

**FUNDING GRANT AGREEMENT BETWEEN THE VILLAGE OF OAK PARK
AND THE OAK PARK HOUSING AUTHORITY**

THIS FUNDING GRANT AGREEMENT (hereinafter referred to as "Agreement") is entered this 1st day of January, 2019, between the Village of Oak Park, an Illinois home rule municipal corporation (hereinafter referred to as the "Village") and the Oak Park Housing Authority (hereinafter referred to as "Grantee"), an Illinois not-for-profit corporation.

RECITALS

WHEREAS, the Grantee is an Illinois public housing authority and municipal corporation created for the purpose provided under Housing Authorities Act of State of Illinois; and

WHEREAS, Section 10 of Article 7 of the 1970 Constitution of the State of Illinois authorizes units of local government to contract and otherwise associate with individuals, associations, and corporations in any manner not prohibited by law or by ordinance; and

WHEREAS, units of local government entering into such agreements may use their credit, revenues, and other resources to pay costs and to service debt related to activities which promote a public purpose; and

WHEREAS, the Village has determined that it is in the public interest to provide the Grantee with a grant of funds for the Grantee to provide programs that support the administration of the Oak Park's Housing Choice Voucher Program (hereinafter referred to as the "Project").

NOW THEREFORE, in consideration of the mutual promises contained in this Agreement, the Village and the Grantee agree as follows:

1.0. RECITALS INCORPORATED.

1.1. The above recitals are incorporated herein as though fully set forth.

2.0. TERM OF AGREEMENT.

2.1. The term of this Agreement shall commence on January 1, 2019, and shall terminate on December 31, 2019, unless earlier terminated by either party as set forth herein.

3.0. PAYMENTS TO GRANTEE.

3.1. In consideration of the Grantee undertaking and performing the Project, the Village shall pay to Grantee \$35,000, payable as set forth in Exhibit 1, provided that the Grantee has performed its obligations pursuant to this Agreement. Grantee shall submit an invoice to

the Village together with a progress report on Grantee's completion of the Project goals, which invoice will be paid upon approval as provided herein.

3.2. Payments pursuant to this Agreement are subject to availability of funds and their appropriation and authorized expenditure pursuant to applicable law. The Village's obligations shall cease immediately without penalty or liability for further payment, if, the Village or any other funding source fails to appropriate, budget or otherwise make available sufficient funds for this grant.

3.3. Payments to Grantee under this Agreement shall be made payable in the name of Grantee and sent to the following person and place, or directly deposited into a financial account maintained by the Grantee:

Executive Director
Oak Park Housing Authority
21 South Boulevard
Oak Park, Illinois 60302

Grantee may change the person to whom payments are sent, or the place to which payments are sent, by delivering thirty (30) days prior written notice pursuant to Section 24.0 of this Agreement.

3.4. The Village's financial obligation under this Agreement shall not exceed the grant amount set forth in Section 3.1 of this Agreement.

4.0. SCOPE OF SERVICES.

4.1. The Grantee shall perform the services and make a good faith effort to achieve the goals set forth in the description of services attached hereto as Exhibit 2 and made a part hereof.

5.0. ADHERENCE TO VILLAGE POLICIES.

5.1. The Grantee shall adhere to the policies set forth in the Addendum to the Agreement, attached hereto as Exhibit 3, or, in the alternative, that it will have adopted policies of its own which are in substantial compliance with the policies set forth in the Addendum, attached hereto as Exhibit 3.

5.2. All such Grantee policies require prior review and approval by the Village before the Grantee can substitute adherence to its own policies for adherence to the Village policies set forth in Exhibit 3. Such policies may be submitted to the Village for review and approval prior to the execution of this agreement or at any time during the term of this agreement.

5.3. The Village shall provide the Grantee with timely written approval or disapproval of all such policies submitted by the Grantee. Disapproval shall be accompanied by the specific reasons why the submitted policy is not in substantial compliance with the Village policy set forth in Exhibit 3. The Grantee may revise and resubmit policies to the Village for review and approval. Approval shall not be unreasonably withheld by the Village.

5.4. The Grantee shall be obligated to adhere to the policies set forth in Exhibit 3 until such time as its own written equivalent policy or policies have been filed with and approved by the Village.

5.5. The Grantee shall be obligated to submit any change in, or amendment to, such approved policy during the term of this agreement to the Village for its approval in the same manner as if it were submitting an entire new policy to the Village for its review and approval.

6.0. GRANTEE'S AUTHORITY.

6.1. Grantee warrants that it is the real party in interest to this Agreement, that it is not acting for or on behalf of an undisclosed party, and that it possesses the legal authority to apply for this grant and to execute this Agreement. Any person binding the Grantee shall, when required, provide written evidence of the legal authority for his or her agency. The Grantee acknowledges that it has read, understood and agreed to all provisions of this Agreement.

7.0. GRANTEE'S RESPONSIBILITIES.

7.1. At the Village's request, Grantee shall also submit such written or verbal reports as reasonably deemed necessary by the Village Manager or the Village Manager's designee while this Agreement is in effect.

7.2. In connection with the foregoing and other actions to be taken under this Agreement, Grantee hereby designates Executive Director David Pope as its authorized representative who shall have the power and authority to make or grant or do all things, certificates, requests, demands, approvals, consents, notices and other actions required that are ministerial in nature or described in this Agreement for and on behalf of Grantee and with the effect of binding Grantee. The Village is entitled to rely on the full power and authority of the person executing this Agreement on behalf of Grantee as having been properly and legally given by the Grantee. Grantee shall have the right to change its authorized representative by providing the Village with written notice of such change which notice shall be sent in accordance with Section 24.0 of this Agreement.

7.3 Grantee shall provide the Village with a copy of its current strategic plan which shall include the date of adoption of the plan with the date of said plan's last adoption and any updates/amendments to the plan. If a schedule is in place to update Grantee's strategic plan on a regular basis, Grantee shall provide the Village with the schedule. If Grantee does not have an adopted strategic plan, Grantee shall provide the Village with a schedule showing when a strategic

plan shall be adopted and said schedule shall be provided to the Village six months prior to the expiration of the term of this Agreement.

7.4 Grantee shall cooperate with the Village's branding and marketing program coordinated by the Oak Park Economic Development Corporation (Oak Park EDC) by participating in the marketing meetings scheduled by the Oak Park EDC and utilizing the materials developed pursuant to the marketing meetings in the Grantee's marketing materials to the public when communicating to the public the activities of the Grantee.

8.0. STATUS OF GRANTEE AND GRANTEE'S PERSONNEL OR CONTRACTED AGENTS.

8.1. Grantee shall be an independent contractor to the Village. Grantee shall solely be responsible for the payment of all salaries, benefits and costs of supplying personnel for the Project.

8.2. All technical, clerical, and other personnel necessary for the performance required by this Agreement shall be Grantee's employees, or contracted agents, and shall in all respects be subject to Grantee's rules and regulations governing its employees. Neither the Grantee, nor its personnel, nor its contracted agents shall be considered to be agents or employees of the Village.

9.0. THE GRANTEE'S BUSINESS ORGANIZATION.

9.1. During the term of this Agreement, Grantee shall maintain its registration to do business in the State of Illinois with the Illinois Secretary of State, and will maintain its status as a public housing authority and public government entity.

9.2. Grantee shall hire and maintain a qualified and competent staff to provide all management and administrative services necessary to accomplish the Project.

9.3 Grantee's Finance Committee shall oversee the expenditure of the funding grants provided pursuant to this Agreement.

9.4. Grantee shall operate in accordance with this Agreement, Grantee's articles of incorporation and by-laws, and actions of Grantee's board of directors.

10.0. FINANCIAL RECORDS.

10.1. At any time during the term of this Agreement, the Village shall have the right to examine Grantee's financial records with reasonable notice, during regular business hours, with regard to the funds provided pursuant to this Agreement. The Village's requests for information may be based on requests from federal or state regulatory agencies, other governmental agencies, courts of law, consultants hired by the Village or other parties, which in the Village's opinion, require the information.

10.2. Grantee is accountable for all Village disbursed funds under this Agreement. Grantee's financial management system shall be structured to provide for accurate, current, and complete disclosure of the expenditure of all funds provided by the Village under this Agreement. Grantee shall maintain effective control and accountability over all funds disbursed and equipment, property, or other assets acquired with Village funds. Grantee shall keep records sufficient to permit the tracing of funds to a level of expenditure adequate to insure that funds have not been unlawfully spent.

