

February 28, 2013

Board of Directors  
Lincoln Park Chamber of Commerce, Inc.  
Special Service Area #23  
Special Service Area #35  
Chicago, Illinois

We have audited the combining and combined financial statements of Lincoln Park Chamber of Commerce, Inc. (LPCC), Special Service Area #23 (A Taxing District Authorized by the City of Chicago) (SSA #23) and Special Service Area #35 (A Taxing District Authorized by the City of Chicago) (SSA #35) for the year ended December 31, 2012 and have issued our report thereon dated February 28, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated January 18, 2013. Professional standards also require that we communicate to you the following information related to our audit.

#### 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 LPCC, SSA #23 and SSA #35 are described in Note 1 to the combining and combined financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012. We noted no transactions entered into by LPCC, SSA #23 and SSA #35 during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the combining and combined financial statements in the proper period.

Accounting estimates are an integral part of the combining and combined 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 combining and combined financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the combining and combined financial statements was:

Management's estimate of the collectible portion of accounts receivable is based on a review of actual collections from previous years. We evaluated the key factors and assumptions used to develop the collectible portion of accounts receivable in determining that it is reasonable in relation to the combining and combined financial statements taken as a whole.

Lincoln Park Chamber of Commerce, Inc.  
Special Service Area #23  
Special Service Area #35  
February 28, 2013  
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The combining and combined financial statement disclosures are neutral, consistent and clear.

*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 misstatements identified during the audit, other than those that are clearly trivial and communicate them to the appropriate level of management. The attached schedule summarizes material misstatements detected as a result of audit procedures that were corrected by management. The attached schedule also summarizes uncorrected misstatements of the combining and combined financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the combining and combined financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the combining and combined 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 February 28, 2013.

*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 LPCC's, SSA #23's and SSA #35's combining and combined 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.

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Special Service Area #23  
Special Service Area #35  
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*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 LPCC's, SSA #23's and SSA #35's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the combining and combined financial statements, except for those sections marked as unaudited, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period and the information is appropriate and complete in relation to our audit of the combining and combined financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the combining and combined financial statements or to the combining and combined financial statements themselves.

This information is intended solely for the information and use of the Board of Directors and management of Lincoln Park Chamber of Commerce, Inc., Special Service Area #23 (A Taxing District Authorized by the City of Chicago) and Special Service Area #35 (A Taxing District Authorized by the City of Chicago) and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Ostrow Klein Peck & Allen, LLP*

**LINCOLN PARK CHAMBER  
OF COMMERCE, INC.  
SPECIAL SERVICE AREA #23  
SPECIAL SERVICE AREA #35**

LETTER TO THE BOARD OF DIRECTORS

YEAR ENDED DECEMBER 31, 2012

Board of Directors  
Lincoln Park Chamber of Commerce, Inc.  
Special Service Area #23  
Special Service Area #35  
Chicago, Illinois

In planning and performing our audit of the combining and combined financial statements of Lincoln Park Chamber of Commerce, Inc. (LPCC), Special Service Area #23 (A Taxing District Authorized by the City of Chicago) (SSA #23) and Special Service Area #35 (A Taxing District Authorized by the City of Chicago) (SSA #35) as of and for the year ended December 31, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered LPCC's, SSA #23's and SSA #35's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combining and combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of LPCC's, SSA #23's and SSA #35's internal control. Accordingly, we do not express an opinion on the effectiveness of LPCC's, SSA #23's and SSA #35's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of LPCC's, SSA #23's and SSA #35's combining and combined financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss our comments with you in further detail, to perform any additional studies of these matters or to assist you in implementing the recommendations.

We wish to acknowledge the assistance and cooperation of management during the conduct of our audit.

This communication is intended solely for the information and use of management, the Board of Directors and others within Lincoln Park Chamber of Commerce, Inc., Special Service Area #23 (A Taxing District Authorized by the City of Chicago) and Special Service Area #35 (A Taxing District Authorized by the City of Chicago) and is not intended to be and should not be used by anyone other than these specified parties.

*Christine Perini Bell & O'Brien, LLP*

February 28, 2013

**LINCOLN PARK CHAMBER OF COMMERCE, INC.  
SPECIAL SERVICE AREA #23  
SPECIAL SERVICE AREA #35**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2012**

**Material weaknesses**

**Need for significant audit adjustments:**

Significant audit adjustments were required to adjust accounts receivable, prepaid expenses, deferred revenues and accounts payable to correct balances for the year ended December 31, 2012.

**Segregation of duties in accounting process:**

An issue inherent in smaller organizations is the lack of adequate separation of duties within the accounting process. Specifically, LPCC's cash disbursement process has inadequate separation of duties because the President prepares and signs almost all of the checks (dual signature is required for checks > \$5,000) and records the cash disbursements in QuickBooks. It is LPCC policy that the Board Chairman prepares the monthly bank reconciliations. However, the risk that a fictitious vendor is created and paid, due to poor segregation of duties, may not be identified during the Board Chairman's preparation of the monthly bank reconciliations.

We also noted poor separation of duties in the payroll process. The President processes bi-monthly payroll and records the transaction in QuickBooks. Payroll reports are available for the Board Treasurer to review, but it is possible to modify the reports to conceal the potential risk that an employee is paid in unauthorized rates.

In our prior years' communication, we recommended that the Board Chairman or other Board member, on a periodic and random basis, inspect supporting documentation to disbursements clearing the bank statement. This step would provide additional separation of responsibilities in the attempt to strengthen internal controls and procedures over cash. We also recommended that the Board Treasurer is given report review access of payroll reports on the ADP website and perform a periodic review noting employees are paid at authorized salary rates. We continue to recommend these procedures.

