

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

YEARS ENDED DECEMBER 31, 2018 AND 2017

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

YEARS ENDED DECEMBER 31, 2018 AND 2017

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

YEARS ENDED DECEMBER 31, 2018 AND 2017

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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

Report on the Combining and Combined Financial Statements

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, 2018 and 2017 and the related combining statements of activities and changes in net assets, cash flows, statement of net position and governmental funds balance sheet (SSA #23 and SSA #35) and statement of activities and governmental funds, revenues, expenditures and changes in fund balance (SSA #23 and SSA #35) for the years then ended and the related notes to the combining and combined financial statements.

Management's Responsibility for the Combining and Combined 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.

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 from 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, 2018 and 2017 and the combining changes in their net assets and their cash flows, net position and governmental funds balance sheet (SSA #23 and SSA #35) and activities and governmental funds, revenues, expenditures and changes in fund balance (SSA #23 and SSA #35) for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements of SSA #23 and SSA #35. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historic context. Our opinion on the basic financial statements is not affected by the missing information.

In connection with our audits, nothing came to our attention and 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 audits were 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 Agreements described in the Required Supplementary Information 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 21 through 29 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 21 through 24 and 26 through 28, 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.

Ripple Tax & Financial Services, Inc.

Chicago, Illinois

April 3, 2019

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

COMBINING AND COMBINED STATEMENT OF FINANCIAL POSITION

December 31,	2018				2017
	LPCC	SSA #23	SSA #35	Total	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 151,137	\$ 221,105	\$ 130,557	\$ 502,799	\$ 500,050
Investments	104,057			104,057	103,101
Accounts receivable	17,381			17,381	17,815
Property tax receivable, net of allowance for uncollectible taxes for SSA #23 of \$11,200 and \$13,500 at December 31, 2018 and 2017, respectively, and for SSA #35 of \$2,400 and \$3,300 at December 31, 2018 and 2017, respectively		459,725	378,396	838,121	766,591
Total current assets	272,575	680,830	508,953	1,462,358	1,387,557
Property and equipment:					
Furniture	34,170			34,170	8,771
Leasehold improvements	6,352			6,352	
Office equipment	58,701			58,701	52,158
	99,223			99,223	60,929
Less accumulated depreciation	(55,307)			(55,307)	(53,424)
Property and equipment, net	43,916			43,916	7,505
Security deposit	7,500			7,500	2,400
Total assets	\$ 323,991	\$ 680,830	\$ 508,953	\$ 1,513,774	\$ 1,397,462

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.	2018			2017
	LPCC	SSA #23	SSA #35	Total
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable		\$ 56,805		\$ 56,805
Deferred revenue	\$ 65,277			15,000
				\$ 56,888
Total current liabilities	65,277	56,805		122,082
Net assets:				
Unrestricted	258,714	624,025	\$ 508,953	1,391,692
Total liabilities and net assets	\$ 323,991	\$ 680,830	\$ 508,953	\$ 1,513,774
				\$ 1,397,462

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.	2018					2017
	LPCC	SSA #23	SSA #35	Elimination	Total	Total
Revenues:						
Membership dues and sponsorships	\$ 191,137				\$ 191,137	\$ 178,009
Banner income	28,925				28,925	28,650
Events income	69,752				69,752	63,930
Government grant	64,676				64,676	64,676
Administrative income	219,320			\$ (219,320)		
Advertising income	19,029				19,029	17,121
Other income	3,398				3,398	7,667
Interest and dividends	3,894				3,894	4,666
Net realized and unrealized gain (loss) on investments	(3,417)				(3,417)	939
Cook county collection SSA #23		\$ 461,062			461,062	426,027
Cook county collection SSA #35			\$ 396,186		396,186	532,958
Total revenues	596,714	461,062	396,186	(219,320)	1,234,642	1,124,643
Expenses:						
Functional expenses:						
Government and community relations	144,146				144,146	147,381
Marketing	71,906				71,906	74,046
Member services	282,750				282,750	272,497
SSA #23 expenses		450,188		(129,045)	321,143	280,876
SSA #35 expenses			370,898	(90,275)	280,623	166,075
Total functional expenses	498,802	450,188	370,898	(219,320)	1,100,568	940,875
General and administrative expenses	67,956				67,956	62,687
Total expenses	566,758	450,188	370,898	(219,320)	1,168,524	1,003,562
Increase (decrease) in net assets	29,956	10,874	25,288		66,118	121,081
Net assets, beginning of year	228,758	613,151	483,665		1,325,574	1,204,493
Net assets, end of year	\$ 258,714	\$ 624,025	\$ 508,953		\$ 1,391,692	\$ 1,325,574

