

WESTSIDE HEALTH AUTHORITY

SPECIAL SERVICE AREA # 72

**(a taxing district authorized by the City of
Chicago)**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019 and 2018

Prepared by
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**WESTSIDE HEALTH AUTHORITY
SPECIAL SERVICE AREA # 72
(taxing district authorized by the City of Chicago)**

FOR THE YEARS ENDED DECEMBER 31, 2019 & 2018

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WILLIAM C. GOODALL
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Westside Health Authority
Of Special Service Area #72

We have audited the accompanying financial statements of Westside Health Authority (A Contractor for) Special Service Area #72, (a taxing district authorized by the City of Chicago) (a nonprofit organization), which comprise the statement of Net Position and Governmental Funds Balance Sheet as of December 31, 2019, and 2018, and the related Statements of Activities and Governmental Funds, Revenue, Expenditures and Changes in Fund Balance for the years 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 from 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.

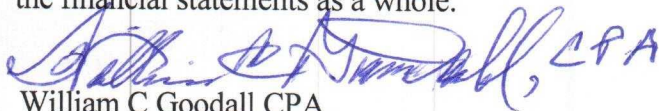
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Special Service Area # 72 as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Statement of Revenue and Expenditures (Budget & Actual) on page 10 are presented for purposes of additional analysis are required by the City of Chicago Special Service Area Commission 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 material respects in relation to the financial statements as a whole.



William C Goodall CPA
800 East 78th Street
Chicago, Illinois 60619
September 23, 2020



WILLIAM C. GOODALL
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Chicago, Illinois 60619

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING
STANDARDS**

To the Board of Directors
Westside Health Authority
Special Service Area # 72

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Westside Health Authority (A Contractor for) Special Service Area # 72 (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and 2018 and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated September 23, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Westside Health Authority's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness Special Service Area's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less

severe than a material weakness, yet important enough to merit attention by those charged with governance.

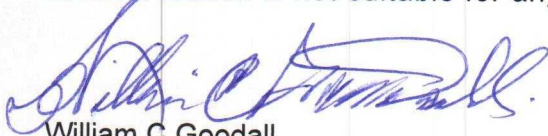
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Special Service Area # 72 financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



William C Goodall
800 East 78th Street
Chicago, Illinois
September 23, 2020.

**Special Service Area # 72
Statement of Net Position and
Governmental Fund Balance Sheets
December 31, 2019 and 2018**

	2019			2018		
	Governmental Funds	Adjustments	Statement of Net Position	Governmental Funds	Adjustments	Statement of Net Position
ASSETS						
Cash and cash equivalents	19,220	-	19,220	30,081	-	30,081
Property Tax Receivable, net of allowance for uncollectable taxes of \$18,250	143,894	-	143,894	136,753	-	136,753
Total Assets	\$ 163,114	-	\$ 163,114	166,834	-	\$ 166,834
LIABILITIES						
Accounts payable and accrued expenses	-	-	-	33,918	-	33,918
Total Liabilities	\$ -	\$ -	\$ -	\$ 33,918	-	\$ 33,918
DEFERRED INFLOWS						
Deferred property tax revenue	105,616	(105,616)	-	110,458	(110,458)	-
FUND BALANCES/NET POSITION						
Unassigned	57,498	(57,498)	-	22,458	(22,458)	-
Total Fund Balance	57,498	(163,114)	-	22,458	(132,916)	-
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 163,114</u>	-	-	-	-	-
Net Position						
Restricted	-	<u>\$ 163,114</u>	<u>\$ 163,114</u>	<u>\$ 132,916</u>	-	<u>\$ 132,916</u>
Amounts reported for governmental activities in the statement of net position are difference because:						
Total fund balance - governmental funds	-	-	<u>\$ 57,498</u>	-	-	<u>\$ 22,458</u>
Property tax revenue is recognized in the period for which levied rather than when available. A portion of the taxes is deferred as it is not available in the governmental funds.	-	-	<u>\$ 105,616</u>	-	-	<u>\$ 110,458</u>
Total net position - governmental activities	-	-	<u>\$ 163,114</u>	-	-	<u>\$ 132,916</u>

The accompanying notes are an integral part of these financial statements.

