

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, 2011 and 2010

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, 2011 and 2010, 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, 2011 and 2010, 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

March 5, 2012

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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Cash equivalents	\$ 72,857	\$ 71,021
Government receivables	3,243	72,167
Due from SSA Number 19	347	-
Prepaid expenses	<u>1,529</u>	<u>332</u>
<u>Total current assets</u>	77,976	143,520
<u>Other assets</u>		
Security deposit	<u>375</u>	<u>375</u>
<u>Total Assets</u>	<u>\$ 78,351</u>	<u>\$ 143,895</u>
<u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ 5,369	\$ 661
Accrued expenses	2,500	1,430
Due to SSA Number 19	-	1,346
Line of Credit - Harris Bank	-	93,000
Due to DevCorp North D/B/A Rogers Park Business Alliance	<u>20,881</u>	<u>14,379</u>
<u>Total current liabilities</u>	28,750	110,816
<u>Net assets, unrestricted (deficit)</u>	<u>49,601</u>	<u>33,079</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 78,351</u>	<u>\$ 143,895</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, 2011 and 2010

	2011		2010			
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>Changes in Unrestricted Net Assets:</u>						
<u>Revenues:</u>						
Tax Levy Revenue & Interest Income	\$ 386,448	\$ 438,969	\$ (52,521)	\$ 347,261	\$ 384,624	\$ (37,363)
<u>Expenses:</u>						
<u>Program costs:</u>						
1.00 Advertising & Promotion	90,848	71,391	19,457	64,136	63,360	776
2.00 Public Way Maintenance	71,095	68,100	2,995	72,090	95,681	(22,025)
3.00 Public Way Aesthetics	18,304	33,769	(15,465)	15,702	32,240	(16,538)
4.00 Tenant Retention/Attraction	20,648	26,540	(5,892)	17,959	25,040	(7,081)
5.00 Façade Improvements	24,882	47,000	(22,118)	21,738	43,420	(21,682)
6.00 Parking/Transit/Accessibility	55,002	79,300	(24,298)	54,166	53,300	866
7.00 Safety Programs	12,057	14,300	(2,243)	11,825	19,800	(7,975)
8.00 District Planning	6,927	10,060	(3,133)	6,286	8,200	(1,914)
Total Program Expense	299,763	350,460	(50,697)	263,902	341,041	(75,573)
Administration						
10.00 Operational & Administrative Support	70,163	55,509	14,654	54,994	43,583	11,411
11.00 Loss Collection	-	33,000	(33,000)	-	-	-
Total Administration expenses	70,163	88,509	(18,346)	54,994	43,583	11,411
Total Expenses	369,926	438,969	(69,043)	318,896	384,624	(64,162)
Increase (Decrease) in Net Assets	16,522			28,365		
<u>Unrestricted Net Assets:</u>						
Beginning of Year	33,079			4,714		
End of Year (Deficit)	\$ 49,601			\$ 33,079		

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, 2011 and 2010

Cash Flows from operating activities:	<u>2011</u>	<u>2010</u>
Increase (decrease) in unrestricted net assets	\$ 16,522	\$ 28,365
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
(Increase) decrease in assets:		
Receivables	68,924	(65,208)
Due from SSA Number 19	(347)	2,121
Prepaid expenses	(1,197)	2,239
 Increase (decrease) in liabilities:		
Accounts payable	4,708	661
Accrued expense	1,070	1,430
Due to SSA Number 19	(1,346)	1,346
Due to DevCorp North D/B/A Rogers Park Business Alliance	<u>6,502</u>	<u>(5,508)</u>
 Net cash (Used) from operations	94,836	(34,554)
 Cash flows provided by financing activities:		
Line of Credit - Harris Bank	<u>(93,000)</u>	<u>57,248</u>
 Net cash provided by financing activities	(93,000)	57,248
 Net cash provided	1,836	22,694
 Cash and Cash Equivalents		
Beginning of the year	<u>71,021</u>	<u>48,327</u>
 End of the year	<u>\$ 72,857</u>	<u>\$ 71,021</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, 2011 and 2010

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, 2011 and 2010, 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 \$ 265,968 or the amount of service tax funds collected for the year 2011 and 2010. 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, 2011 and 2010

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.