**LINCOLN PARK CHAMBER OF COMMERCE, INC.  
SPECIAL SERVICE AREA #23  
SPECIAL SERVICE AREA #35**

COMMENTS AND RECOMMENDATIONS (CONTINUED)

YEAR ENDED DECEMBER 31, 2012

**Significant deficiency**

**Financial statements prepared in conformity with U.S. GAAP:**

LPCC, SSA #23 and SSA #35 engages Ostrow Reisin Berk & Abrams, Ltd. to assist in preparing their combining and combined financial statements and accompanying disclosures. However, as independent auditors, we cannot be considered part of LPCC's, SSA #23's and SSA #35's internal control system. To establish proper internal controls over the preparation of their combining and combined financial statements, including disclosures, LPCC, SSA #23 and SSA #35 should design and implement a review procedure to ensure that the combining and combined financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of U.S. GAAP and knowledge of LPCC's, SSA #23's and SSA #35's activities and operations. Currently, LPCC's, SSA #23's and SSA #35's personnel lack sufficient U.S. reporting knowledge to perform a review of LPCC's, SSA #23's and SSA #35's combining and combined financial statements and related disclosures to provide a high level of assurance that any potential material omissions or other errors would be identified and corrected.



**LINCOLN PARK CHAMBER  
OF COMMERCE, INC.  
SPECIAL SERVICE AREA #23  
SPECIAL SERVICE AREA #35**

YEARS ENDED DECEMBER 31, 2012 AND 2011

**LINCOLN PARK CHAMBER OF COMMERCE, INC.**  
**SPECIAL SERVICE AREA #23**  
**SPECIAL SERVICE AREA #35**

YEARS ENDED DECEMBER 31, 2012 AND 2011

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## **Independent Auditor's Report**

Board of Directors  
Lincoln Park Chamber of Commerce, Inc.  
Special Service Area #23  
Special Service Area #35  
Chicago, Illinois

We have audited the accompanying combining and combined financial statements of Lincoln Park Chamber of Commerce, Inc. (LPCC), Special Service Area #23 (A Taxing District Authorized by the City of Chicago) (SSA #23) and Special Service Area #35 (A Taxing District Authorized by the City of Chicago) (SSA #35), which comprise the combining statement of financial position as of December 31, 2012 and the related combining statements of activities and changes in net assets and cash flows for the year then ended and the related notes to the combining financial statements and the combined statement of financial position as of December 31, 2011 and the related combined statements of activities and changes in net assets and cash flows for the year then ended and the related notes to the combined financial statements.

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

Management is responsible for the preparation and fair presentation of the combining and combined 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 combining and combined 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 combining and combined financial statements based on our audits. We conducted our audits 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 combining and combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combining and combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combining and combined 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 combining and combined 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 combining and combined 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 combining and combined financial statements referred to above present fairly, in all material respects, the combining financial position of Lincoln Park Chamber of Commerce, Inc., Special Service Area #23 (A Taxing District Authorized by the City of Chicago) and Special Service Area #35 (A Taxing District Authorized by the City of Chicago) as of December 31, 2012 and the combining changes in their net assets and their cash flows for the year then ended and the combined financial position of Lincoln Park Chamber of Commerce, Inc., Special Service Area #23 (A Taxing District Authorized by the City of Chicago) and Special Service Area #35 (A Taxing District Authorized by the City of Chicago) as of December 31, 2011 and the combined changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matter**

In connection with our audit, nothing came to our attention that caused us to believe that SSA #23 and SSA #35 failed to comply with the terms, covenants, provisions or conditions of the Agreement for Special Service Area #23 and the Agreement for Special Service Area #35 between the City of Chicago and Lincoln Park Chamber of Commerce, Inc., insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding SSA #23's and SSA 35's noncompliance with the above-referenced terms, covenants, provisions or conditions of the Agreements, insofar as they relate to accounting matters.

### **Restricted Use Relating to the Other Matter**

The communication related to compliance with the aforementioned Agreement described in the Other Matter paragraph is intended solely for the information and use of the Boards of Directors and management of LPCC, SSA #23, SSA #35 and the City of Chicago and is not intended to be and should not be used by anyone other than these specified parties.

## Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combining and combined financial statements as a whole. The supplementary information included on pages 12 through 21 is presented for purposes of additional analysis and is not a required part of the combining and combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combining and combined financial statements. The information, except for the budget information included on pages 13 through 16 and 18 through 20, which is unaudited, has been subjected to the auditing procedures applied in the audits of the combining and combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combining and combined financial statements or to the combining and combined financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combining and combined financial statements as a whole. The unaudited information referred to above has not been subjected to the auditing procedures applied in the audits of the combining and combined financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Ostrom Reiss, Bell & O'Leary, LLP*

Chicago, Illinois  
February 28, 2013

**LINCOLN PARK CHAMBER OF COMMERCE, INC.  
SPECIAL SERVICE AREA #23  
SPECIAL SERVICE AREA #35**

COMBINING AND COMBINED STATEMENT OF FINANCIAL POSITION

| December 31,   | 2012            |            | Total      |
|--|-----------------|------------|------------|
|  | LPCC<br>SSA #23 | SSA #35    |            |
| <b>ASSETS</b>  |                 |            |            |
| Current assets:  |                 |            |            |
| Cash and cash equivalents  | \$ 266,557      | \$ 188,992 | \$ 495,736 |
| Accounts receivable, net of allowance for doubtful accounts<br>for SSA #23 of \$4,229 and \$2,729 at December 31, 2012 and<br>2011, respectively and for SSA #35 of \$1,914 and \$1,224 at<br>December 31, 2012 and 2011, respectively | 14,022          | 3,843      | 23,254     |
| Prepaid expenses   | 4,356           |            | 4,356      |
| Total current assets   | 284,935         | 192,835    | 523,346    |
| Property and equipment:  |                 |            |            |
| Office equipment   | 45,980          |            | 45,980     |
| Furniture  | 8,771           |            | 8,771      |
| Less accumulated depreciation  | 54,751          |            | (50,980)   |
| Property and equipment, net  | 3,771           |            | 3,771      |
| Security deposit   | 2,400           |            | 2,400      |
| Total assets   | \$ 291,106      | \$ 192,835 | \$ 529,517 |

See notes to combining and combined financial statements.

