SPECIAL SERVICE AREA #21
Managed by the Lincoln Square Chamber of Commerce
(a taxing district authorized by the City of Chicago)

FINANCIAL STATEMENTS

DECEMBER 31, 2009

[TOGETHER WITH INDEPENDENT AUDITOR’S REPORT]
SPECIAL SERVICE AREA #21
Managed by the Lincoln Square Chamber of Commerce
(a taxing district authorized by the City of Chicago)

December 31, 2009

TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>SECTION</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDEPENDENT AUDITOR'S REPORT</td>
<td>2</td>
</tr>
<tr>
<td>FINANCIAL STATEMENTS</td>
<td></td>
</tr>
<tr>
<td>Statement of Financial Position</td>
<td>3</td>
</tr>
<tr>
<td>Statement of Activities and changes in Net Assets</td>
<td>4</td>
</tr>
<tr>
<td>Statement of Cash Flows</td>
<td>5</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>6-8</td>
</tr>
<tr>
<td>Summary Schedule of Audit Findings</td>
<td>9</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITOR’S REPORT

To The Commissioners of
Special Service Area #21
Chicago, Illinois

We have audited the accompanying statement of financial position of
Special Service Area #21 (a taxing district authorized by the City of Chicago)
as of December 31, 2009, and the related statements of activities – budget
versus actual and changes in net assets for the two years ended December
These financial statements are the responsibility of the organization’s
management. Our responsibility is to express an opinion on these financial
statements based on our audit.

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 financial statements are free of material misstatement. An audit includes
examining, on a test basis, evidence supporting the amounts and disclosures
in the financial statements. An audit also includes assessing the accounting
principles used and significant estimates made by management, as well as
evaluating the overall financial statement presentation. We believe that our
audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects,
the financial position of the Special Service Area #21 as of December 31,
2009, and the changes in its net assets and its cash flows for the year then
ended in conformity with accounting principles generally accepted in the
United States of America.

Larry Little, CPA
The A.C.T. Group, Ltd.
Certified Public Accountants
February 9, 2010
SPECIAL SERVICE AREA #21
Managed by The Lincoln Square Chamber of Commerce
(a taxing district authorized by the City of Chicago)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009

ASSETS:

Current Assets

Cash (note 1) $ 66,417
Accounts Receivable (note 2) 5,778
TOTAL ASSETS $ 72,195

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable (note 3) $ 6,050
TOTAL LIABILITIES $ 6,050

Net Assets

Unrestricted $ 66,145
TOTAL NET ASSETS $ 66,145

TOTAL LIABILITIES AND NET ASSETS $ 72,195

See accompanying notes and auditor's report.
SPECIAL SERVICE AREA #21
Managed by The Lincoln Square Chamber of Commerce
(a taxing district authorized by the City of Chicago)
STATEMENT OF ACTIVITIES - BUDGET VERSUS ACTUAL AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

<table>
<thead>
<tr>
<th></th>
<th>BUDGET 2009</th>
<th>ACTUAL 2009</th>
<th>VARIANCE $</th>
<th>BUDGET 2008</th>
<th>ACTUAL 2008</th>
<th>VARIANCE $</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSA #21 Tax Revenue</td>
<td>$151,900</td>
<td>$143,069</td>
<td>($8,831)</td>
<td>$160,900</td>
<td>$147,485</td>
<td>($13,415)</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td></td>
<td>700</td>
<td>700</td>
<td></td>
<td>198</td>
<td>198</td>
</tr>
<tr>
<td>Bank Refund / Interest Income</td>
<td>199</td>
<td>199</td>
<td></td>
<td></td>
<td>765</td>
<td>765</td>
</tr>
<tr>
<td>Loss collection</td>
<td>(8,500)</td>
<td>8,500</td>
<td></td>
<td>(9,600)</td>
<td></td>
<td>9,600</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$143,400</td>
<td>$143,968</td>
<td>$568</td>
<td>$151,300</td>
<td>$148,448</td>
<td>($2,852)</td>
</tr>
</tbody>
</table>

EXPENSES:

Program Services:

<table>
<thead>
<tr>
<th>Area Maintenance:</th>
<th>BUDGET 2008</th>
<th>ACTUAL 2008</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sidewalk Cleaning &amp; Snow Removal</td>
<td>92,880</td>
<td>49,570</td>
<td>($43,310)</td>
</tr>
<tr>
<td>Area Maintenance</td>
<td>-</td>
<td>135</td>
<td>135</td>
</tr>
<tr>
<td>Advertising</td>
<td>1,700</td>
<td>200</td>
<td>(1,500)</td>
</tr>
<tr>
<td>Public Way Aesthetics</td>
<td>25,100</td>
<td>26,125</td>
<td>1,025</td>
</tr>
<tr>
<td>District Planning - SSA Startup Costs</td>
<td>8,800</td>
<td>-</td>
<td>(8,800)</td>
</tr>
<tr>
<td>Total Program Expense</td>
<td>$128,480</td>
<td>$76,030</td>
<td>($52,450)</td>
</tr>
</tbody>
</table>

Management & Administration:

<table>
<thead>
<tr>
<th>Administrative - Management</th>
<th>BUDGET 2008</th>
<th>ACTUAL 2008</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative - Management Audit</td>
<td>1,500</td>
<td>1,800</td>
<td>300</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Management Expense</td>
<td>$14,920</td>
<td>$15,450</td>
<td>$530</td>
</tr>
</tbody>
</table>

