

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

Comparative Financial Statements

Years Ended December 31, 2010 and 2009

Clark Street
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 Street 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 Street Special Service Area Number 24 (DevCorp North D/B/A Rogers Park Business Alliance, Contractor) (a nonprofit organization) as of December 31, 2010 and 2009, 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 Street Special Service Area Number 24 (DevCorp North D/B/A Rogers Park Business Alliance, Contractor), as of December 31, 2010 and 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. The information included in the accompanying Schedule 1 is presented for supplemental analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the audit of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

Bravos & Associates

April 12, 2011
Bloomington, Illinois

Clark Street
Special Service Area Number 24
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Comparative Statement of Financial Position
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Cash equivalents	\$ 71,021	\$ 48,327
Government receivables	72,167	6,959
Due from SSA Number 19	-	2,121
Prepaid expenses	<u>332</u>	<u>2,571</u>
<u>Total current assets</u>	143,520	59,978
<u>Other assets</u>		
Security deposit	<u>375</u>	<u>375</u>
<u>Total Assets</u>	<u>\$ 143,895</u>	<u>\$ 60,353</u>
<u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ 661	\$ -
Accrued expenses	1,430	-
Due to SSA Number 19	1,346	-
Line of Credit - Harris Bank	93,000	35,752
Due to DevCorp North D/B/A Rogers Park Business Alliance	<u>14,379</u>	<u>19,887</u>
<u>Total current liabilities</u>	110,816	55,639
<u>Net assets, unrestricted (deficit)</u>	<u>33,079</u>	<u>4,714</u>
<u>Total Liabilities and Net Assets</u>	<u>143,895</u>	<u>60,353</u>

Clark Street
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, 2010 and 2009

	2010			2009		
	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Variance</u>
<u>Changes in Unrestricted Net Assets:</u>						
<u>Revenues:</u>						
Tax Levy Revenue	\$ 347,261	\$ 384,624	\$ (37,363)	\$ 353,921	\$ 395,486	\$ (41,565)
<u>Expenses:</u>						
<u>Program costs:</u>						
1.00 Advertising & Promotion	64,136	63,360	776	53,404	62,738	(9,334)
2.00 Public Way Maintenance	72,090	95,681	(22,591)	82,702	98,863	(13,261)
3.00 Public Way Aesthetics	15,702	32,240	(12,538)	10,546	28,000	(17,454)
4.00 Tenant Retention/Attraction	17,959	25,040	(7,081)	19,392	24,500	(5,108)
5.00 Façade Improvements	21,738	43,420	(21,682)	33,757	43,000	(9,243)
6.00 Parking/Transit/Accessibility	54,166	53,300	(134)	65,243	52,500	12,743
7.00 Safety Programs	11,825	19,800	(7,975)	11,371	18,000	(6,629)
8.00 District Planning	6,286	8,200	(1,914)	7,128	6,800	328
9.00 Other Technical Assistance	-	-	-	-	-	-
Total Program Expense	<u>263,902</u>	<u>341,041</u>	<u>(73,139)</u>	<u>283,543</u>	<u>334,401</u>	<u>(47,958)</u>
<u>Administration</u>						
10.00 Operational & Administrative Support	54,994	43,583	11,411	49,998	42,990	7,008
11.00 Loss Collection	-	-	-	-	18,095	(18,095)
Total Administration expenses	<u>54,994</u>	<u>43,583</u>	<u>11,411</u>	<u>49,998</u>	<u>61,085</u>	<u>(11,087)</u>
Total Expenses	<u>318,896</u>	<u>384,624</u>	<u>(61,728)</u>	<u>333,541</u>	<u>395,486</u>	<u>(59,045)</u>
Increase (Decrease) in Net Assets	28,365			20,380		
<u>Unrestricted Net Assets:</u>						
Beginning of Year	<u>4,714</u>			<u>(15,666)</u>		
End of Year (Deficit)	<u>\$ 33,079</u>			<u>\$ 4,714</u>		

