

Cheryl Rohlf & Associates, Ltd.

Certified Public Accountants

EVMARK
d/b/a Downtown Evanston

FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024

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Cheryl Rohlfs & Associates, Ltd.

Certified Public Accountants

Independent Auditor's Report

March 16, 2026

The Board of Directors of
Evmark d/b/a Downtown Evanston

Opinion

We have audited the accompanying financial statements of Evmark d/b/a Downtown Evanston (an Illinois nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position as of December 31, 2025 and 2024 and the changes in its net assets and its cash flows of Evmark d/b/a Downtown Evanston for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Evmark d/b/a Downtown Evanston and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Evmark d/b/a Downtown Evanston's ability to continue as a going concern within one year after the date that financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Evmark d/b/a Downtown Evanston's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Evmark d/b/a Downtown Evanston's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Cheryl Rohlf's & Associates, Ltd.

CHERYL ROHLF'S & ASSOCIATES, LTD.

Northbrook, Illinois

**EVMARK d/b/a DOWNTOWN EVANSTON
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 183,793	\$ 476,155
Accounts Receivable	396,141	174
Prepaid Expenses	<u>7,594</u>	<u>17,935</u>
Total Current Assets	\$ 587,528	\$ 494,264
Security Deposit	<u>25</u>	<u>25</u>
Total Assets	<u>\$ 587,553</u>	<u>\$ 494,289</u>
LIABILITIES		
Liabilities:		
Accounts Payable	\$ 3,724	\$ 13,590
Accrued Expenses	<u>5,663</u>	<u>5,540</u>
Total Liabilities	<u>9,387</u>	<u>19,130</u>
Net Assets:		
Net Assets Without Donor Restrictions	538,166	475,159
Net Assets With Donor Restrictions	<u>40,000</u>	<u>-</u>
Total Net Assets	<u>578,166</u>	<u>475,159</u>
Total Liabilities and Net Assets	<u>\$ 587,553</u>	<u>\$ 494,289</u>

See accompanying notes and independent auditor's report.

**EVMARK d/b/a DOWNTOWN EVANSTON
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	Without Donor Restrictions	With Donor Restrictions	2025 Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contribution from Northwestern University	\$ 234,000	\$ -	\$ 234,000
Support from City of Evanston:			
Tax Levy, SSA #9	642,145	-	642,145
Sponsorships and Marketing Income	42,200	40,000	82,200
Event Income	9,013	-	9,013
Interest Income	9,436	-	9,436
Miscellaneous Income	202	-	202
Total Revenues, Gains and Other Support	\$ 936,996	\$ 40,000	\$ 976,996
 EXPENSES			
Program Services	\$ 733,685	\$ -	\$ 733,685
Supporting Services:			
Management and General	140,304	-	140,304
Total Expenses	\$ 873,989	\$ -	\$ 873,989
 CHANGE IN NET ASSETS	 \$ 63,007	 \$ 40,000	 \$ 103,007
 NET ASSETS AT BEGINNING OF YEAR	 \$ 475,159	 \$ -	 \$ 475,159
 NET ASSETS AT END OF YEAR	 \$ 538,166	 \$ 40,000	 \$ 578,166

See accompanying notes and independent auditor's report.

EVMARK d/b/a DOWNTOWN EVANSTON
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (CONTINUED)

	Without Donor Restrictions	With Donor Restrictions	2024 Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contribution from Northwestern University	\$ 18,000	\$ -	\$ 18,000
Support from City of Evanston:			
Tax Levy, SSA #9	-	618,341	618,341
Sponsorships and Marketing Income	75,750	-	75,750
Landscaping Reimbursement from City of Evanston	53,000	-	53,000
Event Income	6,928	-	6,928
Interest Income	13,571	-	13,571
Miscellaneous Income	1,180	-	1,180
Net Assets Released From Restrictions	618,341	(618,341)	-
Total Revenues, Gains and Other Support	<u>\$ 786,770</u>	<u>\$ -</u>	<u>\$ 786,770</u>
EXPENSES			
Program Services	\$ 558,297	\$ -	\$ 558,297
Supporting Services:			
Management and General	142,701	-	142,701
Total Expenses	<u>\$ 700,998</u>	<u>\$ -</u>	<u>\$ 700,998</u>
CHANGE IN NET ASSETS	\$ 85,772	\$ -	\$ 85,772
NET ASSETS AT BEGINNING OF YEAR	<u>\$ 389,387</u>	<u>\$ -</u>	<u>\$ 389,387</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 475,159</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 475,159</u></u>

See accompanying notes and independent auditor's report.

