



## OAK PARK RESIDENCE CORPORATION

August 13, 2018  
Cara Pavlicek  
Village Manager  
Village of Oak Park  
123 Madison Street  
Oak Park, IL 60302

Dear Ms. Pavlicek;

I am writing to request the financial assistance of the Village of Oak Park for the Housing Authority of the Village of Oak Park (OPHA) for FY 2019. This request is a continuation of the current funding that the Village has provided for FY 2018. The Village is currently providing \$35,000 to help defray the administrative costs of the Housing Authority's Housing Choice Voucher (HCV) Program.

As has been discussed in the past, HUD funding was reduced starting in 2011 to cover only a percentage of the total amount required to cover all administrative costs of the HCV Program. To date HUD has not restored full funding of the administrative costs of this program. We do not yet know what next year's Federal budget for the HCV Program will be, but we do not anticipate a return to full funding of administrative costs.

In turn, OPHA has instituted costs savings measures to reduce administrative costs as much as possible. We have reduced staff from 3 case managers to 2, with each case manager now handling 275 participants (thereby considerably exceeding industry norms of 175-200 participants per case manager). In addition, as permitted under new HUD rules, we are now conducting HQS inspections every other year which has allowed us to achieve additional savings (some of these savings, however, have been offset by additional costs in legal and training expense areas). These action, together with the assistance of this Village grant, should enable us to maintain the level of HCV-services for at-risk members of our community (as well as for property owners who rent to HCV householders and who benefit from OPHA's services).

We believe that the HCV Program and the operation of this program by OPHA is beneficial to the Village's overall housing policy. The OPHA has been operating the HCV Program and its predecessor program for more than thirty years. Our presence and role in the community helps us to remain attuned to the needs of the community and responsive to local concerns. Our presence allows us to not only administer our own allocated housing choice vouchers, but also to administer all port-in vouchers from other jurisdictions, including those coming in from the Chicago Housing Authority and Housing Authority of Cook County.

Further evidence of our responsiveness to local concerns is the participation of our HCV program staff in the Village of Oak Park's trainings for building owners and managers. This education has become even more important as a result of the change in the Fair Housing Ordinance which now includes provisions prohibiting discrimination based on source of income. Currently, there are approximately 182 individual Oak Park landlords participating in the Program.

As requested, I have attached the following documents;

- 1) 2017 Audit
- 2) Consolidated Statement –YTD as of 6/30/18
- 3) 2019 Proposed Budget (unapproved draft)
- 4) Statement of HCV Program accomplishments to date in FY 2018
- 5) Chart of existing OPHA staff with salary and benefits. (Please note that a number of staff members, including myself, split our time between OPHA and the Oak Park Residence Corporation).

We appreciate the support that the Village is providing and we look forward to continuing to work cooperatively with you to advance the best interests of the Village. Please do not hesitate to contact me if you have any questions.

Kindest regards,



David Pope  
Executive Director

Cc: Tammie Grossman

**HOUSING AUTHORITY OF THE  
VILLAGE OF OAK PARK**

**OAK PARK, ILLINOIS**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

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KOLNICKI



PETERSON



WIRTH

Board of Commissioners  
Housing Authority of the  
Village of Oak Park  
Oak Park, Illinois

## **INDEPENDENT AUDITOR'S REPORT**

### **Report on Financial Statements**

We have audited the accompanying financial statements of Housing Authority of the Village of Oak Park, which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and changes in net assets 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Housing Authority of the Village of Oak Park as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

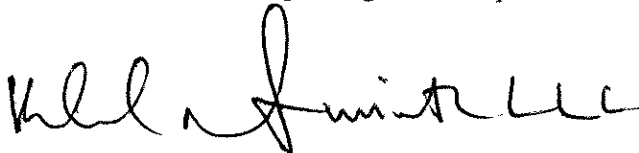
### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 28 and 45 is presented for purposes of additional analysis as required by the *Uniform Financial Reporting Standards* issued by the U. S. Department of Housing and Urban Development, Office of the Inspector General, and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for 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 stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2018, on our consideration of the Housing Authority of the Village of Oak Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority of the Village of Oak Park's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the Village of Oak Park's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read 'Kolnicki, Peterson, Wirth LLC', written in a cursive style.

KOLNICKI, PETERSON, WIRTH LLC  
Certified Public Accountant

Downers Grove, Illinois  
July 10, 2018



**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FY 2017**

Our discussion and analysis of the financial performance of The Housing Authority of the Village of Oak Park (the Authority) provides an overview of the Authority's financial activities for the fiscal year ended December 31, 2017. Both the Statement of Net Assets and the Statement of Activities report information about the Authority as a whole. These statements include all assets and liabilities using the accrual basis of accounting. Please read these statements in conjunction with the Independent Auditor's Report, which begins on page 1. Questions concerning any of the information should be addressed to the Executive Director, Housing Authority of the Village of Oak Park, 21 South Boulevard, Oak Park, Illinois 60302.

**In the Statement of Net Assets and Statement of Activities, the Housing Authority Programs are divided into two kinds of activities:**

- HUD Funded activities which include:
  - Housing Choice Voucher Program - provides decent, safe and sanitary housing for eligible low-income families.
  - Public Housing – Mills Park Tower, a 198-unit high-rise HUD-subsidized development, providing quality housing for low-income elderly individuals.
- Business Activities include the Office Building at 21 South Blvd. and a six-unit rental property located at 324 N. Austin Blvd.

**FINANCIAL HIGHLIGHTS**

- The Authority's net assets decreased by 2.9%, or \$ 262,409 from FY 2016 as a result of this year's operations.
- Overall revenues of the Authority decreased by 1.8%, while total expenses increased by 4.3% over FY 2016.
- The revenues for the Housing Choice Voucher Program decreased by 5.3%, while expenses increased by 5.5%.
- The revenues for the Public Housing Program increased by 10.9%, while expenses remained constant.
- The revenues for the Office Building and Rental Property increased 11.6%, including Grant and In-kind items, while expenses increased by 5.6%.

## **REPORTING ON THE HOUSING AUTHORITY'S PROGRAMS**

### **REVENUES**

Overall, revenues for FY 2017 for the Housing Authority decreased by 1.8%, or \$ 113,896, versus FY 2016.

Total revenues for the Housing Choice Voucher Program decreased by 5.3%, or \$ 269,112. This is due to a reduction in funding from HUD that was attributed to HUD's intent to reduce OPHA's fund balance in the HCV Program area.

The total revenues in FY 2017 for the Public Housing Program, Mills Park Tower, increased by 10.9%, or \$ 130,303, from FY 2016. The operating subsidy decreased by 2.6%, or \$ 11,830, from FY 2016, while rental income from tenants increased by 2.7%, or \$ 16,624. Energy-efficiency grants were received for a refrigerator replacement program, which contributed to the income.

The total revenues for the Office Building and Rental Property for 2017 increased by 11.6% or \$ 24,915. The Housing Authority leases 9,901 square feet of office space at 21 South Blvd. to the Oak Park Residence Corporation, resulting in rental income of \$ 129,024 for FY 2017. The remaining 4,759 feet in the building is rented by Catholic Charities, which uses this area to operate an adult day care program, resulting in rental income of \$ 43,258. Rental income of \$ 47,643 was received from the tenant at 324 N. Austin Blvd. Additional income recorded was the write-off of an aged payable that was no longer due.

### **EXPENSES**

FY 2017 overall expenses for the Housing Authority increased by 4.3%, or \$ 274,174, from FY 2016.

FY 2017 current year expenses for the Housing Choice Voucher program increased by 5.5%, or \$ 267,951, from FY 2016. Administration costs increased by 20.6 %, or \$ 91,075, and Housing Assistance Payments made to landlords for HCV participants increased 4.0%, or \$ 176,876. At year end a total of 553 vouchers were leased up.

The total expense for the Public Housing Program remained constant, only a \$ 626 increase over 2016, a negligible increase.

Total expenses for Business Activities increased by 5.6%, or \$ 5,596, from FY 2016.

### **Capital Asset Administration**

At the end of 2017, the Housing Authority had \$ 8,234,605 invested in a variety of capital assets including land, buildings, improvements and equipment. During FY 2017, \$ 171,354 of Capital Fund monies was invested in Mills Park Tower for building repairs and unit updates.

### **Debt Administration**

The Statement of Net Assets highlights the outstanding debt for the years ending 2017 and 2016. At year-ended 2017, the Housing Authority had \$ 800,122 in outstanding debt versus \$ 837,448 in 2016.

The \$ 800,122 in notes & mortgages payable at FYE 2017 consists of: \$ 611,297 mortgage balance due for the property located at 21 South Blvd., monthly payments of \$4,710, interest rate of 4.24%, subject to interest rate changes, every 5 years, based on the Treasury rate, matures on June 29, 2032; a modified first mortgage balance of \$ 138,825 for the property located at 324 N. Austin Blvd, monthly payments of \$1,020, interest rate of 4.3%, final balloon payment due June 1, 2018. Also included is a \$50,000 loan payable to the Village of Oak Park for 324 N. Austin Blvd., due on the earlier of the sale of the property or June 16, 2023, with no interest.

### **HOUSING AUTHORITY PERFORMANCE**

Overall financial performance of the Housing Authority for FY 2017 resulted in a decrease in net assets of 2.9% or \$ 262,409.

