

Howard Street
Special Service Area Number 19
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)

Financial Statements

Years Ended December 31, 2013 and 2012

Howard Street
Special Service Area Number 19
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Howard Street Special Service Area Number 19
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Chicago, Illinois

We have audited the accompanying statement of financial position of Howard Street Special Service Area number 19 (a taxing district authorized by the City of Chicago) as of December 31, 2013 and 2012, 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 Howard Street Special Service Area number 19 (a taxing district authorized by the City of Chicago), as of December 31, 2013 and 2012, 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

March 29, 2014
Bloomington, Illinois

Howard Street
Special Service Area Number 19
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Comparative Statement of Financial Position
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 88,201	\$ 59,442
Due from SSA Number 24	653	432
Due from SSA Number 54	190	53
Prepaid Expense	90	437
<u>Total Assets</u>	<u>\$ 89,134</u>	<u>\$ 60,364</u>
<u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ 1,205	\$ 2,900
Accrued expenses	2,924	3,350
Due to DevCorp North D/B/A Rogers Park Business Alliance	8,316	8,749
<u>Total Current Liabilities</u>	12,445	14,999
<u>Net Assets</u>		
<u>Net assets, unrestricted (Deficit)</u>	76,689	45,365
<u>Total Liabilities and Net Assets</u>	<u>\$ 89,134</u>	<u>\$ 60,364</u>

Howard Street
Special Service Area Number 19
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Comparative Statement of Activities
For the Years Ended December 31, 2013 and 2012

<u>Changes in Unrestricted Net Assets:</u>	2013			2012		
	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Variance</u>
Revenues:						
Tax Levy Revenue & Interest Income	\$ 296,200	\$ 228,263	\$ 67,937	\$ 226,981	\$ 239,854	\$ (12,873)
Expenses:						
<u>Program costs:</u>						
1.00 Advertising & Promotion	67,555	35,600	31,955	29,538	35,600	(6,062)
2.00 Public Way Maintenance	21,029	23,200	(2,171)	20,684	23,200	(2,516)
3.00 Public Way Aesthetics	41,006	44,000	(2,994)	37,328	44,000	(6,672)
4.00 Tenant Retention/Attraction	1,356	2,900	(1,544)	2,853	2,900	(47)
5.00 Façade Improvements	-	13,000	(13,000)	10,000	13,000	(3,000)
6.00 Parking Transit Accessibility	400	200	200	-	200	(200)
7.00 Safety Programs	1,201	4,500	(3,299)	3,113	4,500	(1,387)
8.00 District Planning	20,128	1,500	18,628	59	1,500	(1,441)
Total Program Expense	<u>152,675</u>	<u>124,900</u>	<u>27,775</u>	<u>103,575</u>	<u>124,900</u>	<u>(21,325)</u>
<u>Administration</u>						
10.00 Personnel	69,495	73,200	(3,705)	75,062	73,200	1,862
11.00 Operational & Administrative Support	42,706	34,252	8,454	40,370	34,252	6,118
12.00 Loss Collection	-	12,000	(12,000)	-	16,444	(16,444)
Total Administration expenses	<u>112,201</u>	<u>119,452</u>	<u>(7,251)</u>	<u>115,432</u>	<u>123,896</u>	<u>(8,464)</u>
Total Expenses	<u>264,876</u>	<u>244,352</u>	<u>20,524</u>	<u>219,007</u>	<u>248,796</u>	<u>(29,789)</u>
Increase (Decrease) in Net Assets	31,324	<u>(16,089)</u>	<u>47,413</u>	7,974	<u>(8,942)</u>	<u>16,916</u>
<u>Unrestricted Net Assets:</u>						
Beginning of Year (Deficit)	45,365			37,391		
End of Year	<u>\$ 76,689</u>			<u>\$ 45,365</u>		

