

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

YEARS ENDED DECEMBER 31, 2010 AND 2009

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

YEARS ENDED DECEMBER 31, 2010 AND 2009

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Independent Auditors' Report

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

*Independent Affiliate
of BKR International*

We have audited the accompanying combined statement of financial position 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 December 31, 2010 and the related combined statements of activities and changes in net assets and cash flows for the year then ended. These combined financial statements are the responsibility of LPCC's, SSA #23's and SSA #35's management. Our responsibility is to express an opinion on these combined financial statements based on our audit. The combined financial statements 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, 2009, were audited by other auditors whose report dated March 3, 2010 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the 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, 2010 and the combined changes in their net assets and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The additional information on pages 12 through 21 is presented for purposes of additional analysis and is not a required part of the basic combined financial statements. That information, except for the budget information on pages 13 through 16 and 18 through 20, which is unaudited, has been subjected to the auditing procedures applied in the audit of the basic combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic combined financial statements taken as a whole.

Ostrow Beisen Bell & Abrams, LLP

February 17, 2011

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

COMBINED STATEMENT OF FINANCIAL POSITION

| December 31, | 2010 | | | | 2009 |
|--|-------------------|-------------------|------------------|-------------------|-------------------|
| | LPCC | SSA #23 | SSA #35 | Total | Total |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 214,783 | \$ 152,017 | \$ 19,035 | \$ 385,835 | \$ 383,094 |
| Accounts receivable, net of allowance for doubtful accounts for SSA #23 of \$3,305 at December 31, 2010 | 12,580 | 108,187 | 35,427 | 156,194 | 39,202 |
| Prepaid expenses | 2,858 | | | 2,858 | |
| Total current assets | 230,221 | 260,204 | 54,462 | 544,887 | 422,296 |
| Property and equipment: | | | | | |
| Office equipment | 44,748 | | | 44,748 | 44,748 |
| Furniture | 8,771 | | | 8,771 | 8,015 |
| | 53,519 | | | 53,519 | 52,763 |
| Less accumulated depreciation | (46,674) | | | (46,674) | (43,089) |
| Property and equipment, net | 6,845 | | | 6,845 | 9,674 |
| Security deposit | 2,400 | | | 2,400 | 2,400 |
| Total assets | \$ 239,466 | \$ 260,204 | \$ 54,462 | \$ 554,132 | \$ 434,370 |

See notes to combined financial statements.

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

COMBINED STATEMENT OF FINANCIAL POSITION (CONTINUED)

| December 31, | 2010 | | | | 2009 |
|---|-------------------|-------------------|------------------|-------------------|-------------------|
| | LPCC | SSA #23 | SSA #35 | Total | Total |
| LIABILITIES AND NET ASSETS | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | \$ 324 | \$ 12,982 | | \$ 13,306 | \$ 13,953 |
| Line of credit | | | | | 71,521 |
| Accrued interest | | | | | 788 |
| Deferred revenue | 52,398 | | | 52,398 | 52,501 |
| Total current liabilities | 52,722 | 12,982 | | 65,704 | 138,763 |
| Net assets: | | | | | |
| Unrestricted | 186,744 | 247,222 | \$ 54,462 | 488,428 | 295,607 |
| Total liabilities and net assets | \$ 239,466 | \$ 260,204 | \$ 54,462 | \$ 554,132 | \$ 434,370 |

See notes to combined financial statements.

