Memorandum

TO: Executive Director Athena Williams, Oak Park Regional Housing Center

FROM: Ahmad Zayyad, Deputy Village Manager / Interim Director of Development Customer Services

BY: Noemy Diaz, Management Analyst, Jeff Prior, Neighborhood Services Manager and Vanessa Matheny, Grants Supervisor

DATE: October 26, 2023

SUBJECT: Financial Monitoring Report of the Oak Park Regional Housing Center

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On Wednesday August 23, 2023, Village Staff members Noemy Diaz, Jeff Prior and Vanessa Matheny initiated a financial review of the Oak Park Regional Housing Center. This financial review consisted of staff review of the Housing Center's monthly financials, bank statements, payroll records, financial policies and procedures, affirmative move tracking and conducting fraud assessment interviews of current and former staff.

A reconciliation of the Housing Center's first six months in 2023 (January-June) was provided for Village staff to review. Executive Director Athena Williams informed staff that these numbers had been corrected from the previous numbers submitted to the Village on July 11, 2023 as part of the Housing Center's budget request. When Village staff inquired about the changes, Director Williams stated the Housing Center's previous CPA did not properly tracking the Housing Center's information and ran reports "without checking them and giving no explanation on the expenses." Director Williams mentioned the Housing Center recently hired a new CPA, Bhaveshri Patel, and she was reconciling its financial records and correcting mistakes.

Based on the semi-annual financials that were provided to Village Staff, the following findings have been flagged.

- **The Housing Center has two significantly outstanding balances**:
  - Approximately $75,000 for the Laramie State Bank Redevelopment Project. Director Williams informed Village staff that its vendors are aware they will not be paid their dues until project completion on 12/15/2023.
  - Approximately $32,000 due to IT consultant DLL. Director Williams informed staff the Housing Center is organizing a fundraiser to pay the outstanding balance to its consultant. DLL has pledged $100,000 to the l Housing Center to assist with finances, and have also committed $150,000 for the fundraiser event for the Housing Center.
- **HOUSING CENTER's outstanding/aging check summary lists several staff members.**
  - Housing Center Finance Manager Monica Roberts-Wilkins explained that the nine staff members listed on its report were due reimbursement money. They had not been paid due to there being insufficient funds. Monica shared that Director Williams and her

staff asked her to 'hold off a bit longer' because the Housing Center's goal is to pay vendors first rather than staff.

- In the financial reconciliation provided for January-June 2023, there is a note that states,

"*Payroll checks for the period of June 2 and primarily payroll checks for June 30, 2023 pay date were outstanding. As of current those checks have cleared except for Director Williams's payroll checks as they are being held until funds come in*."

This report was last updated by CPA Patel on September 5, 2023. Village Staff inquired about the outstanding payroll and Finance Manager Roberts-Wilkins shared that everyone had received their payroll checks early August. When Village Staff inquired about the note specifying Director Williams's payroll, Monica shared that the Housing Center had recently taken out an additional line of credit with Marquette Bank to cover Director Williams's outstanding payroll checks.

- **HOUSING CENTER's Housing Action Illinois funding grant agreement was terminated.**
  - Housing Action Illinois funded the Housing Center with $20,000 for counseling and $4,729.64 for program related support. Monica and Bev shared with Village staff that this grant was taken away from the Housing Center because of a change in their status with HUD and due to the housing center failing to report activity to Housing Action Illinois. The Housing Center must repay used funds to Housing Action Illinois in the amount of $9,925.75.

The Housing Center also provided Village staff with payroll records from January 2022 to the end of July 2023. The payroll journal reflects a total of 26 employees. Each employee journal includes the staff ID number and their position at the Housing Center. Two out of the 26 employees could not be identified. One being employee ID code 129, listed as Assistant Director. The Housing Center has two assistant directors, Mike Stewart and former employee Sarah Moloney, neither of the two have an employee ID number of 129. The second unidentified employee is Temple Williams. This name has not appeared on any documentation given, whereas other employees have.

Village Staff also received the Housing Center's master payroll distribution, where the agency specifies the funding sources for each staff member's salary. This form should reflect the same percentages given to the Village regarding salaries, but that is not the situation, as there are many discrepancies.

The first chart below shows the salary distribution of general funds for fiscal year 2023. The first six positions are 100% funded by the general funds that the Village provides.

