

**EVMARK**  
**d/b/a DOWNTOWN EVANSTON**

**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**EVMARK  
d/b/a DOWNTOWN EVANSTON**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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## Independent Auditor's Report

To the Board of Directors of  
Evmark d/b/a: Downtown Evanston  
Evanston, Illinois

We have audited the accompanying financial statements of Evmark d/b/a: Downtown Evanston (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statement of activities, functional expense and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of EVMARK d/b/a Downtown Evanston as of December 31, 2020, and the changes in net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Eilts & Associates, Inc.*

EILTS & ASSOCIATES, INC.  
Chicago, Illinois  
November 15, 2021

**EVMARK**  
**d/b/a DOWNTOWN EVANSTON**

**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2020**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 442,126	\$ -	\$ 442,126
Accounts receivable	12,750	-	12,750
Other receivable	16,246	-	16,246
Prepaid expenses	4,672	-	4,672
Total current assets	475,794	-	475,794
<b>OTHER ASSETS</b>			
Security Deposits	1,755	-	1,755
Other Assets	1,755	-	1,755
<b>TOTAL ASSETS</b>	<u>477,549</u>	<u>-</u>	<u>477,549</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	19,300	-	19,300
Accrued payroll, payroll taxes & benefits	2,763	-	2,763
Line of credit	240,000	-	240,000
Total current liabilities	262,063	-	262,063
<b>TOTAL LIABILITIES</b>	262,063	-	262,063
<b>NET ASSETS</b>	<u>215,486</u>	<u>-</u>	<u>215,486</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 477,549</u>	<u>\$ -</u>	<u>\$ 477,549</u>

See accompanying notes to financial statements and independent auditor's report

**EVMARK**  
**d/b/a DOWNTOWN EVANSTON**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contribution from Northwestern University	\$ 18,000	\$ -	\$ 18,000
Support from City of Evanston:			
Tax Levy, SSA #9	-	591,950	591,950
Supplemental contribution to SSA #9	-	50,000	50,000
Sponsorships and marketing income	5,402	-	5,402
Fundraising income	43,004	-	43,004
Interest	100	-	100
Management fee	16,775	-	16,775
Assets released from restrictions	641,950	(641,950)	-
	<u>725,231</u>	<u>-</u>	<u>725,231</u>
Total support and revenue and assets released from restrictions			
EXPENSES			
Program Expenses	580,025	-	580,025
Support Services			
Administration	70,338	-	70,338
Development	39,100	-	39,100
	<u>689,463</u>	<u>-</u>	<u>689,463</u>
Total expenses			
CHANGE IN NET ASSETS	<u>\$ 35,768</u>	<u>\$ -</u>	<u>\$ 35,768</u>
NET ASSETS, BEGINNING OF YEAR	<u>179,718</u>	<u>-</u>	<u>179,718</u>
NET ASSETS, END OF YEAR	<u>\$ 215,486</u>	<u>\$ -</u>	<u>\$ 215,486</u>

See accompanying notes to financial statements and independent auditor's report

**EVMARK**  
**d/b/a DOWNTOWN EVANSTON**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

		Support Services		
	Program Expenses	General & Admin	Development	Total
EXPENSES				
Salaries and Wages	\$ 149,930	\$ 37,483	\$ -	\$ 187,413
Payroll Taxes	10,536	2,634	-	13,170
Payroll Processing	1,058	264	-	1,322
Employee Benefits	32,238	8,060	-	40,298
Professional Services	-	6,000	-	6,000
Occupancy	13,364	3,341	-	16,705
Advertising and marketing				
Directory, materials and banners	57,485	-	-	57,485
Digital and radio	20,853	-	-	20,853
Other	1,850	-	-	1,850
Special events	29,305	-	-	29,305
Public way maintenance	181,350	-	-	181,350
Public aesthetics	71,870	-	-	71,870
Tenant retention and attraction	500	-	-	500
Map & guide	1,690	-	-	1,690
Telephone and internet	-	1,080	-	1,080
Office supplies & postage	-	2,616	-	2,616
Computer & professional services	5,644	1,411	-	7,055
Dues and subscriptions	-	2,491	-	2,491
Insurance	822	206	-	1,028
Meeting	-	324	-	324
Miscellaneous	1,530	-	-	1,530
Interest	-	4,428	-	4,428
Fundraising	-	-	39,100	39,100
Total expenses	<u>\$ 580,025</u>	<u>\$ 70,338</u>	<u>\$ 39,100</u>	<u>\$ 689,463</u>

