

March 1, 2012

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

We have audited the 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, 2011 and have issued our report thereon dated March 1, 2012. 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 December 12, 2011. 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. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by LPCC, SSA #23 and SSA #35 are described in Note 1 to the combined financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. 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 combined financial statements in the proper period.

Accounting estimates are an integral part of the 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 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 combined financial statements was the collectible portion of accounts receivable. 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 combined financial statements taken as a whole.

Lincoln Park Chamber of Commerce, Inc.  
Special Service Area #23  
Special Service Area #35  
March 1, 2012  
Page 2

*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 that we accumulate all known and likely misstatements identified during the audit, other than those that are 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 combined financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the combined financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the combined financial statements or the auditors' 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 March 1, 2012.

*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 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.

Lincoln Park Chamber of Commerce, Inc.  
Special Service Area #23  
Special Service Area #35  
March 1, 2012  
Page 3

*Other Audit Findings or Issues*

In a separate letter to the Board of Directors dated March 1, 2012, we have identified and communicated a matter that we have determined is a significant deficiency and other matters that we have determined as material weaknesses. Please review this letter for further information.

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 Information in Documents Containing Audited Financial Statements*

With respect to the supplementary information accompanying the 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 combined financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the combined financial statements or to the 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,



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 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, 2011, 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 our auditing procedures for the purpose of expressing our opinion on the 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 would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency and other deficiencies that we consider to be material weaknesses.

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 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 also became aware of another matter that is not a significant deficiency or material weakness but is an opportunity for strengthening procedures and/or operating efficiencies. This is also identified in the attached memorandum.

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.

A handwritten signature in black ink, appearing to read "Steven Klein, CPA". The signature is written in a cursive style.

March 1, 2012

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

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2011**

**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, 2011.

**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 year 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, 2011**

**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 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 combined financial statements, including disclosures, LPCC, SSA #23 and SSA #35 should design and implement a review procedure to ensure that the 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 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.

**Other matter**

**Dual approval for checks greater than \$5,000:**

LPCC's internal policy requires dual signatures for cash disbursements over \$5,000. This policy maintains the integrity and an appropriate level of control of the cash disbursement approval process. However, the policy is not applicable to SSA #23 and SSA #35 because most checks written to SSA #23 and SSA #35 vendors exceed the \$5,000 threshold, which makes the implementation of the control impractical. We recommend that the President forward the check register to an appointed Board member quarterly for review. The Board member can randomly select five disbursements and review supporting documentation (e.g. Copy of the cancelled check, bank statement) for propriety.

**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,	2011			2010		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Income:</b>						
Estimated carryover		\$ 214,225	\$ (214,225)		\$ 60,000	\$ (60,000)
Interest	\$ 754		754	\$ 424		424
<b>Tax levy income:</b>						
2004 tax levy				(156)		(156)
2005 tax levy	(549)		(549)	(952)		(952)
2006 tax levy	(1,563)		(1,563)	(1,088)		(1,088)
2007 tax levy	(5,059)		(5,059)	928		928
2008 tax levy	(12,824)		(12,824)	10,951		10,951
2009 tax levy				578,945	578,945	
2009 tax interest				58		58
2010 tax levy	445,865	445,865				
2010 tax interest	87		87			
<b>Total tax levy income</b>	<b>425,957</b>	<b>445,865</b>	<b>(19,908)</b>	<b>588,686</b>	<b>578,945</b>	<b>9,741</b>
<b>Total income</b>	<b>426,711</b>	<b>660,090</b>	<b>(233,379)</b>	<b>589,110</b>	<b>638,945</b>	<b>(49,835)</b>
<b>Expenses:</b>						
Estimated loss collection	(576)	35,500	(36,076)	3,305	47,000	(43,695)