Howard Street
Special Service Area Number 19
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Comparative Statement of Cash Flows
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from operating activities:		
Increase (decrease) in net assets	\$ 31,324	\$ 7,974
Increase (decrease) in unrestricted net assets		
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
(Increase) decrease in assets:		
Government & other receivables	336	2,722
Prepaid expense	(347)	93
Increase (decrease) in liabilities:		
Accounts payable	(1,695)	(748)
Accrued expenses	<u>(426)</u>	<u>849</u>
Net cash (used) provided by operating activities:	29,192	10,890
Cash flows provided by (used in)Financing activities:		
DevCorp North D/B/A Rogers Park Business Alliance Due to SSA Number 24	(433)	(7,587)
	<u>-</u>	<u>(347)</u>
Net cash provided by financing activities	<u>(433)</u>	<u>(7,934)</u>
Net Cash provided (used)	28,759	2,956
Cash and Cash Equivalents		
Beginning of the year	<u>59,442</u>	<u>56,486</u>
End of the year	<u>\$ 88,201</u>	<u>\$ 59,442</u>
Supplemental disclosures:		
Interest Paid	<u>\$ -</u>	<u>\$ -</u>
Taxes Paid	<u>\$ -</u>	<u>\$ -</u>

Howard Street
Special Service Area Number 19
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Notes to Financial Statements
December 31, 2013 and 2012

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. At December 31, 2013 and 2012, 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, whereby the City has establish a special service area known and designated as “Howard Street Special Service Area Number 19” 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 1% 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 \$ 228,263 or the amount of service tax funds collected for the years to 2013 and 2012. 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.

Howard Street
Special Service Area Number 19
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Notes to Financial Statements
December 31, 2013 and 2012

Summary of Accounting Policies – Continued

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.

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

Howard Street Special Service Area Number 19 shares office space, equipment and employees through its affiliation with DevCorp North, D/B/A Rogers Park Business Alliance, the contractor.

Howard Street Special Service Area Number 19 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.

Bravos & Associates

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors
Howard Street Special Services Area Number 19
(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

March 29, 2014
Bloomington, Illinois

Howard Street
Special Service Area Number 19
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Comparative Sschedule of Tax Levy Revenue and Interest Income
December 31, 2013 and 2012

Tax Levy Revenue and Interest Income received from the City of Chicago

	<u>2013</u>	<u>2012</u>
	<u>Income</u> <u>(Returned to City)</u>	<u>Income</u> <u>(Returned to City)</u>
<u>Tax Levy Revenue</u>		
Tax Year 2006	\$ -	\$ (73)
Tax Year 2006	-	-
Tax Year 2007	(5)	(3,599)
Tax Year 2008	-	2,048
Tax Year 2009	(485)	21,397
Tax Year 2010	17	3,209
Tax Year 2011	11,433	207,198
Tax Year 2012	<u>285,234</u>	<u>-</u>
Total received during year - Cash Basis	296,194	230,180
 <u>Accrual adjustments - Accounts Receivable</u>		
Beginning of year	-	(3,207)
<u>End of year</u>	<u>-</u>	<u>-</u>
 <u>Total tax levy revenue - Accrual basis</u>	 <u>296,194</u>	 <u>226,973</u>
 Interest Income		
Interest earned - Bank accounts	-	
Interest paid by City of Chicago	<u>6</u>	<u>8</u>
<u>Total Interest income earned</u>	<u>6</u>	<u>8</u>
 <u>Total Tax Levy Revenue and Interest Income</u>	 <u>\$ 296,200</u>	 <u>\$ 226,981</u>

Howard Street
Special Service Area Number 19
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Comparative Schedule of Expenses with Budget Variances
For the Years Ended December 31, 2013 and 2012

