heitman.com](mailto:mary.ludgin@heitman.com)

**John Lynch, OPEDC Representative**

Term expires: May 2020  
Executive Director  
Oak Park Economic Development Corporation  
104 N Oak Park Ave Suite 203  
Oak Park, Illinois 60301  
Phone: 708-383-3838  
[j.lynch@opdc.net](mailto:j.lynch@opdc.net)

**Karen Morava, Vice President**

Term expires: May 2019  
Merchant Director  
Careful Peach Boutique  
1024 North Blvd  
Oak Park, Illinois 60301  
Phone: 708-383-3066  
Fax: 312-541-6730  
[carefulpeach@sbcglobal.net](mailto:carefulpeach@sbcglobal.net)

**Dave Schrodtt, Counsel**

Chapman and Cutler LLP  
111 W. Monroe St.  
Chicago, Illinois 60603  
Phone: 312-845-3702  
[schrodtt@chapman.com](mailto:schrodtt@chapman.com)

**Jack Strand, Secretary**

Term expires: May 2019  
Strand & Browne Realty  
97 N Harlem Ave  
Oak Park, Illinois 60302  
Phone: 708-848-0011  
Fax: 708-848-6552  
[jackwstrand@yahoo.com](mailto:jackwstrand@yahoo.com)

**Cindy Summers, President**

Term expires: May 2019  
Sugar Fixe Patisserie  
119 N Marion St  
Oak Park, Illinois 60301  
Phone: 708-948-7720  
[cindy@sugarfixe.com](mailto:cindy@sugarfixe.com)

**Downtown Oak Park Staff:**

Shanon Williams; Executive Director

Anna Kosowski; Marketing & Communications Director

Kate Dermody; Content Producer/Marketing Assistant

Jeff Eng; Finance Manager