Clark Street
Special Service Area Number 24
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Comparative Statement of Cash Flows
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash Flows from operating activities:		
Increase (decrease) in unrestricted net assets	\$ 28,365	\$ 20,380
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
(Increase) decrease in assets:		
Receivables	(65,208)	(5,977)
Due from SSA Number 19	2,121	(2,121)
Prepaid expenses	2,239	(1,376)
Increase (decrease) in liabilities:		
Accounts payable	661	(740)
Accrued expense	1,430	(4,421)
Due to SSA Number 19	1,346	(276)
Due to DevCorp North D/B/A Rogers Park Business Allianc	<u>(5,508)</u>	<u>4,540</u>
Net cash (Used) from operations	(34,554)	10,009
Cash flows provided by financing activities:		
Line of Credit - Harris Bank	<u>57,248</u>	<u>35,752</u>
Net cash provided by financing activities	57,248	35,752
Net cash provided	22,694	45,761
Cash and Cash Equivalents		
Beginning of the year	<u>48,327</u>	<u>2,566</u>
End of the year	<u>\$ 71,021</u>	<u>\$ 48,327</u>
<u>Supplemental disclosures:</u>		
Interest Paid	<u>\$ 1,093</u>	<u>\$ 2,893</u>
Taxes Paid	<u>\$ -</u>	<u>\$ -</u>

Clark Street
Special Service Area Number 24
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Notes to Financial Statements
December 31, 2010 and 2009

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, 2009 and 2008, 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 Street 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 2010 and 2009. 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 shall continue through December 31, 2012.

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 Street
Special Service Area Number 24
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Notes to Financial Statements
December 31, 2010 and 2009

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 Street 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 Street 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 Street 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

April 12, 2011
Bloomington, Illinois

Clark Street
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, 2010 and 2009

	2010			2009		
	<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>1.00 Advertising & Promotion</u>						
1.01 Display Ads	2,550	2,000	550	2,124	2,000	124
1.02 Holiday/Seasonal Promotions	2,076	3,500	(1,424)	425	3,500	(3,075)
1.03 Print Materials	1,455	5,000	(3,545)	6,568	5,000	1,568
1.04 Public/Media Relations Services	2,800	500	2,300	-	500	(500)
1.05 Special Events	34,598	30,000	4,598	22,059	30,000	(7,941)
1.06 Website/Technology	-	1,000	(1,000)	-	1,000	(1,000)
1.07 Service Provider Direct Services	20,657	21,360	(703)	22,228	20,738	1,490
Total	<u>64,136</u>	<u>63,360</u>	<u>776</u>	<u>53,404</u>	<u>62,738</u>	<u>(9,334)</u>
<u>2.00 Public Way Maintenance</u>						
2.01 Equipment Lease & Maintenance	4,891	10,000	(5,109)	8,446	16,000	(7,554)
2.02 Gate/Fence Maintenance	-	-	-	-	-	-
2.03 Graffiti Removal	-	-	-	-	-	-
2.04 Liability/Property Insurance	2,934	3,500	(566)	600	3,500	-
2.05 Sidewalk Cleaning	-	1,000	-	-	-	-
2.06 Sidewalk Power Washing	101	3,000	(2,899)	354	4,000	(3,646)
2.07 Sidewalk Snow Plowing	23,012	6,000	17,012	8,493	5,000	3,493
2.08 Staff Wages & Fringe Benefits	20,894	55,601	(34,707)	43,595	53,463	(9,868)
2.09 Storage Rental	5,299	5,500	(201)	5,181	5,500	(319)
2.10 Supplies	2,921	2,500	421	2,501	2,500	1
2.11 Trash Removal Service	2,447	1,900	547	1,952	1,900	52
2.12 Vermin Abatement Program (Rats, Pigeons, etc)	-	500	(500)	-	1,000	(1,000)
2.14 Service Provider Direct Services	5,981	6,180	(199)	6,435	6,000	435
2.15 Other: Maintenance Stipends	3,610	-	3,610	5,145	-	5,145
2.16 Other: Assistant Director of Maintenance	-	-	-	-	-	-
Total	<u>72,090</u>	<u>95,681</u>	<u>(22,591)</u>	<u>82,702</u>	<u>98,863</u>	<u>(13,261)</u>

Clark Street
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, 2010 and 2009