	2013			2012		
	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	\$ 34	\$ 1,600	\$ (1,566)	\$ -	\$ 1,600	\$ (1,600)
1.02 Public/Media Relations	22,242	6,000	16,242	1,937	6,000	(4,063)
1.03 Special Events	24,308	16,000	8,308	13,967	16,000	(2,033)
1.04 Display Ads	17,728	6,000	11,728	11,493	6,000	5,493
1.05 Print Materials	3,243	3,000	243	2,141	3,000	(859)
1.06 Other: Holiday Shoppers' Rebates	-	3,000	(3,000)	-	3,000	(3,000)
<u>Totals</u>	<u>67,555</u>	<u>35,600</u>	<u>31,955</u>	<u>29,538</u>	<u>35,600</u>	<u>(6,062)</u>
<u>2.00 Public Way Maintenance</u>						
2.02 Sidewalk Snow Plowing	15,002	15,000	2	7,200	15,000	(7,800)
2.03 Sidewalk Power Washing	-	500	(500)	-	500	(500)
2.05 Equipment Purchase/Maintenance	645	3,000	(2,355)	402	3,000	(2,598)
2.06 Supplies	1,091	500	591	1,560	500	1,060
2.07 Storage Fees	1,184	1,800	(616)	2,005	1,800	205
2.08 Liability/Property Insurance	1,613	600	1,013	2,037	600	1,437
2.09 Trash Removal Service	1,257	1,800	(543)	1,414	1,800	(386)
2.13 Window Washing	-	-	-	2,688	-	2,688
2.15 Other: Maintenance Stipend	237	-	237	3,378	-	3,378
<u>Totals</u>	<u>21,029</u>	<u>23,200</u>	<u>(2,171)</u>	<u>20,684</u>	<u>23,200</u>	<u>(2,516)</u>

Howard Street
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Comparative Schedule of Expenses with Budget Variances
For the Years Ended December 31, 2013 and 2012

	2013			2012		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>Expenses:</u>						
<u>Programs:</u>						
<u>3.00 Public Way Aesthetics</u>						
3.01 Streetscape Elements	\$ 1,870	\$ 5,500	\$ (3,630)	\$ -	\$ 5,500	\$ (5,500)
3.02 Decorative Banners and/or Holiday Decorations	5,675	7,000	(1,325)	10,864	7,000	3,864
3.02 Holiday Decorations	5,816	-	5,816	5,155	-	5,155
3.03 Wayfinding/Signage	-	3,000	(3,000)	25	3,000	(2,975)
3.04 Public Art	-	10,000	(10,000)	1,045	10,000	(8,955)
3.05 Landscaping	27,645	17,000	10,645	20,239	17,000	3,239
3.10 Other: Holiday Lights	-	1,500	(1,500)	-	1,500	(1,500)
<u>Totals</u>	<u>41,006</u>	<u>44,000</u>	<u>(2,994)</u>	<u>37,328</u>	<u>44,000</u>	<u>(6,672)</u>
<u>4.00 Tenant Retention/Attraction</u>						
4.01 Data Collections	673	1,500	(827)	853	1,500	(647)
4.01 Property Owner/Broker/Tenant relations	683	-	683	2,000	-	2,000
4.02 Site Marketing Materials	-	1,000	(1,000)	-	1,000	(1,000)
4.07 Other: Tenant Attraction Services	-	400	(400)	-	400	(400)
<u>Totals</u>	<u>1,356</u>	<u>2,900</u>	<u>(1,544)</u>	<u>2,853</u>	<u>2,900</u>	<u>(47)</u>
<u>5.00 Façade Improvements</u>						
5.01 Façade Enhancement Program-Rebates	-	12,000	(12,000)	10,000	12,000	(2,000)
5.04 Program Cost (Applications)	-	1,000	(1,000)	-	1,000	(1,000)
<u>Totals</u>	<u>-</u>	<u>13,000</u>	<u>(13,000)</u>	<u>10,000</u>	<u>13,000</u>	<u>(3,000)</u>

Howard Street
Special Service Area Number 19
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Comparative Schedule of Expenses with Budget Variances
For the Years Ended December 31, 2013 and 2012

	2013			2012		
	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 Bicycle Advocacy	\$ 400	\$ -	\$ 400	\$ -	\$ -	\$ -
6.01 Parking Facility (Lease, Management, etc.)	-	100	(100)	-	100	(100)
6.02 Parking Fee Subsidy	-	100	(100)	-	100	(100)
<u>Totals</u>	400	200	200	-	200	(200)
<u>7.00 Safety Programs</u>						
7.01 Public way Surveillance Cameras/ Maintenance	1,201	4,500	(3,299)	3,113	4,500	(1,387)
<u>Totals</u>	1,201	4,500	(3,299)	3,113	4,500	(1,387)
<u>8.00 District Planning</u>						
8.02 Commission Development (Policy, Governance, Trainin	50	500	(450)	59	500	(441)
8.03 Strategic Planning	20,078	1,000	19,078	-	1,000	(1,000)
<u>Totals</u>	20,128	1,500	18,628	59	1,500	(1,441)