10.3. Grantee shall maintain for a minimum of five (5) years following the latter of the expiration or termination of this Agreement, or longer if required by law, adequate books, records, and supporting documents to verify the amounts, recipients and uses of all disbursements of funds passing in conjunction with this Agreement. All books, records and supporting documents related hereto shall be available for inspection and audit by the Village, or any duly authorized Village representative, and Grantee agrees to cooperate fully to accomplish any such audit. Grantee shall provide full access to all relevant materials and to provide copies of same upon request.

10.3.1. Grantee shall cooperate with the Village and provide the Village, when requested, with access to data, information and documentation pertaining to the Project.

10.3.2. The Village shall have the right to audit any records necessary to permit evaluation and verification of the Grantee's compliance with the requirements of this Agreement throughout the term of the Agreement and for a period of five (5) years after any payment, or longer if required by law.

10.3.3. The Village shall have the right to interview any of the Grantee's current and former employees, as related to this contract, during the audit.

10.3.4. Grantee shall provide the Village with adequate and appropriate workspace, with access to photocopy machines, during any audit.

10.3.5. Grantee shall provide the Village with copies of all requested records in a computer-readable format (if available) as well as hard copy.

10.4. If any of the services to be performed under this Agreement are subcontracted, Grantee shall include in all subcontracts a provision that the Village, or any duly authorized representative of the Village, shall have full access to and the right to examine any pertinent books, documents, papers and records of any subcontractor involving transactions related to this Agreement for a period of five (5) years from the later of the expiration or termination of this Agreement.

11.0. FINANCIAL DISCLOSURES.

11.1. If required by law, Grantee shall conduct an annual audit by an independent audit/accounting firm, which is licensed by the State of Illinois to conduct an audit in accordance with generally accepted auditing standards within six (6) months after the end of Grantee's fiscal year. The audit shall include all income received by Grantee, disbursements by Grantee, and all investment transactions for the prior fiscal year. Grant funds shall be included in Grantee's annual audit. If applicable by law, a copy of the audit report shall be provided to the Village within thirty (30) days of Grantee's receipt of the audit report.

12.0. PROCUREMENT OF CONSTRUCTION AND PROFESSIONAL SERVICES; ACQUISITION OF EQUIPMENT.

12.1. The Grantee shall procure all construction and professional services, and acquire assets and materials financed in whole or in part with grant funds provided hereunder, through written, contractual agreement(s).

12.2. In the event that Grantee ceases to exist, all such assets, equipment, and materials purchased with Village funds shall become Village property.

13.0. UNEXPENDED FUNDS.

13.1. Any unexpended funds provided by the Village pursuant to this Agreement shall be maintained in a federally insured account by Grantee and shall be returned to the Village within thirty (30) days of the expiration of this Agreement.

13.2. Upon dissolution of Grantee's corporation or termination of this Agreement, any unexpended funds originally provided by the Village to Grantee shall be immediately returned to the Village. Funds which have already been obligated by Grantee at the time of the dissolution of Grantee's corporation or at the time of Grantee's receipt of the Village's notice to terminate this Agreement, shall not be considered as "unexpended funds" for purposes of this Section 13.0. Upon dissolution, Grantee shall notify the Village of the name of the individual or entity responsible for winding up its affairs.

14.0. LEGAL COMPLIANCE.

14.1. In addition to complying with the statutes and regulations specifically referenced in this Agreement, Grantee is responsible for determining the applicability of, and complying with, any other laws, regulations or ordinances.

14.2. Grantee shall not discriminate against any worker, employee, or applicant, or any member of the public because of race, religion, disability, creed, color, sex, age sexual orientation, status as a disabled veteran or Vietnam era veteran, or national origin, nor otherwise commit an unfair employment practice.

14.3. Grantee shall take affirmative action to ensure that applicants are employed without regard to race, religion, handicap, creed, color, sex, age, sexual orientation, status as a disabled veteran or Vietnam era veteran, or national origin, with such affirmative action, including but not limited to the following: employment, upgrading, demotion or transfer, termination, rates of pay, other forms of compensation, or selection for training, including apprenticeship.

14.4. All applicable federal, state and local laws, rules and regulations applicable to this Agreement shall be deemed to be included in this Agreement as though fully set forth herein. Except where expressly required by applicable laws and regulations, the Village shall not be responsible for monitoring Grantee's compliance.

14.5. Grantee certifies that it shall comply with all applicable provisions of federal, state and local law in its performance of this Agreement.

14.6. Grantee shall comply with the policies set forth in the Addendum to this Agreement (hereinafter referred to as "Village Policies"), attached hereto and incorporated herein, or, in the alternative, that it has adopted policies of its own which are in substantial compliance with the Village Policies. All such Grantee policies require prior review and approval by the Village Manager or the Manager's designee. The Village shall provide Grantee with timely written approval or disapproval of all such policies submitted by Grantee. Disapproval shall be accompanied by the specific reasons why the submitted policy is not in substantial compliance with the Village's Policies. Grantee may revise and resubmit policies to the Village for review and approval. Approval shall not be unreasonably withheld by the Village. Grantee shall comply with the Village Policies until such time as its own written equivalent policy or policies have been approved by the Village. Grantee shall be obligated to submit any change in, or amendment to, such approved policy during the term of this Agreement to the Village for its approval in the same manner as if it were submitting a new policy to the Village for approval.

14.7. The Village is authorized to conduct reviews and conduct other procedures or practices regarding Grantee's compliance with this Section 14.0. Grantee agrees to post, in conspicuous places available to employees and applicants for employment or distribute to employees and applicants for employment, notices setting forth the non-discrimination provisions of this Section 14.0.

15.0. TERMINATION; SUSPENSION.

15.1. This Agreement may be terminated without cause by either party upon providing ninety (90) days written notice pursuant to Section 24.0 of its intention to terminate said agreement.

15.2. During the term of the Agreement, the Village may terminate the agreement for cause or suspend payments of grant funds due to: (1) use of funds in a manner inconsistent

with this Agreement; (2) Grantee's failure to submit required documents pursuant to this Agreement; (3) Grantee's submission of incorrect or incomplete reports; or (4) Grantee's failure to perform in accordance with this Agreement.

15.3. In the event the Village elects to terminate this agreement for cause or to suspend payments under this agreement for any reason set forth in this Agreement, the Village shall provide written notice pursuant to Section 24.0 to Grantee of its intention to terminate this Agreement for cause or suspend payments if Grantee fails to cure the noted deficiency within thirty (30) days after receipt of the notice. The written notice shall provide Grantee with a description of the alleged deficiency, and Grantee shall be afforded an opportunity to refute the statement of deficiency set forth in the notice prior to the Village's termination or suspension of payments. If Grantee fails to adequately refute the alleged deficiency, or fails to correct the deficiency within thirty (30) days of the Village's notice, the Village may terminate or suspend payment of any funds to be provided pursuant to this Agreement.

15.4. The Village's obligations under this Agreement shall cease immediately without penalty of further payment being required if the Village or other funding source fails to, budget, appropriate, or otherwise make available sufficient funds for this Agreement. In the event a lack of funding occurs in full or in part, the Village shall give the Grantee written notice pursuant to Section 24.0, which shall set forth the effective date of full or partial termination, or if a change in funding is required, setting forth the change in funding and changes in the approved budget.

16.0. INDEMNIFICATION AND INSURANCE.

16.1. To the fullest extent permitted by law, Grantee shall defend, indemnify and hold harmless the Village, its officials, officers, agents, employees and volunteers against all injuries, deaths, loss, damages, claims, patent claims, suits, liabilities, judgments, cost and expenses, including, but not limited to, reasonable attorneys' fees and court costs (hereinafter referred to as "Claims") which may accrue against the Village, its officers and employees to the extent arising out of Grantee's performance of this Agreement, except for the negligence of the Village, its officials, officers, employees, or volunteers.

