

Sheridan Road
Special Service Area Number 54
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)

Comparative Financial Statements

Years Ended December 31, 2012 and 2011

Sheridan Road
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
Sheridan Road Special Service Area Number 54
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Chicago, Illinois

We have audited the accompanying statement of financial position of Sheridan Road Special Service Area number 54 (DevCorp North D/B/A Rogers Park Business Alliance, Contractor) (a nonprofit organization) as of December 31, 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 Sheridan Road Special Service Area number 54 (DevCorp North D/B/A Rogers Park Business Alliance, Contractor), as of December 31, 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 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

April 17, 2012
Bloomington, Illinois

Sheridan Road
 Special Service Area Number 54
 (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	\$ 20,383	\$ -
Prepaid expenses	<u>187</u>	<u>195</u>
<u>Total current assets</u>	20,570	195
<u>Total Assets</u>	<u>\$ 20,570</u>	<u>\$ 195</u>
 <u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ 220	\$ -
Accrued expenses	1,450	-
Due to SSA Number 19	53	-
Due to SSA Number 24	34	-
Due to DevCorp North D/B/A Rogers Park Business Alliance	<u>26,624</u>	<u>23,741</u>
<u>Total current liabilities</u>	28,381	23,741
<u>Net assets, unrestricted (deficit)</u>	<u>(7,811)</u>	<u>(23,546)</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 20,570</u>	<u>\$ 195</u>

Sheridan Road
Special Service Area Number 54
 (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>						
<u>Revenues:</u>						
Tax Levy Revenue & Interest Income	\$ 81,118	\$ 81,464	\$ (346)	\$ -	\$ -	\$ -
<u>Expenses:</u>						
<u>Program costs:</u>						
1.00 Advertising & Promotion	3,190	1,500	1,690	-	-	-
2.00 Public Way Maintenance	1,894	18,350	(16,456)	-	-	-
3.00 Public Way Aesthetics	18,713	15,214	3,499	-	-	-
8.00 District Planning	10,000	10,000	-	23,546	-	23,546
Total Program Expense	33,797	45,064	(11,267)	23,546	-	23,546
Administration						
10.00 Personnel	23,057	27,600	(4,543)	-	-	-
11.00 Operational & Administrative Support	8,529	7,800	729	-	-	-
12.00 Loss Collections	-	1,000	-	-	-	-
Total Administration expenses	31,586	36,400	(3,814)	-	-	-
Total Expenses	65,383	81,464	(15,081)	23,546	-	23,546
Increase (Decrease) in Net Assets	15,735	-	14,735	(23,546)	-	(23,546)
<u>Unrestricted Net Assets:</u>						
Beginning of Year	(23,546)			-		
End of Year (Deficit)	\$ (7,811)			\$ (23,546)		

Sheridan Road
Special Service Area Number 54
 (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	\$ 15,735	\$ (23,546)
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
(Increase) decrease in assets:		
Receivables	-	-
Due from SSA Number 19	-	-
Prepaid expenses	8	(195)
Increase (decrease) in liabilities:		
Accounts payable	220	-
Accrued expense	1,450	-
Due to SSA Number 19	53	-
Due to SSA Number 35	34	-
Due to DevCorp North D/B/A Rogers Park Business Alliance	<u>2,883</u>	<u>23,741</u>
Net cash (Used) from operations	20,383	-
Cash flows provided by financing activities:		
Line of Credit - Harris Bank	<u>-</u>	<u>-</u>
Net cash provided by financing activities	-	-
Net cash provided	20,383	-
Cash and Cash Equivalents		
Beginning of the year	<u>-</u>	<u>-</u>
End of the year	<u>\$ 20,383</u>	<u>\$ -</u>
<u>Supplemental disclosures:</u>		
Interest Paid	<u>\$ -</u>	<u>\$ 1,093</u>
Taxes Paid	<u>\$ -</u>	<u>\$ -</u>

Sheridan Road
Special Service Area Number 54
(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. At 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, whereby the City has establish a special service area known and designated as "Sheridan Road Special Service Area Number 54" 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 \$ 81,464 or the amount of service tax funds collected for the years 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.

Sheridan Road
Special Service Area Number 54
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Notes to Financial Statements
December 31, 2012 and 2011 and 2010

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

Sheridan Road Special Service Area Number 54 shares office space, equipment and employees through its affiliation with DevCorp North, D/B/A Rogers Park Business Alliance, the contractor.