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

COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

| Years ended December 31, | 2010 | | | | | 2009 |
|-------------------------------------|-------------------|-------------------|------------------|------------------|-------------------|-------------------|
| | LPCC | SSA #23 | SSA #35 | Elimination | Total | Total |
| Revenues: | | | | | | |
| Membership dues and sponsorships | \$ 134,157 | | | | \$ 134,157 | \$ 142,300 |
| Banner income | 36,625 | | | | 36,625 | 29,400 |
| Events income | 23,945 | | | | 23,945 | 31,989 |
| Government grant | 73,297 | | | | 73,297 | 81,675 |
| Administrative income | 137,768 | | | \$ (127,768) | 10,000 | 5,135 |
| Advertising income | 9,113 | | | | 9,113 | 26,557 |
| Festival income | 10,000 | | | | 10,000 | 7,500 |
| Other income | 727 | | | | 727 | 630 |
| Interest income | 2,621 | | | | 2,621 | 5,963 |
| Cook county collection SSA #23 | | \$ 589,110 | | | 589,110 | 495,609 |
| Cook county collection SSA #35 | | | \$ 207,064 | | 207,064 | 181,155 |
| Total revenues | 428,253 | 589,110 | 207,064 | (127,768) | 1,096,659 | 1,007,913 |
| Expenses: | | | | | | |
| Functional expenses: | | | | | | |
| Government and community relations | 95,894 | | | | 95,894 | 100,431 |
| Marketing | 50,484 | | | | 50,484 | 54,097 |
| Member services | 221,419 | | | | 221,419 | 233,682 |
| SSA #23 expenses | | 447,874 | | (88,445) | 359,429 | 397,964 |
| SSA #35 expenses | | | 169,622 | (39,323) | 130,299 | 177,734 |
| Total functional expenses | 367,797 | 447,874 | 169,622 | (127,768) | 857,525 | 963,908 |
| General and administrative expenses | 46,313 | | | | 46,313 | 50,172 |
| Total expenses | 414,110 | 447,874 | 169,622 | (127,768) | 903,838 | 1,014,080 |
| Increase (decrease) in net assets | 14,143 | 141,236 | 37,442 | | 192,821 | (6,167) |
| Net assets, beginning of year | 172,601 | 105,986 | 17,020 | | 295,607 | 301,774 |
| Net assets, end of year | \$ 186,744 | \$ 247,222 | \$ 54,462 | \$ - | \$ 488,428 | \$ 295,607 |

See notes to combined financial statements.

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

COMBINED STATEMENT OF CASH FLOWS

| Years ended December 31, | 2010 | | | | 2009 |
|--|-------------------|-------------------|------------------|-------------------|-------------------|
| | LPCC | SSA #23 | SSA #35 | Total | Total |
| Operating activities: | | | | | |
| Increase (decrease) in net assets | \$ 14,143 | \$ 141,236 | \$ 37,442 | \$ 192,821 | \$ (6,167) |
| Adjustments to reconcile above to cash provided by (used in) operating activities: | | | | | |
| Depreciation | 3,585 | | | 3,585 | 3,857 |
| (Increase) decrease in operating assets: | | | | | |
| Accounts receivable, net | 5,457 | (90,971) | (31,478) | (116,992) | 1,362 |
| Prepaid expenses | (2,858) | | | (2,858) | |
| Increase (decrease) in operating liabilities: | | | | | |
| Accounts payable | (4,740) | 8,154 | (4,060) | (646) | (3,705) |
| Accrued interest | | (538) | (250) | (788) | 788 |
| Deferred revenue | (103) | | | (103) | (13,114) |
| Cash provided by (used in) operating activities | 15,484 | 57,881 | 1,654 | 75,019 | (16,979) |
| Investing activity: | | | | | |
| Purchase of property and equipment | (757) | | | (757) | (6,593) |
| Cash used in investing activity | (757) | | | (757) | (6,593) |
| Financing activity: | | | | | |
| Line of credit, net | | (44,581) | (26,940) | (71,521) | 71,521 |
| Cash provided by (used in) financing activity | | (44,581) | (26,940) | (71,521) | 71,521 |
| Increase (decrease) in cash and cash equivalents | 14,727 | 13,300 | (25,286) | 2,741 | 47,949 |
| Cash and cash equivalents, beginning of year | 200,056 | 138,717 | 44,321 | 383,094 | 335,145 |
| Cash and cash equivalents, end of year | \$ 214,783 | \$ 152,017 | \$ 19,035 | \$ 385,835 | \$ 383,094 |
| Supplemental disclosures of cash flow information: | | | | | |
| Cash paid during the year for: | | | | | |
| Interest | | | \$ 190 | \$ 190 | \$ 788 |
| Income taxes | \$ 116 | | | \$ 116 | |

See notes to combined financial statements.

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

NOTES TO 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. The LPCC sells advertising which is subject to tax on unrelated business income.

Basis of accounting:

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

Principles of combination:

The 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 COMBINED FINANCIAL STATEMENTS (CONTINUED)

1. Summary of significant accounting policies (continued)

Basis of presentation:

The 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 net assets, temporarily restricted net assets and permanently restricted net assets. At December 31, 2010 and 2009, 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 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 \$52,398 and \$52,501 at December 31, 2010 and 2009, respectively.