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,	2018				2017
	LPCC	SSA #23	SSA #35	Total	Total
Operating activities:					
Increase in net assets	\$ 29,956	\$ 10,874	\$ 25,288	\$ 66,118	\$ 121,081
Adjustments to reconcile above to cash provided by (used in) operating activities:					
Depreciation	1,883			1,883	1,553
Net realized and unrealized (gain) loss on investments	3,417			3,417	(939)
(Increase) decrease in operating assets:					
Accounts receivable, net	434	(20,528)	(51,002)	(71,096)	(40,246)
Prepaid expenses					1,250
Security deposit	(5,100)			(5,100)	
Increase (decrease) in operating liabilities:					
Accounts payable	(15,000)	56,805		41,805	15,000
Deferred revenue	8,389			8,389	5,351
Cash provided by (used in) operating activities	23,979	47,151	(25,714)	45,416	103,050
Investing activities:					
Purchases of equipment	(38,294)			(38,294)	(8,648)
Purchases of investments	(123,972)			(123,972)	(79,912)
Proceeds from sales of investments	119,599			119,599	76,979
Cash used in investing activities	(42,667)			(42,667)	(11,581)
Increase (decrease) in cash and cash equivalents	(18,688)	47,151	(25,714)	2,749	91,469
Cash and cash equivalents, beginning of year	169,825	173,954	156,271	500,050	408,581
Cash and cash equivalents, end of year	\$ 151,137	\$ 221,105	\$ 130,557	\$ 502,799	\$ 500,050

See notes to combining and combined financial statements.

LINCOLN PARK CHAMBER OF COMMERCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES

Years ended December 31,	2018					2017	
	Government and community relations	Marketing	Member services	Total program expenses	General and administrative	Total expenses	Total expenses
Advertising		\$ 5,988		\$ 5,988		\$ 5,988	\$ 8,126
Banner expenses		4,061		4,061		4,061	6,680
Contributions	\$ 4,145			4,145		4,145	4,187
Depreciation	472	187	\$ 1,037	1,696	\$ 187	1,883	1,553
Insurance	3,534	1,178	5,890	10,602	1,177	11,779	13,124
Member services			23,243	23,243		23,243	27,688
Miscellaneous			521	521	16,851	17,372	15,377
Moving					4,303	4,303	
Occupancy	11,019	3,673	18,366	33,058	3,673	36,731	42,449
Office expenses and postage:							
Credit card fees	1,873	624	3,122	5,619	624	6,243	5,404
Other - office expense and postage		6,137	24,546	30,683		30,683	28,842
Outside services	1,601	8,793	3,521	13,915	641	14,556	17,902
Payroll and staff expenses	121,502	40,501	202,504	364,507	40,500	405,007	385,032
Sponsorship		764		764		764	247
Total functional expenses	\$ 144,146	\$ 71,906	\$ 282,750	\$ 498,802	\$ 67,956	\$ 566,758	\$ 556,611

See notes to combining and combined financial statements.