16.2. Grantee shall, at Grantee's expense, secure and maintain in effect throughout the duration of this Agreement, insurance of the following kinds and limits set forth in this Section 16.0. Grantee shall furnish Certificates of Insurance to the Village before starting work pursuant to this Agreement. All insurance policies, except professional liability insurance, shall be written with insurance companies licensed or authorized to do business in the State of Illinois and having a rating of at least A according to the latest edition of the Best's Key Rating Guide; and shall include a provision preventing cancellation of the insurance policy unless fifteen (15) days prior written notice is given to the Village. This provision (or reasonable equivalent) shall also be stated on each Certificate of Insurance: "Should any of the above described policies be canceled before the expiration date, the issuing company shall mail fifteen (15) days' written notice to the certificate holder named to the left." Grantee shall require any

of its subcontractors to secure and maintain insurance as set forth in this Section 16.0 and indemnify, hold harmless and defend the Village, its officials, officers, employees, attorneys and volunteers as set forth in this Agreement.

16.3. The limits of liability for the insurance required shall provide coverage for not less than the following amounts, or greater where required by law:

- (A) **Commercial General Liability:**
 - i. Coverage to include, Broad Form Property Damage, Contractual and Personal Injury.
 - ii. Limits:

General Aggregate	\$ 2,000,000.00
Each Occurrence	\$ 1,000,000.00
Personal Injury	\$ 1,000,000.00
 - iii. Cover all claims arising out of Grantee's operations or premises, anyone directly or indirectly employed by Grantee.
- (B) **Workers' Compensation:**
 - i. Shall be in accordance with the provisions of the laws of the State of Illinois, including occupational disease provisions, for all employees who work on the Services, and in case work is sublet, Grantee shall require each subcontractor similarly to provide workers' compensation Insurance. In case employees engaged in hazardous work under this Agreement are not protected under workers' compensation insurance, Grantee shall provide, and shall cause each subcontractor to provide, adequate and suitable insurance for the protection of employees not otherwise provided.
- (C) **Comprehensive Automobile Liability:**
 - i. Coverage to include all owned, hired, non-owned vehicles, and/or trailers and other equipment required to be licensed, covering personal injury, bodily injury and property damage.
 - ii. Limits:

Combined Single Limit	\$1,000,000.00
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- (D) **Umbrella:**
 - i. Limits:

Each Occurrence/Aggregate	\$2,000,000.00
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- (F) The Village, its officers, agents, employees and volunteers shall be named as an additional insured on all insurance policies identified herein except workers' compensation. Grantee shall be responsible for the payment of any deductibles for said insurance policies. The coverage shall contain no

special limitations on the scope of protection afforded to the Village, its officers, employees, and volunteers.

16.4. The Village and Grantee agree to waive against each other all claims for special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to the Project.

16.5. Grantee understands and agrees that any insurance protection required by this Agreement or otherwise provided by Grantee shall in no way limit the responsibility to indemnify, keep and save harmless, and defend the Village as herein provided. Grantee waives and agrees to require its insurers to waive its rights of subrogation against the Village, its officers, employees, agents and volunteers.

17.0. COVENANT NOT TO SUE.

17.1. Grantee forever releases and discharges the Village, its officials, officers, agents, employees and volunteers from all claims, demands, damages, actions or causes of action which arise out of the Village's performance of this Agreement.

17.2. Grantee covenants not to sue or otherwise bring any action in law or equity against the Village, its officials, officers, agents, employees or volunteers for any claims, loss, damage, expense, debt or liability of any nature whatsoever which the Grantee may sustain arising out of the Village's performance of this Agreement.

18.0. NON-WAIVER OF RIGHTS.

18.1. Any failure on the part of the Village to exercise any right under this Agreement shall not be construed as a waiver of that right.

19.0. NON ASSIGNMENT AND SUCCESSORS IN INTEREST.

19.1. This Agreement shall not be assigned, sublet, or transferred by either party hereto.

19.2. The parties each bind themselves and their successors, and assigns to the other party of this Agreement and to the successors, and assigns of such other party in respect to all covenants of this Agreement.

19.3. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of the Village, nor shall it be construed as giving any right or benefits hereunder to anyone other than the Village and Grantee.

20.0. MODIFICATION AND AMENDMENT.

20.1. This Agreement may only be amended or modified by a written instrument, signed by the parties hereto, other than modifications required by changes in federal or state law or regulations or required by Village ordinance applicable to this Agreement. No amendment or modification of this Agreement shall be valid or enforceable unless in writing and signed by the authorized representatives of the parties.

20.2. This Agreement is subject to such modifications as the Village determines may be required by changes in federal, state or local law or regulations. Any such required modification shall be incorporated into and be part of this Agreement as if fully set forth herein. The Village shall notify the Grantee of any change in law or regulation which it has notice.

21.0. CONFLICT OF INTEREST.

21.1. The Grantee shall establish safeguards to prohibit its officers, directors, agents and employees from using Village funds for their own private use.

21.2. No Village officer or employee may be hired or paid with funds derived directly or indirectly through this Agreement.

21.3. The parties acknowledge and agree that Village officers and employees may serve as directors and volunteers of the Grantee and their service shall not be deemed to be a conflict of interest.

21.4. Grantee covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of the Project pursuant to this Agreement. Grantee further covenants that in the performance under this Agreement, no person having a conflict of interest shall be employed by Grantee.

22.0. NO COLLUSION.

22.1. Grantee hereby represents and certifies that Grantee is not barred from contracting with a unit of state or local government as a result of: (1) a delinquency in the payment of any tax administered by the Illinois Department of Revenue unless Grantee is contesting, in accordance with the procedures established by the appropriate revenue Act, its liability for the tax or the amount of the tax, as set forth in 65 ILCS 5/11-42.1-1; or (2) a violation of either Section 33E-3 or Section 33E-4 of Article 33E of the Criminal Code of 1961, 720 ILCS 5/33E-1 *et seq.* Grantee hereby represents that the only persons, firms, or corporations interested in this Agreement are those disclosed to the Village prior to the execution of this Agreement, and that this Agreement is made without collusion with any other person, firm, or corporation. If at any time it shall be found that Grantee has in procuring this Agreement, colluded with any other person, firm, or corporation, then Grantee shall be liable to the Village

for all loss or damage that the Village may suffer thereby, and this Agreement shall, at the Village's option, be null and void and subject to termination by the Village.

23.0. GOVERNING LAW AND VENUE.

23.1. This Agreement shall be governed by the laws of the State of Illinois both as to interpretation and performance.

23.2. Venue for any action brought pursuant to this Agreement shall be in the Circuit Court of Cook County, Illinois.

24.0. NOTICE.

24.1. Any notice required to be given by this Agreement shall be deemed sufficient if made in writing and sent by certified mail, return receipt requested, by personal service, or by electronic transmission to the persons and addresses indicated below or to such other addresses as either party hereto shall notify the other party of in writing pursuant to the provisions of this subsection:

If to the Village:

Village Manager
Village of Oak Park
123 Madison Street
Oak Park, Illinois 60302
Email: villagemanager@oak-park.us

If to Grantee:

Executive Director
Oak Park Housing Authority
21 South Boulevard
Oak Park, Illinois 60302
Email: DPope@oakparkrc.com

24.2. Mailing of such notice as and when above provided shall be equivalent to personal notice and shall be deemed to have been given at the time of mailing.

24.3. Notice by email shall be effective as of date and time of electronic transmission, provided that the notice transmitted shall be sent on business days during business hours (9:00 a.m. to 5:00 p.m. Chicago time). In the event email is transmitted during non-business hours, the effective date and time of notice is the first hour of the first business day after transmission.

25.0. ENTIRE AGREEMENT.

25.1. This Agreement represents the entire agreement between the parties and supersedes all previous communications or understandings, whether oral or written.

25.2. There are no covenants, promises, agreements, conditions or understandings between the parties, either oral or written, other than those contained in this Agreement.

26.0. SAVINGS CLAUSE.

26.1. If any provision of this Agreement, or the application of such provision, shall be rendered or declared invalid by a court of competent jurisdiction, or by reason of its requiring any steps, actions or results, the remaining parts or portions of this Agreement shall remain in full force and effect.

27.0. CAPTIONS AND PARAGRAPH HEADINGS.

27.1. Captions and paragraph headings are for convenience only and are not a part of this Agreement and shall not be used in construing it.

28.0. AUTHORIZATIONS.

28.1. Grantee's authorized representatives who have executed this Agreement warrant that they have been lawfully authorized by Grantee's board of directors or its by-laws to execute this Agreement on its behalf. The Village Manager and Village Clerk hereby warrant that they have been lawfully authorized by the Village Board to execute this Agreement. Grantee and the Village shall deliver, upon request, to each other at the respective time such entities cause their authorized agents to affix their signatures hereto copies of all articles of incorporation, bylaws, resolutions, ordinances or other documents required to legally evidence the authority to so execute this Agreement.

