

Clark/Morse/Glenwood
Special Service Area Number 24
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)

Comparative Financial Statements

Years Ended December 31, 2012 and 2011

Clark/Morse/Glenwood
Special Service Area Number 24
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Clark/Morse/Glenwood Special Service Area Number 24
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Chicago, Illinois

We have audited the accompanying statement of financial position of Clark/Morse/Glenwood Special Service Area Number 24 (DevCorp North D/B/A Rogers Park Business Alliance, Contractor) (a nonprofit organization) as of December 31, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. 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 referred to above present fairly, in all material respects, the financial position of Clark/Morse/Glenwood Special Service Area Number 24 (DevCorp North D/B/A Rogers Park Business Alliance, Contractor), as of December 31, 2012 and 2011, 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The comparative schedule of tax levy revenue and interest income on page 8 and the schedule of expenses and budget variances on pages 9 through 12 are presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Bravos & Associates CPAs

April 22, 2013
Bloomington, Illinois

Clark/Morse/Glenwood
Special Service Area Number 24
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Comparative Statement of Financial Position
December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Cash equivalents	\$ 260	\$ 72,857
Government receivables	-	3,243
Due from SSA Number 19	-	347
Due from SSA Number 54	34	-
Prepaid expenses	<u>1,155</u>	<u>1,529</u>
<u>Total current assets</u>	1,449	77,976
<u>Other assets</u>		
Security deposit	<u>375</u>	<u>375</u>
<u>Total Assets</u>	<u>\$ 1,824</u>	<u>\$ 78,351</u>
<u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ 1,120	\$ 5,369
Accrued expenses	2,800	2,500
Due to SSA Number 19	432	-
Due to DevCorp North D/B/A Rogers Park Business Alliance	<u>15,816</u>	<u>20,881</u>
<u>Total current liabilities</u>	20,168	28,750
<u>Net assets, unrestricted (deficit)</u>	<u>(18,345)</u>	<u>49,601</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 1,824</u>	<u>\$ 78,351</u>

Clark/Morse/Glenwood
Special Service Area Number 24
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Comparative Statement of Activities
For the Years ended December 31, 2012 and 2011

	2012			2011		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>Changes in Unrestricted Net Assets:</u>						
Revenues:						
Tax Levy Revenue & Interest Income	\$ 306,600	\$ 379,430	\$ (72,830)	\$ 386,448	\$ 388,469	\$ (2,021)
<u>Expenses & Program costs:</u>						
1.00 Advertising & Promotion	48,929	45,070	3,859	58,374	39,500	18,874
2.00 Public Way Maintenance	41,561	46,500	(4,939)	64,027	61,600	3,349
3.00 Public Way Aesthetics	24,937	31,000	(1,959)	14,145	32,000	(17,855)
4.00 Tenant Retention/Attraction	1,026	4,000	(2,326)	469	8,000	(7,531)
5.00 Façade Improvements	17,495	20,500	(2,505)	6,380	30,000	(23,620)
6.00 Parking/Transit/Accessibility	55,079	56,000	(921)	43,798	69,000	(21,202)
7.00 Safety Programs	658	3,500	(2,842)	853	4,000	(3,147)
8.00 District Planning	-	2,500	(2,500)	-	3,700	(3,700)
9.00 Other Technical Assistance	-	500	(500)	-	-	-
Total Program Expense	189,685	209,570	(14,633)	188,046	247,800	(54,832)
<u>Administration</u>						
10.00 Personnel	137,874	138,300	(426)	128,042	117,660	10,382
11.00 Administrative Non-Personnel	46,986	40,310	6,676	53,838	40,509	13,329
12.00 Loss Collection	-	16,000	(16,000)	-	33,000	(33,000)
Total Administration expenses	184,860	194,610	(9,750)	181,880	191,169	(9,289)
Total Expenses	374,545	404,180	(24,383)	369,926	438,969	(64,121)
Increase (Decrease) in Net Assets	(67,946)	(24,750)	(48,447)	16,522	(50,500)	62,100
<u>Unrestricted Net Assets:</u>						
Beginning of Year	49,601			33,079		
End of Year (Deficit)	\$ (18,345)			\$ 49,601		

Clark/Morse/Glenwood
Special Service Area Number 24
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Comparative Statement of Cash Flows
December 31, 2012 and 2011