	2010			2009		
	Actual	Budget	Over (Under) Variance	Actual	Budget	Over (Under) Variance
<u>Programs:</u>						
<u>3.00 Public Way Aesthetics</u>						
3.01 Decorative Banner	6,197	2,000	4,197	1,934	2,000	(66)
3.02 Holiday Decorations	-	8,000	(8,000)	-	8,000	(8,000)
3.03 Landscaping	30	4,000	(3,970)	33	4,000	(3,967)
3.04 Property Insurance	-	4,000		-	-	
3.05 Streetscape, Elements Purchase/Install/Maintenance	1,500	4,000	(2,500)	-	4,000	(4,000)
3.06 Wayfinding/Signage	-	2,000	(2,000)	-	2,000	(2,000)
3.07 Service Provider Direct Services	7,975	8,240	(265)	8,579	8,000	579
Total	15,702	32,240	(12,538)	10,546	28,000	(17,454)
<u>4.00 Tenant Retention/Attraction</u>						
4.01 Property Owner/Broker/Tenant Relations	26	500	(474)	100	500	(400)
4.03 Site Marketing Materials	-	4,500	(4,500)	-	4,000	(4,000)
4.04 Technical Assistance to Businesses	-	1,500	(1,500)	-	2,000	(2,000)
4.06 Service Provider Direct Services	17,933	18,540	(607)	19,292	18,000	1,292
Total	17,959	25,040	(7,081)	19,392	24,500	(5,108)
<u>5.00 Façade Improvements</u>						
5.01 Façade Enhancement Program	1,660	19,000	(17,340)	18,754	29,000	(10,246)
5.02 Awning Rebate Program	5,783	5,000	783	-	14,000	(14,000)
5.03 Signage Removal Program	350	5,000	(4,650)	-	-	-
5.04 Service Provider Direct Services	13,945	14,420	(475)	15,003	-	15,003
Total	21,738	43,420	(21,682)	33,757	43,000	(9,243)
<u>6.00 Parking/Transit/Accessibility</u>						
6.01 Bicycle Advocacy (racks, promotiosn,etc)	-	1,000	(1,000)	-	1,000	(1,000)
6.03 Parking Facility Enhancement Program				-	2,000	(2,000)
6.05 Parking Facility Maintenance Reserves	-	500	(500)	-	-	-
6.06 Parking Facility Maintenance/Staffing	6,000	5,000		-	-	-
6.08 Parking Fee Subsidy	8,400	9,000	(600)	13,375	9,000	4,375
6.09 Parking Wayfinding Signage	768	500	268	-	500	(500)
6.10 Public Transit Enhancements	29,040	25,000	4,040	41,155	30,000	11,155
6.11 Shared Valet Program	-	2,000	(2,000)	-	-	-
6.13 Service Provider Direct Services	9,958	10,300	(342)	10,713	10,000	713
Total	54,166	53,300	(134)	65,243	52,500	12,743

Clark Street
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, 2010 and 2009

<u>Expenses</u>	2010			2009		
	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Variance</u>
<u>7.00 Safety Programs</u>						
7.01 Public Way Surveillance Cameras/Maintenance	1,867	7,000	(5,133)	658	7,000	(6,342)
7.02 Security Rebate Program	-	1,500	(1,500)	-	-	-
7.05 Lighting, Tree Pruning	-	1,000	(1,000)	-	1,000	(1,000)
7.09 Service Provider Direct Services	9,958	10,300	(342)	10,713	10,000	713
Total	11,825	19,800	(7,975)	11,371	18,000	(6,629)
<u>8.00 District Planning</u>						
8.02 District Branding, Identity Development	813	2,000	(1,187)	1,250	600	650
8.03 District Market Study, Impact Analysis, etc.	640	600	40	516	600	(84)
8.04 District Master Plan Corridor Plans Streetscape	-	600	(600)	-	600	(600)
8.07 Service Provider Direct Services	4,833	5,000	(167)	5,362	5,000	362
Total	6,286	8,200	(1,914)	7,128	6,800	328
<u>Administration:</u>						
<u>10.00 Operational & Administrative Support</u>						
10.01 SSA Audit	3,200	-	3,200	-	-	-
10.02 Bookkeeping	10,514	9,200	1,314	11,225	9,000	2,225
10.03 Meeting Expense	1,085	1,500	(415)	761	1,500	(739)
10.04 Office Equipment Lease/Maintenance	4,584	3,584	1,000	3,911	3,500	411
10.05 Office Rent	8,000	6,120	1,880	6,000	6,000	-
10.06 Office Supplies	5,127	3,076	2,051	7,144	3,000	4,144
10.07 Office Utilities/Telephone	3,222	2,101	1,121	3,046	2,000	1,046
10.08 Postage	500	603	(103)	600	600	-
10.09 Office Printing	2,582	2,000	582	2,424	2,000	424
10.10 Service Provider Administrative Support	13,142	13,590	(448)	14,562	13,590	972
10.11 Subscriptions/dues	558	309	249	325	300	25
10.12 Conference and training	1,387	1,500	(113)	-	1,500	(1,500)
10.13 Line of Credit Expenses	1,093	-	1,093	-	-	-
Total	54,994	43,583	11,411	49,998	42,990	7,008

Clark Street
Special Service Area Number 24
(DevCorp North Rogers Park Business Alliance, Contractor)
Schedule of Findings
Year ended December 31, 2010

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, 2010 and 2009.

We noted no exceptions