29.0. HEADINGS AND TITLES.

29.1. The headings or titles of any provisions of this Agreement are for convenience or reference only and are not to be considered in construing this Agreement.

30.0. COUNTERPARTS; PDF SIGNATURES.

30.1. This Agreement shall be executed in counterparts, each of which shall be considered an original and together shall be one and the same Agreement.

30.2. A pdf/email copy of this Agreement and any signatures thereon will be considered for all purposes as an original.

31.0 EFFECTIVE DATE.

31.1. This Agreement shall take effect on January 1, 2019.

IN WITNESS WHEREOF the parties to this Agreement by their signatures acknowledge they have read and understand this Agreement and intend to be bound by its terms as of the dates set forth below.

VILLAGE OF OAK PARK

Cara Pavlicek
By: Cara Pavlicek
Its: Village Manager
Date: 12/12, 2018

ATTEST

Vicki Scaman
By: Vicki Scaman
Its: Village Clerk
Date: 12/12, 2018

OAK PARK HOUSING AUTHORITY

James Potts
By: James Potts
Its: EXECUTIVE DIRECTOR
Date: 12/19, 2018

ATTEST

Deidra Marie Patterson
By: Deidra Marie Patterson
Its:
Date: 12/19, 2018

REVIEWED AND ACCEPTED
AS TO FORM
Paul L. Hyatt
DEC 1 2018
LAW OFFICE

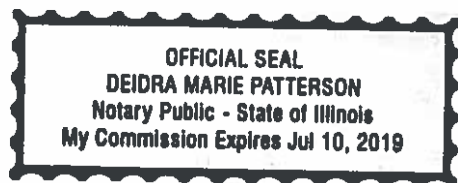


EXHIBIT 1
FUNDING SCHEDULE - 2019 BUDGET

Oak Park Housing Authority

Monthly Bills are Paid in Arrears and Submitted and Paid the Following Month

Month	Affordable Housing Funds		TOTAL
	Administrative Support		
January	(1)		\$ -
February	(1)		\$ -
March	(1)		\$ -
April	(1)		\$ -
May	(1)		\$ -
June	(1)		\$ -
July	(1)		\$ -
August	(1)		\$ -
September	(1)		\$ -
October	(1)		\$ -
November	(1)		\$ -
December	(1)		\$ -
Total Monthly Payments	\$ -	\$ -	\$ -
Reimbursed Housing Authority Voucher Administrative Program Costs (Subject to Actual Costs Incurred)	\$ 35,000.00	\$ -	\$ 35,000.00
TOTALS	\$ 35,000.00	\$ -	\$ 35,000.00

(1) Payment subject to Reimbursement Requests of Actual Costs Incurred by Agency

EXHIBIT 2

OAK PARK HOUSING AUTHORITY 2019 SCOPE OF SERVICES AND PROGRAM GOALS AND MEASURES

The Village agrees to give contractor a stand by funding commitment not to exceed \$35,000 for the actual administrative expense shortfall due to decreases in federal funding of the administrative expenses of the Housing Choice Voucher Program. The Contractor agrees to use its best efforts to operate the Housing Choice Voucher Program. The Contractor agrees to provide the Village with the exact number of Housing Choice Vouchers administered by the Contractor and include location at the census tract level. Annually, the Contractor agrees to provide the Village with information related to actual federal funding level of the administrative costs of the Housing Choice Vouchers including any funding received from other Public Housing Authorities due to portability of vouchers. Annually, Contractor also agrees to provide the Village with the methodology used to calculate administrative expenses of the Housing Choice Voucher program and to inform the Village what percentage of the Contractor's total agency budget is due to administrative expenses.

ADDENDUM TO AGREEMENT

The Contractor shall comply with the terms and conditions set forth herein. Any violation of the terms and conditions set forth herein shall subject the Contractor, at the Village's discretion, to possible contract termination or suspension of payments in accordance with the Agreement.

A. Conflicts of Interest and Standards of Conduct.

The Contractor shall adhere to the "Conflicts of Interest and Standards of Conduct" set forth below or to such equivalent policies of the Contractor as has been reviewed and approved by the Village in accordance with the Agreement.

Conflicts of Interest and Standards of Conduct

1. **Compensation**: Members of the Board of Directors shall serve without salary, but the Board of Directors may authorize payment of the reasonable expenses incurred by such members in the performance of their duties.
2. **Impartiality**: Every director and employee shall perform his or her duties with impartiality and without prejudice or bias in furtherance of the goals, objectives and contractual obligations of the Contractor. No director or employee shall, in the performance of his or her duties on behalf of the Contractor, grant or make available to any person or entity, including other directors or employees of the Contractor, any consideration, treatment or service beyond that which is available to every other similarly situated person or entity served by the Contractor.
3. **Conflict of Interest**: No director or employee shall engage in any business transaction or shall have any financial or other personal interest, direct or indirect, which is incompatible with the proper discharge of the Director's official duties in the interest of the Contractor or which may tend to impair his/her independence of judgment or action in the performance of his/her official duties.
4. **Interest in contracts**: No director or employee shall have any financial or personal interest, directly or indirectly, in any contract, work or business with the Contractor except that a director may provide materials, merchandise, property, services or labor under the following circumstances:
 - a. The contract is with a person, firm, partnership, association, or corporation in which the director has less than a 7.5% share in the ownership, and the aggregate of any contracts awarded to the director or the director's firm, association, partnership or corporation under this subsection (b) during the same fiscal year does not exceed \$25,000; or

- b. The contract does not exceed \$2,000, and the aggregate of any contracts awarded to the director or the director's firm, association, partnership or corporation under this subsection (a) during the same fiscal year does not exceed \$4,000; or
- c. The contract is with a person, firm, partnership, association or corporation in which the director has less than a 1% share in ownership; or
- d. The Contractor is not a party to the contract, and the contract is with a person or entity served by the Contractor as a part of its corporate purpose.

Any contract awarded under this Section 4 must comply with the Contractor's policies concerning competitive bidding and outreach to women and minority business enterprises.¹

- 5. In the event that the Board of Directors considers taking any action, including but not limited to entering into a contract in which any director has any financial or personal interest, direct or indirect, which may reasonably tend to impair the director's independence of judgment or action in the best interests of the Contractor, the director shall:
 - a. Before consideration of the proposed action, publicly disclose any such interest to the Board of Directors; and
 - b. Refrain from evaluating, recommending, approving, deliberating or otherwise participating in negotiation, approval or both of the contract or work; and
 - c. Abstain from voting on the proposed action; and
 - d. The contract must be approved by a majority of the Board of Directors.

For purposes of this Section, personal interest shall include the financial interest of the spouse and minor children of the director, but shall not include any interest that a director may have in a proposed general policy of the Contractor solely by virtue of his business or profession.²

- 6. Disclosure and/or Use of Confidential Information: No director or employee shall, without proper legal authorization, disclose confidential information concerning the property, government or affairs of the Contractor or use such information to advance the financial or other private interest of the director, or employee or others.

¹ The exceptions in Section 4 are drawn from 65 ILCS 5/3.1-55-10.

² The final sentence in Section 5 is intended to ensure that a board member who may be a landlord, realtor, banker, etc., is not prevented from voting on general policies that may have some impact, direct or indirect, on all members of that profession.

7. **Corporate Property:** No director or employee shall request, permit or engage in the unauthorized use of the Contractor's funds, vehicles, equipment, materials or property of personal convenience or profit.

B. Procurement Policy.

The Contractor shall comply with the provisions set forth below relating to the procurement of goods and services which are funded, in whole or in part, by the Village or through the Village as funding agent, or such equivalent policy of the Contractor as has been reviewed and approved by the Village in accordance with the Agreement.