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

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

1. Summary of significant accounting policies (continued)

Reclassifications:

Management fees between LPCC, SSA #23 and SSA #35 were eliminated for comparative purposes in the prior year combined financial statements to conform with the presentation in the current year combined financial statements.

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 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 \$88,445 and \$91,350 for December 31, 2010 and 2009, respectively.

The management fees for SSA #35 totaled \$39,232 and \$24,598 for December 31, 2010 and 2009, respectively.

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

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. Bank line of credit

SSA #23 has a \$75,000 line of credit with North Community Bank, which is collateralized by all the assets of the organization. The line, which matures on February 10, 2011, bears interest at the bank's prime rate plus 1% (4.25% at December 31, 2010) with a minimum rate of 6%. There was no balance outstanding at December 31, 2010. The balance outstanding at December 31, 2009 was \$44,581.

SSA #35 has a \$55,000 line of credit with North Community Bank, which is collateralized by all the assets of the organization. The line, which matures on Feb 10, 2011, bears interest at the bank's prime rate plus 1% (4.25% at December 31, 2010) with a minimum rate of 6%. There was no balance outstanding at December 31, 2010. The balance outstanding at December 31, 2009 was \$24,598.

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, 2010 and 2009 was \$31,220 and \$37,653, respectively.

LPCC also leases equipment under various operating leases which expire between 2012 and 2015 and have monthly lease payments aggregating approximately \$438. Total rent expense included in operations under equipment leases was \$4,772 and \$4,426 for the years ended December 31, 2010 and 2009, respectively.

Future minimum lease payments are as follows:

| Year ending December 31: | Office lease | Equipment leases | Total |
|--------------------------|------------------|---------------------|------------------|
| 2011 | \$ 33,129 | \$ 5,255 | \$ 38,384 |
| 2012 | 34,123 | 1,936 | 36,059 |
| 2013 | 8,593 | 829 | 9,422 |
| 2014 | | 829 | 829 |
| 2015 | | 691 | 691 |
| Total | \$ 75,845 | \$ 9,540 | \$ 85,385 |

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

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. Retirement plan

LPCC maintains a SIMPLE IRA plan covering all eligible employees. The matching contributions made to the plan were \$4,933 and \$5,462 for the years ended December 31, 2010 and 2009, respectively.

6. Subsequent events

Management of LPCC has reviewed and evaluated subsequent events from December 31, 2010, the combined financial statement date, through February 17, 2011, the date the 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 combined financial statements as required by generally accepted accounting principles.

LINCOLN PARK CHAMBER OF COMMERCE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

| Years ended December 31, | 2010 | | | 2009 | |
|---------------------------------------|---|------------------|--------------------|------------------------------|------------------------------|
| | Government and community relations | Marketing | Member services | Total program expenses | Total program expenses |
| Advertising | | | | | \$ 888 |
| Banner expenses | | \$ 4,094 | | \$ 4,094 | 4,188 |
| Contributions | \$ 1,904 | | | 1,904 | 3,009 |
| Depreciation | 896 | 359 | \$ 1,972 | 3,227 | 3,471 |
| Insurance | 2,706 | 1,082 | 5,953 | 9,741 | 15,966 |
| Miscellaneous | | | 670 | 670 | 1,483 |
| Newsletter | | 5,687 | | 5,687 | 6,543 |
| Occupancy | 7,805 | 3,122 | 17,171 | 28,098 | 36,741 |
| Office expenses and postage: | | | | | |
| Other - office expense and postage | 8,674 | 3,470 | 19,082 | 31,226 | 24,787 |
| Credit card fees | | 618 | 2,470 | 3,088 | 3,565 |
| Outside services | 3,879 | 1,551 | 8,534 | 13,964 | 13,716 |
| Payroll and staff expenses | 70,030 | 28,011 | 154,065 | 252,106 | 255,211 |
| Printing and design | | 225 | | 225 | 140 |
| Program expenses | | | 11,502 | 11,502 | 15,754 |
| Sponsorship | | 2,265 | | 2,265 | 2,028 |
| Tourism | | | | | 720 |
| Total functional expenses | \$ 95,894 | \$ 50,484 | \$ 221,419 | \$ 367,797 | \$ 388,210 |