**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,	2011			2010		
	Actual	Budget	Variance	Actual	Budget	Variance
Administrative expenses:						
Audit	\$ 3,000	\$ 3,000		\$ 3,000	\$ 3,000	
Bank charges	178		\$ 178	668		\$ 668
Management fee				10,000	10,000	
Meeting expenses	500	500		750	750	
Office equipment lease and maintenance	3,780	3,780		3,780	3,780	
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	4,200	4,200		2,940	2,940	
Postage and delivery	2,000	2,000		3,500	3,500	
<b>Total administrative expenses</b>	<b>24,578</b>	<b>24,400</b>	<b>178</b>	<b>35,558</b>	<b>34,890</b>	<b>668</b>
Advertising and promotion expenses:						
Display ads (signage)	5,935	10,000	(4,065)	12,903	22,000	(9,097)
Management fee	23,535	23,535		12,853	12,853	
Print material (newsletter)	6,102	10,000	(3,898)	5,894	15,000	(9,106)
Public relations and media services	21,424	35,000	(13,576)	39,344	52,500	(13,156)
Special events and sidewalk sales	46,418	50,000	(3,582)	50,130	50,000	130
Website	1,704	5,000	(3,296)	32,398	33,500	(1,102)
<b>Total advertising and promotion expenses</b>	<b>105,118</b>	<b>133,535</b>	<b>(28,417)</b>	<b>153,522</b>	<b>185,853</b>	<b>(32,331)</b>
District planning expenses:						
Computer software	1,095	1,500	(405)	1,095	2,500	(1,405)
Management fee	649	649		800	800	
Market study		5,500	(5,500)			
<b>Total district planning expenses</b>	<b>1,744</b>	<b>7,649</b>	<b>(5,905)</b>	<b>1,895</b>	<b>3,300</b>	<b>(1,405)</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,	2011			2010		
	Actual	Budget	Variance	Actual	Budget	Variance
Façade improvement expenses:						
Façade enhancement program	\$ 19,088	\$ 30,000	\$ (10,912)	\$ 12,435	\$ 12,500	\$ (65)
Management fee	11,362	11,362		4,819	4,819	
<b>Total façade improvement expenses</b>	<b>30,450</b>	<b>41,362</b>	<b>(10,912)</b>	<b>17,254</b>	<b>17,319</b>	<b>(65)</b>
Parking and transit expenses:						
Management fee				848	848	
Valet parking					5,000	(5,000)
<b>Total parking and transit expenses</b>				<b>848</b>	<b>5,848</b>	<b>(5,000)</b>
Public way aesthetics expenses:						
Holiday decorations	9,534	15,000	(5,466)	12,088	15,000	(2,912)
Landscaping	69,531	70,000	(469)	85,702	100,000	(14,298)
Management fee	18,178	18,178		13,924	13,924	
Property insurance	458	2,000	(1,542)			
Street pole banners	9,779	10,000	(221)	8,077	10,000	(1,923)
Streetscape elements	8,910	15,000	(6,090)	214	10,000	(9,786)
<b>Total public way aesthetics expenses</b>	<b>116,390</b>	<b>130,178</b>	<b>(13,788)</b>	<b>120,005</b>	<b>148,924</b>	<b>(28,919)</b>
Public way maintenance expenses:						
Management fee	25,162	25,162		15,531	15,531	
Power washing	18,333	20,000	(1,667)	15,775	20,000	(4,225)
Sidewalk cleaning	53,167	65,000	(11,833)	45,699	80,000	(34,301)
Snow plowing and maintenance	32,450	40,000	(7,550)	12,750	50,000	(37,250)
<b>Total public way maintenance expenses</b>	<b>129,112</b>	<b>150,162</b>	<b>(21,050)</b>	<b>89,755</b>	<b>165,531</b>	<b>(75,776)</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,	2011			2010		
	Actual	Budget	Variance	Actual	Budget	Variance
Safety program expenses:						
Management fee				\$ 300	\$ 300	
Security rebate program					500	\$ (500)
<b>Total safety program expenses</b>				300	800	(500)
Tenant retention and attraction expenses:						
Management fee	\$ 7,304	\$ 7,304		4,480	4,480	
Property tenant relations	43,927	125,000	\$ (81,073)	16,112	17,500	(1,388)
Site marketing materials	1,152	5,000	(3,848)	4,840	7,500	(2,660)
<b>Total tenant retention and attraction expenses</b>	52,383	137,304	(84,921)	25,432	29,480	(4,048)
<b>Total expenses</b>	459,199	660,090	(200,891)	447,874	638,945	(191,071)
Increase (decrease) in net assets	(32,488)		(32,488)	141,236		141,236
Net assets, beginning of year	247,222		247,222	105,986		105,986
Net assets, end of year	\$ 214,734	\$ -	\$ 214,734	\$ 247,222	\$ -	\$ 247,222