1. **All Contracts for Goods and Services Require the Approval of the Board of Directors; Exceptions.** No contract shall be made for goods or services when the total cost exceeds ten thousand dollars (\$10,000.00), unless such contract shall have been authorized by the Board of Directors. Whenever the total cost of such contract shall not exceed, in any one case, one thousand dollars (\$1,000.00), the Executive Director or his or her designee (hereinafter "Executive Director"), without such previous authorization, shall cause the same to be purchased upon his or her written order; and further provided that when the total cost thereof shall exceed one thousand dollars (\$1,000.00) but shall not exceed ten thousand dollars (\$10,000.00), the Executive Director may cause the same to be purchased without previous authorization in like manner, but the Executive Director shall first obtain in writing, whenever possible, at least three (3) informal quotes to furnish same, which quotes shall be attached in every case to the accounts payable vouchers authorizing payment for such goods or services and filed with the financial records of the Contractor. All contracts shall be let to the lowest responsible bidder, provided that any and all informal quotes for equipment, supplies or repair work may be rejected by the Executive Director if the character or quality of the goods or services does not conform to requirements. In determining the lowest responsible bid or quote, other factors, in addition to cost, such as experience, availability, expertise, resources, work history with the Contractor, work history with others, quality of work and ability to meet all specifications and/or requirements of the Contractor may be taken into consideration and may form the basis for an award of contract. Many of these factors will have increased significance when considering the award of contracts for professional services.
2. **Contracts Which Require the Use of the Formal Bidding Process.** Except as set forth in Section 3 below, when the total cost of a contract for goods, materials, equipment, supplies or construction work is expected to exceed ten thousand dollars (\$10,000.00), the Executive Director or his or her agent shall issue a call for bids which shall be formally advertised. All such bids for construction work shall require a bond for the faithful performance of the work.

All contracts for which bids are required shall be let to the lowest responsible bidder within the judgment of the Board of Directors, provided that any and all bids received in

response to an advertised call for bids may be rejected by the Board of Directors if the character or quality of goods, materials, equipment, supplies or construction work does not conform to the specifications and/or requirements set forth in the call for bids.

3. **Exception to Bid Requirements for Urgent Materials or Repairs; Lack of Competition and Inability to Draft Adequate Specifications; Bid Waiver.** In cases of urgently needed materials or urgently needed repairs which are expected to exceed ten thousand dollars (\$10,000.00), the Executive Director is authorized to obtain such materials and/or services through a negotiated contract without formal advertising when it is in the best interest of the Contractor and it is impractical to convene a meeting of the Board of Directors. If it is practical to convene a meeting, the Board of Directors shall be required to waive the bidding requirement and approve such a negotiated agreement.

Such negotiated contracts may also be approved by the Board of Directors when (1) the contract is for professional services, (2) it is impractical to secure competition, or (3) it is impossible to draft adequate bid specifications. The Executive Director or his or her designee shall, however, whenever possible, obtain in writing at least three (3) informal quotes to furnish same.

Bidding in all instances may be waived by a two thirds (2/3) vote of the Board of Directors.

4. **Procedure for Advertising for Bids.** Whenever any formal bids are required, as stated above, the Executive Director or his/her authorized agent shall advertise in some newspaper published in the Village and/or in such other newspaper of general circulation as, in his/her judgment, may be desirable. A plan or profile of the work to be done, accompanied by specifications for doing the same and specifications for material, supplies or equipment to be furnished, shall be first placed on file in the office of the Executive Director or his/her authorized agent before any such advertisement shall be made, which plan, profile and specifications for goods, material, supplies, equipment or construction work shall at all times be open for public inspection. Such advertisement shall be published not less than ten (10) days before the day fixed for opening such bid, and shall state the work to be done, or material, supplies or equipment to be furnished, and the time and place for the filing and the opening of the sealed bids.
5. **Filing of Bids; Deposit Accompanying Bids, Preservation and Opening of Bids.** In all cases, the formal bids under the preceding section shall be sealed bids and directed to the Executive Director. A bid deposit may be required, the amount of which shall be fixed by the Executive Director but which shall not exceed five percent (5%) of the estimated cost of the work or material to be furnished, not less than the sum of twenty-five dollars (\$25.00). Such bid deposit shall be in the form of a cashier's check, a certified check, or at the discretion of the Executive Director, a bid bond. Checks shall be drawn upon a bank in good standing, payable to the order of the Contractor and shall be forfeited to the Village in the event the bidder shall neglect or refuse to enter into a

contract and bond when required, with approved sureties, to execute the work or furnish the material for the price mentioned in his/her bid and according to the plans and specifications in case the contract shall be awarded to him/her. Bids shall be opened at the hour and place mentioned in the notice.

6. **Contracts to be Executed in Writing.** All contracts, whether for work or materials, shall be executed in writing and in duplicate by the President of the Board of Directors or the Executive Director. One original so executed shall be kept and filed in the Contractor's office and the other shall be given to the contractor. All contracts and bonds so taken shall be in the name of, and run to, the Contractor.
7. **Contractors' Bonds.** Whenever any construction work, expected to be in excess of ten thousand dollars (\$10,000.00), is let by contract to any person or entity, the Contractor shall, in all cases, take a bond from such person or entity with good and sufficient sureties, licensed in the State of Illinois to be approved by the Board of Directors, in such amount as shall not only be adequate to insure the performance of the work in the time and manner required in such contract, but also to save and indemnify and keep harmless the Contractor against all liabilities, judgments, costs and expenses which may in any manner accrue against the Contractor in consequence of granting such contract or which may in any manner result from the carelessness or neglect of such person, or entity or its agents, employees or workers in any respect whatever.
8. **Bid Tabulation.** The Contractor shall prepare a spreadsheet for each separate contract over ten thousand dollars (\$10,000.00) for goods and services awarded by it. Each spreadsheet shall name and identify all entities submitting bids or proposals on specific contracts by name and address, describe the goods provided or the work performed, set forth the cost, fee or amount proposed by each such entity in response to the call for bids or request for proposals or quotes, the name and address of the entity who was awarded the contract, and the reasons therefore. The Contractor shall submit copies of all such spreadsheets to the Village on a quarterly basis as a part of the general quarterly reporting process required under this agreement.

C. Diversity Statement

In 1997, the Village of Oak Park first adopted what is now known as the Village's "Diversity Statement." Every new Village Board elected since that time has readopted this Diversity Statement incorporating amendments over time which have added to the Statement's scope and strength.

Attached hereto as Exhibit A and made a part hereof is the Diversity Statement adopted by the President and Board of Trustees of the Village of Oak Park in 1997 and amended in 2007.

As a partner agency of the Village of Oak Park, the Contractor agrees to adhere to the Diversity Statement, attached hereto as Exhibit A with regard to diversity, or such equivalent

policy of the Contractor as is reviewed and approved by the Village in accordance with that section of the Agreement entitled "Adherence to Village Policies."

In carrying out its commitment to diversity as set forth in the Diversity Statement, the Contractor shall use its best efforts to affirmatively recruit qualified women and minority candidates to fill vacant positions within its Contractor and to use its best efforts to affirmatively recruit qualified minority owned business enterprises ("MBE") and women owned business enterprises ("WBE") to participate in the Contractor's process of contracting for goods and services. The Village shall upon request provide the Contractor with the names of known MBEs and WBEs and business referral agencies.

The Contractor shall annually submit to the Village an Equal Employment Opportunity ("E.E.O.") Report in the form attached as Exhibit B showing the breakdown of its employees by race, sex and job classification. In addition, the Contractor shall report the race, sex and job classifications for any new employee hired during the preceding year and indicate the general efforts which were made by the Contractor during the course of the previous year to recruit qualified women and minority candidates for such position(s).

The Contractor shall also provide a report to the Village, on an annual basis, which indicates the number of contracts and the dollar value of contracts for goods and services which it let during the preceding year and the number of contracts, the dollar value of contracts and the percentage of the total dollar value of contracts for goods and services which have been let to women and minority contractors.

This report shall also contain a section setting forth the general efforts made by the Contractor during the course of the previous year to affirmatively recruit women and minority businesses to participate in the contracting process.

The Contractor's E.E.O. employment and contracting reports for the entire preceding year shall be submitted as a part of the regular quarterly report submitted for the fourth quarter of the year.

D. Drug Free Workplace.

The Contractor agrees to adhere to the following policy related to a drug free workplace or such equivalent policy of the Contractor as has been reviewed and approved by the Village in accordance with Section 5 of the agreement, entitled "Adherence to Village Policies."

The content of the notice set forth below sets forth the policy of the Village with regard to the Village as a drug free workplace. The Contractor shall post the notice below or its own equivalent policy in a conspicuous location on the Contractor's premises where it will be visible to all employees, or provide a copy of the following notice or its own equivalent policy to each employee. Any such notice or policy posted or provided to employees shall name the

Contractor and the individual or position which fulfills the "Human Resources Director" position, where indicated.