		$ * FTE				Salary + Bonus	15% of Total Pay	Total Pay + Benefits
	Payroll	**Salary**	**% to LiOP**	**LIOP Payroll**	**Bonus**	**Total LiOP Pay**	**Benefits**	**TOTAL LiOP COMPENSATION**
1	Program Director	$ 70,000	100%	$ 70,000	$ 2,500	$ 72,500	$ 10,875	$ 83,375
2	Residential Coor	$ 45,000	100%	$ 45,000	$ 10,000	$ 55,000	$ 8,250	$ 63,250
3	Residential Coor	$ 45,000	100%	$ 45,000	$ 10,000	$ 55,000	$ 8,250	$ 63,250
4	Residential Coor	$ 45,000	100%	$ 45,000	$ 10,000	$ 55,000	$ 8,250	$ 63,250
5	Housing Specialist	$ 43,750	100%	$ 43,750	$ 2,500	$ 46,250	$ 6,938	$ 53,188
6	Community Eng Sp	$ 43,750	100%	$ 43,750	$ 2,500	$ 46,250	$ 6,938	$ 53,188
7	Administrative Asst.	$ 45,000	80%	$ 36,000	$ -	$ 36,000	$ 5,400	$ 41,400
8	Development Assoc	$ 50,000	50%	$ 25,000		$ 25,000	$ 3,750	$ 28,750
8	Finance Mgr	$ 60,000	20%	$ 12,000	$ -	$ 12,000	$ 1,800	$ 13,800
9	Executive Director	$ 125,000	10%	$ 12,500	$ -	$ 12,500	$ 1,875	$ 14,375
	TOTAL	**$ 572,500**		**$ 378,000**	**$ 37,500**	**$ 415,500**	**$ 62,325**	**$ 477,825**

This chart shows the salary distribution of Village CDBG funds for program year 2022 (October 2022-September 2023). The Residential Coordinator position in the above chart shows it is being funded by general funds at 100%. However, this chart shows that 37% of that salary is being covered by CDBG funds. The same applies for the Housing Specialist.

Administrative funds include:

POSITION	% FTE	SALARIES	% OF TIME SPENT on Admin	$
Executive Director	1 FTE	$66,000.00	16% of 60%	$10,560.00
Finance Manager	.5 FTE	$30,000.00	20%	$6,000.00
Associate Director	1 FTE	$70,000.00	25%	$17,500.00
Associate Director	1 FTE	$65,000.00	25%	$16,250.00
Residential Coordinator	1 FTE	$40,000.00	37%	$14,800.00
Housing Specialist	.5 FTE	$30,000.00	32.967%	9,890.00
			TOTAL	$75,000.00
			AWARD AMOUNT	$75,000.00

When Director Williams provided Village staff with their master distribution file, she specified that they had "written over the document in preparation for fiscal year 2024, but the distributions are the same, the only change is the addition of a new program."

Attached is the Housing Center's master payroll distribution file. This file reflects percentages and amounts that do not correspond with the information submitted for 2023.

As an example, the Rental Advisor, previously referenced as the Residential Coordinator, reflects 80% of the position's salary being covered by Village general funds and 20% CDBG. The above charts, however, reflect 100% from Village general funds and 37% of CDBG.

Since the Housing Center's master salary distribution file states 2024, Village staff analyzed the data with the 2024 salary distributions submitted to the Village. Below, the first chart reflects Village general funds, and the second chart reflects Village CDBG funds. The five positions identified by the Housing Center on the CDBG table are mentioned to be funded fully by Village general funds in the first chart. These positions also show discrepancies on the master salary distribution file.

Chart 1- Village of Oak Park General Fund FY2024 (January 2024-December 2024)

Oak Park Regional Housing Center
Preliminary 2024 Payroll – Programs with Village of Oak Park Support