HUD evaluates the Public Housing Program, Mills Park Tower, through the Public Housing Assessment System (PHAS). This system focuses on the Physical, Financial, Management and Resident Services of the PHA. Physical operations are reviewed by HUD by periodic onsite inspections. Financial information is reported to HUD by electronic submission of the certified annual audit. The System Management Operation Certification evaluates the management performance of the Authority. Areas evaluated are: vacant unit turnaround time, capital fund programs, work orders, annual inspection of dwelling units and systems, security, and economic self- sufficiency. HUD also administers satisfaction surveys to residents.

Scores for the PHAS system are generally released in the fall of each year for the previous year. In 2016 Mills Park Tower was rated as a high performer, with an overall score of 94. HUD issues the PHAS scores every other year for Public Housing Programs which achieve a high performer rating.

HUD evaluates the performance of Housing Choice Voucher (HCV) Programs through the Section 8 Management Assessment Protocol (SEMAP). Areas evaluated include: waiting list, rent reasonableness, determination of adjusted income, utility allowances, Housing Quality Standards, controls and enforcement, expanding housing opportunities, and payment standards. In 2016 HCV was given a high rating, with an overall score of 100%.

## **NOTABLE EVENTS**

In February 2010, Oak Park Housing Authority entered into a Memorandum of Understanding with Interfaith Housing Development Corporation and Catholic Charities regarding the development of a supportive housing facility at 820 Madison Street in Oak Park, (the "Project"). In September 2012, Oak Park Housing Development Corporation, a component unit of the Authority, acquired a 49% limited membership interest in Oak Park Supportive Housing, LLC (the General Partner), with Interfaith owning the remaining 51% and acting as the managing member. The General Partner acquired a 0.01% partnership interest in Madison and Grove Limited Partnership (the Partnership), which was formed for the purpose of acquiring, rehabilitating, holding, and operating the project, a 51-unit apartment building known as The Grove. The Grove began operations in October, 2013.

Beginning in FY 2011 the Housing Authority was awarded an allocation of 15 Housing Choice Vouchers to serve persons with disabilities who are interested in utilizing the Money Follows the Person (MFP) Act and an OPHA Voucher to relocate back into the community from a nursing home or other health care institution.

Oak Park Housing Authority has joined the Regional Housing Initiative (RHI), a consortium of eight Housing Authorities formed to promote the geographic mobility options of Housing Choice Voucher holders in the Metropolitan Chicago Area. Membership allows the authority to promote affordable housing by pooling HCV's for use as "project based" vouchers in areas of economic opportunity throughout metro Chicago.

During FY 2014, HUD withheld HAP funding of \$ 382,998, and is holding the funds in reserve for OPHA rather than OPHA holding the funds themselves. During FY 2016, \$ 48,392 was reimbursed from HUD to OPHA. No funding was reimbursed in 2017.

Based on the foregoing information, the management of the Housing Authority believes that its financial position is sound and the operation of its programs continues to be in accordance with HUD requirements.

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
MANAGEMENT'S DISCUSSION AND ANALYSIS - STATEMENT OF NET ASSETS  
DECEMBER 31, 2017 AND 2016

	<u>HUD Activities</u>		<u>Business Activities</u>		<u>Eliminations</u>		<u>Total Housing Authority</u>	
	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2017</u>
Current Assets	1,401,752	759,262	776,192	847,619	-	-	2,177,944	1,606,881
Property & Equipment								
Land	853,846	853,846	100,000	100,000	-	-	953,846	953,846
Modernization Costs	7,079,917	7,242,286	-	-	-	-	7,079,917	7,242,286
Structure & Equipment	5,146,287	5,408,457	1,826,737	1,880,937	-	-	6,973,024	7,289,394
Total	13,080,050	13,504,589	1,926,737	1,980,937	-	-	15,006,787	15,485,526
Less Accumulated Deprec	(5,648,811)	(6,067,819)	(1,136,882)	(1,183,102)	-	-	(6,785,693)	(7,250,921)
Net Property & Equip	7,431,239	7,436,770	789,855	797,835	-	-	8,221,094	8,234,605
Due from HA	350,000	370,753	-	-	(350,000)	(370,753)	-	-
Other Assets	17,916	21,075	765	631	-	-	18,681	21,706
Total Assets	9,200,907	8,587,860	1,566,812	1,646,085	(350,000)	(370,753)	10,417,719	9,863,192
Current Liabilities	533,435	297,835	22,123	4,639	-	-	555,558	302,474
Long-Term Liabilities								
Due to OPHA	350,000	370,753	-	-	(350,000)	(370,753)	-	-
Due to OPRC	-	-	1,909	1,271	-	-	1,909	1,271
Capital Lease Payable	-	-	-	-	-	-	-	-
Notes & Mortg Payable	-	-	798,843	762,184	-	-	798,843	762,184
Other Liabilities	69,967	68,896	38,606	37,939	-	-	108,573	106,835
Total Long-Term Liabilities	419,966	439,649	839,358	801,394	(350,000)	(370,753)	909,325	870,290
Total Liabilities	953,401	737,484	861,480	806,033	(350,000)	(370,753)	1,464,882	1,172,764
Net Assets (Deficit)	8,247,506	7,850,376	705,332	840,052	-	-	8,952,837	8,690,428
Net Change		(397,130)		134,720				(262,409)
Invested in Capital Assets								
Net of Debt	7,431,239	7,436,770	(47,594)	(2,288)	-	-	7,383,645	7,434,482
Total Liab & Net Assets								
Restricted	139,450	5,388	-	-	-	-	139,450	5,388
Unrestricted	676,817	408,218	752,926	842,340	-	-	1,429,743	1,250,558
Net Assets (Deficit)	8,247,506	7,850,376	705,332	840,052	-	-	8,952,838	8,690,428

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
MANAGEMENT'S DISCUSSION AND ANALYSIS - STATEMENT OF ACTIVITIES  
DECEMBER 31, 2017 AND 2016

	<u>HUD Activities</u>		<u>Business Activities</u>		<u>Total Housing Authority</u>	
	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2017</u>
<u>Revenues</u>						
Operating Subsidy	459,296	447,466	0	0	459,296	447,466
Rental Income	626,386	609,762	46,255	47,643	672,641	657,405
Voucher Program Income	4,008,701	3,788,563	0	0	4,008,701	3,788,563
Administrative Fee Income	467,736	386,295	0	0	467,736	386,295
HUD PHA Modernization Inc	93,856	171,354	0	0	93,856	171,354
Non-dwelling Rental	0	0	167,266	172,282	167,266	172,282
Ports In Income	537,854	564,674	0	0	537,854	564,674
Interest Income	331	536	103	203	434	739
Other Income	88,561	175,260	1,200	19,611	89,761	194,871
<b>Total Income</b>	<b>6,282,721</b>	<b>6,143,910</b>	<b>214,824</b>	<b>239,739</b>	<b>6,497,545</b>	<b>6,383,649</b>
<u>Expenses</u>						
Administration	541,320	576,012	2,248	3,442	543,568	579,454
Management Fees	0	0	11,092	11,610	11,092	11,610
Tenant Services	81,843	79,050	0	0	81,843	79,050
Utilities	155,628	150,176	0	0	155,628	150,176
Maintenance & Operations	318,843	373,511	2,784	5,067	321,627	378,578
Extraordinary Maintenance	13,391	0	0	0	13,391	0
Protective Services	12,866	6,581	0	0	12,866	6,581
Ports In HAP Payments	502,183	532,038	0	0	502,183	532,038
Housing Assistance Paymts	3,915,890	4,062,911	0	0	3,915,890	4,062,911
General Expenses	298,467	320,477	10,132	9,203	308,599	329,680
Mortgage Interest	0	0	27,562	29,477	27,562	29,477
Payment in Lieu of Taxes	22,345	21,274	0	0	22,345	21,274
Depreciation	409,685	419,009	45,605	46,220	455,290	465,229
<b>Total Expenses</b>	<b>6,272,461</b>	<b>6,541,039</b>	<b>99,423</b>	<b>105,019</b>	<b>6,371,884</b>	<b>6,646,058</b>
<b>Change in Net Assets</b>	<b>10,260</b>	<b>(397,129)</b>	<b>115,401</b>	<b>134,720</b>	<b>125,661</b>	<b>(262,409)</b>

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
COMBINING STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$	567,630	\$	315	\$	-	\$	847,619	\$	-	\$	1,415,564
Cash - restricted		9,178		33,482		-		-		-		42,660
Accounts receivable - tenants		10,195		-		-		-		-		10,195
Accounts receivable - other		24,300		114,165		-		-		-		138,465
Prepaid expenses		3,310		11,438		-		-		-		14,748
Prepaid insurance		5,607		642		75		631		-		6,955
Total current assets		620,220		160,042		75		848,250		-		1,628,587

**PROPERTY AND EQUIPMENT**

Land and land improvements	853,846	-	-	100,000	-	-	953,846
Modernization costs	7,242,286	-	-	-	-	-	7,242,286
Structures and equipment	5,350,982	57,475	-	1,880,937	-	-	7,289,394
Total	13,447,114	57,475	-	1,980,937	-	-	15,485,526
Less accumulated depreciation	(6,016,465)	(51,354)	-	(1,183,102)	-	-	(7,250,921)
Net property and equipment	7,430,649	6,121	-	797,835	-	-	8,234,605