**LINCOLN PARK CHAMBER OF COMMERCE, INC.**  
**SPECIAL SERVICE AREA #23**  
**SPECIAL SERVICE AREA #35**

COMBINING AND COMBINED STATEMENT OF FINANCIAL POSITION (CONTINUED)

| December 31,                      | 2012       |            | 2011       |            |
|-----------------------------------|------------|------------|------------|------------|
|                                   | LPCC       | SSA #23    | SSA #35    | Total      |
| <b>LIABILITIES AND NET ASSETS</b> |            |            |            |            |
| <b>Current liabilities:</b>       |            |            |            |            |
| Accounts payable                  | \$ 3,132   | \$ 1,842   | \$ 4,974   | \$ 5,906   |
| Deferred revenue                  | 42,652     |            | 42,652     | 48,291     |
| Total current liabilities         | 45,784     | 1,842      | 47,626     | 54,197     |
| <b>Net assets:</b>                |            |            |            |            |
| Unrestricted                      | 245,522    | 190,993    | 45,576     | 481,891    |
| Total liabilities and net assets  | \$ 291,106 | \$ 192,835 | \$ 45,576  | \$ 529,517 |
|                                   |            |            | \$ 529,517 | \$ 542,032 |

See notes to combining and combined financial statements.

**LINCOLN PARK CHAMBER OF COMMERCE, INC.**  
**SPECIAL SERVICE AREA #23**  
**SPECIAL SERVICE AREA #35**

COMBINING AND COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

| Years ended December 31,            | 2012              |                   |                  | 2011             |                   |
|-------------------------------------|-------------------|-------------------|------------------|------------------|-------------------|
|                                     | LPCC              | SSA #23           | SSA #35          |                  | Elimination       |
| <b>Revenues:</b>                    |                   |                   |                  |                  |                   |
| Membership dues and sponsorships    | \$ 146,593        |                   |                  | \$ 146,593       | \$ 135,755        |
| Banner income                       | 33,925            |                   |                  | 33,925           | 37,475            |
| Events income                       | 41,700            |                   |                  | 41,700           | 23,147            |
| Government grant                    | 64,676            |                   |                  | 64,676           | 73,293            |
| Administrative income               | 162,175           |                   | \$ (159,675)     | 2,500            | 5,000             |
| Advertising income                  | 13,250            |                   |                  | 13,250           | 12,805            |
| Festival income                     | 15,010            |                   |                  | 15,010           | 9,682             |
| Other income                        | 7,685             |                   |                  | 7,685            | 1,814             |
| Interest income                     | 1,162             |                   |                  | 1,162            | 1,640             |
| Cook county collection SSA #23      |                   | \$ 446,356        |                  | 446,356          | 426,711           |
| Cook county collection SSA #35      |                   |                   | \$ 160,439       | 160,439          | 182,467           |
| <b>Total revenues</b>               | <b>486,176</b>    | <b>446,356</b>    | <b>160,439</b>   | <b>(159,675)</b> | <b>909,789</b>    |
| <b>Expenses:</b>                    |                   |                   |                  |                  |                   |
| <b>Functional expenses:</b>         |                   |                   |                  |                  |                   |
| Government and community relations  | 105,614           |                   |                  | 105,614          | 97,293            |
| Marketing                           | 55,231            |                   |                  | 55,231           | 52,876            |
| Member services                     | 242,979           |                   |                  | 242,979          | 222,837           |
| SSA #23 expenses                    |                   | 470,097           |                  | (122,504)        | 348,609           |
| SSA #35 expenses                    |                   |                   | 174,860          | (37,171)         | 140,072           |
| <b>Total functional expenses</b>    | <b>401,824</b>    | <b>470,097</b>    | <b>174,860</b>   | <b>(159,675)</b> | <b>861,687</b>    |
| General and administrative expenses | 52,134            |                   |                  | 52,134           | 48,695            |
| <b>Total expenses</b>               | <b>453,958</b>    | <b>470,097</b>    | <b>174,860</b>   | <b>(159,675)</b> | <b>910,382</b>    |
| Increase (decrease) in net assets   | 32,218            | (23,741)          | (14,421)         | (5,944)          | (593)             |
| Net assets, beginning of year       | 213,104           | 214,734           | 59,997           | 487,835          | 488,428           |
| <b>Net assets, end of year</b>      | <b>\$ 245,322</b> | <b>\$ 190,993</b> | <b>\$ 45,576</b> | <b>\$ -</b>      | <b>\$ 481,891</b> |
|                                     |                   |                   |                  |                  | <b>\$ 487,835</b> |

See notes to combining and combined financial statements.