Howard Street
Special Service Area Number 19
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Comparative Schedule of Expenses with Budget Variances
For the Years Ended December 31, 2013 and 2012

	2013			2012		
	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Variance</u>
<u>10.00 Personnel</u>						
10.01 Executive Director	\$ 1,502	\$ 10,800	\$ (9,298)	11,311	\$ 10,800	\$ 511
10.02 Managing Director	9,583	7,800	1,783	9,400	7,800	1,600
10.04 Director of Planning	28,648	27,000	1,648	28,268	27,000	1,268
10.05 Director of Maintenance	11,510	16,800	(5,290)	10,858	16,800	(5,942)
10.06 Administrative Assistant	18,073	10,800	7,273	12,532	10,800	1,732
10.07 Glenwood Sunday Market Manager	179	-	179	2,693	-	2,693
<u>Totals.</u>	<u>69,495</u>	<u>73,200</u>	<u>(3,705)</u>	<u>75,062</u>	<u>73,200</u>	<u>1,862</u>
 <u>11.00 Administrative Non-Personnel</u>						
11.02 SSA Audit	3,200	3,200	-	3,208	3,200	8
11.03 Bookkeeping	12,220	10,920	1,300	12,406	10,920	1,486
11.04 Office Rent	15,918	8,002	7,916	10,988	8,002	2,986
11.05 Office Utilities	2,446	2,700	(254)	2,807	2,700	107
11.06 Office Supplies	1,960	2,000	(40)	2,844	2,000	844
11.07 Office Equipment Lease/Maintenance	1,890	2,400	(510)	2,643	2,400	243
11.08 Office Printing	840	1,000	(160)	600	1,000	(400)
11.09 Postage	270	650	(380)	300	650	(350)
11.10 Meeting Expense	720	630	90	988	630	358
11.11 Subscriptions/dues	245	300	(55)	623	300	323
11.12 Banking Fees	251	200	51	-	200	(200)
11.14 Training & Development	2,746	2,250	496	2,963	2,250	713
<u>Totals</u>	<u>42,706</u>	<u>34,252</u>	<u>8,454</u>	<u>40,370</u>	<u>34,252</u>	<u>6,118</u>

Howard Street
Special Service Area Number 19
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Schedule of Findings
Year ended December 31, 2013 and 2012

Finding # 1

We have reviewed the Agreement for Special Service Area Number 19 between the City of Chicago and the Contractor for the year ended December 31, 2013 and 2012.

We noted no exceptions

State of Illinois

Department of Financial and Professional Regulation Division of Professional Regulation

LICENSE NO.
066.003838
065.009475

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

EXPIRES:
11/30/2015

**PUBLIC ACCOUNTING FIRM
SOLE PROPRIETORSHIP**

**BRAVOS & ASSOCIATES
324 RIDGEWOOD DR
BLOOMINGDALE, IL 60108**



Susan J. Gold

SUSAN J. GOLD
ACTING SECRETARY

Jay Stewart

JAY STEWART
DIRECTOR

The official status of this license can be verified at www.idfpr.com

7292846

State of Illinois

Department of Financial and Professional Regulation Division of Professional Regulation

LICENSE NO.
065.009475

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

EXPIRES:
09/30/2015

**LICENSED
CERTIFIED PUBLIC ACCOUNTANT**

**THOMAS WILLIAM BRAVOS
324 RIDGEWOOD DR
BLOOMINGDALE, IL 60108**



Brent E. Adams

BRENT E. ADAMS
SECRETARY

Jay Stewart

JAY STEWART
DIRECTOR

The official status of this license can be verified at www.idfpr.com

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