**OTHER ASSETS**

Accounts receivable - Housing Authority of the Village of Oak Park	342,500	-	28,253	-	(370,753)	-	-
Total other assets	342,500	-	28,253	-	(370,753)	-	-
<b>TOTAL ASSETS</b>	<b>\$ 8,393,369</b>	<b>\$ 166,163</b>	<b>\$ 28,328</b>	<b>\$ 1,646,085</b>	<b>\$ (370,753)</b>	<b>\$ -</b>	<b>\$ 9,863,192</b>

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
COMBINING STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**LIABILITIES AND NET ASSETS**

	(MPT) C-1002	(Voucher) IL-103-VO	(Mainstream) IL-103-DV	Office Building	Eliminations	Total
<b>CURRENT LIABILITIES</b>						
Accounts payable - trade	\$ 127,628	\$ 10,006	\$ -	\$ -	\$ -	\$ 137,634
Security deposits and other liabilities	65,285	-	-	2,025	-	67,310
Due to - Oak Park Residence Corporation	-	45,299	-	1,271	-	46,570
Current portion of long-term liabilities	-	-	-	172,441	-	172,441
Deferred revenue	14,432	-	-	-	-	14,432
Accrued liabilities	29,204	5,982	-	2,615	-	37,801
Total current liabilities	236,549	61,287	-	178,352	-	476,188
<b>LONG-TERM LIABILITIES</b>						
Due to - Housing Authority Village of Oak Park	-	370,753	-	-	(370,753)	-
Payments in lieu of taxes	68,895	-	-	-	-	68,895
Notes and mortgage payable	-	-	-	800,122	-	800,122
Less current portion	-	-	-	(172,441)	-	(172,441)
Total long-term liabilities	68,895	370,753	-	627,681	(370,753)	696,576
Total liabilities	305,444	432,040	-	806,033	(370,753)	1,172,764
<b>NET ASSETS (DEFICIT)</b>						
Invested in capital assets, net of related debt	7,430,649	6,121	-	(2,288)	-	7,434,482
Restricted net assets	-	-	5,388	-	-	5,388
Unrestricted net assets	657,276	(271,998)	22,940	842,340	-	1,250,558
Total net assets (deficit)	8,087,925	(265,877)	28,328	840,052	-	8,690,428
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 8,393,369</b>	<b>\$ 166,163</b>	<b>\$ 28,328</b>	<b>\$ 1,646,085</b>	<b>\$ (370,753)</b>	<b>\$ 9,863,192</b>

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.



**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	(MPT) C-1002	(Voucher) IL-103-VO	(Mainstream) IL-103-DV	Office Building	Total
<b>REVENUES</b>					
Administrative fee revenues	\$ -	\$ 366,011	\$ 20,284	\$ -	\$ 386,295
HUD PHA grant - modernization	171,354	-	-	-	171,354
Interest on general fund investments	453	83	-	203	739
Non-dwelling rental income	-	-	-	172,282	172,282
Operating subsidy	447,466	-	-	-	447,466
Subsidy - Village of Oak Park	-	35,000	-	-	35,000
Other revenues	101,270	38,990	-	19,611	159,871
Ports in income	-	564,674	-	-	564,674
Rental income	609,762	-	-	47,643	657,405
Section 8 revenues	-	3,441,202	347,361	-	3,788,563
Total revenues	1,330,305	4,445,960	367,645	239,739	6,383,649
<b>EXPENSES</b>					
Administration	215,127	322,992	37,893	3,442	579,454
Depreciation	418,359	650	-	46,220	465,229
Financial	-	-	-	29,477	29,477
General expense	148,762	157,972	13,743	9,203	329,680
Housing assistance payments	-	3,716,348	346,563	-	4,062,911
Management fee	-	-	-	11,610	11,610
Ordinary maintenance and operation	373,444	67	-	5,067	378,578
Ports in HAP payments	-	532,038	-	-	532,038
Protective services	6,581	-	-	-	6,581
Real estate taxes	21,274	-	-	-	21,274
Tenant services	79,050	-	-	-	79,050
Utilities	150,176	-	-	-	150,176
Total expenses	1,412,773	4,730,067	398,199	105,019	6,646,058
Change in net assets	(82,468)	(284,107)	(30,554)	134,720	(262,409)
<b>NET ASSETS, beginning of year</b>	8,170,393	18,230	58,882	705,332	8,952,837
<b>NET ASSETS, end of year</b>	\$ 8,087,925	\$ (265,877)	\$ 28,328	\$ 840,052	\$ 8,690,428

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	(MPT) C-1002	(Voucher) IL-103-VO	(Mainstream) IL-103-DV	Office Building	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Increase (decrease) in net assets	\$ (82,468)	\$ (284,107)	\$ (30,554)	\$ 134,720	\$ (262,409)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:					
Depreciation and amortization	418,359	650	-	46,220	465,229
Changes in operating assets and liabilities:					
(Increase) in restricted cash	(9,178)	511,149	-	-	501,971
(Increase) decrease in accounts receivable	(7,688)	(13,452)	61,923	-	40,783
(Increase) decrease in prepaid expenses	(32)	(3,052)	(75)	134	(3,025)
Increase (decrease) in accounts payable	92,572	(6,036)	-	290	86,826
Increase in tenant security deposits	2,519	-	-	-	2,519
Increase in deferred revenue	(1,980)	(347,288)	(31,294)	-	(380,562)
Increase in accrued liabilities	6,814	(23,203)	-	(18,411)	(34,800)
Net cash provided (used) by operating activities	418,918	(165,339)	-	162,953	416,532
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of land, structures and equipment	(424,538)	-	-	(54,200)	(478,738)
Net cash used by investing activities	(424,538)	-	-	(54,200)	(478,738)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Principal payments on mortgages payable	-	-	-	(37,326)	(37,326)
Net cash used by financing activities	-	-	-	(37,326)	(37,326)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(5,620)	(165,339)	-	71,427	(99,532)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	573,250	165,654	-	776,192	1,515,096
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 567,630	\$ 315	\$ -	\$ 847,619	\$ 1,415,564
<b>SUPPLEMENTAL INFORMATION</b>					
Interest paid in cash for the year	\$ -	\$ -	\$ -	\$ 23,302	\$ 23,302

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Housing Authority of the Village of Oak Park (“Authority”) was organized pursuant to Housing Statutes of the State of Illinois. The Authority’s purpose is to provide low-income housing for residents of the Village of Oak Park, Illinois. The Authority has 682 apartment units under its management.

The financial statements include the PHA-owned housing program under annual contributions contract C-1002 and Section 8 of the Housing and Community Development Act of 1974 housing assistance program under annual contributions contracts IL-103-VO and IL-103-DV.

Significant accounting policies followed by the Authority are presented below.

**ACCOUNTING METHOD**

The Authority maintains its accounting records using the accrual method of accounting.

**REPORTING ENTITY**

The accompanying basic financial statements include the accounts of all Authority operations. The Authority is the lowest level of government over which the Authority’s commission and executive director exercise oversight responsibility. These statements do not include any City agencies and the Authority is not a component unit of the City under the definition of GASB 39. The Authority has one blended component unit, Oak Park Housing Development Corporation; which has a limited membership interest in a partnership and no liabilities at December 31, 2017. Further details can be found in the Management's Discussion and Analysis on page 4.

**HOUSING AUTHORITY NET ASSETS**

The Housing Authority’s net assets are divided into three components:

- Invested in capital assets, net of related debt – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net assets - consists of net assets that are restricted by the Housing Authority’s creditors (for example, through debt covenants) by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted net assets – all other net assets are reported in this category.

**CAPITAL ASSETS**

Capital assets purchased or acquired are carried at historical cost. Contributed assets are recorded at fair market value as of the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other expenses incurred for repairs and maintenance are expensed as incurred. Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives.

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**CAPITAL ASSETS**

The useful lives for purposes of computing depreciation are:

Buildings	40 years
Land improvements	40 years
Building improvements	20 to 40 years
Furniture and equipment	5 to 15 years

All costs incurred in connection with the acquisition of the property, including interest and real estate taxes during the period of rehabilitation, are capitalized.

**UNCOLLECTIBLE ACCOUNTS**

The Authority considers tenant accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be written off when that determination is made.

**INCOME TAXES**

The Authority is subsidized by the federal government. The Authority is not subject to federal or state income taxes nor is it required to file federal and state income tax returns.

**SUBSIDIES**

Subsidies received from the Department of Housing and Urban Development or other grantor agencies, whether for capital expenditures or operating purposes, are recorded as income.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist primarily of cash on deposit, certificates of deposit, money market accounts, and investment grade commercial paper that are readily convertible into cash and purchased with original maturities of three months or less.

**HOUSING AUTHORITY RESTRICTED CASH**

Housing Authority's restricted cash balances are reported as "restricted" when the balances are not available for appropriation or expenditure or because they are legally segregated for a specific future use.

Restricted cash and escrow accounts are not considered cash equivalents.

**MANAGEMENT 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 at December 31, 2017, and revenues and expenses during the period then ended. The outcome of the estimates could differ from the estimates made in the preparation of the financial statements.