SPECIAL SERVICE AREA #23
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

December 31,	2018			2017		
	Governmental funds	Adjustments	Statement of net position	Governmental funds	Adjustments	Statement of net position
ASSETS						
Cash and cash equivalents	\$ 221,105		\$ 221,105	\$ 173,954		\$ 173,954
Property tax receivable, net of allowance for uncollectible taxes of \$11,200 and \$13,500 as of December 31, 2018 and 2017, respectively	459,725		459,725	439,197		439,197
Total assets	\$ 680,830		\$ 680,830	\$ 613,151		\$ 613,151
LIABILITIES						
Accounts payable	\$ 56,805		\$ 56,805			
DEFERRED INFLOWS						
Deferred property tax revenue	425,016	\$ (425,016)		435,147	\$ (435,147)	
FUND BALANCES/NET POSITION						
Committed:						
Snow removal	4,018	\$ (4,018)		11,775	\$ (11,775)	
Unassigned	194,991	(194,991)		166,229	(166,229)	
Total fund balance	199,009	(199,009)		178,004	(178,004)	
Total liabilities, deferred inflows and fund balance	\$ 680,830			\$ 613,151		
Net position:						
Unrestricted		\$ 624,025	\$ 624,025		\$ 613,151	\$ 613,151
Amounts reported for governmental activities in the statement of net position are different because:						
Total fund balance - governmental funds			\$ 199,009			\$ 178,004
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the property tax is deferred as it is not available in the governmental funds.			425,016			435,147
Total net position - governmental activities			\$ 624,025			\$ 613,151

See notes to combining and combined financial statements.

SPECIAL SERVICE AREA #23

**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS, REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE**

Years ended December 31,	2018			2017		
	Governmental funds	Adjustments	Statement of activities	Governmental funds	Adjustments	Statement of activities
Revenues:						
Property taxes	\$ 470,854	\$ (10,131)	\$ 460,723	\$ 405,623	\$ 20,238	\$ 425,861
Interest	339		339	166		166
Total revenues	471,193	(10,131)	461,062	405,789	20,238	426,027
Expenditures/expenses:						
SSA management	22,275		22,275	28,200		28,200
Customer attraction	56,443		56,443	56,921		56,921
Economic/business development	4,505		4,505	5,000		5,000
Personnel	106,770		106,770	99,989		99,989
Public way aesthetics	258,320		258,320	218,955		218,955
Safety program	750		750			
Sustainability and public places	1,125		1,125			
Total expenditures/expenses	450,188		450,188	409,065		409,065
Excess of revenues over expenditures (expenditures over revenues)	21,005	(21,005)		(3,276)	3,276	
Change in net position		10,874	10,874		16,962	16,962
Fund balance/net position:						
Beginning of year	178,004	435,147	613,151	181,280	414,909	596,189
End of year	\$ 199,009	425,016	\$ 624,025	\$ 178,004	435,147	\$ 613,151
Amounts reported for governmental activities in the statement of activities are different because:						
Net change in fund balance - governmental funds			\$ 21,005			\$ (3,276)
Property tax revenue is recognized in the year it is levied rather than when it is available for governmental funds			(10,131)			20,238
Change in net position			\$ 10,874			\$ 16,962

See notes to combining and combined financial statements.

SPECIAL SERVICE AREA #35
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

December 31,	2018			2017		
	Governmental funds	Adjustments	Statement of net position	Governmental funds	Adjustments	Statement of net position
ASSETS						
Cash and cash equivalents	\$ 130,557		\$ 130,557	\$ 156,271		\$ 156,271
Property tax receivable, net of allowance for uncollectible taxes of \$2,400 and \$3,300 as of December 31, 2018 and 2017, respectively	378,396		378,396	327,394		327,394
Total assets	\$ 508,953		\$ 508,953	\$ 483,665		\$ 483,665
DEFERRED INFLOWS						
Deferred property tax revenue	357,710	\$ (357,710)		326,899	\$ (326,899)	
FUND BALANCES/NET POSITION						
Committed:						
Snow removal	14,400	(14,400)		12,625	(12,625)	
Unassigned	136,843	(136,843)		144,141	(144,141)	
Total fund balance	151,243	(151,243)		156,766	(156,766)	
Total deferred inflows and fund balance	\$ 508,953			\$ 483,665		
Net position:						
Unrestricted		\$ (508,953)	\$ 508,953		\$ (483,665)	\$ 483,665
Amounts reported for governmental activities in the statement of net position are different because:						
Total fund balance - governmental funds			\$ 151,243			\$ 156,766
Property tax revenue is recognized in the period for which levied rather than when "available." A portion of the property tax is deferred as it is not available in the governmental funds.			357,710			326,899
Total net position - governmental activities			\$ 508,953			\$ 483,665