**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, | 2010 | | | 2009 | | |
|---------------------------|---------|-----------|-------------|---------|------------|--------------|
| | Actual | Budget | Variance | Actual | Budget | Variance |
| Income: | | | | | | |
| Estimated carryover | | \$ 60,000 | \$ (60,000) | | \$ 209,000 | \$ (209,000) |
| Interest | \$ 424 | | 424 | \$ 288 | | 288 |
| Tax levy income: | | | | | | |
| 2003 tax levy | | | | (1,273) | | (1,273) |
| 2004 tax levy | (156) | | (156) | (976) | | (976) |
| 2005 tax levy | (952) | | (952) | (379) | | (379) |
| 2006 tax levy | (1,088) | | (1,088) | (3,162) | | (3,162) |
| 2007 tax levy | 928 | | 928 | 19,425 | | 19,425 |
| 2008 tax interest | | | | 136 | | 136 |
| 2008 tax levy | 10,951 | | 10,951 | 481,550 | 490,350 | (8,800) |
| 2009 tax levy | 578,945 | 578,945 | | | | |
| 2009 tax interest | 58 | | 58 | | | |
| Total tax levy income | 588,686 | 578,945 | 9,741 | 495,321 | 490,350 | 4,971 |
| Total income | 589,110 | 638,945 | (49,835) | 495,609 | 699,350 | (203,741) |
| Expenses: | | | | | | |
| Estimated loss collection | 3,305 | 47,000 | (43,695) | | 24,000 | (24,000) |

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, | 2010 | | | 2009 | | |
|---|----------------|----------------|-----------------|---------------|----------------|-----------------|
| | Actual | Budget | Variance | Actual | Budget | Variance |
| Administrative expenses: | | | | | | |
| Audit | \$ 3,000 | \$ 3,000 | | \$ 2,625 | \$ 2,500 | \$ 125 |
| Bank charges | 668 | | \$ 668 | 1,635 | | 1,635 |
| Interest expense | | | | 538 | | 538 |
| Management fee | 10,000 | 10,000 | | 10,000 | 10,000 | |
| Meeting expenses | 750 | 750 | | 750 | 750 | |
| Office equipment lease and maintenance | 3,780 | 3,780 | | 3,150 | 3,150 | |
| Office printing | 1,050 | 1,050 | | 1,050 | 1,050 | |
| Office rent | 8,820 | 8,820 | | 8,820 | 8,820 | |
| Office supplies | 1,050 | 1,050 | | 1,050 | 1,050 | |
| Office utilities and telephone | 2,940 | 2,940 | | 2,730 | 2,730 | |
| Postage and delivery | 3,500 | 3,500 | | 3,500 | 3,500 | |
| Total administrative expenses | 35,558 | 34,890 | 668 | 35,848 | 33,550 | 2,298 |
| Advertising and promotion expenses: | | | | | | |
| Display ads (signage) | 12,903 | 22,000 | (9,097) | 6,111 | 50,000 | (43,889) |
| Management fee | 12,853 | 12,853 | | 12,138 | 12,138 | |
| Print material (newsletter) | 5,894 | 15,000 | (9,106) | 8,350 | 10,000 | (1,650) |
| Public relations and media services | 39,344 | 52,500 | (13,156) | 19,058 | 20,000 | (942) |
| Special events and sidewalk sales | 50,130 | 50,000 | 130 | 32,213 | 45,000 | (12,787) |
| Website | 32,398 | 33,500 | (1,102) | | | |
| Total advertising and promotion expenses | 153,522 | 185,853 | (32,331) | 77,870 | 137,138 | (59,268) |
| District planning expenses: | | | | | | |
| Computer software | 1,095 | 2,500 | (1,405) | | | |
| District corridor plan | | | | 19,400 | 20,000 | (600) |
| Management fee | 800 | 800 | | 2,312 | 2,312 | |
| Total district planning expenses | 1,895 | 3,300 | (1,405) | 21,712 | 22,312 | (600) |