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**DESCRIPTION OF THE FUND**

The Authority's accounts are maintained in accordance with the principles of an enterprise fund and are reported using an economic resources measurement focus. Additionally, it is used to account for operations that are financed and operated in a manner similar to private businesses where a fee is charged to external users for services provided. The Authority is required to follow all statements of the Government Accounting Standards Board (GASB). GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance and Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, was issued to incorporate FASB and AICPA guidance into GASB authoritative literature.

**CONTRIBUTED SERVICES**

During the year ended December 31, 2017, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

**COMPENSATED ABSENCES**

It is the Authority's policy to permit full-time employees to accumulate earned but unused vacation benefits, based on tenure with the Authority. In accordance with provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, the estimated liability for vested leave benefits is recorded when it is earned as an expense; the cumulative unpaid amount is reported as a current liability.

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 2 – RELATED PARTY TRANSACTIONS**

The Authority shares common administrative offices and staff with the Oak Park Residence Corporation under an approved management agreement. Administrative salaries and employee benefits are allocated to individual programs based on usage of personnel.

These financial statements reflect the following items from the previously mentioned company at December 31, 2017:

**Balance Sheet:**

**Office Buildings**

Accounts receivable (payable) – Oak Park Residence Corporation	\$ <u>(46,570)</u>
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Net accounts receivable (payable)	<u>\$ (46,570)</u>
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**Statement of Activities and Changes in Net Assets:**

Payments to the Office Building for Office Rent and Reimbursements:

Oak Park Residence Corporation	<u>\$ 67,980</u>
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**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 2 – RELATED PARTY TRANSACTIONS (continued)**

The Authority's lease agreement dated September 14, 1994 with the Oak Park Residence Corporation was renewed on January 1, 2010 for an additional five years with a monthly base rent of \$9,860 that is increased 3% each year. On July 21, 2010 the lease was amended further to reduce the monthly base rent to \$9,005, increasing annually beginning in 2012 by 3% each year. Rental income under the aforementioned lease for the year ended December 31, 2017 was \$129,024. The lease has been extended for five additional years to December 31, 2020.

Future minimum rental income under this lease is as follows:

2018	\$ 132,900
2019	136,884
2020	<u>140,988</u>
Total	<u>\$ 410,772</u>

Payments to Oak Park Residence Corporation:

Allocation of administration salaries, employee benefits and other reimbursements are as follows:

	<u>C-1002</u> <u>MPT</u>	<u>IL-102-VO/</u> <u>IL-103-DV</u>	<u>Office</u> <u>Building</u>	<u>Total</u>
Salaries	\$ 225,609	\$ 276,618	\$ ---	\$ 502,227
Employee benefits	51,800	84,267	---	136,067
Rent	4,080	33,720	---	37,800
Utilities	720	6,180	---	6,900
Supplies	3,600	6,600	---	10,200
Postage	720	6,780	---	7,500
Telephone	1,020	4,560	---	5,580
Management fees	<u>---</u>	<u>---</u>	<u>10,410</u>	<u>10,410</u>
Total	<u>\$ 287,549</u>	<u>\$ 418,725</u>	<u>\$ 10,410</u>	<u>\$ 716,684</u>

Housing assistance payments made by the Authority to buildings owned by Oak Park Residence Corporation	<u>\$ 919,578</u>
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**NOTE 3 – CONCENTRATIONS OF CREDIT RISK**

The Authority maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Authority has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 4 – DEBT**

Long term debt consists of the following:

Mortgage payable, secured by the office building property, monthly payments are \$4,710, which includes interest at a variable rate of 3.20% at December 31, 2008 which is subject to change every five years. The rate increased to 4.24% at July 1, 2017. Final payment is due June 29, 2032. \$ 611,297

Mortgage payable, secured by the 324 N. Austin property, monthly payments are \$1,020, which includes interest at 4.30%, final balloon payment of \$138,601 due June 2018. 138,825

Acquisition loan payable to the Village of Oak Park for the property at 324 North Austin, secured by that property, due upon the earlier of the sale of the property or June 16, 2023, with no interest. 50,000

Subtotal 800,122  
Less current portion (172,441)

Total \$ 627,681

At December 31, 2017, the aggregate maturities of the mortgage payable for the succeeding years are as follows:

2018	\$ 172,441
2019	34,707
2020	35,835
2021	36,998
2022	38,200
Thereafter	<u>481,941</u>
Total	<u>\$ 800,122</u>



**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 5 – ANNUAL SUBSIDIES**

Annual subsidies are received from the federal government for the operations of the PHA-owned housing program.

**Operating Subsidies**

Operating subsidies approved for the operations of owned housing were as follows:

December 31, 2017	<u>\$ 447,466</u>
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**Section 8 Housing Assistance**

The annual contributions for the Section 8 programs are as follows:

	<u>IL-103-VO</u>	<u>IL-103-DV</u>	<u>Total</u>
Housing assistance payments	\$ 3,441,202	\$ 347,361	\$ 3,788,563
Administrative fees	<u>366,011</u>	<u>20,284</u>	<u>386,295</u>
 Total	 <u>\$ 3,807,213</u>	 <u>\$ 367,645</u>	 <u>\$ 4,174,858</u>

**NOTE 6 – RENTAL INCOME**

The Authority signed a lease agreement dated September 1, 2005 with Catholic Charities of Chicago. The lease is for five years and requires minimum monthly rent payments of \$2,083, increasing to \$2,345 in year five of the lease. This lease has been extended for an additional ten years with an initial base rent of \$2,974, increasing by 3% annually. The Authority is responsible for payment of all real estate taxes, if any, utilities, insurance and required repairs. Rental income for the year ended December 31, 2017 was \$43,258.

The Authority leases antenna space on one of its buildings under an operating lease. The original lease commenced September 1997 and was renewed on July 18, 2013. The renewed lease is for five years and requires minimum annual rent payments of \$7,200. Rental income for the year ended December 31, 2017 was \$7,200.

The Authority leases antenna space on one of its buildings under an operating lease. The original lease commenced January 2013, expired December 2015, and was renewed for an additional three years through December 2018. The lease requires minimum annual rent payments of \$10,800. Rental income for the year ended December 31, 2017 was \$10,800.

The Authority leases antenna space on one of its buildings under an operating lease. The lease commences March 2016 and expires February 2019. The lease requires minimum monthly rent payments of \$300 through February 2017 and \$350 per month thereafter. Rental income for the year ended December 31, 2017 was \$4,100.

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 6 – RENTAL INCOME** (continued)

The Authority signed a lease agreement dated May 16, 2003 with Heartland Health Outreach for the property at 324 N. Austin. The lease was for five years and requires minimum monthly rent payments of \$2,500 with annual increases every May 1. The lease has been extended through December 31, 2017. The Authority is responsible for payment of real estate taxes and required repairs. Rental income for the year ended December 31, 2017 was \$47,643. The lease was extended on a month-to-month basis through March 2018.

Future minimum rental incomes under these leases (including the Authority's lease with Oak Park Residence Corporation – see Note 2) are as follows:

2018	\$ 208,694
2019	184,590
2020	<u>164,273</u>
Total	<u>\$ 557,557</u>

**NOTE 7 – PAYMENTS IN LIEU OF TAXES**

Payments in lieu of taxes are paid to the Village of Oak Park based upon a specific formula set out in the Cooperation Agreement between the Authority and the Village. The amount accrued at December 31, 2017 is \$68,895. This amount is included in accrued liabilities for Mills Park Tower.

**NOTE 8 – PENSION PLAN**

**Plan Description.** The Authority's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

**Funding Policy.** As set by statute, the employer regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2017 was 2.86 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 8 – PENSION PLAN (continued)**

**Annual Pension Cost.** The required contribution for calendar year 2017 was \$3,550.

**THREE YEAR TREND INFORMATION FOR THE REGULAR PLAN**

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/17	\$ 3,550	100%	\$ ---
12/31/16	5,246	100%	---
12/31/15	2,162	100%	---

The required contribution for 2017 was determined as part of the December 31, 2015 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2015, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 3.5% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the employer regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer regular plan's overfunded actuarial accrued liability at December 31, 2015 is being amortized as a level percentage of projected payroll on an open 10 year basis.