See notes to combining and combined financial statements.

SPECIAL SERVICE AREA #35
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS, REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE

Years ended December 31.	2018			2017		
	Governmental funds	Adjustments	Statement of activities	Governmental funds	Adjustments	Statement of activities
Revenues:						
Property taxes	\$ 365,375	\$ 30,811	\$ 396,186	\$ 317,426	\$ 15,532	\$ 332,958
Total revenues	365,375	30,811	396,186	317,426	15,532	332,958
Expenditures/expenses:						
Customer attraction	98,807		98,807	24,685		24,685
SSA management	22,275		22,275	18,100		18,100
Personnel	68,000		68,000	60,917		60,917
Public way aesthetics	177,625		177,625	126,219		126,219
Economic/business development	4,191		4,191	15,171		15,171
Total expenditures/expenses	370,898		370,898	245,092		245,092
Excess of revenues over expenditures (expenditures over revenues)	(5,523)	5,523		72,334	(72,334)	
Change in net position		25,288	25,288		87,866	87,866
Fund balance/net position:						
Beginning of year	156,766	326,899	483,665	84,432	311,367	395,799
End of year	\$ 151,243	\$ 357,710	\$ 508,953	\$ 156,766	\$ 326,899	\$ 483,665
Amounts reported for governmental activities in the statement of activities are different because:						
Net change in fund balance - governmental funds			\$ (5,523)			\$ 72,334
Property tax revenue is recognized in the year it is levied rather than when it is available for governmental funds			30,811			15,532
Change in net position			\$ 25,288			\$ 87,866

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. SSA #23 and SSA #35 are each governed by their respective Commissions whose members are appointed by the Mayor of Chicago. 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.

SSA #23 and SSA #35 are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Basis of accounting:

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

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)

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.

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, 2018 and 2017, all assets were unrestricted.

Government-wide and fund financial statements – Special Service Areas:

The financial statements of SSA #23 and SSA #35 have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units, hereinafter referred to as GAAP (generally accepted accounting principles). The accepted standard-setting body for establishing governmental accounting and financial reporting principles is GASB (the Governmental Accounting Standards Board).

Government-wide financial statements (statement of net position and statement of activities) are prepared using the economic resources measurement focus and the accrual basis of accounting for all of the SSA's activities. The fund financial statements, which focuses on the SSA's governmental funds current financial resources measurement focus, are prepared on the modified accrual basis.

The SSA accounts for its activities in one fund, its general fund.

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)

Measurement focus, basis of accounting and financial statement presentation – SSA's:

The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied.

The governmental fund financial statements are prepared on the modified accrual basis of accounting with only current assets and liabilities included on the balance sheet. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end. Expenditures are recorded when the liability is incurred.

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. Based on management's assessment of the credit history with customers and others having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

Property tax receivable:

All property tax receivables are shown net of allowances. For SSA #23, the allowance is estimated to be approximately 2% and 3% of outstanding property tax receivables for the years ended December 31, 2018 and 2017, respectively. For SSA #35, the allowance is estimated to be approximately 1% of outstanding property tax receivables for each year ended December 31, 2018 and 2017.

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)

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.

Fund equity/net position – Special Service Areas:

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by enabling legislation or an outside party. Committed fund balance is a limitation imposed by the SSA board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the SSA board. Unassigned fund balance is the net resources in excess of what can be properly classified in one of the above four categories.