Sheridan Road Special Service Area Number 54 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.

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INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors
Sheridan Road Special Services Area Number 54
(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

Sheridan Road
Special Service Area Number 54
 (DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Comparative Schedule of Tax Levy and Interest Income
December 31, 2012 and 2011

	<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 2006	\$ -	\$ -
Tax Year 2007	-	-
Tax Year 2008	-	-
Tax Year 2009	-	-
Tax Year 2010	-	-
Tax Year 2011	<u>81,118</u>	<u>-</u>
 Total received during year - Cash Basis	 81,118	 -
<u>Accrual adjustments - Accounts Receivable</u>		
Beginning of year	-	-
End of year	<u>-</u>	<u>-</u>
 Total tax levy revenue accrual basis	 <u>81,118</u>	 <u>-</u>
 <u>Interest Income</u>		
Interest earned - Bank accounts	-	-
Interest paid by City of Chicago	<u>1</u>	<u>-</u>
 Total Interest Income Earned	 <u>1</u>	 <u>-</u>
 Total Tax Levy Revenue and Interest Income	 <u>\$ 81,119</u>	 <u>\$ -</u>

Sheridan Road
Special Service Area Number 54
 (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>						
1.05 Print Materials	\$ 1,008	\$ 500	\$ 508	\$ -	\$ -	\$ -
1.06 Holiday/Seasonal Promotions	2,182	1,000	1,182	-	-	-
Totals	3,190	1,500	1,690	-	-	-
<u>2.00 Public Way Maintenance</u>						
2.05 Equipment Purchase & Maintenance	-	250	(250)	-	-	-
2.08 Liability/Property Insurance	88	100	(12)	-	-	-
2.02 Sidewalk Snow Plowing	1,772	15,000	(13,228)	-	-	-
2.07 Storage Rental	-	500	(500)	-	-	-
2.06 Supplies	34	500	(466)	-	-	-
2.09 Trash Removal Service	-	500	(500)	-	-	-
2.10 Other: Maintenance Stipends	-	1,500	(1,500)	-	-	-
Totals	1,894	18,350	(16,456)	-	-	-
<u>3.00 Public Way Aesthetics</u>						
3.02 Decorative Banners and/or Holiday Decorations	719	-	719	-	-	-
3.05 Landscaping	17,994	15,214	2,780	-	-	-
Totals	18,713	15,214	3,499	-	-	-
<u>8.00 District Planning</u>						
8.01 SSA Startup or Reconstitution Costs	10,000	10,000	-	23,546	-	23,546
Totals	10,000	10,000	-	23,546	-	23,546

Sheridan Road
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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>10.00 Personnel</u>						
10.02 Managing Director	\$ 8,695	\$ -	\$ 8,695	\$ -	\$ -	\$ -
10.04 Project Manager	5,696	16,200	(10,504)	-	-	-
10.05 Director of Maintenance	4,625	4,200	425	-	-	-
10.06 Administrative Assisstant	4,040	7,200	(3,160)	-	-	-
Totals	23,057	27,600	(4,543)	-	-	-
<u>Administration:</u>						
<u>11.00 Administrative Non-Personnel</u>						
11.02 SSA Audit	800	2,000	(1,200)	-	-	-
11.03 Bookkeeping	2,040	1,500	540	-	-	-
11.04 Office Rent	3,206	2,400	806	-	-	-
11.05 Office Utilities/Telephone	619	500	119	-	-	-
11.06 Office Supplies	314	250	64	-	-	-
11.07 Office Equipment Lease/Maintenance	636	600	36	-	-	-
11.08 Office Printing	200	200	-	-	-	-
11.09 Postage	150	150	-	-	-	-
11.10 Meeting Expense	140	200	(60)	-	-	-
11.13 Line of Credit Expenses	424	-	424	-	-	-
Totals	8,529	7,800	729	-	-	-

The accompanying notes are an integral part of this statement.

Sheridan Road
Special Service Area Number 54
(DevCorp North D/B/A Rogers Park Business Alliance, Contractor)
Schedule of Findings
Year ended December 31, 2012 and 2011 and 2010

Finding # 1

We have reviewed the Agreement for Special Service Area Number 54 between the City of Chicago and the Contractor for the year ended December 31, 2012 and 2011.

We noted no exceptions