**LINCOLN PARK CHAMBER OF COMMERCE, INC.**  
**SPECIAL SERVICE AREA #23**  
**SPECIAL SERVICE AREA #35**

COMBINING AND COMBINED STATEMENT OF CASH FLOWS

| Years ended December 31,   | 2012       |             | 2011        |            |
|--|------------|-------------|-------------|------------|
|  | LPCC       | SSA #23     | SSA #35     | Total      |
| Operating activities:  |            |             |             |            |
| Increase (decrease) in net assets  | \$ 32,218  | \$ (23,741) | \$ (14,421) | \$ (5,944) |
| Adjustments to reconcile above to cash provided by (used in) operating activities: |            |             |             |            |
| Depreciation   | 1,896      |             |             | 1,896      |
| (Increase) decrease in operating assets:   |            |             |             |            |
| Accounts receivable, net   | (6,918)    | 5,698       | 2,130       | 910        |
| Prepaid expenses   | 438        |             |             | 438        |
| Increase (decrease) in operating liabilities:                                      |            |             |             |            |
| Accounts payable   | 2,997      | (2,759)     | (1,170)     | (932)      |
| Deferred revenue   | (5,639)    |             |             | (5,639)    |
| Cash provided by (used in) operating activities                                    | 24,992     | (20,802)    | (13,461)    | (9,271)    |
| Investing activity:  |            |             |             |            |
| Purchase of property and equipment   | (1,232)    |             |             | (1,232)    |
| Cash used in investing activity  | (1,232)    |             |             | (1,232)    |
| Increase (decrease) in cash and cash equivalents                                   | 23,760     | (20,802)    | (13,461)    | (10,503)   |
| Cash and cash equivalents, beginning of year                                       | 242,797    | 209,794     | 53,648      | 506,239    |
| Cash and cash equivalents, end of year   | \$ 266,557 | \$ 188,992  | \$ 40,187   | \$ 495,736 |
|  |            |             |             | \$ 506,239 |

See notes to combining and combined financial statements.

**LINCOLN PARK CHAMBER OF COMMERCE, INC.**  
**SPECIAL SERVICE AREA #23**  
**SPECIAL SERVICE AREA #35**

**NOTES TO COMBINING AND COMBINED FINANCIAL STATEMENTS**

**1. Summary of significant accounting policies**

**Organization:**

The Lincoln Park Chamber of Commerce, Inc. (LPCC) was founded in 1947 to conceive, design and implement programs and services that directly impact the success of its members; to act as a members' advocate and lead economic development efforts that sustain businesses in the Lincoln Park area of Chicago, Illinois.

Special Service Area #23 (SSA #23) and Special Service Area #35 (SSA #35) are taxing districts authorized by the City of Chicago to utilize tax revenues to enhance, beautify and maintain certain commercial areas within the specific boundaries serviced by LPCC. Tax revenues received by SSA #23 and SSA #35 must be maintained in separate cash accounts.

SSA #23 encompasses the area on Clark St. from Armitage to Diversey and the south side of Diversey Parkway from Lakeview to Orchard Ave.

SSA #35 encompasses the area on Lincoln Ave. from Diversey Parkway to Webster Avenue.

**Tax status:**

LPCC is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code, except on net income derived from unrelated business activities. LPCC sells advertising which is subject to tax on unrelated business income.

**Basis of accounting:**

The combining and combined financial statements have been prepared on the accrual basis of accounting.

**Principles of combination:**

The combining and combined financial statements include the accounts of the Lincoln Park Chamber of Commerce, Inc., Special Service Area #23 and Special Service Area #35. The administration of SSA #23 and SSA #35 are an integral part of LPCC's operations. All material inter-entity accounts and transactions have been eliminated in the combination.

**LINCOLN PARK CHAMBER OF COMMERCE, INC.**  
**SPECIAL SERVICE AREA #23**  
**SPECIAL SERVICE AREA #35**

NOTES TO COMBINING AND COMBINED FINANCIAL STATEMENTS (CONTINUED)

**1. Summary of significant accounting policies (continued)**

**Basis of presentation:**

The combining and combined financial statement presentation follows the Financial Accounting Standards Board (FASB) Accounting Standards Codification (the Codification) for *Financial Statements of Not-for-Profit Organizations*. Under the Codification, LPCC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. At December 31, 2012 and 2011, all assets were unrestricted.

**Cash equivalents:**

Cash equivalents include investments with maturities of three months or less at date of purchase and various money market mutual funds.

**Trade accounts receivable:**

Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. Changes in the valuation allowance have not been material to the combining and combined financial statements.

**Property and equipment and related depreciation:**

Property and equipment are stated at cost. LPCC provides for depreciation using the straight-line method over the estimated useful lives of the assets.

**Revenue recognition:**

LPCC receives membership dues applicable to one-year membership periods. Income from membership dues are deferred until earned.

LPCC also receives advertising revenue in advance. Prepaid advertising revenue is deferred until earned.

Deferred revenue totaled \$42,652 and \$48,291 at December 31, 2012 and 2011, respectively.

**LINCOLN PARK CHAMBER OF COMMERCE, INC.**  
**SPECIAL SERVICE AREA #23**  
**SPECIAL SERVICE AREA #35**

NOTES TO COMBINING AND COMBINED FINANCIAL STATEMENTS (CONTINUED)

**1. Summary of significant accounting policies (continued)**

**Functional expenses:**

Operating expenses directly identified with a functional area are charged to that area and expenses affecting more than one area are allocated among those benefited.

**Use of estimates:**

The preparation of the combining and combined 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.

**2. Related party transaction**

LPCC is the sole service provider to SSA #23 and SSA #35, Taxing Districts authorized by the City of Chicago. LPCC is paid a management fee and is also reimbursed for ongoing administration expenses such as rent, utilities and postage.

The management fees for SSA #23 totaled \$122,504 and \$110,590 for the years ended December 31, 2012 and 2011, respectively.

The management fees for SSA #35 totaled \$37,171 and \$36,860 for the years ended December 31, 2012 and 2011, respectively.

**3. Bank lines of credit**

SSA #23 had a \$75,000 line of credit with North Community Bank, which was collateralized by all the assets of the organization. The line matured on February 10, 2011. Interest was payable at the bank's prime rate plus 1% with a minimum rate of 6%. The line of credit was not renewed after its maturity.

SSA #35 had a \$55,000 line of credit with North Community Bank, which was collateralized by all the assets of the organization. The line matured on February 10, 2011. Interest was payable at the bank's prime rate plus 1% with a minimum rate of 6%. The line of credit was not renewed after its maturity.