When both restricted and unrestricted fund balances are available for use, it is the SSA's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balance is reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

For the government-wide financial statements, net position is reported as invested in capital assets net of related debt, restricted or unrestricted. Invested in capital assets, net of related debt, if applicable, is comprised of the net capital asset balance less any related debt. Restricted net position is when restrictions are placed on net assets from 1) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation. The remaining net position is classified as unrestricted.

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 \$65,277 and \$56,888 at December 31, 2018 and 2017, 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.

Investments:

Investments are stated at fair value. Realized and unrealized investment gains and losses and other investment income are reflected in the combining and combined statement of activities and changes in net assets as changes in unrestricted net assets (See Note 4).

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. Property taxes – Special Service Areas

Property taxes become an enforceable lien on real property on January 1 of the year it is levied. Taxes are payable in two installments in the subsequent year. The first installment is an estimate based on the prior year billed levy (55%) and is due in March. The second installment is due on August 1 or 30 days after the mailing of the tax bills if issued later than July 1. The second installment is based on the remaining amount of the levy on file with the County. Bills are issued and collected by Cook County who remits the SSA's share to the city who then remits the monies to the SSA.

3. Concentration of credit risk

SSA #23 maintains its cash in bank accounts, which, at times, may exceed federally-insured limits. At December 31, 2018, SSA #23's uninsured cash balances totaled approximately \$21,000. SSA #23 has not experienced any losses in such accounts. Management believes that SSA #23 is not subject to any significant credit risk on cash.

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

NOTES TO COMBINING AND COMBINED FINANCIAL STATEMENTS
(CONTINUED)

4. Line of credit

LPCC obtained a \$150,000 line of credit with Bridgeview Bank, which matured on April 13, 2017 and was not renewed.

5. Investments

LPCC's investments are stated at fair value based on quoted prices in active markets (all Level 1 measurements) and consist of the following:

December 31,	2017	2016
Bond mutual funds	\$ 104,057	\$ 88,152
Bank loan fund		14,949
Total investments	\$ 104,057	\$ 103,101

Dividend income of \$3,716 and \$4,512 for the years ended December 31, 2018 and 2017, respectively, is included in interest and dividend income. Unrealized losses of (\$2,861) and unrealized gains of \$851 for the years ended December 31, 2018 and 2017, respectively, is included in realized and unrealized gain (loss) on investments on the combining and combined statement of activities and changes in net assets.

6. 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 \$129,045 and \$128,189 for the years ended December 31, 2018 and 2017, respectively.

The management fees for SSA #35 totaled \$90,275 and \$79,017 for the years ended December 31, 2018 and 2017, respectively.

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

NOTES TO COMBINING AND COMBINED FINANCIAL STATEMENTS
(CONTINUED)

7. Lease commitments

LPCC is obligated under an operating lease for its office space located in Chicago, Illinois. The lease expired on September 30, 2018. LPCC is leasing a temporary office space on a month-to-month basis.

During 2018, LPCC entered into a new operating lease for its new office space located in Chicago, Illinois. The new lease is expected to commence during June 2019 and expires on September 30, 2028, with one option for a five-year extension.

Total rent expense for the years ended December 31, 2018 and 2017 was \$36,731 and \$42,449, respectively.

LPCC also leases equipment under various operating leases which expire during 2021 and have monthly lease payments aggregating approximately \$220. Total rent expense included in operations under equipment leases was \$2,642 for each year ended December 31, 2018 and 2017.