**Funded Status and Funding Progress.** As of December 31, 2017, the most recent actuarial valuation date, the regular plan was 126.07 percent funded. The actuarial accrued liability for benefits was \$404,601, and the actuarial value of assets was \$510,061, resulting in an overfunded actuarial accrued liability (UAAL) of \$105,460. The covered payroll for calendar year 2017 (annual payroll of active employees covered by the Plan) was \$124,122. Because the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 9 – PROPERTY AND EQUIPMENT**

A summary of the Authority's property and equipment for the year ended December 31, 2017 follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Property and equipment, not being depreciated:				
Land	\$ 914,000	\$ ---	\$ ---	\$ 914,000
Total property and equipment, not being depreciated	<u>914,000</u>	<u>---</u>	<u>---</u>	<u>914,000</u>
Property and equipment, being depreciated:				
Buildings	6,302,617	58,764	---	6,361,381
Modernization costs	7,160,116	310,004	---	7,470,120
Land improvements	39,846	---	---	39,846
Furniture and equipment	<u>590,209</u>	<u>109,970</u>	<u>---</u>	<u>700,179</u>
Total property and equipment, being depreciated	<u>14,092,788</u>	<u>478,738</u>	<u>---</u>	<u>14,571,526</u>
Less accumulated depreciation for:				
Buildings	(3,231,329)	(182,350)	---	(3,413,679)
Modernization costs	(2,993,513)	(267,351)	---	(3,260,864)
Land improvements	(16,746)	(900)	---	(17,646)
Furniture and equipment	<u>(544,104)</u>	<u>(14,628)</u>	<u>---</u>	<u>(558,732)</u>
Total accumulated depreciation	<u>(6,785,692)</u>	<u>(465,229)</u>	<u>---</u>	<u>(7,250,921)</u>
Total property and equipment, being depreciated, net	<u>7,307,096</u>	<u>13,509</u>	<u>---</u>	<u>7,320,605</u>
Total property and equipment, net	<u>\$ 8,221,096</u>	<u>\$ 13,509</u>	<u>\$ ---</u>	<u>\$ 8,234,605</u>

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 10 – FINANCIAL REPORTING ENTITY**

The Authority's combined financial statements include the accounts of all the Authority's operations. The criteria for including organizations as component units within the Authority's reporting entity is set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- The Organization is legally separate (can sue and be sued in their own name)
- The Authority holds the corporate powers of the Organization
- The Authority appoints a voting majority of the Organization's board
- The Authority is able to impose its will on the Organization
- The Organization has the potential to impose a financial benefit/burden on the Authority
- There is fiscal dependency by the Organization on the Authority

Based on the aforementioned criteria, the Authority has one component unit.

The component unit, Oak Park Housing Development Corporation, has a limited membership interest in a partnership and no liabilities at December 31, 2017. Further details can be found in the Management's Discussion and Analysis on page 4.

**NOTE 11 – DATE OF MANAGEMENT REVIEW**

Management has evaluated subsequent events through July 10, 2018, the date when the financial statements were available to be issued.

**NOTE 12 – SUBSEQUENT EVENT**

In June 2018, the mortgage payable secured by the 324 N. Austin property was paid in full.

This information is an integral part of the  
accompanying financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATON**

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK**  
**SCHEDULE OF FUNDING PROGRESS**  
**DECEMBER 31, 2017**

Actuarial Valuation Date	Actuarial Valuation of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-c)/c)
12/31/17	510,061	404,601	(105,460)	126.07	120,109	0.00%
12/31/16	453,361	373,600	(79,761)	121.35	117,612	0.00%
12/31/15	419,240	359,132	(60,108)	116.74	120,109	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2017 is \$545,760. On a market basis, the funded ratio would be 134.89%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Oak Park Housing Authority. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

**SUPPLEMENTARY INFORMATION**



**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Federal Grantor	Federal CFDA Number	Program or Award Amount	Revenue Recognized	Expenditures
<u>U S Department of HUD</u>				
<b>MAJOR PROGRAMS - LOW RISK TYPE A PROGRAM:</b>				
Housing assistance payments program:				
Housing Voucher Program	14.871	\$3,807,213	\$3,807,213	\$3,807,213
Mainstream housing for persons with disabilities (Section 811)	14.879	367,645	367,645	367,645
<b>NON-MAJOR PROGRAMS - LOW RISK TYPE B PROGRAM:</b>				
Direct programs:				
Operating subsidies	14.850A	447,466	447,466	447,466
Capital funding program:				
2014 grant	14.872	166,609	6,931	6,931
Capital funding program:				
2015 grant	14.872	164,423	164,423	164,423
Capital funding program:				
2016 grant	14.872	166,841	---	---
Capital funding program:				
2017 grant	14.872	166,881	---	---
<b>TOTALS</b>		<u>\$5,287,078</u>	<u>\$4,793,678</u>	<u>\$4,793,678</u>

See accompanying notes to schedule of expenditures of federal awards

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Housing Authority of the Village of Oak Park under programs of the federal government for the year ended December 31, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of the Housing Authority of the Village of Oak Park, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Housing Authority of the Village of Oak Park.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Housing Authority of the Village of Oak Park has elected not to use the 10% de minimis interest cost rate as allowed under the Uniform Guidance.
- (2) Pass-through entity identifying numbers are presented where available.

**NOTE C – AMOUNTS PROVIDED TO SUBRECIPIENTS**

The Authority did not provide any federal awards to subrecipients.

**NOTE D – NON-CASH ASSISTANCE, INSURANCE, LOANS OR LOAN GUARANTEES**

There were no non-cash assistance, insurance, loans or loan guarantees outstanding as of and for the year ended December 31, 2017.

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
OAK PARK, ILLINOIS  
STATEMENT OF MODERNIZATION COSTS – COMPLETED  
DECEMBER 31, 2017**

Annual Contributions Contract C-1002 (Mills Park Tower)

Project Number	IL-103-1
CIAP (CFP) Number	IL06P103501-14
Total funds approved	\$ 166,609
Total funds expended	<u>166,609</u>
Excess (deficiency) of funds approved	<u>\$ - - -</u>
Total funds advanced or receivable from HUD	\$ 166,609
Total funds expended or payable to contractors	<u>166,609</u>
Excess (deficiency) of funds advanced	<u>\$ - - -</u>

All modernization costs have been paid and all related liabilities have been discharged through payment.

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
OAK PARK, ILLINOIS  
STATEMENT OF MODERNIZATION COSTS – COMPLETED  
DECEMBER 31, 2017**

Annual Contributions Contract C-1002 (Mills Park Tower)

Project Number	IL-103-1
CIAP (CFP) Number	IL06P103501-15
Total funds approved	\$ 164,423
Total funds expended	<u>164,423</u>
Excess (deficiency) of funds approved	<u>\$ - - -</u>
 Total funds advanced or receivable from HUD	 \$ 164,423
Total funds expended or payable to contractors	<u>164,423</u>
Excess (deficiency) of funds advanced	<u>\$ - - -</u>

All modernization costs have been paid and all related liabilities have been discharged through payment.



KOLNICKI



PETERSON



WIRTH

Board of Commissioners  
Housing Authority of the  
Village of Oak Park  
Oak Park, Illinois

**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 *GOVERNMENT AUDITING STANDARDS***

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 the Housing Authority of the Village of Oak Park, which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon, dated July 10, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Housing Authority of the Village of Oak Park's internal control over financial reporting (internal control) 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 of the Housing Authority of the Village of Oak Park's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the Village of Oak Park'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.

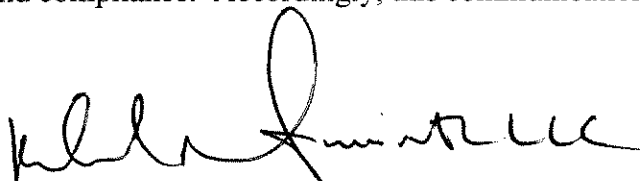
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 the Housing Authority of the Village of Oak Park's 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read 'Kolnicki, Peterson, Wirth LLC', is written over a horizontal line.

KOLNICKI, PETERSON, WIRTH LLC  
Certified Public Accountants

Downers Grove, Illinois  
July 10, 2018



KOLNICKI



PETERSON



WIRTH

Board of Commissioners  
Housing Authority of the  
Village of Oak Park  
Oak Park, Illinois

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

### **Report on Compliance for Each Major Federal Program**

We have audited the Housing Authority of the Village of Oak Park's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the Village of Oak Park's major federal programs for the year ended December 31, 2017. The Housing Authority of the Village of Oak Park's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Housing Authority of the Village of Oak Park's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the Village of Oak Park's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Housing Authority of the Village of Oak Park's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the Housing Authority of the Village of Oak Park complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

### **Report on Internal Control Over Compliance**

Management of the Housing Authority of the Village of Oak Park is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority of the Village of Oak Park's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the Village of Oak Park's internal control over compliance.

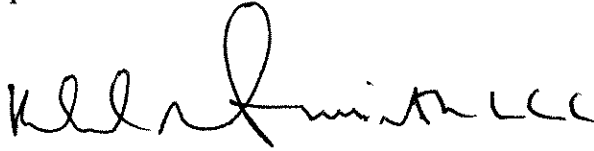
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies.



We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read 'Kolnicki, Peterson, Wirth LLC', written in a cursive style.

KOLNICKI, PETERSON, WIRTH LLC  
Certified Public Accountants

Downers Grove, Illinois  
July 10, 2018

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
ACTIVITIES OF THE HOUSING AUTHORITY  
DECEMBER 31, 2017**

The Authority has 682 units in management and was administering one modernization program.



	<u>Units</u>
<b>Management</b>	
Owned Housing Project IL-103-1 (Contract C-1002)	198
Voucher Program (Contract IL-103-VO)	424
Mainstream Voucher Program (Contract IL-103-DV)	48
Non-Elderly Persons with Disabilities Program (Contract IL-103-6655)	<u>12</u>
Total	<u>682</u>
Portable vouchers – received	<u>68</u>
Portable vouchers – transferred out	<u>32</u>
<b>Modernization</b>	
Project IL06P10350114	<u>198</u>
Project IL06P10350115	<u>198</u>
Project IL06P10350116	<u>198</u>
Project IL06P10350117	<u>198</u>

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
OAK PARK, ILLINOIS  
DECEMBER 31, 2017**

**SUPPORTING DATA REQUIRED BY HUD**

**CERTIFICATION OF OFFICERS**

We hereby certify that we have examined the accompanying financial statements and supplemental data of the Housing Authority of the Village of Oak Park and, to the best of our knowledge and belief, the same is complete and accurate.