**LINCOLN PARK CHAMBER OF COMMERCE, INC.**  
**SPECIAL SERVICE AREA #23**  
**SPECIAL SERVICE AREA #35**

NOTES TO COMBINING AND COMBINED FINANCIAL STATEMENTS (CONTINUED)

**4. Lease commitments**

LPCC is obligated under an operating lease for its office space located in Chicago, Illinois. The lease expires on March 31, 2013.

Total rent expense for the years ended December 31, 2012 and 2011 was \$34,928 and \$34,017, respectively.

LPCC also leases equipment under various operating leases which expire between 2012 and 2016 and have monthly lease payments aggregating approximately \$423. Total rent expense included in operations under equipment leases was \$5,119 and \$5,255 for the years ended December 31, 2012 and 2011, respectively.

Future minimum lease payments are as follows:

| Year ending December 31: | Office<br>lease | Equipment<br>leases | Total     |
|--------------------------|-----------------|---------------------|-----------|
| 2013                     | \$ 8,593        | \$ 5,073            | \$ 13,666 |
| 2014                     |                 | 5,073               | 5,073     |
| 2015                     |                 | 4,935               | 4,935     |
| 2016                     |                 | 1,061               | 1,061     |
| Total                    | \$ 8,593        | \$ 16,142           | \$ 24,735 |

**5. Retirement plan**

LPCC maintains a SIMPLE IRA plan covering all eligible employees. The matching contributions made to the plan were \$5,698 and \$5,557 for the years ended December 31, 2012 and 2011, respectively.

**6. Subsequent events**

Management of LPCC has reviewed and evaluated subsequent events from December 31, 2012, the combining and combined financial statement date, through February 28, 2013, the date the combining and combined financial statements were available to be issued. No events have occurred in this period that would be required to be recognized and/or disclosed in these combining and combined financial statements as required by generally accepted accounting principles.

# LINCOLN PARK CHAMBER OF COMMERCE, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

| Years ended December 31,              | 2012  |                  |                    | 2011                         |                              |
|---------------------------------------|---|------------------|--------------------|------------------------------|------------------------------|
|                                       | Government<br>and<br>community<br>relations | Marketing        | Member<br>services | Total<br>program<br>expenses | Total<br>program<br>expenses |
| Advertising                           |   |                  |                    |                              | \$ 1,750                     |
| Banner expenses                       |   | \$ 4,557         |                    | \$ 4,557                     | 4,117                        |
| Contributions                         | \$ 1,770                                    |                  |                    | 1,770                        | 2,200                        |
| Depreciation                          | 474   | 190              | \$ 1,042           | 1,706                        | 2,170                        |
| Insurance                             | 2,305                                       | 922              | 5,072              | 8,299                        | 9,759                        |
| Miscellaneous                         |   |                  | 770                | 770                          | 1,031                        |
| Newsletter                            |   | 5,539            |                    | 5,539                        | 3,909                        |
| Occupancy                             | 8,732                                       | 3,493            | 19,210             | 31,435                       | 30,615                       |
| Office expenses and postage:          |   |                  |                    |                              |                              |
| Credit card fees                      |   | 518              | 2,071              | 2,589                        | 2,310                        |
| Other - office expense and<br>postage | 7,354                                       | 2,942            | 16,179             | 26,475                       | 24,806                       |
| Outside services                      | 4,784                                       | 1,914            | 10,525             | 17,223                       | 16,711                       |
| Payroll and staff expenses            | 78,195                                      | 31,278           | 172,028            | 281,501                      | 258,274                      |
| Printing and design                   |   | 595              |                    | 595                          | 419                          |
| Program expenses                      |   |                  | 16,082             | 16,082                       | 10,753                       |
| Sponsorship                           |   | 767              |                    | 767                          | 1,182                        |
| Tourism                               |   | 2,516            |                    | 2,516                        | 3,000                        |
| <b>Total functional expenses</b>      | <b>\$ 103,614</b>                           | <b>\$ 55,231</b> | <b>\$ 242,979</b>  | <b>\$ 401,824</b>            | <b>\$ 373,006</b>            |

**LINCOLN PARK CHAMBER OF COMMERCE, INC.  
SPECIAL SERVICE AREA #23**

(A TAXING DISTRICT AUTHORIZED BY THE CITY OF CHICAGO)  
STATEMENT OF ACTIVITIES -- BUDGET AND ACTUAL

| Years ended December 31,     | 2012           |                | 2011             |                  |
|------------------------------|----------------|----------------|------------------|------------------|
|                              | Actual         | Budget         | Actual           | Budget           |
| <b>Income:</b>               |                |                |                  |                  |
| Estimated carryover          |                | \$ 171,644     | \$ (171,644)     | \$ 214,225       |
| Interest                     | \$ 368         | \$ 368         | \$ 754           | \$ 754           |
| <b>Tax levy income:</b>      |                |                |                  |                  |
| 2005 tax levy                |                |                | (549)            | (549)            |
| 2006 tax levy                |                |                | (1,563)          | (1,563)          |
| 2007 tax levy                | (916)          | (916)          | (5,059)          | (5,059)          |
| 2008 tax levy                | (562)          | (562)          | (12,824)         | (12,824)         |
| 2009 tax levy                | (2,352)        | (2,352)        |                  |                  |
| 2010 tax levy                | (9,810)        | (9,810)        | 445,865          | 445,865          |
| 2011 tax interest            | (4,045)        | (4,045)        | 87               | 87               |
| 2011 tax levy                | 463,660        | 463,660        |                  |                  |
| 2011 tax interest            | 12             | 12             |                  |                  |
| 2012 tax interest            | 1              | 1              |                  |                  |
| <b>Total tax levy income</b> | <b>445,988</b> | <b>463,660</b> | <b>(17,672)</b>  | <b>445,865</b>   |
| <b>Total income</b>          | <b>446,356</b> | <b>635,304</b> | <b>(188,948)</b> | <b>660,090</b>   |
|                              |                |                |                  | <b>(233,379)</b> |