Future minimum lease payments are as follows:

Year ending December 31:	Office lease	Equipment leases	Total
2019	\$ 15,000	\$ 2,642	\$ 17,642
2020	41,250	2,642	43,892
2021	41,250	660	41,910
2022	45,000		45,000
2023	45,000		45,000
Thereafter	213,750		213,750
Total	\$ 401,250	\$ 5,944	\$ 407,194

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

NOTES TO COMBINING AND COMBINED FINANCIAL STATEMENTS
(CONTINUED)

8. Retirement plan

LPCC maintains a SIMPLE IRA plan covering all eligible employees. The matching contributions made to the plan were \$10,276 and \$9,133 for the years ended December 31, 2018 and 2017, respectively.

9. Subsequent events

Management of LPCC has reviewed and evaluated subsequent events from December 31, 2018, the combining and combined financial statement date, through April 3, 2019, 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.
SPECIAL SERVICE AREA #23**

(A TAXING DISTRICT AUTHORIZED BY THE CITY OF CHICAGO)

STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL

Years ended December 31,	2018			2017		
	Actual	Budget	Variance	Actual	Budget	Variance
Income:						
Interest	\$ 339		\$ 339	\$ 166		\$ 166
Late collections		\$ 5,602	(5,602)			
Tax levy income:						
2011 tax levy				(14,777)		(14,777)
2012 tax levy	(3,808)		(3,808)	(4,486)		(4,486)
2013 tax levy	(5,110)		(5,110)	(2,569)		(2,569)
2014 tax levy	(6,491)		(6,491)	(925)		(925)
2015 tax levy	(1,668)		(1,668)	655		655
2016 tax levy	323		323	12,800	\$ 427,709	(414,909)
2016 tax interest				16		16
2017 tax levy	4,194	448,647	(444,453)	414,909		414,909
2017 tax interest	58		58			
2018 tax levy	483,356		483,356			
Total tax levy income	470,854	448,647	22,207	405,623	427,709	(22,086)
Total income	471,193	454,249	16,944	405,789	427,709	(21,920)

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

(A TAXING DISTRICT AUTHORIZED BY THE CITY OF CHICAGO)

STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)

Years ended December 31,	2018			2017		
	Actual	Budget	Variance	Actual	Budget	Variance
Expenses:						
Estimated loss collection		5,602	(5,602)		4,020	(4,020)
SSA management expenses:						
Annual report	1,000	1,000		2,000	2,000	
Audit	5,000	5,000		5,000	5,000	
Bookkeeping	750	750		1,000	1,000	
Equipment maintenance	750	750		1,000	1,000	
IT monitoring services	750	750		800	800	
Liability/property insurance	600	600		600	600	
Meeting expenses	750	750		1,000	1,000	
Office equipment lease and maintenance	900	900		1,400	1,400	
Office printing	375	375		500	500	
Office rent	6,750	6,750		8,400	8,400	
Office supplies	300	300		400	400	
Office utilities and telephone	2,250	2,250		3,000	3,000	
Postage and delivery	750	750		1,500	1,500	
Professional development	900	900		1,000	1,000	
Subscriptions/dues	450	450		600	600	
Total SSA management expenses	22,275	22,275		28,200	28,200	
Customer attraction expenses:						
Decorative banners		14,000	(14,000)			
Display ads (signage)				8,000	8,000	(8,000)
Holiday decorations	17,795	20,000	(2,205)	12,647	22,000	(9,353)
Print materials		2,000	(2,000)		2,000	(2,000)
Public relations and media services		3,898	(3,898)	3,000	10,000	(7,000)
Social media outreach	420	2,000	(1,580)	1,113	3,000	(1,887)
Special events	37,665	41,204	(3,539)	39,485	50,000	(10,515)
Website	563	2,000	(1,437)	676	6,000	(5,324)
Total customer attraction expenses	56,443	85,102	(28,659)	56,921	101,000	(44,079)

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

(A TAXING DISTRICT AUTHORIZED BY THE CITY OF CHICAGO)

STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)