**EVMARK d/b/a DOWNTOWN EVANSTON
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	Program Services	Management & General	2025 Total
Salaries	\$ 105,028	\$ 94,508	\$ 199,536
Payroll Taxes	7,362	6,723	14,085
Employee Benefits	18,455	16,852	35,307
	<u>130,845</u>	<u>118,083</u>	<u>248,928</u>
Advertising and Marketing:			
Digital Social Media	26,361	-	26,361
Graphic Design, Posters, Maps and Banners	19,041	-	19,041
Public Way Holiday and Public Art	96,724	-	96,724
Public Way Landscaping and Maintenance	293,790	-	293,790
Tenant Retention and Attraction	3,784	-	3,784
Special Events	90,663	-	90,663
Community Engagement	4,938	-	4,938
Professional Fees and Contract Services	48,319	8,568	56,887
Occupancy	19,220	-	19,220
Office Supplies and Expenses	-	82	82
Professional Development	-	2,010	2,010
Computer Software and Hardware	-	2,740	2,740
Dues and Subscriptions	-	1,715	1,715
Insurance	-	2,692	2,692
Telephone	-	709	709
Meeting Expenses	-	395	395
Transportation and Parking	-	1,259	1,259
Miscellaneous Expense	-	2,051	2,051
	<u>-</u>	<u>2,051</u>	<u>2,051</u>
TOTAL EXPENSES	<u>\$ 733,685</u>	<u>\$ 140,304</u>	<u>\$ 873,989</u>

See accompanying notes and independent auditor's report.

EVMARK d/b/a DOWNTOWN EVANSTON
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (CONTINUED)

	Program Services	Management & General	2024 Total
Salaries	\$ 98,216	\$ 92,859	\$ 191,075
Payroll Taxes	7,061	6,980	14,041
Employee Benefits	18,789	18,052	36,841
	<u>124,066</u>	<u>117,891</u>	<u>241,957</u>
Advertising and Marketing:			
Digital Social Media	31,190	-	31,190
Graphic Design, Posters, Maps and Banners	20,100	-	20,100
Public Way Holiday and Public Art	90,505	-	90,505
Public Way Landscaping and Maintenance	156,825	-	156,825
Tenant Retention and Attraction	4,500	-	4,500
Special Events	90,528	-	90,528
Community Engagement	4,813	-	4,813
Professional Fees and Contract Services	17,050	8,686	25,736
Occupancy	18,720	-	18,720
Office Supplies and Expenses	-	782	782
Professional Development	-	1,863	1,863
Computer Software and Hardware	-	2,924	2,924
Dues and Subscriptions	-	1,672	1,672
Insurance	-	1,926	1,926
Telephone	-	710	710
Meeting Expenses	-	632	632
Transportation and Parking	-	1,098	1,098
Interest Expense	-	1,241	1,241
Miscellaneous Expense	-	3,276	3,276
	<u>-</u>	<u>3,276</u>	<u>3,276</u>
TOTAL EXPENSES	<u>\$ 558,297</u>	<u>\$ 142,701</u>	<u>\$ 700,998</u>

See accompanying notes and independent auditor's report.

**EVMARK d/b/a DOWNTOWN EVANSTON
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in Net Assets	\$ 103,007	\$ 85,772
Adjustment to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(395,967)	343,369
Prepaid Expenses	10,341	(14,637)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(9,866)	6,822
Accrued Expenses	123	1,712
Deferred Revenues	<u>-</u>	<u>(11,500)</u>
 NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	 <u>\$ (292,362)</u>	 <u>\$ 411,538</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:	 <u>\$ -</u>	 <u>\$ -</u>
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on Line of Credit Note Payable	<u>\$ -</u>	<u>\$ (119,498)</u>
 NET CASH USED IN FINANCING ACTIVITIES	 <u>\$ -</u>	 <u>\$ (119,498)</u>
 NET INCREASE (DECREASE) IN CASH	 <u>\$ (292,362)</u>	 <u>\$ 292,040</u>
 CASH AND CASH EQUIVALENTS, at Beginning of Year	 <u>476,155</u>	 <u>184,115</u>
 CASH AND CASH EQUIVALENTS, at End of Year	 <u><u>\$ 183,793</u></u>	 <u><u>\$ 476,155</u></u>
 Supplementary Information:		
Cash Paid for Interest	<u><u>\$ -</u></u>	<u><u>\$ 1,241</u></u>

See accompanying notes and independent auditor's report.

**EVMARK d/b/a DOWNTOWN EVANSTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

1. DESCRIPTION OF THE ORGANIZATION

Evmark d/b/a Downtown Evanston (Organization) is a 501c(6) not-for-profit organization in Evanston, Illinois. The Organization receives and manages the Special Service Areas (SSA) #9 funds, primarily through tax levies through the City of Evanston. The Organization also received funding from Northwestern University as part of the Ryan Field community benefit agreement.

Evmark d/b/a Downtown Evanston provides marketing, special event, placemaking, and general management services for the downtown Evanston business district. The mission of the organization is to market, maintain, develop, and improve the vitality of the local economy and quality of life within the designated Special Service Area (SSA) boundaries. Established in 1987, Downtown Evanston is governed by a Board of Directors and works in partnership with local property owners, business operators, residents and visitors, the City of Evanston, and many other organizations and community stakeholders.