Special Service Area # 72
Statement of Activities and
Governmental Funds, Revenues, Expenditures and
Change in Fund Balance
December 31, 2019 and 2018

	2019			2018		
	Governmental Funds	Adjustments	Statement of Activities	Governmental Funds	Adjustments	Statement of Activities
Revenues						
Tax Collection from the City of Chicago	98,529	2,743	101,272	107,257	-	107,257
Interest Income	34	-	34	16	-	16
Total Revenues	<u>\$ 98,563</u>	<u>2,743</u>	<u>\$ 101,306</u>	<u>107,273</u>	<u>-</u>	<u>107,273</u>
Expenses						
Customer Attraction	17,751	-	17,751	33,326	-	33,326
Economic/Business Development	1,667	-	1,667	6,250	-	6,250
Public Way Aesthetics	16,748	-	16,748	35,937	-	35,937
Safety Programs	-	-	-	1,350	-	1,350
SS Management	9,100	-	9,100	7,000	-	7,000
SSA Non-Service (Office) Personnel	21,000	-	21,000	24,000	-	24,000
Loss collection	-	-	-	-	-	-
Total Expenses	<u>66,266</u>	<u>-</u>	<u>66,266</u>	<u>107,863</u>	<u>-</u>	<u>107,863</u>
Excess of (Expenses) Over Revenues	<u>32,297</u>	<u>-</u>	<u>35,040</u>	<u>(590)</u>	<u>-</u>	<u>(590)</u>
Change in Fund Balance/Net Position						
Fund Balance/Net Position, Beginning of Year	<u>22,458</u>	<u>-</u>	<u>22,458</u>	<u>23,048</u>	<u>-</u>	<u>23,048</u>
Fund Balance/Net Position, End of Year	<u>54,755</u>	<u>-</u>	<u>57,498</u>	<u>22,458</u>	<u>-</u>	<u>22,458</u>

Amounts reported for governmental activities in the statement of activities are the same

The accompanying notes are an integral part of these financial statements.

WESTSIDE HEALTH AUTHORITY
SPECIAL SERVICE ARES # 72
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

Note 1—Summary of Significant Accounting Policies

(a) Nature of Reporting Entity

Special Service Area # 72 is a taxing district authorized by the City of Chicago located in Chicago, Illinois. Its scope of services is to fund various activities to improve and enhance the Austin commercial district. The SSA is funded by property taxes levied on properties within the SSA boundaries, which are collected by the Cook County Treasurer, and then distributed by the City of Chicago to the SSA.

Special Service Area #72 is governed by a Commission whose members are appointed by the Mayor of Chicago. The City of Chicago contracted with Westside Health Authority to perform administrative duties as the service provider for this SSA during the reporting period. Westside Health Authority is an Illinois not-for-profit corporation that is exempt from federal income taxes under Section 501c (3) of the Internal Revenue Code.

(b) Government-Wide and Fund Financial Statements

The financial statements of the SSA have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units, hereinafter referred to as GAAP (generally accepted accounting principles). The accepted standard-setting body for established government accounting and financial reporting principles is GASB (the Governmental Accounting Standards Board).

The SSA accounts for its activities in one fund, its general fund.

(c) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied.

The government fund financial statements are prepared on the modified accrual basis of accounting with only current assets and liabilities included on the balance sheet. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, I.e., both measurable and available to finance expenditures of the current period. Available means collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are susceptible to accrual and recognized as receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end. Expenditures are recorded when the liability is incurred.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reporting amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

WESTSIDE HEALTH AUTHORITY
SPECIAL SERVICE ARES # 72
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

(d) Assets, Liabilities, and Net Position

Cash, cash equivalents and investments

The SSA's cash and cash equivalents are considered to be cash on hand, demand deposits, and short term investments with original maturities of three months or less from the date of acquisitions.

Receivables

All property tax receivables are shown net of allowances. As of December 31, 2019, the allowance is estimated to be 14% of the outstanding property taxes.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Fund Equity/Net Position

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned. Non spendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by enabling legislation or an outside party. Committed fund balance is a limitation imposed by the SSA board through approval of the resolutions. Assigned fund balance is a limitation imposed by a designee of the SSA board. Unassigned fund balance is the net resources in excess of what can be properly classified in one of the four categories.

When both restricted and unrestricted fund balances are available for use, it is the SSA's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balance is reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for the purpose for which amounts in any of those unrestricted fund balance classifications can be used.

For the government-wide financial statements, net position is reported as invested in capital assets net of related debt, restricted or unrestricted. Invested in capital assets, net of related debt, if applicable, is comprised of the net capital asset balance less and related debt. Restricted net position is when restrictions are placed on net assets from 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. The remaining net position is classified as unrestricted.

Note 2—Cash, Cash Equivalents and Investments

Cash and certificates of deposit are subject to custodial credit risk in the event of a bank failure, the SSA's deposits may not be returned. The SSA's policy in order to protect their deposits requires depository institutions to maintain collateral pledges on SSA deposits whenever the deposits exceed the insured limits of the FDIC. As of December 31, 2019, the Special Service Area #72 did not exceed the insured limits of the FDIC and there were no investments accounts.