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, | 2010 | | | 2009 | | |
|--|----------------|----------------|-----------------|----------------|----------------|-----------------|
| | Actual | Budget | Variance | Actual | Budget | Variance |
| Façade improvement expenses: | | | | | | |
| Awning rebate program | | | | \$ 16,375 | \$ 20,000 | \$ (3,625) |
| Façade enhancement program | \$ 12,435 | \$ 12,500 | \$ (65) | 19,700 | 30,000 | (10,300) |
| Management fee | 4,819 | 4,819 | | 5,202 | 5,202 | |
| Total façade improvement expenses | 17,254 | 17,319 | (65) | 41,277 | 55,202 | (13,925) |
| Parking and transit expenses: | | | | | | |
| Bicycle advocacy | | | | | 8,000 | (8,000) |
| Management fee | 848 | 848 | | 2,890 | 2,890 | |
| Valet parking | | 5,000 | (5,000) | | 20,000 | (20,000) |
| Total parking and transit expenses | 848 | 5,848 | (5,000) | 2,890 | 30,890 | (28,000) |
| Public way aesthetics expenses: | | | | | | |
| Holiday decorations | 12,088 | 15,000 | (2,912) | 11,711 | 15,000 | (3,289) |
| Landscaping | 85,702 | 100,000 | (14,298) | 71,535 | 95,000 | (23,465) |
| Management fee | 13,924 | 13,924 | | 17,340 | 17,340 | |
| Street pole banners | 8,077 | 10,000 | (1,923) | | 10,000 | (10,000) |
| Streetscape elements | 214 | 10,000 | (9,786) | 45,481 | 55,000 | (9,519) |
| Total public way aesthetics expenses | 120,005 | 148,924 | (28,919) | 146,067 | 192,340 | (46,273) |
| Public way maintenance expenses: | | | | | | |
| Management fee | 15,531 | 15,531 | | 13,872 | 13,872 | |
| Power washing | 15,775 | 20,000 | (4,225) | 15,775 | 20,000 | (4,225) |
| Sidewalk cleaning | 45,699 | 80,000 | (34,301) | 47,425 | 75,000 | (27,575) |
| Snow plowing and maintenance | 12,750 | 50,000 | (37,250) | 40,500 | 45,000 | (4,500) |
| Total public way maintenance expenses | 89,755 | 165,531 | (75,776) | 117,572 | 153,872 | (36,300) |

**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, | 2010 | | | 2009 | | |
|--|------------|---------|------------|------------|----------|------------|
| | Actual | Budget | Variance | Actual | Budget | Variance |
| Safety program expenses: | | | | | | |
| Management fee | \$ 300 | \$ 300 | | \$ 2,312 | \$ 2,312 | |
| Security rebate program | | 500 | \$ (500) | 25,000 | 25,000 | |
| Total safety program expenses | 300 | 800 | (500) | 27,312 | 27,312 | |
| Tenant retention and attraction expenses: | | | | | | |
| Management fee | 4,480 | 4,480 | | 1,734 | 1,734 | |
| Property tenant relations | 16,112 | 17,500 | (1,388) | 3,800 | 4,000 | \$ (200) |
| Signage and façade guidelines | | | | 1,980 | 2,000 | (20) |
| Site marketing materials | 4,840 | 7,500 | (2,660) | 11,252 | 15,000 | (3,748) |
| Total tenant retention and attraction expenses | 25,432 | 29,480 | (4,048) | 18,766 | 22,734 | (3,968) |
| Total expenses | 447,874 | 638,945 | (191,071) | 489,314 | 699,350 | (210,036) |
| Increase in net assets | 141,236 | | 141,236 | 6,295 | | 6,295 |
| Net assets, beginning of year | 105,986 | | 105,986 | 99,691 | | 99,691 |
| Net assets, end of year | \$ 247,222 | \$ - | \$ 247,222 | \$ 105,986 | \$ - | \$ 105,986 |