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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

March 5, 2012
Bloomington, Illinois

Clark/Morse/Glenwood
Special Service Area Number 24
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Comparative Schedule of Tax Levy and Interest Income
December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
	<u>Income</u> <u>(Returned to City)</u>	<u>Income</u> <u>(Returned to City)</u>
<u>Tax Levy Revenue</u>		
Tax Year 2004	\$ -	\$ (951)
Tax Year 2005	(516)	(195)
Tax Year 2006	(383)	(515)
Tax Year 2007	(501)	(1,482)
Tax Year 2008	(3,600)	25,341
Tax Year 2009	114,598	259,823
Tax Year 2010	<u>345,695</u>	<u>-</u>
Total received during year - Cash Basis	455,293	282,021
<u>Accrual adjustments - Accounts Receivable</u>		
Beginning of year	(72,167)	(6,959)
End of year	<u>3,243</u>	<u>72,167</u>
Total tax levy revenue accrual basis	<u>386,369</u>	<u>347,229</u>
 <u>Interest Income</u>		
Interest earned - Bank accounts	-	-
Interest paid by City of Chicago	<u>79</u>	<u>32</u>
Total Interest Income Earned	<u>79</u>	<u>32</u>
Total Tax Levy Revenue and Interest Income	<u>\$ 386,448</u>	<u>\$ 347,261</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, 2011 and 2010

	2011			2010		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>Expenses:</u>						
<u>Programs:</u>						
<u>1.00 Advertising & Promotion</u>						
1.01 Display Ads	\$ 5,510	\$ 3,000	\$ 2,510	\$ 2,550	\$ 2,000	\$ 550
1.02 Holiday/Seasonal Promotions	2,666	4,500	(1,834)	2,076	3,500	(1,424)
1.03 Print Materials	-	-	-	1,455	5,000	(3,545)
1.04 Public/Media Relations Services	4,800	3,500	1,300	2,800	500	2,300
1.05 Special Events	48,064	32,000	16,064	34,598	30,000	4,598
1.06 Website/Technology	-	1,000	(1,000)	-	1,000	(1,000)
1.07 Service Provider Direct Services	29,808	27,391	2,417	20,657	21,360	(703)
Total	90,848	71,391	19,457	64,136	63,360	776
<u>2.00 Public Way Maintenance</u>						
2.01 Equipment Lease & Maintenance	4,179	3,000	1,179	4,891	10,000	(5,109)
2.04 Liability/Property Insurance	3,078	1,000	2,078	2,934	3,500	-
2.05 Sidewalk Cleaning	-	3,000	(3,000)	-	1,000	-
2.06 Sidewalk Power Washing	-	3,000	(3,000)	101	3,000	(2,899)
2.07 Sidewalk Snow Plowing	17,331	16,000	1,331	23,012	6,000	17,012
2.08 Staff Wages & Fringe Benefits	23,924	21,000	2,924	20,894	55,601	(34,707)
2.09 Storage Rental	5,547	5,500	47	5,299	5,500	(201)
2.10 Supplies	3,186	2,500	686	2,921	2,500	421
2.11 Trash Removal Service	2,450	1,900	550	2,447	1,900	547
2.12 Vermin Abatement Program (Rats, Pigeons, etc)	-	100	(100)	-	500	(500)
2.13 Window Washing	2,467	1,000	1,467	-	-	-
2.14 Service Provider Direct Services	7,068	6,500	568	5,981	6,180	(199)
2.15 Other: Maintenance Stipends	1,865	3,600	(1,735)	3,610	-	3,610
Total	71,095	68,100	2,995	72,090	95,681	(22,025)

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, 2011 and 2010

	2011			2010		
	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 Decorative Banner	\$ 495	\$ 2,000	\$ (1,505)	\$ 6,197	\$ 2,000	\$ 4,197
3.02 Holiday Decorations	5,500	4,000	1,500	-	8,000	(8,000)
3.03 Landscaping	112	9,000	(8,888)	30	4,000	(3,970)
3.04 Property Insurance	-	2,500	(2,500)	-	4,000	(4,000)
3.05 Streetscape, Elements Purchase/Install/Maintenance	5,372	7,000	(1,628)	1,500	4,000	(2,500)
3.06 Wayfinding/Signage	-	3,000	(3,000)	-	2,000	(2,000)
3.07 Service Provider Direct Services	6,825	6,269	556	7,975	8,240	(265)
Total	18,304	33,769	(15,465)	15,702	32,240	(16,538)
<u>4.00 Tenant Retention/Attraction</u>						
4.01 Property Owner/Broker/Tenant Relations	437	3,500	(3,063)	26	500	(474)
4.03 Site Marketing Materials	1	4,000	(3,999)	-	4,500	(4,500)
4.04 Technical Assistance to Businesses	31	500	(469)	-	1,500	(1,500)
4.06 Service Provider Direct Services	20,179	18,540	1,639	17,933	18,540	(607)
Total	20,648	26,540	(5,892)	17,959	25,040	(7,081)
<u>5.00 Façade Improvements</u>						
5.01 Façade Enhancement Program	5,000	20,000	(15,000)	1,660	19,000	(17,340)
5.02 Awning Rebate Program	1,380	8,000	(6,620)	5,783	5,000	783
5.03 Signage Removal Program	-	2,000	(2,000)	350	5,000	(4,650)
5.04 Service Provider Direct Services	18,502	17,000	1,502	13,945	14,420	(475)
Total	24,882	47,000	(22,118)	21,738	43,420	(21,682)