	Program	Position	Full Salary	% to LIOP	LIOP Share of Salary	LIOP Share of Benefits	LIOP Compensation
1	Live in Oak Park	Associate Director	$ 71,500	100%	$ 71,500	$ 10,725	$ 82,225
2	Live in Oak Park	Lead Rental Advisor	$ 55,000	100%	$ 55,000	$ 8,250	$ 63,250
3	Live in Oak Park	Rental Advisor	$ 52,500	100%	$ 52,500	$ 7,875	$ 60,375
4	Live in Oak Park	Rental Advisor	$ 52,500	100%	$ 52,500	$ 7,875	$ 60,375
5	Live in Oak Park	Rental Advisor	$ 52,500	100%	$ 52,500	$ 7,875	$ 60,375
6	Live in Oak Park	Communications Coordinator	$ 45,000	50%	$ 22,500	$ 3,375	$ 25,875
7	Live in Oak Park	Receptionist	$ 41,500	80%	$ 33,200	$ 4,980	$ 38,180
8	Live in Oak Park	Vista - Data and Reporting	$ 9,000	100%	$ 9,000	$ 1,350	$ 10,350
9	Live in Oak Park	Vista - Community Engagement	$ 9,000	100%	$ 9,000	$ 1,350	$ 10,350
10	Live in Oak Park	Finance Manager	$ 80,000	50%	$ 40,000	$ 6,000	$ 46,000
11	Live in Oak Park	Office Manager	$ 30,000	50%	$ 15,000	$ 2,250	$ 17,250
12	Live in Oak Park	Executive Director	$ 120,000	10%	$ 12,000	$ 1,800	$ 13,800
		SUBTOTAL	**$ 618,500**		**$ 424,700**	**$ 63,705**	**$ 488,405**
	Program	**Position**	**Full Salary**	**% to POE**	**POE Share of Salary**	**POE Share of Benefits**	**POE Compensation**
13	Power of Engagement	Legislative and Public Affairs Director	$ 87,500	50%	$ 43,750	$ 6,563	$ 50,313
14	Power of Engagement	Project Manager	$ 70,000	100%	$ 70,000	$ 10,500	$ 80,500
		SUBTOTAL	**$ 157,500**		**$ 113,750**	**$ 17,063**	**$ 130,813**
		TOTAL	**$1,223,000**		**$ 770,400**	**$ 115,560**	**$ 885,960**

Chart 2- Village of Oak Park CDBG Funds PY23 (October 2023- September 2024)

Positions for Live in Oak Park Program	FTE	Hours	Salary Allocated to Live in Oak Park	CDBG Cost	CDBG % of Allocated Salaries
Lead Rental Advisor	1	2,080	$ 55,000	$ 15,000	27.27%
Rental Advisor	1	2,080	$ 52,500	$ 12,000	22.86%
Rental Advisor	1	2,080	$ 52,500	$ 12,000	22.86%
Rental Advisor	1	2,080	$ 52,500	$ 12,000	22.86%
Receptionist	0.8	2,080	$ 33,200	$ 9,000	27.11%
Associate Director	1	2,080	$ 71,500	$ -	0.00%
Communications Coordinator	0.5	2,080	$ 22,500	$ -	0.00%
Vista - Data and Reporting	1	2,080	$ 9,000	$ -	0.00%
Vista - Community Engagement	1	2,080	$ 9,000	$ -	0.00%
Office Manager	0.5	2,080	$ 15,000	$ -	0.00%
Finance Manager	0.5	2,080	$ 40,000	$ -	0.00%
Executive Director	0.1	2,080	$ 12,000	$ -	0.00%
			$ 424,700	**$ 60,000**	**14.13%**

As part of the financial monitoring, Village Staff conducted a total of 13 fraud assessment review interviews with Housing Center current and former staff members. Fraud assessment questionnaires have revealed the following:

- Housing Center staff have left the employment of the Housing Center due to missed paychecks. The absence or delay with paychecks began in October 2022. When checks were

received, they would bounce due to insufficient funds. Director Williams explained to staff that there were no funds because "staff did not complete work so funders did not pay."

- Three consecutive pay periods were missed (total of 7 weeks), beginning March 2023. Staff did not receive paychecks for that time frame until the end of July/beginning of August 2023. A line of credit was opened by the Housing Center in order to pay staff for back wages.
- Housing Center staff members answered Question number 6 of the questionnaire which provides, "Do you feel like your coworkers and superiors are generally honest?" with a "no" in response to Director Williams.

Staff reviewed Housing Center bank statements and payroll journals to ensure the information from Housing Center staff was credible. Bank statements reflect checks being written but not clearing in the months issued. They also reflect the Housing Center depositing Village funds into its account and the funds being used to either cover the deficit in the bank account or to pay vendors.

Village Staff is recommending moving forward with an external auditor to further review the financials of the Housing Center based on the findings. Village Staff does acknowledge that they are not auditors and that the review performed was a standard monitoring of the agency with regard to the use of Village funds.

For further clarification, please contact Ahmad Zayyad, Deputy Village Manager / Interim Director of Development Customer Services at 708.358.5774