DRUG-FREE WORKPLACE NOTICE

All employees should be aware pursuant to Illinois and United States law that the (Name of Contractor) is a drug-free workplace. The unlawful manufacture, distribution, dispensing, possession or use of a controlled substance as defined in Illinois law at 720 ILCS 570/201 *et. seq.* and United States law, 41 U.S.C. §§ 701-707, is prohibited at the workplace and by any employee of (Name of Contractor). Any violation will subject the employee to dismissal from employment. As a condition of employment, an employee convicted of any drug related offense occurring at the workplace must notify the (Human Resources Director) within five (5) days of the conviction. Failure to so notify the (Human Resources Director) is grounds for dismissal from employment.

E. Sexual Harassment Policy.

The Contractor shall comply with the sexual harassment policy set forth below or with an equivalent policy that has been reviewed and approved by the Village in accordance with the Agreement.

SEXUAL HARASSMENT POLICY

Sexual harassment is illegal and against the employment policy of the (Name of Contractor).

Any employee found by the (Name of Contractor) to have engaged in sexual harassment will be subject to appropriate disciplinary action, up to and including termination.

"Sexual harassment" means any unwelcome sexual advances or requests for sexual favors or any verbal or physical conduct of a sexual nature when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Examples of sexual harassment may include, but are not limited to:

- **Verbal:** Sexual innuendo, suggestive comments, insults, threats, jokes about gender specific traits, or sexual propositions;
- **Non-Verbal:** Making suggestive or insulting noises, gestures, leering, whistling or obscene gestures; and

- Physical: Touching, pinching, brushing the body, coercing sexual intercourse or assault.

An employee who believes he or she has been the subject of sexual harassment shall report the alleged conduct immediately to the Contractor's Human Resources Director, Executive Director or such other employee, other than the alleged harasser, as may be designated by the Contractor. The information will then be forwarded to the CEO/Manager/Executive Director. A confidential investigation of any complaint will be undertaken by the Human Resources Director or such other officer or employee designated by the Executive Director.

Retaliation or discrimination against an employee who makes a sexual harassment complaint is strictly prohibited. Any employee found by the (Name of Contractor) to have retaliated or discriminated against an employee for a sexual harassment complaint will be subject to appropriate disciplinary action up to and including termination.

The (Name of Contractor) recognizes that the issue of whether sexual harassment has occurred requires a factual determination based on all the evidence received. The (Name of Contractor) also recognizes that false accusations of sexual harassment can have serious effects on innocent men and women. All employees will continue to act in a responsible and professional manner to establish a working environment free of sexual harassment.

F. Domestic Partnership Program.

The Contractor agrees to adhere to the Domestic Partnership Program attached hereto as Exhibit C and made a part hereof as a program for the benefit of employees of the Contractor or to such equivalent Contractor policy as has been reviewed and approved by the Village in accordance with that section of the Agreement entitled "Adherence to Village Policies."

The Village will assist the Contractor with the implementation of the Program at the Contractor's request.

The Village agrees to save and hold harmless, protect and defend the Contractor, its employees, Board Members and other agents, from any and all costs, losses, suits for damage or other relief, damages, rights, claims, demands or actions resulting from or in any way arising out of the actions or operations of the Contractor or its agents in approving or carrying out or fulfilling the terms of the Domestic Partnership Program required herein and to pay all costs, including attorneys' fees, of any involvement in any litigation or administrative proceedings or other legal actions based thereon. Said obligations of the Village shall survive any termination of the Agreement between the Contractor and the Village.

G. Compliance with Employment Laws.

The Contractor shall perform the services set forth in the Agreement in compliance with all applicable federal and state employment laws, including but not limited to all laws prohibiting discrimination in employment.

H. Compliance with HUD Guidelines.

In the event that the Contractor is a recipient of Community Development Block Grant (CDBG) funds under the terms of the Agreement, the Contractor shall comply with all U.S. Department of Housing and Urban Development (HUD) rules, regulations, and guidelines adopted in relation to the administration of such CDBG funds.



EXHIBIT A

Diversity Statement

The people of Oak Park choose this community, not just as a place to live, but as a way of life. Oak Park has committed itself to equality not only because it is legal, but because it is right; not only because equality is ethical, but because it is desirable for us and our children. Ours is a dynamic community that encourages the contributions of all citizens, regardless of race, color, ethnicity, ancestry, national origin, religion, age, sex, sexual orientation, gender identity or expression, marital and/or familial status, mental and/or physical impairment and/or disability, military status, economic class, political affiliation, or any of the other distinguishing characteristics that all too often divide people in society.

Oak Park's proud tradition of citizen involvement and accessible local government challenge us to show others how such a community can embrace change while still respecting and preserving the best of the past. Creating a mutually respectful, multicultural environment does not happen on its own; it must be intentional. Our goal is for people of widely differing backgrounds to do more than live next to one another. Through interaction, we believe we can reconcile the apparent paradox of appreciating and even celebrating our differences while at the same time developing consensus on a shared vision for the future. Oak Park recognizes that a free, open, and inclusive community is achieved through full and broad participation of all its citizenry. We believe the best decisions are made when everyone is represented in decision-making and power is shared collectively.

Oak Park is uniquely equipped to accomplish these objectives, because we affirm all people as members of the human family. We reject the notion of race as a barrier dividing us and we reject prejudicial behavior towards any group of people.

We believe residence in this Village should be open to anyone interested in sharing our benefits and responsibilities.

To achieve our goals, the Village of Oak Park must continue to support the Board's fair housing philosophy that has allowed us to live side-by-side and actively seek to foster unity in our community. We believe that mutual understanding among individuals of diverse backgrounds can be attained with an attitude of reciprocal good will and increased association.

The Village of Oak Park commits itself to a future ensuring equal access, full participation in all of the Village's institutions and programs, and equality of opportunity in all Village operating policies. The success of this endeavor prepares us to live and work in the twenty-first association.

It is our intention that such principles will be a basis for policy and decision making in Oak Park. The President and Board of Trustees of the Village of Oak Park reaffirm their dedication and commitment to these precepts.

Revised 11.19.07

**EXHIBIT B
VILLAGE OF OAK PARK
EEO REPORT**

Vendor Name _____

Total Employees _____

Job Categories	Total Employee	Total Males	Total Females	Male				Female				Total
				Black	Hispanic	Amer. Indian Alaskan Na	Asian & acific Islande	Black	Hispanic	Amer. Indian Alaskan Na	Asian and acific Islande	
Officials & Managers												
Professionals												
Technicians												
Sales Workers												
Office & Clerical												
Semi-Skilled												
Laborers												
Service Workers												
Total												
Management Trainees												
Apprentices												

This completed and notarized report must accompany your bid. It should be attached to your
Affidavit of Compliance. Failure to include it with your bid will disqualify you from consideration.

_____, being first duly sworn, deposes and says that he/se is the _____ of
(Name of Person Making Affidavit) Title or Officer

EXHIBIT C
DOMESTIC PARTNERSHIPS
FOR EMPLOYEES OF THE VILLAGE OF OAK PARK

A. **DEFINITIONS.** When used in the Ordinance, the following terms have the following meanings:

AFFIDAVIT OF DOMESTIC PARTNERSHIP: A form, provided by the Director of Human Resources, in which two people agree to be jointly responsible for the necessities of life incurred during the domestic partnership and state under oath that all qualifications for domestic partnership as set forth in this Article are met when the Affidavit is signed.

The form shall set forth all the requirements for a domestic partnership as defined herein. The form shall indicate that the fraudulent misrepresentation of information set forth therein by the Village employee executing same shall be considered cause for the termination of the employee's employment with the Village. The affidavit shall further state that the persons executing such affidavit may be held civilly liable for the misstatement of any information set forth therein and that such affidavit may further be construed by a court of law as creating enforceable, legal obligations between the persons executing the affidavit.

DEPENDENT: One who lives with a domestic partner and is a biological, adopted or step child of a domestic partner, a dependent of a domestic partner as defined by Internal Revenue Service regulations, or a ward of a domestic partner as determined under the laws of guardianship or agency.

DOMESTIC PARTNER: Each adult in a domestic partnership.