**LINCOLN PARK CHAMBER OF COMMERCE, INC.**  
**SPECIAL SERVICE AREA #23**

(A TAXING DISTRICT AUTHORIZED BY THE CITY OF CHICAGO)

STATEMENT OF ACTIVITIES - BUDGET AND ACTUAL (CONTINUED)

| Years ended December 31,                 | 2012     |           | 2011     |             |
|--|----------|-----------|----------|-------------|
|  | Actual   | Budget    | Actual   | Budget      |
| Expenses:                                |          |           |          |             |
| Estimated loss collection                | \$ 1,500 | \$ 23,000 | \$ (576) | \$ 35,500   |
|  |          |           |          | \$ (36,076) |
| Administrative expenses:                 |          |           |          |             |
| Audit                                    | 3,250    | 3,250     | 3,000    | 3,000       |
| Bank charges                             |          |           | 178      |             |
| Meeting expenses                         | 500      | 500       | 500      | 500         |
| Office equipment lease and maintenance   | 3,570    | 3,570     | 3,780    | 3,780       |
| Office printing                          | 2,000    | 2,000     | 1,050    | 1,050       |
| Office rent                              | 8,400    | 8,400     | 8,820    | 8,820       |
| Office supplies                          | 1,050    | 1,050     | 1,050    | 1,050       |
| Office utilities and telephone           | 4,095    | 4,095     | 4,200    | 4,200       |
| Postage and delivery                     | 2,000    | 2,000     | 2,000    | 2,000       |
| Total administrative expenses            | 24,865   | 24,865    | 24,578   | 24,400      |
| 178                                      |          |           |          |             |
| Advertising and promotion expenses:      |          |           |          |             |
| Display ads (signage)                    | 5,149    | 10,000    | 5,935    | 10,000      |
| Management fee                           |          |           | 23,535   | 23,535      |
| Print material (newsletter)              | 1,633    | 5,000     | 6,102    | 10,000      |
| Public relations and media services      | 11,900   | 15,000    | 21,424   | 35,000      |
| Special events and sidewalk sales        | 98,452   | 170,000   | 46,418   | 50,000      |
| Website                                  | 1,934    | 1,000     | 1,704    | 5,000       |
| 934                                      |          |           |          |             |
| Total advertising and promotion expenses | 119,068  | 201,000   | 105,118  | 133,535     |
| (28,417)                                 |          |           |          |             |
| District planning expenses:              |          |           |          |             |
| Computer software                        |          |           | 1,095    | 1,500       |
| Management fee                           |          |           | 649      | 649         |
| Market study                             |          |           |          | 5,500       |
| 5,500                                    |          |           |          |             |
| Total district planning expenses         |          |           | 1,744    | 7,649       |
| (5,905)                                  |          |           |          |             |



**LINCOLN PARK CHAMBER OF COMMERCE, INC.**  
**SPECIAL SERVICE AREA #23**

(A TAXING DISTRICT AUTHORIZED BY THE CITY OF CHICAGO)

STATEMENT OF ACTIVITIES - BUDGET AND ACTUAL (CONTINUED)

| Years ended December 31,             | 2012      |           |            | 2011      |           |             |
|--------------------------------------|-----------|-----------|------------|-----------|-----------|-------------|
|                                      | Actual    | Budget    | Variance   | Actual    | Budget    | Variance    |
| Expenses: (continued)                |           |           |            |           |           |             |
| Facade improvement expenses:         |           |           |            |           |           |             |
| Facade enhancement program           | \$ 21,450 | \$ 28,000 | \$ (6,550) | \$ 19,088 | \$ 30,000 | \$ (10,912) |
| Management fee                       |           |           |            | 11,362    | 11,362    |             |
| Total facade improvement expenses    | 21,450    | 28,000    | (6,550)    | 30,450    | 41,362    | (10,912)    |
| Parking and transit expenses:        |           |           |            |           |           |             |
| Bicycle Advocacy                     |           | 500       | (500)      |           |           |             |
| Total parking and transit expenses   |           | 500       | (500)      |           |           |             |
| Personnel expenses:                  |           |           |            |           |           |             |
| Personnel cost                       | 97,639    | 97,639    |            |           |           |             |
| Total personnel expenses             | 97,639    | 97,639    |            |           |           |             |
| Public way aesthetics expenses:      |           |           |            |           |           |             |
| Holiday decorations                  | 11,986    | 16,500    | (4,514)    | 9,534     | 15,000    | (5,466)     |
| Landscaping                          | 71,449    | 70,000    | 1,449      | 69,531    | 70,000    | (469)       |
| Management fee                       |           |           |            | 18,178    | 18,178    |             |
| Property insurance                   | 475       | 800       | (325)      | 458       | 2,000     | (1,542)     |
| Public art                           | 21,500    | 35,000    | (13,500)   |           |           |             |
| Street pole banners                  |           |           |            | 9,779     | 10,000    | (221)       |
| Streetscape elements                 | 6,523     | 7,500     | (977)      | 8,910     | 15,000    | (6,090)     |
| Total public way aesthetics expenses | 111,933   | 129,800   | (17,867)   | 116,390   | 130,178   | (13,788)    |

**LINCOLN PARK CHAMBER OF COMMERCE, INC.**  
**SPECIAL SERVICE AREA #23**

(A TAXING DISTRICT AUTHORIZED BY THE CITY OF CHICAGO)

