

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, 2014 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 year then ended and the related notes to the combining financial statements and the combined statement of financial position as of December 31, 2013 and the related combined statements of activities and changes in net assets and cash flows for the year then ended and the related notes to the combined financial statements.

Management's Responsibility for the 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, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combining and combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combining and combined financial statements are free 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, 2014 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 year then ended and the combined financial position of Lincoln Park Chamber of Commerce, Inc., Special Service Area #23 (A Taxing District Authorized by the City of Chicago) and Special Service Area #35 (A Taxing District Authorized by the City of Chicago) as of December 31, 2013 and the combined changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

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

Restricted Use Relating to the Other Matter

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

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combining and combined financial statements as a whole. The supplementary information included on pages 19 through 28 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 20 through 23 and 25 through 27, 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.

Ostrow Reisin Berk & Abrams, Ltd.

Chicago, Illinois
March 19, 2015

March 19, 2015

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

We have audited the combining and combined financial statements of Lincoln Park Chamber of Commerce, Inc. (LPCC), Special Service Area #23 (A Taxing District Authorized by the City of Chicago) (SSA #23) and Special Service Area #35 (A Taxing District Authorized by the City of Chicago) (SSA #35) for the year ended December 31, 2014 and have issued our report thereon dated March 19, 2015. 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 letter to you dated January 14, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by LPCC, SSA #23 and SSA #35 are described in Note 1 to the combining and combined financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by LPCC, SSA #23 and SSA #35 during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the combining and combined financial statements in the proper period.

Accounting estimates are an integral part of the combining and combined financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the combining and combined financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the combining and combined financial statements was:

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

Lincoln Park Chamber of Commerce, Inc.
Special Service Area #23
Special Service Area #35
March 19, 2015
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The combining and combined financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial and communicate them to the appropriate level of management. The attached schedule summarizes all misstatements, both material and immaterial, detected as a result of audit procedures that were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the combining and combined financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 19, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to LPCC's, SSA #23's and SSA #35's combining and combined financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Lincoln Park Chamber of Commerce, Inc.
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Other Audit Findings or Issues

In a separate letter to the Board of Directors dated March 19, 2015, we have identified and communicated several matters, including a material weakness and a significant deficiency. 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 Matters

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

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

Very truly yours,

Ostrow Reisin Berk & Abrams, P.C.

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

In planning and performing our audit of the combining and combined financial statements of Lincoln Park Chamber of Commerce, Inc. (LPCC), Special Service Area #23 (A Taxing District Authorized by the City of Chicago) (SSA #23) and Special Service Area #35 (A Taxing District Authorized by the City of Chicago) (SSA #35) as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered LPCC's, SSA #23's and SSA #35's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combining and combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of LPCC's, SSA #23's and SSA #35's internal control. Accordingly, we do not express an opinion on the effectiveness of LPCC's, SSA #23's and SSA #35's internal control.

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

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

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 consider the deficiency identified in the attached memorandum to be a significant deficiency in LPCC's, SSA #23's and SSA #35's internal control.

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.

Ostrow Reisin Berk & Abrams, Ltd.

March 19, 2015

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

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

Material weakness

Need for significant audit adjustments (repeated from prior year):

Significant audit adjustments were required to adjust accounts receivable, deferred revenue and accounts payable to correct balances for the year ended December 31, 2014. We recommend that management review the accounts impacted by the audit adjustments and adjust the accounts as needed throughout the year. The adjustments allow for management and the Board of Directors to have the most accurate financial information available to make informed decisions.

Significant deficiency

Financial statements prepared in conformity with U.S. GAAP (repeated from prior year):

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

**SPECIAL SERVICE AREA #23
STATEMENT OF FINANCIAL POSITION**

December 31,	2014	2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 180,157	\$ 185,394
Accounts receivable, net of allowance for doubtful accounts for SSA #23 of \$7,626 and \$5,212 at December 31, 2014 and 2013, respectively	13,658	35,453
Total current assets	193,815	220,847
Total assets	193,815	220,847
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	11,372	10,937
Total current liabilities	11,372	10,937
Net assets:		
Unrestricted	182,443	209,910
Total liabilities and net assets	\$ 193,815	\$ 220,847

**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,	2014			2013		
	Actual	Budget	Variance	Actual	Budget	Variance
Income:						
Estimated carryover		\$ 120,000	\$ (120,000)	\$ 179	\$ 105,405	\$ (105,405)
Interest	\$ 192		192	\$ 179		179
Late collections		22,000	(22,000)		23,183	(23,183)
Tax levy income:						
2007 tax levy		(236)	(236)	(87)		(87)
2008 tax levy		(6,960)	(6,960)	79		79
2009 tax levy		(3,450)	(3,450)	(2,474)		(2,474)
2010 tax levy		(5,418)	(5,418)	(2,963)		(2,963)
2011 tax levy				375		375
2012 tax interest				489,835		489,835
2012 tax levy		433,788		10		10
2013 tax interest	11		11			
2013 tax levy		433,788				
Total tax levy income	417,735	433,788	(16,053)	484,775	489,835	(5,060)
Total income	417,927	575,788	(157,861)	484,954	618,423	(133,469)