- Maintaining the public space within the district, including daily trash removal, routine landscaping, and seasonal plantings in the large planters throughout downtown.
- Special programming and annual events, including the Downtown Summer Sounds concert series, Thursday Night Markets, Evanston Cars & Coffee, S'mores on the Square, Holiday Light Celebration, and more.
- Marketing and promotion, including paid regional advertising, biweekly e-newsletters, and targeted social media campaigns.
- Placemaking initiatives, including holiday street lighting, activities at Fountain Square, a district-wide banner program, and public art throughout downtown.
- Supporting the City of Evanston's economic development team with business attraction and retention efforts, as well as general advocacy on behalf of the downtown business community.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Evmark d/b/a Downtown Evanston have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets with donor restrictions are 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. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

The Organization's unspent contributions are reported in net assets with donor restrictions if the donor limited their use, as are promised contributions that are not yet due. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

The Organization uses historical loss information based on the aging of receivables as the basis to determine expected credit losses for receivables and believes that the compositions of receivables at year-end is consistent with historical conditions as credit terms and practices and the client base has not changed significantly.

Revenue and Revenue Recognition

The Organization recognizes revenue as it satisfies a performance obligation by transferring control over a product or a service to a customer. Revenue is measured at the transaction price, which is based on the amount of consideration that the Organization expects to receive in exchange for transferring the promised good or service to the customer. Revenues received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Expense Allocations

The costs of providing program and supporting services have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, costs have been allocated between the program services and the supporting services in a direct functional method, when applicable, and on the basis of proportional use of the service provided.

Donated Services and Space

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers provided program, administrative and fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Income Taxes

The Organization is not-for-profit organization that is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

The Organization files a U.S. federal information return. The federal and state informational tax returns for the fiscal years 2023, 2024 and 2025 can be subject to examinations by tax authorities, generally for three years from the date of filing.

3. RECENT CHANGES IN ACCOUNTING PRINCIPLES

The Financial Accounting Standards Board (FASB) issued its much anticipated lease accounting standard in ASU 2016-02, *Leases*, (ASC Topic 842) for both lessees and lessors. Under this standard, a lessee will recognize right-of-use asset and related lease liabilities on the statement of financial position for all arrangements with terms longer than 12 months. The goal of the new standard is to streamline the accounting for leases under U.S. generally accepted accounting principles, reduce off-balance-sheet activities, and enhance transparency into liabilities resulting from leasing arrangements.

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The Update increases transparency around contributed nonfinancial assets (also known as "gifts-in-kind") received by not-for-profit organizations, including transparency on how those assets are used and how they are valued.

The FASB issued guidance (FASB ASC 326) which significantly changes how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the organization that are subject to the guidance in FASB ASC 326 were accounts receivable.

4. CONCENTRATION OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

Bank accounts at financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2025 and 2024, the Organization's cash balances did not exceed the insured limits.

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 4 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 4 was reestablished, and its successor was Special Service Area No 9.

6. LEASE COMMITMENTS

The Organization entered into a membership agreement for office space and services which was renewed to December 2024 and again to December 2025 at the same rate of \$1,360 per month. The membership agreement for the office space and services was extended for \$1,600 per month for the year 2026. Cancellation of service must be made in writing.

The Organization also rented storage space for \$200 per month. Storage space rental agreement was renewed automatically month to month until written notice given by either party. In September 2025, the Organization entered into a one-year storage agreement from October 1, 2025 to September 30, 2026 for a monthly fee of \$300. The space shall be used for the purpose of storing equipment, inventory or other items used in the Organization's business. Total rent expenses for the years ended December 31, 2025 and 2024 was \$19,220 and \$18,720, respectively.

7. LINE OF CREDIT NOTE PAYABLE

The Organization had a \$296,333 line of credit with a bank which was renewed from December 26, 2024 to December 26, 2025. Interest was payable at the rate of the bank's index plus 1% and was secured by the Organization's assets. The line of credit has not been renewed since December 26, 2025.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with Donor Restrictions consisted of \$40,000 at December 31, 2025, available to be used over the remaining four years of a grant. Under the terms of the grant, the Organization will receive \$10,000 in each of the remaining four years for the sponsoring of the Downtown Summer Sounds annual outdoor concert services.

9. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following are the Organization's financial assets as of the date of the statement of financial position reduced by amounts not available for general use within one year:

	<u>2025</u>	<u>2024</u>
Financial Assets at December 31:		
Cash and Cash Equivalents	\$ 183,793	\$ 476,155
Accounts Receivable	<u>396,141</u>	<u>174</u>
Total Financial Assets	<u>579,934</u>	<u>476,329</u>
Less: amount not available to be used within one year:		
Net Assets with donor restrictions	<u>(40,000)</u>	<u>-</u>
Financial Assets available to meet general expenditures over the next twelve months	<u>\$ 539,934</u>	<u>\$ 476,329</u>

The Organization regularly monitors the availability of resources required to meet its operating needs and commitments. In addition to the financial assets available to meet general expenditures over the next twelve months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover the general expenditures of the programs and related administration costs. The Organization maintains sufficient financial assets to provide reasonable assurance that all commitments will continue to be met, ensuring the sustainability of the Organization.

10. EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 16, 2026, the date on which the financial statements were available to be issued.