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, 2011 and 2010

	2011			2010		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>Expenses:</u>						
<u>Programs:</u>						
6.00 Parking/Transit/Accessibility						
6.01 Bicycle Advocacy (racks, promotions, etc)	\$ -	\$ 4,000	\$ (4,000)	\$ -	\$ 1,000	\$ (1,000)
6.03 Parking Facility Enhancement Program	-	-	-	-	-	-
6.05 Parking Facility Maintenance Reserves	-	-	-	-	500	(500)
6.06 Parking Facility Maintenance/Staffing	5,500	5,000	500	6,000	5,000	1,000
6.08 Parking Fee Subsidy	8,400	10,000	(1,600)	8,400	9,000	(600)
6.09 Parking Wayfinding Signage	14	1,500	(1,486)	768	500	268
6.10 Public Transit Enhancements	28,521	35,000	(6,479)	29,040	25,000	4,040
6.11 Shared Valet Program	-	3,500	(3,500)	-	2,000	(2,000)
6.12 ADA (American with Disabilities Act) compliance	1,363	10,000	(8,637)	-	-	-
6.13 Service Provider Direct Services	11,204	10,300	904	9,958	10,300	(342)
Total	55,002	79,300	(24,298)	54,166	53,300	866
<u>7.00 Safety Programs</u>						
7.01 Public Way Surveillance Cameras/Maintenance	853	4,000	(3,147)	1,867.0	7,000.0	(5,133.0)
7.02 Security Rebate Program	-	-	-	-	1,500	(1,500)
7.05 Lighting, Tree Pruning	-	-	-	-	1,000	(1,000)
7.09 Service Provider Direct Services	11,204	10,300	904	9,958	10,300	(342)
Total	12,057	14,300	(2,243)	11,825	19,800	(7,975)

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, 2011 and 2010

	2011			2010		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>Expenses</u>						
<u>Programs:</u>						
8.00 District Planning						
8.01 SSA Work Plans, Visioning, etc.	\$ -	\$ 100	\$ (100)	\$ -	\$ -	\$ -
8.02 District Branding, Identity Development	-	2,000	(2,000)	813	2,000	(1,187)
8.03 District Market Study, Impact Analysis, etc.	-	100	(100)	640	600	40
8.04 District Master Plan Corridor Plans Streetscape	-	1,500	(1,500)	-	600	(600)
8.07 Service Provider Direct Services	6,927	6,360	567	4,833	5,000	(167)
Total	6,927	10,060	(3,133)	6,286	8,200	(1,914)
<u>Administration:</u>						
10.00 Operational & Administrative Support						
10.01 SSA Audit	3,200	3,000	200	3,200	-	3,200
10.02 Bookkeeping	11,194	8,225	2,969	10,514	9,200	1,314
10.03 Meeting Expense	727	1,500	(773)	1,085	1,500	(415)
10.04 Office Equipment Lease/Maintenance	4,406	3,584	822	4,584	3,584	1,000
10.05 Office Rent	17,404	8,400	9,004	8,000	6,120	1,880
10.06 Office Supplies	3,033	3,000	33	5,127	3,076	2,051
10.07 Office Utilities/Telephone	2,825	2,000	825	3,222	2,101	1,121
10.08 Postage	1,223	1,200	23	500	603	(103)
10.09 Office Printing	2,100	2,100	-	2,582	2,000	582
10.10 Service Provider Administrative Support	16,325	15,000	1,325	13,142	13,590	(448)
10.11 Subscriptions/dues	1,788	500	1,288	558	309	249
10.12 Conference and training	5,606	4,000	1,606	1,387	1,500	(113)
10.13 Line of Credit Expenses	332	3,000	(2,668)	1,093	-	1,093
Total	70,163	55,509	14,654	54,994	43,583	11,411

Clark/Morse/Glenwood
Special Service Area Number 24
(DevCorp North Rogers Park Business Alliance, Contractor)
Schedule of Findings
Year ended December 31, 2011

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, 2011 and 2010.

We noted no exceptions