Cash Flows from operating activities:	<u>2012</u>	<u>2011</u>
Increase (decrease) in unrestricted net assets	\$ (67,946)	\$ 16,522
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
(Increase) decrease in assets:		
Receivables	3,243	68,924
Due from SSA Number 19	347	(347)
Due from SSA Number 54	(34)	-
Prepaid expenses	374	(1,197)
Increase (decrease) in liabilities:		
Accounts payable	(4,248)	4,708
Accrued expense	300	1,070
Due to SSA Number 19	432	(1,346)
Due to DevCorp North D/B/A Rogers Park Business Alliance	<u>(5,065)</u>	<u>6,502</u>
Net cash (Used) from operations	(72,597)	94,836
Cash flows provided by financing activities:		
Line of Credit - Harris Bank	<u>-</u>	<u>(93,000)</u>
Net cash provided by financing activities	-	(93,000)
Net cash provided	(72,597)	1,836
Cash and Cash Equivalents		
Beginning of the year	<u>72,857</u>	<u>71,021</u>
End of the year	<u>\$ 260</u>	<u>\$ 72,857</u>
<u>Supplemental disclosures:</u>		
Interest Paid	<u>\$ -</u>	<u>\$ 1,093</u>
Taxes Paid	<u>\$ -</u>	<u>\$ -</u>

Clark/Morse/Glenwood
Special Service Area Number 24
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Notes to Financial Statements
December 31, 2012 and 2011

Summary of Accounting Policies

Nature of Organization

DevCorp North D/B/A Rogers Park Business Alliance (Organization) is a not-for-profit corporation organized under the laws of the State of Illinois. The Organization was formed to revitalize the Rogers Park business districts.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization 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. As of December 31, 2012 and 2011, the Organization had no temporarily or permanently restricted net assets.

Special Service Area Agreement

The Organization entered into an agreement with the City of Chicago on December 17, 2003, whereby the City has establish a special service area known and designated as "Clark/Morse/Glenwood Special Service Area Number 24" to provide special services in addition to those services generally provided by the City. DevCorp North D/B/A Rogers Park Business Alliance has been designated as "Contractor" under terms of the agreement. The City has authorized a levy not to exceed 0.60% of the equalized assessed value of all property within the area to produce sufficient revenues to provide those special services.

The maximum amount to be paid to the Organization is the lesser of \$ 379,430 or the amount of service tax funds collected for the year 2012 and 2011. For each subsequent year of the agreement, the maximum amount to be paid is the lesser of the budget for that year or the amount of service tax funds actually collected for the preceding tax year. The agreement is renewable annually.

Use of Accounting Estimates

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

Concentration of Credit Risk

The Organization maintains its cash balances at three financial institutions in the Chicago metropolitan area, which are Federally insured up to prescribed limits.

Clark/Morse/Glenwood
Special Service Area Number 24
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Notes to Financial Statements
December 31, 2012 and 2011

Summary of Accounting Policies – Continued

Income Tax Status

The Organization is exempt from Federal Income tax under Section 501(c) (3) of the Internal Revenue Code.

Revenue Recognition

Revenue from property taxes levied is recognized in the year that it becomes available.

Related Party Transactions

Clark/Morse/Glenwood Special Service Area Number 24 shares office space, equipment and employees through its affiliation with DevCorp North D/B/A Rogers Park Business Alliance, the contractor.

Clark/Morse/Glenwood Special Service Area Number 24 has no employees of its own, but reimburses the contractor for the payroll and related costs of the individuals working on the programs. In addition, the contractor also receives reimbursements for a portion of its operating expenses, and use of office equipment and supplies.

Line of Credit

A line of credit has been obtained from Harris Bank in Chicago in the amount of \$ 150,000 this note which expires on October 9, 2011. The interest rate is variable based upon the Harris Bank prime rate plus 1.0 percentage point over prime.

Bravos & Associates

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INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors
Clark/Morse/Glenwood Special Services Area Number 24
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Chicago, Illinois

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information, which follows, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Bravos & Associates CPAs

April 22, 2013
Bloomington, Illinois

Clark/Morse/Glenwood
Special Service Area Number 24
 (DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Comparative Schedule of Expenses with Budget Variances
For the Years Ended December 31, 2012 and 2011