WESTSIDE HEALTH AUTHORITY
SPECIAL SERVICE ARES # 72
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

Note 3—Property Taxes

Property taxes become an enforceable lien on real property on January 1" of the year it is levied. Taxes are payable in two installments in the subsequent year. The first installment is an estimate based on the proper year billed levy (55%) and is due in March. The second installment is due on August 1, or 30 days from the mailing of the tax bills if issued later than July 1. The second installment is based on the remaining amount of the levy on file with the County. Bills are issued and collected by Cook County who remits the SSA's share to the City who then remits the monies to the SSA.

Note 4—Subsequent Events

The organization has evaluated subsequent events through September 23, 2020, the date the financial statements were available for issuance and has determined that there were no subsequent events to be recognized in these financial statements. However, due to COVID-19 pandemic, the real estate tax base has been materially impacted by the loss of jobs and the reduction of commerce which may affect the collection of real estate taxes.

SUPPLEMENTARY INFORMATION AND REPORTS

Special Service Area #72
Statement of Revenues and Expenditures
Budget and Actual
Years Ended December 31, 2019 and 2018

	2019			2018		
	Budget	Actual	Variance Over/(Under)	Budget	Actual	Variance Over/(Under)
Revenues						
Property Taxes	167,811	101,272	(66,539)	129,950	107,257	(22,693)
Interest	-	34	34	-	16	16
Total Revenues	<u>\$ 167,811</u>	<u>\$ 101,306</u>	<u>\$ (66,505)</u>	<u>129,950</u>	<u>107,273</u>	<u>(22,677)</u>
Customer Attraction						
Website	1,800	227	1,573	1,000	1,028	(28)
Special Events	16,000	16,967	(967)	9,500	10,562	(1,062)
Social Media Outreach	13,500	433	13,067	8,700	3,069	5,631
Decorative Banners	-	-	-	3,000	17,206	(14,206)
Holiday Decorations	11,589	-	11,589	1,000	2,900	(1,900)
Print Materials	5,000	124	4,876	500	-	500
Permits	800	-	800	-	-	-
Total Customer Attraction	<u>48,689</u>	<u>17,751</u>	<u>30,938</u>	<u>23,700</u>	<u>34,765</u>	<u>(11,065)</u>
Economic/Business Development						
Site (materials services)	14,922	1,667	13,255	5,000	2,000	3,000
SSA Designation	-	-	-	8,500	16,500	(8,000)
Affiate membership for AV 72 businesses	6,000	-	6,000	4,000	-	4,000
Total SSA Designation	<u>20,922</u>	<u>1,667</u>	<u>19,255</u>	<u>17,500</u>	<u>18,500</u>	<u>(1,000)</u>
Public Way Aesthetics						
Landscaping	21,500	12,420	9,080	18,000	16,163	1,837
Façade Enhancement	3,000	-	3,000	3,000	-	3,000
Maintenance - On Staff Person	-	-	-	3,800	800	3,000
Public Art	32,250	\$ 4,328	27,922	11,000	3,100	7,900
City Permits	3,000	-	3,000	300	-	300
Total Public Way Aesthetics	<u>59,750</u>	<u>16,748</u>	<u>43,002</u>	<u>36,100</u>	<u>20,063</u>	<u>16,037</u>
Safety Program						
Beautification	7,000	-	7,000	3,000	7,714	(4,714)
Lighting	-	-	-	-	-	-
Total Safety Program	<u>7,000</u>	<u>-</u>	<u>7,000</u>	<u>3,000</u>	<u>7,714</u>	<u>(4,714)</u>
SSA Management						
SSA Annual Report	-	-	-	1,000	-	1,000
Mandated SSA Audit	5,000	5,000	-	5,000	5,000	-
Bookkeeping Service for the SSA	4,800	3,850	950	1,000	1,000	-
Membership	-	250	(250)	300	400	(100)
Current Fees incurred by WHA	650	-	650	100	153	(53)
Total SSA Management	<u>\$ 10,450</u>	<u>\$ 9,100</u>	<u>1,350</u>	<u>7,400</u>	<u>6,553</u>	<u>847</u>
SSA Non-Service (Office) Personnel						
Yemisi Dinkins, SSA Business & Development Dir	17,000	17,000	-	12,000	12,000	-
Rosie Dawson, SSA Contract Manager	4,000	4,000	-	12,000	12,000	-
Percy Giles, SSA Community Liaison	-	-	-	-	-	-
Total Non-Service (Office) Personnel	<u>\$ 21,000</u>	<u>21,000</u>	<u>-</u>	<u>24,000</u>	<u>24,000</u>	<u>-</u>
Loss Collection						
Loss Collection (Unpaid Taxes)	-	-	-	18,250	-	18,250
Total Expenses	<u>\$ 167,811</u>	<u>66,266</u>	<u>- 101,545</u>	<u>129,950</u>	<u>111,595</u>	<u>18,355</u>
Excess of (Expenses) over Revenues	\$ -	\$ 35,040	\$ 35,040	\$ -	\$ (4,322)	\$ (4,322)
Carryover	\$ -	-	-	-	-	-
Net revenues in excess of expenditures	<u>\$ -</u>	<u>\$ 35,040</u>	<u>\$ 35,040</u>	<u>\$ -</u>	<u>\$ (4,322)</u>	<u>\$ (4,322)</u>