STATEMENT OF ACTIVITIES -- BUDGET AND ACTUAL (CONTINUED)

| Years ended December 31,                       | 2012       |         |            | 2011       |           |            |
|--|------------|---------|------------|------------|-----------|------------|
|  | Actual     | Budget  | Variance   | Actual     | Budget    | Variance   |
| Expenses: (continued)                          |            |         |            |            |           |            |
| Public way maintenance expenses:               |            |         |            |            |           |            |
| Acid etching removal                           |            | \$ 500  | \$ (500)   | \$ 25,162  | \$ 25,162 |            |
| Management fee                                 |            |         |            | 18,333     | 20,000    | \$ (1,667) |
| Power washing                                  | \$ 13,995  | 20,000  | (6,005)    | 53,167     | 65,000    | (11,833)   |
| Sidewalk cleaning                              | 52,050     | 57,500  | (4,450)    | 32,450     | 40,000    | (7,550)    |
| Snow plowing and maintenance                   | 22,993     | 40,000  | (17,007)   |            |           |            |
| Total public way maintenance expenses          | 90,038     | 118,000 | (27,962)   | 129,112    | 150,162   | (21,050)   |
| Tenant retention and attraction expenses:      |            |         |            |            |           |            |
| Data collection                                | 1,095      | 1,500   | (405)      | 7,304      | 7,304     |            |
| Management fee                                 |            |         |            |            |           |            |
| Other  | 904        | 6,000   | (5,096)    | 43,927     | 125,000   | (81,073)   |
| Property tenant relations                      |            |         |            | 1,152      | 5,000     | (3,848)    |
| Site marketing materials                       | 1,605      | 5,000   | (3,395)    |            |           |            |
| Total tenant retention and attraction expenses | 3,604      | 12,500  | (8,896)    | 52,383     | 137,304   | (84,921)   |
| Total expenses                                 | 470,097    | 635,504 | (165,207)  | 459,199    | 660,090   | (200,891)  |
| Decrease in net assets                         | (23,741)   |         | (23,741)   | (32,488)   |           | (32,488)   |
| Net assets, beginning of year                  | 214,734    |         | 214,734    | 247,222    |           | 247,222    |
| Net assets, end of year                        | \$ 190,993 | \$ -    | \$ 190,993 | \$ 214,734 | \$ -      | \$ 214,734 |

**LINCOLN PARK CHAMBER OF COMMERCE, INC.  
SPECIAL SERVICE AREA #23**

(A TAXING DISTRICT AUTHORIZED BY THE CITY OF CHICAGO)

**SUMMARY OF AUDIT FINDINGS**

**YEAR ENDED DECEMBER 31, 2012**

**Summary schedule of findings**

As part of our audit and request by the Special Service Area Annual Audited Financial Statement Guidelines prepared by the City of Chicago Department of Planning and Development, we have read the requirements contained in the Agreement for Special Service Area #23 between the City of Chicago and Lincoln Park Chamber of Commerce, Inc.

Per Article 5.03, the Contractor (SSA #23) established a separate checking account at North Community Bank in Chicago, Illinois. All Service Tax Funds were automatically deposited into this checking account. The Contractor did not commingle Service Tax Funds with funds from any other source.

Based on our understanding of the agreement and the facts surrounding the performance under the agreement, we noted no exceptions. Many contractual items were included in the agreement which dealt with non-accounting and non-financial matters of which we had no knowledge.

**LINCOLN PARK CHAMBER OF COMMERCE, INC.**  
**SPECIAL SERVICE AREA #35**

(A TAXING DISTRICT AUTHORIZED BY THE CITY OF CHICAGO)

STATEMENT OF ACTIVITIES - BUDGET AND ACTUAL

| Years ended December 31,                 | 2012    |           |             | 2011    |           |             |
|--|---------|-----------|-------------|---------|-----------|-------------|
|  | Actual  | Budget    | Variance    | Actual  | Budget    | Variance    |
| Income:                                  |         |           |             |         |           |             |
| Estimated carryover                      | \$ 37   | \$ 33,500 | \$ (33,500) | \$ 43   | \$ 40,575 | \$ (40,575) |
| Interest                                 |         |           |             |         |           | 43          |
| Tax levy income:                         |         |           |             |         |           |             |
| 2005 tax levy                            | (406)   |           | (406)       | (79)    |           | (79)        |
| 2006 tax levy                            |         |           |             | (194)   |           | (194)       |
| 2007 tax levy                            | (287)   |           | (287)       | (535)   |           | (535)       |
| 2008 tax levy                            | (549)   |           | (549)       | (482)   |           | (482)       |
| 2009 tax levy                            | (846)   |           | (846)       | 894     |           | 894         |
| 2010 tax levy                            | (4,175) |           | (4,175)     | 182,785 | 182,785   |             |
| 2010 tax interest                        | (413)   |           | (413)       | 35      |           | 35          |
| 2011 tax levy                            | 167,071 | 167,071   |             |         |           |             |
| 2011 tax interest                        | 7       |           | 7           |         |           |             |
| Total tax levy income                    | 160,402 | 167,071   | (6,669)     | 182,424 | 182,785   | (361)       |
| Total income                             | 160,439 | 200,571   | (40,132)    | 182,467 | 223,360   | (40,893)    |
| Expenses:                                |         |           |             |         |           |             |
| Estimated loss collection                | 690     | 7,500     | (6,810)     | 1,224   | 14,700    | (13,476)    |
| Advertising and promotion expenses:      |         |           |             |         |           |             |
| Management fee                           |         |           |             | 81      | 81        |             |
| Website                                  | 599     | 600       | (1)         | 599     | 500       | 99          |
| Total advertising and promotion expenses | 599     | 600       | (1)         | 680     | 581       | 99          |