	2012			2011		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>Expenses:</u>						
<u>Programs:</u>						
<u>1.00 Advertising & Promotion</u>						
1.01 Website/Social Media	260	\$ 1,000	\$ (740)	\$ -	\$ 1,000	\$ (1,000)
1.02 Public/Media Relations Services	1,679	2,500	(821)	4,800	3,500	1,300
1.03 Special Events	41,874	35,000	6,874	48,064	32,000	16,064
1.04 Display Ads	2,585	2,500	85	5,510	3,000	2,510
1.05 Print Materials	2,530	1,600	930	-	-	-
1.06 Other: Holiday Shoppers' Rebate	-	2,470	(2,470)	-	-	-
Totals	<u>48,929</u>	<u>45,070</u>	<u>3,859</u>	<u>58,374</u>	<u>39,500</u>	<u>18,874</u>
<u>2.00 Public Way Maintenance</u>						
2.01 Sidewalk Cleaning	-	500	(500)	-	3,000	-
2.02 Sidewalk Snow Plowing	14,360	25,000	(10,640)	17,331	16,000	1,331
2.03 Sidewalk Power Washing	563	500	63	-	3,000	(3,000)
2.05 Equipment Purchase & Maintenance	3,045	5,000	(1,955)	4,179	3,000	1,179
2.06 Supplies	3,389	3,500	(111)	3,186	2,500	686
2.07 Storage Fees	6,611	5,500	1,111	5,547	5,500	47
2.08 Liability/Property Insurance	4,982	3,500	1,482	3,078	1,000	-
2.08 Staff Wages & Fringe Benefits	-	-	-	23,924	21,000	2,924
2.09 Trash Removal Service	2,827	3,000	(173)	2,450	1,900	550
2.12 Vermin Abatement Program (Rats, Pigeons, etc.)	-	-	-	-	100	(100)
2.13 Window Washing	2,407	-	2,407	2,467	1,000	1,467
2.15 Other: Maintenance Stipends	3,378	-	3,378	1,865	3,600	(1,735)
Totals	<u>41,561</u>	<u>46,500</u>	<u>(4,939)</u>	<u>64,027</u>	<u>61,600</u>	<u>3,349</u>

The accompanying notes are an integral part of this statement.

Clark/Morse/Glenwood
Special Service Area Number 24
 (DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Comparative Schedule of Expenses with Budget Variances
For the Years Ended December 31, 2012 and 2011

	2012			2011		
	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Variance</u>
<u>Expenses:</u>						
<u>Programs:</u>						
<u>3.00 Public Way Aesthetics</u>						
3.01 Streetscape, Elements Purchase/Install/Maintenance	\$ 1,063	\$ 1,000	\$ 63	\$ 5,372	\$ 7,000	\$ (1,628)
3.02 Decorative Banners and/or Holiday Decorations	9,610	14,000	(4,390)	495	2,000	(1,505)
3.02 Holiday Decorations	3,657	-	3,657	8,166	8,500	(334)
3.03 Wayfinding/Signage	-	1,000	(1,000)	-	3,000	(3,000)
3.04 Public Art	2,396	1,000				
3.05 Landscaping	8,211	6,000	2,211	112	9,000	(8,888)
3.06 Storage Fees	-	5,500				
3.09 Liability/Property Insurance	-	2,500	(2,500)	-	2,500	(2,500)
Totals	<u>24,937</u>	<u>31,000</u>	<u>(1,959)</u>	<u>14,145</u>	<u>32,000</u>	<u>(17,855)</u>
<u>4.00 Tenant Retention/Attraction</u>						
4.01 Data Collections	853	1,500				
4.01 Property Owner/Broker/Tenant Relations	-	-	-	437	3,500	(3,063)
4.02 Site Marketing Materials	174	2,500	(2,326)	1	4,000	(3,999)
4.04 Technical Assistance to Businesses	-	-	-	31	500	(469)
Totals	<u>1,026</u>	<u>4,000</u>	<u>(2,326)</u>	<u>469</u>	<u>8,000</u>	<u>(7,531)</u>
<u>5.00 Façade Improvements</u>						
5.01 Façade Enhancement Program	17,495	20,000	(2,505)	5,000	20,000	(15,000)
5.02 Awning Rebate Program	-	-	-	1,380	8,000	(6,620)
5.03 Signage Removal Program	-	-	-	-	2,000	(2,000)
5.04 Program Costs (Applications, etc.)	-	500				
Totals	<u>17,495</u>	<u>20,500</u>	<u>(2,505)</u>	<u>6,380</u>	<u>30,000</u>	<u>(23,620)</u>

Clark/Morse/Glenwood
Special Service Area Number 24
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Comparative Schedule of Expenses with Budget Variances