  
\_\_\_\_\_  
David Pope  
Executive Director  
\_\_\_\_\_  
Malik Abbas  
Controller

Federal Employer Identification Number  
Number 36-2522828

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
OAK PARK, ILLINOIS  
DECEMBER 31, 2017**

**SUPPORTING DATA REQUIRED BY HUD (Continued)**

**CERTIFICATION OF MANAGEMENT**

We hereby certify that we have examined the accompanying financial statements and supplemental data of the Housing Authority of the Village of Oak Park and, to the best of our knowledge and belief, the same is complete and accurate.

Management Agent:

Oak Park Residence Corporation  
21 South Boulevard  
Oak Park, IL 60302  
(708) 386-9322



---

Malik Abbas  
Controller

Individual In-Charge:

Malik Abbas

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
STATUS OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2017**

None.

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2017**

**A. Summary of Audit Results**

1. The auditor's report expresses an unmodified opinion on the financial statements of the Housing Authority of the Village of Oak Park.
2. No significant deficiencies were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Housing Authority of the Village of Oak Park were disclosed during the audit.
4. No significant deficiencies were identified during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award program of the Housing Authority of the Village of Oak Park expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 2 CFR 200.561(a) are reported in this Schedule.
7. The program tested as a major program included: (a) Housing assistance payments program, Housing Voucher Program, CFDA #14.871.
8. The threshold for distinguishing Types A and B Programs was \$750,000.
9. The Housing Authority of the Village of Oak Park qualifies as a low-risk auditee.

**B. Findings – Financial Statement Audit**

1. None

**C. Findings and Questioned Costs - Major Federal Awards Programs Audit**

1. None

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK**  
**FINANCIAL DATA SCHEDULES**  
**STATEMENT OF NET ASSETS DATA**  
**December 31, 2017**

Line Item #	Account Description	Business Activities 1	Mainstream Housing for Persons with Disabilities 14.879	M P T Low Rent 14.850	Housing Choice Voucher Program 14.871	MPT Capital Fund Program 14.872	TOTAL
<b>ASSETS:</b>							
<b>CURRENT ASSETS:</b>							
Cash:							
111	Cash - unrestricted	\$ 713,391	\$ -	\$ 513,927	\$ 315	\$ -	\$ 1,227,633
113	Cash - other restricted	-	-	9,178	33,482	-	42,660
114	Cash - tenant security deposits	-	-	53,703	-	-	53,703
100	Total cash	<u>713,391</u>	<u>-</u>	<u>576,808</u>	<u>33,797</u>	<u>-</u>	<u>1,323,996</u>
Accounts and notes receivables:							
121	Accounts receivable - PHA projects	-	-	-	26,664	-	26,664
125	Accounts Receivable Misc	-	-	24,300	87,500	-	111,800
126	Accounts receivable- tenants - dwelling rents	-	-	10,193	-	-	10,193
120	Total receivables, net of allowances for doubtful accounts	<u>-</u>	<u>-</u>	<u>34,493</u>	<u>114,164</u>	<u>-</u>	<u>148,657</u>
Current investments:							
131	Investments - unrestricted	134,228	-	-	-	-	134,228
142	Prepaid expenses and other assets	631	75	8,919	12,081	-	21,706
144	Interprogram - due from	-	28,253	342,500	-	-	370,753
150	TOTAL CURRENT ASSETS	<u>848,250</u>	<u>28,328</u>	<u>962,720</u>	<u>160,042</u>	<u>-</u>	<u>1,999,340</u>
<b>NONCURRENT ASSETS:</b>							
Fixed assets:							
161	Land	100,000	-	853,846	-	-	953,846
162	Buildings	909,059	-	4,474,304	-	-	5,383,363
163	Furniture, equipment & mach. - dwellings:	-	-	241,800	-	-	241,800
164	Furniture, equipment & mach. - admin	356,579	-	3,989	57,475	-	418,043
165	Leasehold improvements	615,299	-	7,873,175	-	-	8,488,474
166	Accumulated depreciation	<u>(1,183,102)</u>	<u>-</u>	<u>(6,016,465)</u>	<u>(51,354)</u>	<u>-</u>	<u>(7,250,921)</u>
160	Total fixed assets, net of accumulated depreciation	<u>797,835</u>	<u>-</u>	<u>7,430,649</u>	<u>6,121</u>	<u>-</u>	<u>8,234,605</u>
180	TOTAL NONCURRENT ASSETS	<u>797,835</u>	<u>-</u>	<u>7,430,649</u>	<u>6,121</u>	<u>-</u>	<u>8,234,605</u>
290	TOTAL ASSETS	<u>\$ 1,646,085</u>	<u>\$ 28,328</u>	<u>\$ 8,393,369</u>	<u>\$ 166,163</u>	<u>\$ -</u>	<u>\$ 10,233,945</u>
<b>LIABILITIES AND EQUITY:</b>							
<b>LIABILITIES:</b>							
<b>CURRENT LIABILITIES:</b>							
312	Accounts payable < 90 days	\$ 3,372	\$ -	\$ 144,126	\$ 55,305	\$ -	\$ 202,803
321	Accrued wage/payroll taxes payable	-	-	12,706	5,982	-	18,688
325	Accrued interest payable	514	-	-	-	-	514
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-
341	Tenant security deposits	2,025	-	65,285	-	-	67,310
342	Deferred revenues	-	-	14,432	-	-	14,432
343	Current portion of L-T debt - capital projects	170,917	-	-	-	-	170,917
345	Other current liabilities	-	-	68,895	-	-	68,895
347	Inter-program - due to	-	-	-	370,753	-	370,753
310	TOTAL CURRENT LIABILITIES	<u>176,828</u>	<u>-</u>	<u>305,444</u>	<u>432,040</u>	<u>-</u>	<u>914,312</u>

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK**  
**FINANCIAL DATA SCHEDULES**  
**STATEMENT OF NET ASSETS DATA**  
**December 31, 2017**

Line Item #	Account Description	Business Activities 1	Mainstream Housing for Persons with Disabilities 14.879	M P T Low Rent 14.850	Housing Choice Voucher Program 14.871	MPT Capital Fund Program 14.872	TOTAL
<b>NONCURRENT LIABILITIES:</b>							
351	Long-term debt, net of current - capital projects	629,205	-	-	-	-	629,205
353	Noncurrent liabilities - other	-	-	-	-	-	-
350	<b>TOTAL NONCURRENT LIABILITIES</b>	<u>629,205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>629,205</u>
300	<b>TOTAL LIABILITIES</b>	<u>806,033</u>	<u>-</u>	<u>305,444</u>	<u>432,040</u>	<u>-</u>	<u>1,543,517</u>
<b>EQUITY:</b>							
Contributed Capital:							
508.1	Invested in Capital Assets, Net of Related Debt	(2,288)	-	7,430,649	6,121	-	7,434,482
Reserved fund balance:							
511.1	Restricted Net Assets	-	5,388	-	-	-	5,388
512.1	Unrestricted Net Assets	<u>842,340</u>	<u>22,940</u>	<u>657,276</u>	<u>(271,998)</u>	<u>-</u>	<u>1,250,558</u>
513	<b>TOTAL EQUITY</b>	<u>840,052</u>	<u>28,328</u>	<u>8,087,925</u>	<u>(265,877)</u>	<u>-</u>	<u>8,690,428</u>
600	<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 1,646,085</u>	<u>\$ 28,328</u>	<u>\$ 8,393,369</u>	<u>\$ 166,163</u>	<u>\$ -</u>	<u>\$10,233,945</u>



**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK**  
**FINANCIAL DATA SCHEDULES**  
**STATEMENT OF REVENUES AND EXPENSES DATA**  
**December 31, 2017**