See accompanying notes to financial statements and independent auditor's report

**EVMARK**  
**d/b/a DOWNTOWN EVANSTON**

**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2020**

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Cash Flows from <b>Operating</b> Activities:	
Increase/(Decrease) in Net Assets	\$ 35,768
Adjustments to reconcile change in net assests to net cash provided (used) by operating activities:	
(Increase)/Decrease in operating assets:	
Accounts receivable	53,058
Prepaid expenses	(4,672)
Increase/(Decrease) in operating liabilities:	
Accounts payable	(26,680)
Accrued expenses	(3,941)
	<hr/>
Net Cash Provided by <b>Operating</b> Activities	53,533
	<hr/>
Cash Flows from <b>Financing</b> Activities:	
Draw on Line of Credit	240,000
	<hr/>
Net Cash Used by <b>Financing</b> Activities	240,000
	<hr/>
Net increase in cash and cash equivalents	293,533
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Cash and cash equivalents at beginning of the year	\$ 148,593
	<hr/>
Cash and cash equivalents at end of the year	\$ 442,126
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See accompanying notes to financial statements and independent auditor's report



**EVMARK**  
**d/b/a – Downtown Evanston**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2020**

**NOTE 1 – DESCRIPTION OF THE ORGANIZATION**

EVMARK d/b/a Downtown Evanston (the “Organization”) is an Illinois not-for profit organization incorporated on May 4 1987. The organization was established for the purpose of marketing, promoting, maintaining and improving the downtown Evanston, Illinois area.

The program activities of the Organization include the following:

Marketing – Marketing programs are divided into the following categories: shopping, dining, commercial real estate, events, directory and collateral materials, and other. The main purpose of marketing programs is to achieve a balance among image enhancement activities, special events, retail and building promotions, and public relations. Maintenance – The main purpose of the maintenance program is to provide ongoing maintenance of downtown Evanston, Illinois. Holiday Decorations – The main purpose of the holiday decorations is to provide holiday decoration, including a holiday tree in downtown Evanston, Illinois.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting – The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation – The Organization follows generally accepted accounting principles specific to not-for-profit accounting. The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

**Net Assets Without Donor Restrictions** – Net assets available for use in general operations and not subject to donor restrictions.

**Net Assets With Donor Restrictions** – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when a restriction expires, that is when the stipulated purpose for which the resources was restricted has been fulfilled or both.

**EVMARK**  
**d/b/a – Downtown Evanston**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Use of estimates – The preparation of financial statements require management to make estimates and assumptions that affect certain reported amounts of revenue and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. The Organization's management believes that the estimates and assumptions are reasonable; however, actual results could differ from those estimates.

Fair Value Disclosures – The fair value of financial instruments including cash, receivables, other receivables, prepaid expenses, accounts payable and accrued liabilities approximate the carrying values, principally because of the short maturity of those items.

Cash and Cash Equivalents – The Organization considers cash in checking and bank money market accounts purchased with an original maturity of three months or less to be cash equivalents.

Contributions Receivable – Contributions receivable are unconditional promises to give cash and are reported at fair value on the date the commitment is made. All contributions receivables are due within one year.

Contributions and Support – Contributions and support are received and recorded as increases in net assets without donor restrictions or net asset with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Accounts receivable – Accounts receivable are primarily unsecured amounts due from vendors or merchants on cost reimbursement. Management believes that all outstanding accounts receivable are collectible in full, therefore no allowance for uncollectable accounts provided.

**EVMARK**  
**d/b/a – Downtown Evanston**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Property and Equipment – Purchased property and equipment is recorded at historical cost. Donated property and equipment are recorded at its fair value as of the date of the donation. The Organization capitalizes property and equipment additions over \$500 having a useful life of more than one year. Depreciation is computed using the straight-line method for all property and equipment. The estimated useful lives used in computing depreciation are as follows:

Leasehold improvements	39 Years
Equipment	7 Years
Computer software and hardware	3-5 Years

Maintenance and repairs which neither materially add to the value of the fixed assets nor appreciably prolong their lives are charged as expenses.

Support from the City of Evanston – The Organization's program activities are mostly funded by the City of Evanston through Special Service District No. 9 annual tax levy. Program service fee revenues are recognized when billed and are reported as increases in temporarily restricted net assets.