DOMESTIC PARTNERSHIP: Two unrelated adults of the same sex, one of whom is an employee of the Village of Oak Park who is otherwise eligible for employee benefits, who have chosen to share one another's lives in an intimate and committed relationship of mutual caring, who also:

1. share the same primary, regular and permanent residence and have lived together for the previous six (6) months;
2. agree to be jointly obligated and responsible for the necessities of life for each other;
3. are not married to anyone;
4. are each eighteen (18) years of age or older;
5. are competent to enter into a contract;
6. are and have been each other's sole domestic partner for at least six (6) months prior to execution of the Affidavit of Domestic Partnership required under this Article;
7. agree to file a Termination of Domestic Partnership within 30 days if any of the above facts change;

8. have filed the required notice of Termination of any prior domestic partnership acknowledged under the provision of this Article in the manner required herein and no less than six (6) months prior to the execution of the current Affidavit of Domestic Partnership; and
9. execute an Affidavit of Domestic Partnership, indicating compliance of the persons executing such affidavit with all the requirements for a domestic partnership set forth in this Article.

LIVE TOGETHER: Two people claiming domestic partnership status share the same primary, regular and permanent residence. It is not necessary that both domestic partners have the legal right to possess the residence. Domestic partners do not cease to live together if one leaves the shared residence for a period not to exceed one (1) year, but intends to return.

NECESSITIES OF LIFE: Basic food, shelter, clothing, medical care and the costs associated therewith. The domestic partners need not contribute equally or jointly to the cost of these expenses as long as they agree that both are responsible and obligated for the cost.

TERMINATION OF DOMESTIC PARTNERSHIP: Any change in the domestic partnership which causes the partnership not to satisfy any one of the requirements for a domestic partnership, set forth herein.

B. AFFIDAVIT OF DOMESTIC PARTNERSHIP; EXECUTION AND ACCOMPANYING DOCUMENTATION. An Affidavit of Domestic Partnership must be signed, under oath, by both parties seeking recognition by the Village as a domestic partnership. The Director of Human Resources shall, within thirty (30) days of the effective date of this ordinance, make such forms available.

The signatures of both persons must be witnessed and notarized. The affiants will also be required to indicate that they have thoroughly read the affidavit and that they understand the content thereof at the time of execution. The Director of Human Resources, or the Director's designee, shall receive executed affidavits of domestic partnership and may require reasonable documentation verifying the truth and accuracy of any statements contained in the affidavit, including verification of the primary, regular and permanent residence address of the persons seeking recognition as a domestic partnership.

Once the affidavit has been properly executed by both individuals seeking recognition as a domestic partnership by the Village and presented to the Director of Human Resources, or the Director's designee, along with all supporting documentation requested by the Director, or the Director's designee, and the Director is satisfied that the individuals seeking recognition as a domestic partnership have satisfied the requirements for same, the Director, or the Director's designee, shall provide those individuals with a letter under the Director's signature, recognizing the domestic partnership, identifying the parties to same and identifying the benefits to which the domestic partners are then entitled. The letter shall further indicate that the domestic partners must comply with the provisions of Section Four herein and notify the Director, or the Director's designee, of the termination of the domestic partnership within thirty (30) days of the termination and the possible consequences for the failure to do so.

C. **EMPLOYMENT BENEFITS.** The Village of Oak Park shall provide the same family sick leave, funeral leave benefits and H.M.O. health and dental benefits available to any Village employee, and the spouse and dependents of any Village employee, to any Village employee and any other person with whom the employee has formed a domestic partnership and the dependents of such domestic partnership as defined herein The Village shall, however, not extend health insurance benefits to a domestic partner, or the domestic partner's dependents, if the domestic partner who is not a Village employee is otherwise eligible for health insurance benefits through his or her employer.

D. **TERMINATION OF DOMESTIC PARTNERSHIP: NOTICE REQUIRED.** Any employee of the Village who is receiving employment benefits as a member of a domestic partnership and whose domestic partnership terminates as defined herein, shall notify the Director of Human Resources of the termination of the employee's domestic partnership within thirty (30) days of such termination.

E. **FRAUDULENT MISREPRESENTATION: REIMBURSEMENT TO VILLAGE AND CAUSE FOR TERMINATION.** Any employee who fraudulently misrepresents information in the Affidavit of Domestic Partnership executed by such employee, or fails to inform the Village of the termination of his or her domestic partnership, shall reimburse the Village for any expenditures made by the Village in reliance on such misrepresentations or for expenditures made due to the employee's failure to notify the Village of the termination of a domestic partnership. Such fraudulent misrepresentations shall also constitute cause for the termination of the employee's employment with the Village.

Scope of Service Requirements

1 Housing Choice Voucher Program (HCVP)

- a. Operate HCVP with best efforts.
- b. Maintain a record of HCV administered.
- c. Maintain a census tract level for each voucher.
- d. Update funding level received federally.
- e. Record any other Public Housing Authority funding.

Completed Notes

Yes
Yes
Yes
Yes
Yes

Scope of Service Deliverables

1 Quarterly Village report including:

Completed Notes

Yes Quarter 1 - Jan 15
Yes Quarter 2 - Apr 15
Yes Quarter 3 - Jul 15
Yes Quarter 4 - Oct 15

2 Annual report to include:

- how many Housing Choice Vouchers were administered
- how much funding was received federally for the HCVP
- how much funding was received from any other Public Housing Authority
- what methodology was used to determine admin expenses
- what percentage of total budget is administrative expenses

No Month 12 - Dec 31



The Village of Oak Park
Village Hall
123 Madison Street
Oak Park, Illinois 60302

708 383 6400
Fax 708 383 6692
village@oak park us
www.oak park us

June 12, 2019

David Pope
Oak Park Housing Authority
21 South Blvd.
Oak Park, IL 60302

Re: 2020 Village of Oak Park Budget Request

Dear David,

The Village of Oak Park would like to invite you to submit your 2020 Budget request. All budget requests must be submitted no later than 3 p.m. (CST) on August 1, 2019. It is important to note that the Village continues to navigate through a prolonged period of financial uncertainty. As a result, the impact on the last several years remains with us, as the Village continues to recover from deep dips in state and local funding resources. Also, as the State of Illinois continues to cut resources we expect that the financial burden on local municipalities will continue. As in years past, we will need the following documents when you submit your 2020 budget request:

- 2018 Audit
- 2019 Budget and YTD actuals
- 2020 agency and or program budget
- Report on 2019 accomplishments to date
- Chart of existing staff and interns detailing salary and benefits

Please contact Vanetta Logan, at 708-358-5773, to schedule an appointment with the Village Manager to review the status of your request. The meetings will be scheduled in late August, after your submittal is received and reviewed by the Village. Feel free to contact my office should you have additional questions at 708-358-5422.

Sincerely,

Tammie Grossman
Director, Development Customer Services
Village of Oak Park



OAK PARK HOUSING AUTHORITY

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

July 31, 2019

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 2020. This request is a continuation of the current funding that the Village has provided for FY 2019. 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 cost 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 actions, 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 the 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 training for building owners and managers. This education has become even more important as a result of the change in applicable Fair Housing legislation 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 (As of this date we have not received our 2018 Draft Audit)
- 2) Consolidated Statement –YTD as of 6/30/19 and 2020 Proposed Budget (unapproved draft)
- 3) Statement of HCV Program accomplishments to date in FY 2019
- 4) 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, 2018

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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 as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

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, 2018, and the changes in its financial position, 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, and the schedules of changes in the net pension liability and related ratios, schedule of employer contributions and schedule of actuarial methods and assumptions used in calculation of the 2018 contribution rate, 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 that collectively comprise the Housing Authority of the Village of Oak Park's basic financial statements. The combining schedules and other accompanying supplementary information shown on pages 28 and 45 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis 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* and is also not a required part of the basic financial statements.

The combining schedules, other supplemental information and the schedule of expenditures of federal awards is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules, other supplemental information and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic 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 August 30, 2019, 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.

KOLNICKI, PETERSON, WIRTH LLC
Certified Public Accountant

Downers Grove, Illinois
August 30, 2019

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FY 2018

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, 2018. Both the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position 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 Position and Statement of Revenues, Expenses and Changes in Net Position, 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 increased by 0.32%, or \$ 27,793, from FY 2017 as a result of this year's operations.
- Overall revenues of the Authority increased by 9.8%, while total expenses increased by 5.02% over FY 2017.
- The revenues for the Housing Choice Voucher Program increased by 13.6%, while expenses increased by 5.0% over FY 2017.
- The revenues for the Public Housing Program increased by 0.9%, while expenses increased by 7.6% over FY 2017.
- The revenues for the Office Building and Rental Property decreased by 17.9%, while expenses decreased by 1.4% versus 2017.