**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, 2011**

**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,	2011			2010		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Income:</b>						
Estimated carryover		\$ 40,575	\$ (40,575)		\$ 31,500	\$ (31,500)
Interest	\$ 43		43	\$ 48		48
<b>Tax levy income:</b>						
2005 tax levy	(79)		(79)			
2006 tax levy	(194)		(194)			
2007 tax levy	(535)		(535)	(743)		(743)
2007 tax interest				(24)		(24)
2008 tax levy	(482)		(482)	9,649		9,649
2008 tax interest				(6)		(6)
2009 tax levy	894		894	198,123	198,123	
2009 tax interest				17		17
2010 tax levy	182,785	182,785				
2010 tax interest	35		35			
<b>Total tax levy income</b>	<b>182,424</b>	<b>182,785</b>	<b>(361)</b>	<b>207,016</b>	<b>198,123</b>	<b>8,893</b>
<b>Total income</b>	<b>182,467</b>	<b>223,360</b>	<b>(40,893)</b>	<b>207,064</b>	<b>229,623</b>	<b>(22,559)</b>
<b>Expenses:</b>						
Estimated loss collection	1,224	14,700	(13,476)		17,000	(17,000)
<b>Advertising and promotion expenses:</b>						
Management fee	81	81		350	350	
Website	599	500	99	799	500	299
<b>Total advertising and promotion expenses</b>	<b>680</b>	<b>581</b>	<b>99</b>	<b>1,149</b>	<b>850</b>	<b>299</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,	2011			2010		
	Actual	Budget	Variance	Actual	Budget	Variance
Administrative expenses:						
Audit and bookkeeping	\$ 3,000	\$ 3,000		\$ 3,000	\$ 3,000	
Bank charges	102		\$ 102	453		\$ 453
Interest expense				190		190
Management fee				4,220	4,220	
Meeting expenses	250	250		250	250	
Office equipment lease and maintenance	1,620	1,620		1,620	1,620	
Office rent	3,780	3,780		3,780	3,780	
Office supplies	450	450		450	450	
Office utilities and telephone	1,800	1,800		1,260	1,260	
Postage	1,000	1,000		1,000	1,000	
Printing	450	450		450	450	
<b>Total administrative expenses</b>	<b>12,452</b>	<b>12,350</b>	<b>102</b>	<b>16,673</b>	<b>16,030</b>	<b>643</b>
Public way aesthetics expenses:						
Holiday decorations	14,853	15,000	(147)	11,772	12,000	(228)
Landscaping	65,460	70,000	(4,540)	66,041	70,000	(3,959)
Management fee	11,996	11,996		11,413	11,413	
Property insurance	684	800	(116)		800	(800)
<b>Total public way aesthetics expenses</b>	<b>92,993</b>	<b>97,796</b>	<b>(4,803)</b>	<b>89,226</b>	<b>94,213</b>	<b>(4,987)</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,	2011			2010		
	Actual	Budget	Variance	Actual	Budget	Variance
Public way maintenance expenses:						
Management fee	\$ 12,433	\$ 12,433		\$ 11,530	\$ 11,530	
Power washing	13,885	14,000	\$ (115)	8,975	12,000	\$ (3,025)
Sidewalk cleaning	21,257	46,500	(25,243)	24,077	55,000	(30,923)
Snow plowing and maintenance	22,008	25,000	(2,992)	17,992	23,000	(5,008)
<b>Total public way maintenance expenses</b>	<b>69,583</b>	<b>97,933</b>	<b>(28,350)</b>	<b>62,574</b>	<b>101,530</b>	<b>(38,956)</b>
<b>Total expenses</b>	<b>176,932</b>	<b>223,360</b>	<b>(46,428)</b>	<b>169,622</b>	<b>229,623</b>	<b>(60,001)</b>
Increase in net assets	5,535		5,535	37,442		37,442
Net assets, beginning of year	54,462		54,462	17,020		17,020
Net assets, end of year	\$ 59,997	\$ -	\$ 59,997	\$ 54,462	\$ -	\$ 54,462

**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, 2011**

**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.