Line Item #	Account Description	Business Activities 1	Mainstream Housing for Persons with Disabilities 14.879	M P T Low Rent 14.850	Housing Choice Voucher Program 14.871	MPT Capital Fund Program 14.872	TOTAL
<b>REVENUE:</b>							
703	Net tenant rental revenue	219,925	-	575,883	-	-	795,808
704	Tenant revenue - other	1,200	-	23,380	-	-	24,580
705	Total tenant revenue	<u>221,125</u>	<u>-</u>	<u>599,263</u>	<u>-</u>	<u>-</u>	<u>820,388</u>
706	HUD PHA grants	-	-	447,466	-	-	447,466
	HUD PHA Grant-HAP Funds Restricted	-	347,361	-	3,441,202	-	3,788,563
	HUD PHA Grant-Adm Fees Unrestricted	-	20,284	-	366,011	-	386,295
706.1	Capital Grants	-	-	-	-	171,354	171,354
711	Investment income - Unrestricted	203	-	453	83	-	739
714	Fraud recovery - U.N.P.	-	-	-	19,315	-	19,315
	Fraud recovery - R.N.P.	-	-	-	19,315	-	19,315
715	Other revenue	-	-	36,061	-	-	36,061
	Portability In HAP Receipts	-	-	-	523,773	-	523,773
	Portability In Admin Fee Receipts	-	-	-	40,901	-	40,901
	Village of OP Admin Grant for Inspctns	-	-	-	35,000	-	35,000
	Grants and Donations	-	-	75,708	360	-	76,068
	W/O of PILOT A/P not due	18,411	-	-	-	-	18,411
720		-	-	-	-	-	-
700	<b>TOTAL REVENUE</b>	<u>239,739</u>	<u>367,645</u>	<u>1,158,951</u>	<u>4,445,960</u>	<u>171,354</u>	<u>6,383,649</u>
<b>EXPENSES:</b>							
Administrative:							
911	Administrative salaries	-	29,045	169,208	247,573	-	445,826
912	Accounting and Auditing fees	1,500	975	9,750	8,775	-	21,000
913	Outside management fees	11,610	-	-	-	-	11,610
914	Advertising and Marketing	-	-	871	-	-	-
915	Employee benefit contributions- administrativ	-	8,856	45,919	75,419	-	130,194
916	Office Expenses	2,390	8,705	54,769	117,113	-	182,977
917	Legal	1,052	-	-	4,464	-	5,516
918	Travel	-	-	-	-	-	-
919	Other	-	2,608	7,379	15,393	-	25,380
910	Total Operating - Administrative	<u>16,552</u>	<u>50,189</u>	<u>287,896</u>	<u>468,737</u>	<u>-</u>	<u>822,503</u>
Tenant services:							
921	Tenant services - salaries	-	-	56,403	-	-	56,403
924	Tenant services - other	-	-	22,647	-	-	22,647
925	Total Tenant Services	<u>-</u>	<u>-</u>	<u>79,050</u>	<u>-</u>	<u>-</u>	<u>79,050</u>
Utilities:							
931	Water	-	-	76,225	-	-	76,225
932	Electricity	-	-	63,999	-	-	63,999
933	Gas	-	-	9,952	-	-	9,952
930	Total Utilities Expense	<u>-</u>	<u>-</u>	<u>150,176</u>	<u>-</u>	<u>-</u>	<u>150,176</u>
Ordinary maintenance & operation:							
941	Ordinary maint and op - labor	-	-	136,356	-	-	136,356
942	Ordinary maintenance and op - materials and labor	5,067	-	28,032	-	-	33,099
943	Ordinary maintenance and op - contract costs	-	-	179,693	-	-	179,693
945	Employee benefit contributions - ordinary maintenance	-	-	29,356	-	-	29,356
940	Total Maintenance	<u>5,067</u>	<u>-</u>	<u>373,437</u>	<u>-</u>	<u>-</u>	<u>378,504</u>

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK**  
**FINANCIAL DATA SCHEDULES**  
**STATEMENT OF REVENUES AND EXPENSES DATA**  
**December 31, 2017**

Line Item #	Account Description	Business Activities 1	Mainstream Housing for Persons with Disabilities 14.879	M P T Low Rent 14.850	Housing Choice Voucher Program 14.871	MPT Capital Fund Program 14.872	TOTAL
	Protective services:						
952	Protective services - other contract costs	-	-	6,581	-	-	6,581
950	Total Protect Services	-	-	6,581	-	-	6,581
	General expenses:						
9611	Property Insurance	7,703	-	67,581	-	-	75,284
9612	Liability Insurance	-	870	-	7,407	-	8,277
9613	Workmen's compensation	-	574	8,419	4,889	-	13,882
9610	Total Insurance Program	7,703	1,444	76,000	12,296	-	97,443
962	Other general	-	-	-	-	-	-
963	Payments in lieu of taxes	-	-	21,274	-	-	21,274
960	Total Other General Expenses	-	-	21,274	-	-	21,274
9671	Interest on Mortgage Payable	29,477	-	-	-	-	29,477
967	Total Interest Expense	29,477	-	-	-	-	29,477
969	<b>TOTAL OPERATING EXPENSES</b>	58,799	51,633	994,414	481,033	-	1,585,879
970	<b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>	180,940	316,012	164,537	3,964,927	171,354	4,797,770
971	Extraordinary maintenance	-	-	-	-	-	-
972	Casualty losses - non capitalized	-	-	-	-	-	-
973	Housing assistance payments	-	346,566	-	3,716,346	-	4,062,912
9735	Ports In HAP Payments	-	-	-	532,038	-	532,038
974	Depreciation expense	46,220	-	418,359	650	-	465,229
900	<b>TOTAL EXPENSES</b>	105,019	398,199	1,412,773	4,730,067	-	6,646,058
1000	<b>EXCESS OF REVENUE OVER EXPENSES</b>	134,720	(30,554)	(253,822)	(284,107)	171,354	(262,409)
<b>MEMO account information</b>							
1102	Required Annual Debt Principal Payments	170,917	-	-	-	-	170,917
1103	Beginning equity	705,332	58,882	8,170,395	18,230	-	8,952,839
	Beginning Equity - Restricted		4,593		134,856		
	Beginning Equity - Unrestricted	705,332	54,289	8,170,395	(116,626)		
1104	Prior period adjustments, Equity Transfers		-	171,354	-	(171,354)	-
1117	Administrative Fee Equity		22,940		(144,905)		(121,965)
1118	Housing Assistance Payments Equity		5,388		(120,974)		(115,586)
1119	Unit months available	36	600	2,376	5,272		8,284
1121	Number of unit months leased	36	559	2,298	5,191		8,084
1127	Excess Cash						-
1162	Building Purchases						-
1163	Furniture & Equipment - Dwelling Purchases			100,271			100,271
1164	Furniture & Equipment - Admin			9,700			
1165	Leasehold Improvements Purchases	54,200		143,214		171,354	368,768

Board of Commissioners  
Housing Authority of the  
Village of Oak Park  
Oak Park, Illinois

**AUDITOR'S COMMENTS ON AUDIT RESOLUTION  
MATTERS RELATING TO HUD PROGRAMS**

We have audited the financial statements of the Housing Authority of the Village of Oak Park as of, and for the year ended December 31, 2017, and have issued our report thereon dated July 10, 2018.

There are no findings that are unresolved from prior years.

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK  
LISTING OF IDENTITY OF INTEREST COMPANIES AND  
ACTIVITIES DOING BUSINESS WITH OWNER AGENT**

<u>Company Name</u>	<u>Type of Service</u>	<u>Amount Received</u>	<u>Management Fee</u>
Oak Park Residence Corporation	Management	\$ 10,410	6%

**OAK PARK HOUSING AUTHORITY**  
Year-to-Date Summary at 6/30/2018

**HOUSING CHOICE VOUCHER PROGRAM (all programs)**

	<b>FY 2017 Actual</b>	<b>2018 YTD Actual @ June 30</b>	<b>2018 YTD Budget</b>	<b>2018 YTD Variance</b>	<b>FY 2018 Budget</b>
<b>Admin Operating Income</b>					
1 Village of Oak Park Funding	35,000	17,500	17,500	0	35,000
2 Fraud Recovery Retained	19,315	7,901	10,000	(2,099)	20,000
3 Admin Fee - Regular HCV Program	366,011	191,138	175,550	15,588	351,100
4 Admin Fee - Mainstream	20,284	50,222	19,800	30,422	39,600
5 Admin Fee - Portability In	40,901	22,476	20,250	2,226	40,500
6 Other Income	360	0	0	0	0
7 Interest Income	83	49	43	6	85
<b>8 Total Admin Operating Income</b>	<b>481,954</b>	<b>289,286</b>	<b>243,143</b>	<b>46,143</b>	<b>486,285</b>
<b>Admin Operating Expenses</b>					
9 Salaries - Administration	276,618	139,190	138,540	(650)	277,079
10 Employee Benefits	84,267	47,581	38,570	(9,011)	77,139
11 Legal Expenses	4,464	587	1,500	913	3,000
12 Inspections	38,729	26,110	20,825	(5,285)	41,650
13 Staff Training and Travel	5,371	4,133	5,000	867	10,000
14 Dues & Subscriptions, Memberships	500	50	200	150	400
15 Audit/Accounting Fees	9,750	5,510	5,500	(10)	11,000
16 Computer Expense	15,995	5,270	5,547	277	11,093
17 Office Rent	33,720	16,860	17,366	506	34,732
18 Telephone	4,560	2,280	2,280	0	4,560
19 Office Utilities	6,180	3,090	3,183	93	6,365
20 Other Sundry Expense/Bank Charges	485	1,220	600	(620)	1,200
21 Office Supplies, Equipment & Printing	9,408	4,627	5,985	1,358	11,970
22 Postage	6,780	3,390	3,390	0	6,780
23 Insurance	8,277	2,735	4,346	1,611	8,691
24 Workers Comp Insurance	5,463	2,088	2,078	(10)	4,156
25 Security Checks & Interpreter Services	4,097	1,840	2,000	160	4,000
<b>26 Total Admin Expenses</b>	<b>514,664</b>	<b>266,561</b>	<b>256,910</b>	<b>(9,651)</b>	<b>513,815</b>
<b>27 Net Adm Surplus ( Shortage)</b>	<b>(32,710)</b>	<b>22,725</b>	<b>(13,767)</b>	<b>36,492</b>	<b>(27,530)</b>
28 Depreciation Expense	650	325	325	0	650
<b>29 Net Admin Surplus ( Shortage)</b>	<b>(33,360)</b>	<b>22,400</b>	<b>(14,092)</b>	<b>36,492</b>	<b>(28,180)</b>
<b>HAP Subsidies</b>					
30 O.P. HAP Contribution Earned	3,441,202	2,050,721			
31 Mainstream HUD Contrib. Earned	347,361	178,291			
32 Portability In Revenue	523,773	337,888			
33 HUD-held Reserves	0	0			
34 Restitution	19,315	7,901			
<b>35 HAP Subsidies</b>	<b>4,331,651</b>	<b>2,574,801</b>			
<b>Non-Operating Expenses</b>					
36 Oak Park Housing Assistance Paymts	3,624,755	1,832,523			
37 Non-Elderly Disabled Payments	91,590	45,689			
38 Portability In HAP Payments	532,038	312,962			
39 Port Out Admin Fees paid	18,000	9,286			
40 Mainstream HAP Payments	346,566	194,150			
<b>41 Net Non-Operating Expenses</b>	<b>4,612,949</b>	<b>2,394,610</b>			
<b>42 Net Non-Operating Surplus (Shortage)</b>	<b>-\$281,298</b>	<b>\$180,191</b>			
<b>43 Total Net Surplus (Shortage)</b>	<b>(314,658)</b>	<b>202,591</b>	<b>(14,092)</b>	<b>36,492</b>	<b>(28,180)</b>