**LINCOLN PARK CHAMBER OF COMMERCE, INC.  
SPECIAL SERVICE AREA #35**

(A TAXING DISTRICT AUTHORIZED BY THE CITY OF CHICAGO)

**STATEMENT OF ACTIVITIES - BUDGET AND ACTUAL (CONTINUED)**

| Years ended December 31,                    | 2012          |               | 2011         |               | Variance     | Budget        | Actual        | Variance      | Budget        | Actual         | Variance |
|---|---------------|---------------|--------------|---------------|--------------|---------------|---------------|---------------|---------------|----------------|----------|
|   | Actual        | Budget        | Budget       | Actual        |              |               |               |               |               |                |          |
| Expenses: (continued)                       |               |               |              |               |              |               |               |               |               |                |          |
| Administrative expenses:                    |               |               |              |               |              |               |               |               |               |                |          |
| Audit and bookkeeping                       | \$ 3,250      | \$ 3,250      | \$ 3,000     | \$ 3,000      | \$           | \$ 3,000      | \$ 3,000      | \$ 3,000      | \$ 3,000      | \$             | \$ 102   |
| Bank charges                                |               |               | 102          | 250           | 102          | 250           | 250           | 250           | 250           |                |          |
| Meeting expenses                            | 350           | 100           |              |               | 250          | 1,620         | 1,620         | 1,620         | 1,620         |                |          |
| Office equipment lease and maintenance      | 1,530         | 1,530         |              |               |              | 3,780         | 3,780         | 3,780         | 3,780         |                |          |
| Office rent                                 | 3,600         | 3,600         |              |               |              | 450           | 450           | 450           | 450           |                |          |
| Office supplies                             | 450           | 450           |              |               |              | 1,800         | 1,800         | 1,800         | 1,800         |                |          |
| Office utilities and telephone              | 1,755         | 1,755         |              |               |              | 1,000         | 1,000         | 1,000         | 1,000         |                |          |
| Postage                                     | 600           | 1,000         | (400)        |               |              | 450           | 450           | 450           | 450           |                |          |
| Printing                                    | 500           | 500           |              |               |              |               |               |               |               |                |          |
| <b>Total administrative expenses</b>        | <b>12,035</b> | <b>12,185</b> | <b>(150)</b> | <b>12,452</b> | <b>(150)</b> | <b>12,350</b> | <b>12,452</b> | <b>12,350</b> | <b>12,350</b> | <b>102</b>     |          |
| Personnel expenses:                         |               |               |              |               |              |               |               |               |               |                |          |
| Personnel cost                              | 24,986        | 24,986        |              |               |              |               |               |               |               |                |          |
| <b>Personnel expenses</b>                   | <b>24,986</b> | <b>24,986</b> |              |               |              |               |               |               |               |                |          |
| Public way aesthetics expenses:             |               |               |              |               |              |               |               |               |               |                |          |
| Holiday decorations                         | 14,824        | 15,000        | (176)        | 14,853        | (176)        | 15,000        | 15,000        | 15,000        | 15,000        |                | (147)    |
| Landscaping                                 | 65,460        | 65,500        | (40)         | 65,460        | (40)         | 70,000        | 70,000        | 70,000        | 70,000        |                | (4,540)  |
| Management fee                              |               |               |              | 11,996        |              | 11,996        | 11,996        | 11,996        | 11,996        |                |          |
| Property insurance                          | 706           | 800           | (94)         | 684           | (94)         | 800           | 800           | 800           | 800           |                | (116)    |
| <b>Total public way aesthetics expenses</b> | <b>80,990</b> | <b>81,300</b> | <b>(310)</b> | <b>92,993</b> | <b>(310)</b> | <b>97,796</b> | <b>97,796</b> | <b>97,796</b> | <b>97,796</b> | <b>(4,803)</b> |          |

**LINCOLN PARK CHAMBER OF COMMERCE, INC.**  
**SPECIAL SERVICE AREA #35**

(A TAXING DISTRICT AUTHORIZED BY THE CITY OF CHICAGO)

**STATEMENT OF ACTIVITIES - BUDGET AND ACTUAL (CONTINUED)**

| Years ended December 31,              | 2012      |           | 2011      |           |
|---------------------------------------|-----------|-----------|-----------|-----------|
|                                       | Actual    | Budget    | Actual    | Budget    |
| Expenses: (continued)                 |           |           |           |           |
| Public way maintenance expenses:      |           |           |           |           |
| Management fee                        | \$ 10,900 | \$ 15,000 | \$ 12,433 | \$ 12,433 |
| Power washing                         | 23,860    | 29,000    | 13,885    | 14,000    |
| Sidewalk cleaning                     | 20,800    | 30,000    | 21,257    | 46,500    |
| Snow plowing and maintenance          |           |           | 22,008    | 25,000    |
|                                       |           |           |           | (2,992)   |
| Total public way maintenance expenses | 55,560    | 74,000    | 69,583    | 97,933    |
|                                       |           |           |           | (28,350)  |
| Total expenses                        | 174,860   | 200,571   | 176,932   | 223,360   |
|                                       |           |           |           | (46,428)  |
| Increase (decrease) in net assets     | (14,421)  |           | 5,535     | 5,535     |
| Net assets, beginning of year         | 59,997    |           | 54,462    | 54,462    |
| Net assets, end of year               | \$ 45,576 | \$ -      | \$ 45,576 | \$ 59,997 |
|                                       |           |           |           | \$ -      |
|                                       |           |           |           | \$ 59,997 |

**LINCOLN PARK CHAMBER OF COMMERCE, INC.  
SPECIAL SERVICE AREA #35**

(A TAXING DISTRICT AUTHORIZED BY THE CITY OF CHICAGO)

**SUMMARY OF AUDIT FINDINGS**

**YEAR ENDED DECEMBER 31, 2012**

**Summary schedule of findings**

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