Expense Allocation – Expenses are charged to programs and supporting services on the basis of direct allocation of expenses incurred.

Marketing and Advertising – One of the Organization's primary program services is to market downtown Evanston, Illinois area. The Organization's expenses all such costs as incurred. As of December 31, 2020, the Organization incurred \$80,188, in marketing and advertising expenses.

Income Taxes – The Organization has been classified by the Internal Revenue Service as an organization exempt from income taxes (not a private foundation) under Internal Revenue Code Section 501(c)(6) and, accordingly, no provision for such taxes is made in the statements. The Organization continues to operate in compliance with its tax-exempt purpose. Management does not believe its financial statements include uncertain tax positions. The Organization files a U.S. federal informational tax return. The federal tax returns of the Organization for tax years 2017, 2018, and 2019 can be subject to examinations by tax authorities, generally for three years after they were filed. At December 31, 2020, there was no interest or penalties relating to income taxes recognized in the statement of activities.

**EVMARK**  
**d/b/a – Downtown Evanston**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Subsequent Events – Management has evaluated subsequent events through November 15, 2021, the date the financial statements were available to be issued.

Recently Issued Accounting Pronouncements

Adoption of New Accounting Standards

In 2019, the Organization adopted Financial Accounting Standards Board's (FASB) ASC Topic 606, *Revenues from Contracts with Customers*, which requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. There was no material impact on the Organization's financial position and results of operations upon adoption on the new standard.

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU clarifies the accounting guidance for contributions received and made, including guidance to help an entity evaluate whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determine whether a contribution is conditional. As required by ASU 2018-08, the Organization applied the requirements on a modified prospective basis to agreements that either were not completed as of January 1, 2019 or entered into after January 1, 2019. There was not a material impact on the Organization's financial statements upon the adoption of ASU 2018-08.

NOTE 3 – ACCOUNTS AND OTHER RECEIVABLE

The balances in accounts receivable consist mainly of amounts due from sponsorships. Other receivable as of December 31, 2020 consist of amounts due from IRS in payroll taxes refunds collected in 2020.

For the year ended December 31, 2020, there was no allowance recorded as the Organization believes all receivable balances are collectible.

**EVMARK**  
**d/b/a – Downtown Evanston**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2020**

**NOTE 4 – LEASE COMMITMENTS**

The Organization entered into a membership agreement, for office space and services, in September 2018 for twelve monthly payments of \$1,190 and a security deposit of \$1,755. This membership agreement was renewed automatically month to month until written notice given by either party. The Organization also rents storage space for \$200 per month. Total Rent expense for the year ended December 31, 2020 was \$16,705.

**NOTE 5 – CONCENTRATIONS OF RISK**

In October 2007, the Organization and the City of Evanston entered into a multi-year service agreement to plan, implement and manage Special Service Area No 9 which comprises the central business district of the City of Evanston. A significant portion, approximately 85-90 percent annually, of the Organization's annual funding comes as a result of this agreement with the City of Evanston. During 2019, Special Service Area No 9 was reestablished and its successor was Special Service Area No 4.

**NOTE 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations.

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Cash and cash equivalents	\$ 442,126
Accounts receivable, net	
collected less than one year	<u>12,750</u>
Total financial assets	\$ 454,876

Financial assets available to meet cash  
needs for expenditures within one year:

\$ 454,876

**EVMARK**  
**d/b/a – Downtown Evanston**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2020**

**NOTE 7 – LOAN OBLIGATIONS**

The Organization has a \$296,333 line of credit with a bank which expired on March 26, 2021. At December 31, 2020, there was \$240,000, borrowed against this line. Interest is payable at the rate of the bank's index plus 1% and is secured by the Organization's assets. The line of credit agreement was renewed through March 26, 2022.

**NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS**

At December 31, 2020, net assets with donor restrictions were \$0.

**NOTE 9 – UNCERTAINTIES**

In March 2020, the World Health Organization declared the spread of the Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its 2020 operations and financial results, including potential cancellations of future events and conferences. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 outbreak continues to evolve as of the date the Organization's financial statements were issued. Given the uncertainty related to the pandemic, the Organization is not able to estimate the effects of the COVID-19 outbreak on its operations, financial condition and liquidity for the year ended December 31, 2021.