**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, 2010

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, | 2010 | | | 2009 | | |
|---|----------------|----------------|-----------------|----------------|----------------|-----------------|
| | Actual | Budget | Variance | Actual | Budget | Variance |
| Income: | | | | | | |
| Estimated carryover | | \$ 31,500 | \$ (31,500) | | \$ 46,000 | \$ (46,000) |
| Interest | \$ 48 | | 48 | \$ 183 | | 183 |
| Tax levy income: | | | | | | |
| 2005 tax levy | | | | (612) | | (612) |
| 2006 tax levy | | | | (1,679) | | (1,679) |
| 2007 tax levy | (743) | | (743) | 5,452 | | 5,452 |
| 2007 tax interest | (24) | | (24) | | | |
| 2008 tax levy | 9,649 | | 9,649 | 177,732 | 186,398 | (8,666) |
| 2008 tax interest | (6) | | (6) | 79 | | 79 |
| 2009 tax levy | 198,123 | 198,123 | | | | |
| 2009 tax interest | 17 | | 17 | | | |
| Total tax levy income | 207,016 | 198,123 | 8,893 | 180,972 | 186,398 | (5,426) |
| Total income | 207,064 | 229,623 | (22,559) | 181,155 | 232,398 | (51,243) |
| Expenses: | | | | | | |
| Estimated loss collection | | 17,000 | (17,000) | | 10,000 | (10,000) |
| Advertising and promotion expenses: | | | | | | |
| Management fee | 350 | 350 | | 1,148 | 1,148 | |
| Public relations and media services | | | | 823 | 3,000 | (2,177) |
| Website | 799 | 500 | 299 | | | |
| Total advertising and promotion expenses | 1,149 | 850 | 299 | 1,971 | 4,148 | (2,177) |

**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, | 2010 | | | 2009 | | |
|---|---------------|---------------|----------------|---------------|----------------|-----------------|
| | Actual | Budget | Variance | Actual | Budget | Variance |
| Administrative expenses: | | | | | | |
| Audit and bookkeeping | \$ 3,000 | \$ 3,000 | | \$ 2,625 | \$ 2,500 | \$ 125 |
| Bank charges | 453 | | \$ 453 | 838 | | 838 |
| Interest expense | 190 | | 190 | 250 | | 250 |
| Management fee | 4,220 | 4,220 | | | | |
| Meeting expenses | 250 | 250 | | 250 | 250 | |
| Office equipment lease and maintenance | 1,620 | 1,620 | | 1,350 | 1,350 | |
| Office rent | 3,780 | 3,780 | | 3,780 | 3,780 | |
| Office supplies | 450 | 450 | | 450 | 450 | |
| Office utilities and telephone | 1,260 | 1,260 | | 1,170 | 1,170 | |
| Postage | 1,000 | 1,000 | | 1,000 | 1,000 | |
| Printing | 450 | 450 | | 450 | 450 | |
| Total administrative expenses | 16,673 | 16,030 | 643 | 12,163 | 10,950 | 1,213 |
| Public way aesthetics expenses: | | | | | | |
| Holiday decorations | 11,772 | 12,000 | (228) | 16,370 | 10,000 | 6,370 |
| Landscaping | 66,041 | 70,000 | (3,959) | 71,985 | 80,000 | (8,015) |
| Management fee | 11,413 | 11,413 | | 6,300 | 6,300 | |
| Property insurance | | 800 | (800) | | 800 | (800) |
| Streetscape purchase and install | | | | 793 | 16,000 | (15,207) |
| Total public way aesthetics expenses | 89,226 | 94,213 | (4,987) | 95,448 | 113,100 | (17,652) |

**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, | 2010 | | | 2009 | | |
|---------------------------------------|-----------|-----------|------------|-----------|----------|------------|
| | Actual | Budget | Variance | Actual | Budget | Variance |
| Public way maintenance expenses: | | | | | | |
| Management fee | \$ 11,530 | \$ 11,530 | | \$ 6,200 | \$ 6,200 | |
| Power washing | 8,975 | 12,000 | \$ (3,025) | 11,560 | 15,000 | \$ (3,440) |
| Sidewalk cleaning | 24,077 | 55,000 | (30,923) | 54,990 | 53,000 | 1,990 |
| Snow plowing and maintenance | 17,992 | 23,000 | (5,008) | 20,000 | 20,000 | |
| Total public way maintenance expenses | 62,574 | 101,530 | (38,956) | 92,750 | 94,200 | (1,450) |
| Total expenses | 169,622 | 229,623 | (60,001) | 202,332 | 232,398 | (30,066) |
| Increase (decrease) in net assets | 37,442 | | 37,442 | (21,177) | | (21,177) |
| Net assets, beginning of year | 17,020 | | 17,020 | 38,197 | | 38,197 |
| Net assets, end of year | \$ 54,462 | \$ - | \$ 54,462 | \$ 17,020 | \$ - | \$ 17,020 |

**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, 2010

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 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.