TOTAL EXPENSES
- $143,400
- $91,480
- ($51,920)
- $151,300
- $118,976
- ($32,324)

Net Surplus
- $52,488
- ($51,352)
- $29,472
- $29,472

INCREASE (DECREASE) IN NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>BUDGET 2008</th>
<th>ACTUAL 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>$52,488</td>
<td>$29,472</td>
</tr>
<tr>
<td>Net Assets Released from Restrictions</td>
<td>-</td>
<td>$29,472</td>
</tr>
</tbody>
</table>

BEGINNING OF YEAR

<table>
<thead>
<tr>
<th></th>
<th>BUDGET 2008</th>
<th>ACTUAL 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Net Assets</td>
<td>$13,657</td>
<td>($15,815)</td>
</tr>
<tr>
<td>Temporarily Restricted Net Assets</td>
<td>-</td>
<td>($15,815)</td>
</tr>
</tbody>
</table>

END OF YEAR

<table>
<thead>
<tr>
<th></th>
<th>BUDGET 2008</th>
<th>ACTUAL 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Net Assets</td>
<td>$66,145</td>
<td>$13,657</td>
</tr>
<tr>
<td>Temporarily Restricted Net Assets</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

See accompanying notes and auditor’s report.
Cash Flows From Operating Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Assets</td>
<td>$52,488</td>
</tr>
<tr>
<td>Adjustments to Reconcile Net Surplus to Net</td>
<td></td>
</tr>
<tr>
<td>Cash Provided (Used) by Operating Activities</td>
<td></td>
</tr>
<tr>
<td>(Increase) in Accounts Receivable</td>
<td>$(5,778)</td>
</tr>
<tr>
<td>Increase in Accounts Payable</td>
<td>310</td>
</tr>
<tr>
<td>Net Cash Provided By Operating Activities</td>
<td>47,020</td>
</tr>
<tr>
<td>Cash At Beginning Of Year</td>
<td>19,397</td>
</tr>
<tr>
<td>Cash At End Of Year -- 12/31/09</td>
<td>$66,417</td>
</tr>
</tbody>
</table>

See accompanying notes and auditor's report.
1. Nature of Activities and Significant Accounting Policies

Nature of Activities: Special Service Area #21 (the Taxing District) is a taxing district authorized by the City of Chicago located in Chicago, Illinois. It is managed by the Lincoln Square Chamber of Commerce. Its scope of services is to coordinate and supervise various activities with regard to the Lincoln Square area. These services include coordinating marketing and promotional activities, sidewalk maintenance, beautification activities, and other technical assistance activities to promote commercial and economic development in the area. The primary source of SSA funds is from real estate taxes on non-exempt commercial property located in the area, which are collected by the City of Chicago.

Cash and Cash Equivalents: The Taxing District defines cash and cash equivalents as short term liquid investments such as cash in banks, money markets, and other financial instruments that can be reduced to cash in thirty days or less. The Taxing District maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. The Taxing District has not experienced any losses in such accounts. The Taxing District believes it is not exposed to any significant credit risk on cash and cash equivalents.

Financial Statement Presentation: The Taxing District is required to present information regarding its financial position and activities according to Article 3.07 of the Agreement for Special Service Area #21 between the City of Chicago and Lincoln Square Chamber of Commerce. As of December 31, 2009, the Taxing District had net unrestricted net assets of $66,145.

Contributions: Under the Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made," whereby contributions received are recorded as unrestricted, temporarily unrestricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of restriction is accomplished), temporarily restricted net assets are reclassified to
unrestricted net assets and reported in the statement of activities as net assets released from restrictions. As of December 31, 2009, all net assets were unrestricted.

Revenue Recognition: The Taxing District’s financial statements are presented on the accrual basis of accounting. Revenues are recognized when the amount can be readily estimated or committed, and the payment is reasonably certain. Expenses are recorded when incurred.

Income Taxes: The Lincoln Square Chamber of Commerce is the service provider for SSA #21, which is a not-for-profit organization that is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code and is not classified by the Internal Revenue Service as a private foundation.

Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

2. Accounts Receivable

Accounts receivable consist of a 2008 tax revenue received by the SSA in 2010.

3. Accounts Payable

Accounts payable consists of contractor work performed in 2009 but paid in 2010.

4. Related Party Transaction

The Taxing District’s Contractor is the Lincoln Square Chamber of Commerce. The Chamber of Commerce is reimbursed for ongoing administration expenses including staff compensation,
SPECIAL SERVICE AREA #21
Managed by The Lincoln Square Chamber of Commerce
(a taxing district authorized by the City of Chicago)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

and allocations of rent and utilities in addition to grant funding. As of December 31, 2009, the Taxing District paid $25,900 for administrative fees and expense reimbursements and $8,250 for banners.
SPECIAL SERVICE AREA #21
Managed by The Lincoln Square Chamber of Commerce
(a taxing district authorized by the City of Chicago)
SUMMARY SCHEDULE OF AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2009

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 #21
between the City of Chicago and Lincoln Square Chamber of
Commerce.

Per Article 5.03, the Contractor (SSA #21) established a separate checking
account at Ravenswood National 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.

The Board of Commissioners adapted a policy in early 2009 that all
disbursement checks require two signatures. During the audit it was noted
that two checks before this policy was in place had only one signature.
All subsequent checks had two signatures.