For the Years Ended December 31, 2012 and 2011

	2012			2011		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>Expenses:</u>						
<u>Programs:</u>						
<u>6.00 Parking/Transit/Accessibility</u>						
6.01 Parking Facility Enhancement Program	12,920	\$ 16,000	\$ (3,080)	\$ -	\$ -	\$ -
6.04 Bicycle Transit Enhancements	-	3,000	(3,000)	-	-	-
6.01 Bicycle Advocacy (racks, promotions, Etc.)	-	-	-	-	4,000	-
6.05 Parking Facility Maintenance Reserves	-	-	-	-	-	-
6.05 Public Transit Enhancements	42,159	35,000	7,159	28,521	35,000	(6,479)
6.06 Parking Facility Maintenance/Staffing	-	-	-	5,500	5,000	500
6.08 Parking Fee Subsidy	-	-	-	8,400	10,000	(1,600)
6.09 Parking Wayfinding Signage	-	-	-	14	1,500	(1,486)
6.11 Shared Valet Program	-	-	-	-	3,500	(3,500)
6.11 ADA (American with Disabilities Act) compliance	-	2,000	(2,000)	1,363	10,000	(8,637)
Totals	55,079	56,000	(921)	43,798	69,000	(21,202)
<u>7.00 Safety Programs</u>						
7.01 Public Way Surveillance Cameras/Maintenance	658	3,500	(2,842)	853	4,000	(3,147)
7.02 Security Rebate Program	-	-	-	-	-	-
7.05 Lighting, Tree Pruning	-	-	-	-	-	-
Totals	658	3,500	(2,842)	853	4,000	(3,147)

Clark/Morse/Glenwood
Special Service Area Number 24
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Comparative Schedule of Expenses with Budget Variances
For the Years Ended December 31, 2012 and 2011

	2012			2011		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>Expenses Programs:</u>						
<u>8.00 District Planning</u>						
8.01 SSA Work Plans, Visioning, etc.	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ (100)
8.02 District Branding Identity Development	-	-	-	-	2,000	(2,000)
8.02 Commission Development	-	500	(500)	-	-	-
8.03 Strategic Planning	-	500	(500)	-	-	-
8.04 Master Planning	-	500	(500)	-	1,500	(1,500)
8.05 Economic Impact Study, etc.	-	1,000	(1,000)	-	100	(100)
Totals	-	2,500	(2,500)	-	3,700	(3,700)
<u>9.00 Other Technical Assistance</u>						
9.01 Wifi District Infrastructure/Maintenance	-	500	(500)	-	-	-
Totals	-	500	(500)	-	-	-
<u>10.00 Personnel</u>						
10.01 Executive Director	22,622	21,600	1,022	20,487	18,826	1,661
10.02 Managing Director	17,390	11,700	5,690	16,645	15,296	1,349
10.03 Project Manager	11,307	66,000	(54,693)	10,244	9,413	831
10.05 Director of Maintenance	30,065	21,000	9,065	28,169	25,885	2,284
10.06 Administrative Assistant	56,490	18,000	38,490	52,497	48,240	4,257
Totals	137,874	138,300	(426)	128,042	117,660	10,382

The accompanying notes are an integral part of this statement.

Clark/Morse/Glenwood
Special Service Area Number 24
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Comparative Schedule of Expenses with Budget Variances
For the Years Ended December 31, 2012 and 2011

<u>Expenses</u> <u>Programs:</u>	2012		2011		Over (Under) Variance	Budget	Actual	Over (Under) Variance
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>				
<u>Administration:</u>								
11.00 Administrative Non-Personnel	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11.01 SSA Annual Report			(1,000)					
11.02 SSA Audit	3,208	3,500	(292)	3,200	3,000	3,000	200	
11.03 Bookkeeping	12,481	10,800	1,681	11,194	8,225	8,225	2,969	
11.04 Office Rent	12,946	8,800	4,146	17,404	8,400	8,400	9,004	
11.05 Office Utilities	4,054	2,500	1,554	2,825	2,000	2,000	825	
11.06 Office Supplies	2,343	2,250	93	3,033	3,000	3,000	33	
11.07 Office Equipment Lease/Maintenance	4,320	4,320	-	4,406	3,584	3,584	822	
11.08 Office Printing	1,800	1,800	-	2,100	2,100	2,100	-	
11.09 Postage	450	450	-	1,223	1,200	1,200	23	
11.10 Meeting Expense	1,480	840	640	727	1,500	1,500	(773)	
11.11 Subscriptions/dues	548	350	198	1,788	500	500	1,288	
11.12 Banking Fees	-	700	(700)	-	-	-	-	
11.14 Conference and training	3,356	3,000	356	5,606	4,000	4,000	1,606	
11.15 Line of Credit Expenses	-	-	-	332	3,000	3,000	(2,668)	
Totals	46,986	40,310	6,676	53,838	40,509	40,509	13,329	

Clark/Morse/Glenwood
Special Service Area Number 24
(DevCorp North Rogers Park Business Alliance, Contractor)
Schedule of Findings
Year ended December 31, 2012

Finding # 1

We have reviewed the Agreement for Special Service Area Number 24 between the City of Chicago and the Contractor for the year ended December 31, 2012 and 2011.

We noted no exceptions