The accompanying notes are an integral part of these financial statements.



WILLIAM C. GOODALL

CERTIFIED PUBLIC ACCOUNTANT

806 East 78th Street Suite 200
Chicago, Illinois 60619

**INDEPENDENT AUDITOR'S REPORT
ON ADDITIONAL INFORMATION**

To the Board of Directors of
Westside Health Authority
Special Service Area #72

We have audited the financial statements of Westside Health Authority (A Contractor for) Special Service Area #72 as of and for the years ended December 31, 2019 and have issued our report thereon dated September 23, 2020 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming *an* opinion on the financial statements as a whole. The statement of Revenue and Expenditures (Budget and Actual) on pages 10 is presented for the 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 slated in all material respects in relation to the financial statements as a whole.

A handwritten signature in blue ink that reads "William C. Goodall, CPA".

William C Goodall CPA
800 East 78th Street
Chicago, Illinois

**WESTSIDE HEALTH AUTHORITY
SPECIAL SERVICE ARES # 72
SCHEDULE OF SUMMARY OF FINDING
DECEMBER 31, 2019**

Finding # 1

Financial Statements were not presented on a timely basis resulting in Audit being late.

Management Response

We will have completed financial statements within 30 days after calendar year to present to the auditor given them ample time to complete the Audit.

Status of Finding # 1

Because of COVID-19, the auditors and the organization were unable to come to their respective offices to complete the Audit until September 23, 2020.

As part of our audit and request by the Special Service Area Annual Audited Financial Statement Guidelines, we have read the requirements contained in the Agreement for Special Service Area # 72 between the City of Chicago and Westside Health Authority. In reviewing this agreement, we did not note any exceptions that require your response or corrective actions.



State of Illinois

Department of Financial and Professional Regulation
Division of Professional Regulation

LICENSE NO.
065.008987

The person, firm, or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below:

EXPIRES:
09/30/2021

LICENSED CERTIFIED PUBLIC ACCOUNTANT



WILLIAM C GOODALL
6700 S CRANDON AVE
APT 15C
CHICAGO, IL 60649



Bryan A. Schneider

BRYAN A. SCHNEIDER
SECRETARY

Jessica Baer

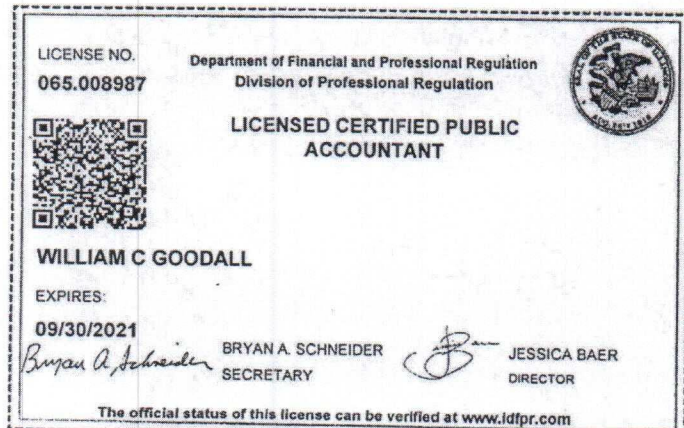
JESSICA BAER
DIRECTOR

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Department of Financial and Professional Regulation
Division of Professional Regulation



LICENSED CERTIFIED PUBLIC
ACCOUNTANT



WILLIAM C GOODALL

EXPIRES:

09/30/2021

Bryan A. Schneider

BRYAN A. SCHNEIDER
SECRETARY

Jessica Baer

JESSICA BAER
DIRECTOR

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