**OAK PARK HOUSING AUTHORITY**  
YTD Summary at 6/30/18 with 2018 Forecast and 2019 Budget

**HOUSING CHOICE VOUCHER PROGRAM (all programs)**

	2018 YTD Actual	2018 Forecast	FY 2018 Budget	2018 Forecast vs Budget	FY 2019 Budget
<b>Admin Operating Income</b>					
1 Village of Oak Park Funding	17,500	35,000	35,000	0	
2 Fraud Recovery Retained	7,901	14,100	20,000	(5,900)	15,000
3 Admin Fee - Regular HCV Program	191,138	374,440	351,100	23,340	366,960
4 Admin Fee - Mainstream	50,222	70,080	39,600	30,480	39,600
5 Admin Fee - Portability In	22,476	44,950	40,500	4,450	40,000
6 Other Income	0	0	0	0	0
7 Interest Income	49	100	85	15	100
<b>8 Total Admin Operating Income</b>	<b>289,286</b>	<b>538,670</b>	<b>486,285</b>	<b>52,385</b>	<b>461,660</b>
<b>Admin Operating Expenses</b>					
9 Salaries - Administration	139,190	278,380	277,079	(1,301)	284,500
10 Employee Benefits	47,581	95,170	77,139	(18,031)	99,920
11 Legal Expenses	587	1,750	3,000	1,250	3,000
12 Inspections	26,110	39,710	41,650	1,940	41,650
13 Staff Training and Travel	4,133	5,270	10,000	4,730	5,000
14 Dues & Subscriptions, Memberships	50	400	400	0	500
15 Audit/Accounting Fees	5,510	10,250	11,000	750	10,750
16 Computer Expense	5,270	11,170	11,093	(77)	11,725
17 Office Rent	16,860	33,720	34,732	1,012	34,730
18 Telephone	2,280	4,560	4,560	0	4,600
19 Office Utilities	3,090	6,180	6,365	185	6,200
20 Other Sundry Expense/Bank Charges	1,220	2,720	1,200	(1,520)	280
21 Office Supplies, Equipment & Printing	4,627	9,300	11,970	2,670	9,500
22 Postage	3,390	6,780	6,780	0	6,800
23 Insurance	2,735	5,080	8,691	3,611	5,100
24 Workers Comp Insurance	2,088	4,180	4,156	(24)	4,200
25 Security Checks & Interpreter Services	1,840	4,310	4,000	(310)	4,400
<b>26 Total Admin Expenses</b>	<b>266,561</b>	<b>518,930</b>	<b>513,815</b>	<b>(5,115)</b>	<b>532,855</b>
<b>27 Net Adm Surplus ( Shortage)</b>	<b>22,725</b>	<b>19,740</b>	<b>(27,530)</b>	<b>47,270</b>	<b>(71,195)</b>
28 Depreciation Expense	325	650	650	0	650
<b>29 Net Admin Surplus ( Shortage)</b>	<b>22,400</b>	<b>19,090</b>	<b>(28,180)</b>	<b>47,270</b>	<b>(71,845)</b>
<b>HAP Subsidies</b>					
30 O.P. HAP Contribution Earned	2,050,721				
31 Mainstream HUD Contrib. Earned	178,291				
32 Portability In Revenue	337,888				
33 HUD-held Reserves	0				
34 Restitution	7,901				
<b>35 HAP Subsidies</b>	<b>2,574,801</b>				
<b>Non-Operating Expenses</b>					
36 Oak Park Housing Assistance Paymts	1,832,523				
37 Non-Elderly Disabled Payments	45,689				
38 Portability In HAP Payments	312,962				
39 Port Out Admin Fees paid	9,286				
40 Mainstream HAP Payments	194,150				
<b>41 Net Non-Operating Expenses</b>	<b>2,394,610</b>				
<b>42 Net Non-Operating Surplus (Shortage)</b>	<b>\$180,191</b>				
<b>43 Total Net Surplus (Shortage)</b>	<b>202,591</b>	<b>19,090</b>	<b>(28,180)</b>	<b>47,270</b>	<b>(71,845)</b>

## **Housing Choice Voucher Program Accomplishments through June 30, 2018**

OPHA is currently serving a total of 551 Housing Choice Voucher holders as follows:

- 417 Regular Vouchers (which includes 24 Port-Out Vouchers, 2 Homeownership Vouchers and 4 Project-Based Vouchers)
- 49 Mainstream Vouchers (All are persons with disabilities and this total includes 4 Payable Port-Out Vouchers) – The OPHA has been awarded 50 Mainstream Voucher and we are required to allocate five (5) of the Mainstream Vouchers (10%) to persons with disabilities who are Chronically Homeless. Currently, five (5) families meet those criteria.
- 12 Non Elderly Disabled/Nursing Home Transition (NED/NHT) Vouchers (which includes 1 Payable Port-Out Voucher)
- 73 Billable Port-In Vouchers to Oak Park (which includes 17 Vouchers that are used by Veterans through the Veterans Affairs Supportive Housing Program – VASH)

This represents a small reduction of 5 Vouchers over the same period in 2017.

### **Program demographics are as follows:**

- 41% are non-elderly heads of household without disabilities
- 29% are non-elderly heads of households with disabilities
- 22% are elderly heads of households with disabilities
- 8% are elderly heads of households without disabilities

### **Landlords**

Currently there are approximately 194 individual landlords participating in the Program, ranging in size from the Oak Park Residence Corporation with approximately 131 voucher tenants to several landlords with single-unit properties.

### **Other Information**

For its Fiscal Year 2017, the OPHA receive a SEMAP (Section Eight Management Assessment Program) Certification rating of High Performer (100%, which includes Bonus Points) from HUD.

OPHA continues to work with the Regional Housing Initiative as one of eight Housing Authorities that create a pool of vouchers to provide affordable housing in opportunities areas. Through this program the OPHA has Project-Based 5 of its regular vouchers.

In 2014 through 2017, Housing Choice Voucher staff participated in the Village of Oak Park's Crime Free Housing Seminars; speaking to landlords about the Housing Choice Voucher Program.

# OAK PARK HOUSING AUTHORITY

Employee Salary and Benefits  
Year-to-Date Summary at 6/30/2018  
with 2018 Forecast and 2019 Budget

<u>Employee</u>	<u>Position</u>	<u>YTD 6/30/18</u>		<u>FY 2018 Forecast</u>		<u>FY 2019 Budget</u>	
		<u>Salary</u>	<u>Benefits</u>	<u>Salary</u>	<u>Benefits</u>	<u>Salary</u>	<u>Benefits</u>
Abbas, Malik	Controller	8,096	2,748	16,193	5,497	16,679	5,662
Cobb, Lataunda	Senior Case Manager	22,614	10,826	44,974	21,660	46,323	22,309
Collins-Sykes, Coty	Case Manager	18,913	2,962	37,730	5,924	38,862	6,102
Doctor, Stacia	Accountant	608	177	3,448	355	1,243	365
R Doyle/Vacant	Administrative Assistant	1,625	256	1,625	512	1,751	2,422
Gardocki, Krzysztof	Senior Accountant	3,380	1,212	6,761	2,424	6,964	2,497
Hill, Meredith	Receptionist	5,487	3,340	10,974	6,679	11,303	6,880
Jones, Eva	HCV Clerk	13,562	5,808	27,124	11,616	27,938	11,964
Nichol, Thomas	Part-Time	287	513	537	1,025	553	1,056
Obirek, Dolores	Accountant	1,220	189	2,439	378	2,512	389
Pope, David	Executive Director	12,063	3,421	24,124	6,842	24,848	7,047
Sinn, Bradley	Accounting Manager	4,081	596	8,163	1,191	8,408	1,227
Southward, Kenneth	Director - HCV	44,379	14,888	88,764	29,775	91,427	30,668
Swaggerty, Beth A.	Assistant Executive Director	2,874	646	5,523	1,293	5,689	1,332
<b>TOTAL</b>		<b>139,190</b>	<b>47,581</b>	<b>278,380</b>	<b>95,170</b>	<b>284,500</b>	<b>99,920</b>