Years ended December 31,	2018			2017		
	Actual	Budget	Variance	Actual	Budget	Variance
Expenses: (continued)						
Economic/business development expenses:						
Economic impact and marketing studies		5,000	(5,000)			
Site marketing	4,505	5,500	(995)	5,000	5,000	
Total economic/business development expenses	4,505	10,500	(5,995)	5,000	5,000	
Personnel expenses:						
Personnel cost	106,770	106,770		99,989	99,989	
Total personnel expenses	106,770	106,770		99,989	99,989	
Public way aesthetics expenses:						
City permits	50	5,000	(4,950)	1,575	2,000	(425)
Facade enhancement program - rebates	5,000	29,000	(24,000)	1,924	15,000	(13,076)
Landscaping	49,475	64,000	(14,525)	53,180	54,500	(1,320)
Public art	41,207	45,000	(3,793)	40,672	45,000	(4,328)
Sidewalk litter removal	34,773	40,000	(5,227)	33,524	38,000	(4,476)
Sidewalk power washing	14,450	15,000	(550)	14,043	15,000	(957)
Snow removal	25,500	26,000	(500)	24,455	26,000	(1,545)
Streetscape maintenance and repair	2,399	10,000	(7,601)	34,797	35,000	(203)
Way finding/signage	85,466	88,000	(2,534)	14,785	40,000	(25,215)
Total public way aesthetics expenses	258,320	322,000	(63,680)	218,955	270,500	(51,545)

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

(A TAXING DISTRICT AUTHORIZED BY THE CITY OF CHICAGO)

STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (CONTINUED)

Years ended December 31,	2018			2017		
	Actual	Budget	Variance	Actual	Budget	Variance
Expenses: (continued)						
Safety program expenses:						
Safety marketing and educational programs	250	1,000	(750)	1,000		(1,000)
Safety improvement programs	500	4,000	(3,500)	4,000		(4,000)
Security patrol services		5,000	(5,000)			
Total safety program expenses	750	10,000	(9,250)	5,000		(5,000)
Sustainability and public places expenses:						
Bicycle transit enhancements		5,000	(5,000)	3,000		(3,000)
Garbage/recycling program	1,125	2,000	(875)	1,000		(1,000)
Total sustainability and public places expenses	1,125	7,000	(5,875)	4,000		(4,000)
Total expenses	450,188	569,249	(119,061)	409,065	517,709	(108,644)
Increase (decrease) in net assets	21,005	(115,000)	136,005	(3,276)	(90,000)	86,724
Estimated carryover		\$ 115,000	(115,000)		\$ 90,000	(90,000)
Net assets, beginning of year	178,004		178,004	181,280		181,280
Net assets, end of year	\$ 199,009		\$ 199,009	\$ 178,004		\$ 178,004

**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, 2018

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 Byline 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 REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

Years ended December 31,	2018			2017		
	Actual	Budget	Variance	Actual	Budget	Variance
Income:						
Late collections	\$	4,182	\$ (4,182)	\$	94	\$ (94)
Tax levy income:						
2015 tax levy	\$	(1,848)	(1,848)	\$	2,890	2,890
2016 tax levy		(355)	(355)		3,150	3,150
2016 tax interest					19	19
2017 tax levy		16,663	(313,536)		311,367	311,367
2017 tax interest		30	30			
2018 tax levy		350,885	350,885			
Total tax levy income		365,375	330,199		317,426	314,517
Total income		365,375	334,381		317,426	314,611
Expenses:						
Estimated loss collection		4,182	(4,182)		7,423	(7,423)
Customer attraction expenses:						
Decorative banners		76,957	83,000		10,000	(10,000)
Display ads (signage)					250	3,000
Holiday decorations		18,000	18,000		17,510	18,000
Print materials			2,000		875	2,000
Public relations and media services						10,000
Social media outreach			500		1,000	2,000
Special events		3,850	5,000		5,000	5,000
Website			500		50	2,000
Total customer attraction expenses		98,807	109,000		24,685	52,000

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

(A TAXING DISTRICT AUTHORIZED BY THE CITY OF CHICAGO)

STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (CONTINUED)

