



Stability in Uncertain Times

Counseling Center of Lakeview, Chicago IL

In the early 1970s, deinstitutionalization released thousands of individuals from mental institutions into Chicago neighborhoods, including Lakeview. Local residents responded by organizing a mental health council, secured funding for counseling and alcoholism programs, and began offering services in a building a few blocks south of Wrigley Field.

By the 1990s, the clientele had expanded to include homeless youth, older residents, people with disabilities, and others. Meanwhile the surrounding neighborhood was gentrifying. With the center's lease expiring, the building owner decided to sell.

In 2000 a 15-year, \$500,000 IFF loan, along with a bank loan and agency equity, made possible the purchase of the original building and two adjacent properties. That allowed the center to increase revenues by renting out part of the space, and to control expenses (given the neighborhood, likely rent increases would have been substantial, and the agency was able to escape the property taxes embedded in the rent). Controlling its overhead costs enabled it to cope with an anticipated shift from grant funding to fee for service. In the years since the acquisition, agency assets and revenues have both increased, and a prior history of operating deficits has been replaced by operating surpluses in most years.

Besides the stability demonstrated by the financial statements, the Center's leaders cherish the stability of being able to hold their own in a rapidly changing neighborhood. Gaining control of the property, they say, was crucial to long-term sustainability.

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	1999	2000	2002	2004	2006
Assets	\$458,000	\$648,085	\$2,722,081	\$2,878,397	\$2,608,575
Liabilities	\$324,000	\$524,171	\$2,323,239	\$2,158,171	\$2,007,089
Net Assets	\$134,000	\$123,914	\$398,842	\$720,226	\$601,486
Revenue	\$3,043,947	\$3,127,219	\$3,547,789	\$4,040,343	\$3,920,846
Expenses	\$3,069,003	\$2,983,894	\$3,509,168	\$3,828,149	\$3,917,271
Surplus (Deficit)	(\$25,056)	\$143,325	\$38,621	\$212,194	\$3,575

In 1999, the agency experienced its third deficit in a row. After the loan, the agency produced consistent surpluses.

Assets were four times larger within two years of the loan.

Net assets grew by nearly 400% in the six years after the loan.

“Given the high level of development and appreciation in the neighborhood, gaining control of the property was crucial to our long-term sustainability and mission service.”

Norman Groetzinger, Executive Director
 Counseling Center of Lakeview



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