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,	2014		2013			
	Actual	Budget	Variance	Actual	Budget	Variance
Expenses:						
Estimated loss collection	\$ 41,713	\$ 20,000	\$ 21,713	\$ 983	\$ 20,000	\$ (19,017)
Administrative expenses:						
Audit	4,000	4,000		3,500	3,500	
Bank charges	249		249			
Bookkeeping	420	420		315	315	
Meeting expenses	1,500	1,500		1,500	1,500	
Office equipment lease and maintenance	3,150	3,150		3,150	3,150	
Office printing	735	735		750	750	
Office rent	8,820	8,820		8,820	8,820	
Office supplies	1,050	1,050		1,050	1,050	
Office utilities and telephone	3,360	3,360		3,150	3,150	
Postage and delivery	1,500	1,500		1,500	1,500	
Total administrative expenses	24,784	24,535	249	23,735	23,735	
Advertising and promotion expenses:						
Display ads (signage)	138	2,500	(2,362)	1,057	5,600	(5,600)
Print material (newsletter)	23,024	30,000	(6,976)	13,704	3,000	(1,965)
Public relations and media services	54,854	70,000	(15,146)	79,617	15,000	(1,296)
Special events and sidewalk sales		1,000	(220)	966	130,000	(50,383)
Website	780				1,000	(34)
Total advertising and promotion expenses	78,796	103,500	(24,704)	95,324	154,600	(59,276)

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,	2014			2013		
	Actual	Budget	Variance	Actual	Budget	Variance
Expenses: (continued)						
Facade improvement expenses:						
Facade enhancement program	\$ 5,723	\$ 55,000	\$ (49,277)	\$ 49,664	\$ 70,000	\$ (20,336)
Total facade improvement expenses	5,723	55,000	(49,277)	49,664	70,000	(20,336)
Personnel expenses:						
Personnel cost	109,753	109,753		105,405	105,405	
Total personnel expenses	109,753	109,753		105,405	105,405	
Public way aesthetics expenses:						
Holiday decorations	14,772	16,500	(1,728)	12,645	16,500	(3,855)
Landscaping	51,474	55,000	(3,526)	70,928	71,000	(72)
Property insurance	567	1,500	(933)	508	1,500	(992)
Public art	57,164	60,000	(2,836)	12,213	15,000	(2,787)
Streetscape elements		500	(500)			
Wayfinding and signage		30,000	(30,000)			
Total public way aesthetics expenses	123,977	163,500	(39,523)	96,294	104,000	(7,706)

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,	2014			2013		
	Actual	Budget	Variance	Actual	Budget	Variance
Expenses: (continued)						
Public way maintenance expenses:						
Power washing	\$ 13,375	\$ 15,000	\$ (1,625)	\$ 13,375	\$ 20,000	\$ (6,625)
Sidewalk cleaning	30,181	35,000	(4,819)	52,992	54,000	(1,008)
Snow plowing and maintenance	15,997	25,000	(9,003)	27,170	40,000	(12,830)
Total public way maintenance expenses	59,553	75,000	(15,447)	93,537	114,000	(20,463)
Safety program expenses:						
Safety improvement program		1,000	(1,000)			
Total safety program expenses		1,000	(1,000)			
Tenant retention and attraction expenses:						
Data collection	1,095	1,500	(405)	1,095	1,500	(405)
Site marketing materials					2,000	(2,000)
Total tenant retention and attraction expenses	1,095	1,500	(405)	1,095	3,500	(2,405)
Total expenses	445,394	553,788	(108,394)	466,037	595,240	(129,203)
Increase (decrease) in net assets	(27,467)	22,000	(49,467)	18,917	23,183	(4,266)
Net assets, beginning of year	209,910	23,183	186,727	190,993	190,993	
Net assets, end of year	\$ 182,443	\$ 45,183	\$ 137,260	\$ 209,910	\$ 23,183	\$ 186,727

**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, 2014

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.

SPECIAL SERVICE AREA #23

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

December 31, 2014	Governmental funds	Adjustments	Statement of net position
ASSETS			
Cash and cash equivalents	\$ 180,157		\$ 180,157
Accounts receivable, net of allowance for doubtful accounts of \$7,626	13,658		13,658
Total assets	\$ 193,815		\$ 193,815
LIABILITY			
Accounts payable	\$ 11,372		\$ 11,372
DEFERRED INFLOWS			
Deferred property tax revenue	11,678	\$ (11,678)	
FUND BALANCES/NET POSITION			
Committed:			
Snow removal	9,100	(9,100)	
Unassigned	161,665	(161,665)	
Total fund balance	170,765	(170,765)	
Total liability, deferred inflows and fund balance	\$ 193,815		
Net position:			
Unrestricted		\$ 182,443	\$ 182,443
Amounts reported for governmental activities in the statement of net position are different because:			
Total fund balance - governmental funds			\$ 170,765
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.			11,678
Total net position - governmental activities			\$ 182,443

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

Year ended December 31, 2014	Governmental funds	Adjustments	Statement of activities
Revenues:			
Property taxes	\$ 441,510	\$ (23,775)	\$ 417,735
Interest	192		192
Total revenues	441,702	(23,775)	417,927
Expenditures/expenses:			
Estimated loss collection	41,713		41,713
Administrative	24,784		24,784
Advertising and promotion	78,796		78,796
Façade improvement	5,723		5,723
Personnel	109,753		109,753
Public way aesthetics	123,977		123,977
Public way maintenance	59,553		59,553
Tenant retention and attraction	1,095		1,095
Total expenditures/expenses	445,394		445,394
Excess of expenditures over revenues	(3,692)	3,692	
Change in net position		(27,467)	(27,467)
Fund balance/net position:			
Beginning of year	174,457	35,453	209,910
End of year	\$ 170,765	\$ 11,678	\$ 182,443
Amounts reported for governmental activities in the statement of activities are different because:			
Net change in fund balance - governmental funds			\$ (3,692)
Property tax revenue is recognized in the year it is levied rather than when it is available for governmental funds			(23,775)
Change in net position			\$ (27,467)

See notes to combining and combined financial statements.