Years ended December 31,	2018			2017		
	Actual	Budget	Variance	Actual	Budget	Variance
Expenses: (continued)						
SSA management expenses:						
Annual report	1,000	1,000		2,000	2,000	
Audit	5,000	5,000		5,000	5,000	
Bookkeeping	750	750		500	500	
Equipment maintenance	750	750		500	500	
IT monitoring services	750	750		400	400	
Liability/property insurance	600	600		300	300	
Meeting expenses	750	750		1,000	1,000	
Office equipment lease and maintenance	900	900		700	700	
Office rent	6,750	6,750		4,200	4,200	
Office supplies	300	300		200	200	
Office utilities and telephone	2,250	2,250		1,500	1,500	
Postage	750	750		750	750	
Printing	375	375		250	250	
Professional development	900	900		500	500	
Subscriptions/dues	450	450		300	300	
Total SSA management expenses	22,275	22,275		18,100	18,100	
Personnel expenses:						
Personnel cost	68,000	68,000		60,917	60,917	
Total personnel expenses	68,000	68,000		60,917	60,917	
Public way aesthetics expenses:						
Facade enhancement program - rebates	2,150	3,000	(850)	15,000	20,671	(5,671)
Landscaping	39,996	40,000	(4)	40,357	46,500	(6,143)
Sidewalk maintenance	30,902	31,000	(98)	31,193	32,000	(807)
Sidewalk power washing	12,320	12,500	(180)	11,970	15,000	(3,030)
Snow removal	26,025	28,000	(1,975)	25,250	26,000	(750)
Streetscape elements	66,232	69,218	(2,986)	2,449	10,000	(7,551)
Way finding / signage		500	(500)		5,000	(5,000)
Total public way aesthetics expenses	177,625	184,218	(6,593)	126,219	155,171	(28,952)

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

(A TAXING DISTRICT AUTHORIZED BY THE CITY OF CHICAGO)

STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)

Years ended December 31,	2018			2017		
	Actual	Budget	Variance	Actual	Budget	Variance
Expenses: (continued)						
Economic/business development expenses:						
Economic impact study		5,000	(5,000)	9,171	10,000	(829)
Master planning	431	8,500	(8,069)	2,000	2,000	
Site marketing	3,760	5,000	(1,240)	4,000	4,000	
Total economic/business development expenses	4,191	18,500	(14,309)	15,171	16,000	(829)
Safety program expenses:						
Safety marketing and educational programs		1,000	(1,000)		1,000	(1,000)
Safety improvement programs		4,000	(4,000)		4,000	(4,000)
Total safety program expenses		5,000	(5,000)		5,000	(5,000)
Sustainability and public places expenses:						
Bicycle transit enhancements		500	(500)			
Garbage/recycling program		500	(500)			
Total sustainability and public places expenses		1,000	(1,000)			
Total expenses	370,898	412,175	(41,277)	245,092	\$ 314,611	(69,519)
Increase (decrease) in net assets	(5,523)	(77,794)	72,271	72,334		72,334
Estimated carryover		\$ 77,794	(77,794)			
Net assets, beginning of year	156,766		156,766	84,432		84,432
Net assets, end of year	\$ 151,243		\$ 151,243	\$ 156,766		\$ 156,766

**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, 2018

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 #35 between the City of Chicago and Lincoln Park Chamber of Commerce, Inc.

Per Article 5.03, the Contractor (SSA #35) established a separate checking account at Bridgeview 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.

State of Illinois

Department of Financial and Professional Regulation Division of Professional Regulation

LICENSE NO.
066.004276
065.028061

The person, firm, or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below:

EXPIRES:
11/30/2021

PUBLIC ACCOUNTANT FIRM LICENSE



RIPPLE TAX & FINANCIAL SERVICES INC
3025 N WESTERN AVE
CHICAGO, IL 60618-8022



DEBORAH HAGAN
ACTING SECRETARY

JESSICA BAER
DIRECTOR

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