REPORTING ON THE HOUSING AUTHORITY'S PROGRAMS

REVENUES

Overall revenues for FY 2018 for the Housing Authority increased by 9.8%, or \$ 623,592, versus FY 2017.

Total revenues for the Housing Choice Voucher Program increased by 13.6%, or \$ 654,711. This is due to an increase in funding from HUD both in HAP funding and administrative funding.

The total revenues in FY 2018 for the Public Housing Program, Mills Park Tower, increased by 0.9%, or \$ 11,814, from FY 2017. The operating subsidy increased by 4.3%, or \$ 19,149, from FY 2017, while rental income from tenants increased by 2.6%, or \$ 16,195.

The total revenues for the Office Building and Rental Property for 2018 decreased by 17.9%, or \$ 42,950. 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 \$ 132,900 for FY 2018. 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 \$ 44,556. Rental income of \$ 11,911 was received from the tenant at 324 N. Austin Blvd. The tenant's lease ended as of March 31st, 2018, and the building has been vacant since then, and is currently undergoing rehabilitation in preparation for a new tenant in the second half of 2019.

EXPENSES

FY 2018 overall expenses for the Housing Authority increased by 5.02%, or \$ 333,373, from FY 2017.

FY 2018 current year expenses for the Housing Choice Voucher program increased by 5.0%, or \$ 257,801, from FY 2017. Administration costs increased by 1.4 %, or \$ 7,510, and Housing Assistance Payments made to landlords for HCV participants increased 5.4%, or \$ 250,291. At year-end a total of 553 vouchers were leased up.

The total expense for the Public Housing Program increased by 5.5%, or \$ 77,042, from 2017.

Total expenses for Business Activities decreased by 1.4%, or \$ 1,463, from FY 2017.

Capital Asset Administration

At the end of 2018, the Housing Authority had \$ 8,012,573 invested in a variety of capital assets including land, buildings, improvements and equipment. During FY 2018, \$ 166,841 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 2018 and 2017. At year-end 2018, the Housing Authority had \$ 630,076 in outstanding debt versus \$ 800,122 at the end of 2017.

The \$ 630,076 in notes & mortgages payable at FYE 2018 consists of: \$ 580,076 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 \$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. The mortgage on the 324 N. Austin Blvd property that was due to US Bank was paid off at the end of May, 2018, with a final balloon payment of \$ 136,210.

HOUSING AUTHORITY PERFORMANCE

Overall financial performance of the Housing Authority for FY 2018 resulted in an increase in net assets of 0.32 % or \$ 27,793.

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.

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. The balance at the end of 2018 was \$163,167; 2018 deductions were \$147,321.

During 2018, The Housing Authority of the Village of Oak Park was awarded a ROSS Grant. This Resident Opportunity and Self-Sufficiency program funding is for a full-time Service Coordinator at Mills Park Tower. MPT will receive \$ 246,000 over a three-year period for the program, and MPT will provide in-kind contributions such as office space and administrative expenses. OPHA received \$ 6,337 in funding during 2018 as the program was being implemented.

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 POSITION
DECEMBER 31, 2018 AND 2017

	<u>HUD Activities</u>		<u>Business Activities</u>		<u>Eliminations</u>		<u>Total Housing Authority</u>	
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2018</u>
Current Assets	759,262	715,935	847,619	811,175	-	-	1,606,881	1,527,110
Property & Equipment								
Land	853,846	853,846	100,000	100,000	-	-	953,846	953,846
Modernization Costs	7,242,286	7,269,560	-	-	-	-	7,242,286	7,269,560
Structure & Equipment	5,408,457	5,619,624	1,880,937	1,896,820	-	-	7,289,394	7,516,444
Total	13,504,589	13,743,030	1,980,937	1,996,820	-	-	15,485,526	15,739,850
Less Accumulated Deprec	(6,067,819)	(6,503,861)	(1,183,102)	(1,223,416)	-	-	(7,250,921)	(7,727,277)
Net Property & Equip	7,436,770	7,239,169	797,835	773,404	-	-	8,234,605	8,012,573
Due from HA	370,753	367,264	-	-	(370,753)	(367,264)	-	-
Other Assets	21,075	98,874	631	579	-	-	21,706	99,453
Total Assets	8,587,860	8,421,242	1,646,085	1,585,158	(370,753)	(367,264)	9,863,192	9,639,136
Current Liabilities	297,835	197,203	4,639	2,657	-	-	302,474	199,860
Long-Term Liabilities								
Due to OPHA	370,753	367,264	-	-	(370,753)	(367,264)	-	-
Due to OPRC	-	-	1,271	19,139	-	-	1,271	19,139
Capital Lease Payable	-	-	762,184	597,576	-	-	762,184	597,576
Notes & Mortg Payable	-	-	-	-	-	-	-	-
Other Liabilities	68,896	71,841	37,939	32,500	-	-	106,835	104,341
Total Long-Term Liabilities	439,649	439,105	801,394	649,215	(370,753)	(367,264)	870,290	721,056
Total Liabilities	737,484	636,308	806,033	651,872	(370,753)	(367,264)	1,172,764	920,916
Net Position	7,850,376	7,784,934	840,052	933,286	-	-	8,690,428	8,718,220
Net Change		<u>(65,442)</u>		<u>93,234</u>				<u>27,792</u>
Invested in Capital Assets								
Net of Debt	7,436,770	7,239,169	(2,288)	143,328	-	-	7,434,482	7,382,497
Total Liab & Net Position								
Restricted	5,388	-	-	-	-	-	5,388	-
Unrestricted	408,218	545,766	842,340	789,958	-	-	1,250,558	1,335,724
Net Position	7,850,376	7,784,935	840,052	933,286	-	-	8,690,428	8,718,221

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DECEMBER 31, 2018 AND 2017

	<u>HUD Activities</u>		<u>Business Activities</u>		<u>Total Housing Authority</u>	
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2018</u>
<u>Revenues</u>						
Operating Subsidy & ROSS	447,466	472,952	0	0	447,466	472,952
Rental Income	609,762	625,956	47,643	11,911	657,405	637,867
Voucher Program Income	3,788,563	4,299,990	0	0	3,788,563	4,299,990
Administrative Fee Income	386,295	460,937	0	0	386,295	460,937
HUD PHA Modernization Inc	171,354	166,841	0	0	171,354	166,841
Non-dwelling Rental	0	0	172,282	177,456	172,282	177,456
Ports In Income	564,674	640,984	0	0	564,674	640,984
Interest Income	536	1,395	203	597	739	1,992
Other Income	175,260	141,380	19,611	6,825	194,871	148,205
Total Income	6,143,910	6,810,435	239,739	196,789	6,383,649	7,007,224
<u>Expenses</u>						
Administration	576,012	634,391	3,442	1,364	579,454	635,755
Management Fees	0	0	11,610	11,920	11,610	11,920
Tenant Services & ROSS	79,050	81,749	0	0	79,050	81,749
Utilities	150,175	164,062	0	3,282	150,175	167,344
Maintenance & Operations	373,511	369,875	5,067	4,286	378,578	374,161
Extraordinary Maintenance	0	0	0	0	0	0
Protective Services	6,581	9,757	0	0	6,581	9,757
Ports In HAP Payments	532,038	603,605	0	0	532,038	603,605
Housing Assistance Paymts	4,062,911	4,241,635	0	0	4,062,911	4,241,635
General Expenses	320,477	312,860	9,203	8,606	329,680	321,466
Mortgage Interest	0	0	29,477	27,776	29,477	27,776
Payment in Lieu of Taxes	21,274	21,900	0	0	21,274	21,900
Depreciation	419,010	436,042	46,220	46,321	465,230	482,363
Total Expenses	6,541,039	6,875,876	105,019	103,555	6,646,058	6,979,431
Change in Net Position	(397,129)	(65,441)	134,720	93,234	(262,409)	27,793

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2018

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

CURRENT ASSETS

Cash and cash equivalents										
Cash - restricted	\$ 513,416	\$ 35,622	\$ -	\$ 811,175	\$ -	\$ -	\$ 1,360,213			
Accounts receivable - tenants	9,180	49,641	-	-	-	-	58,821			
Accounts receivable - other	7,833	-	-	-	-	-	7,833			
Prepaid expenses	2,015	98,229	-	-	-	-	100,244			
Prepaid insurance	3,503	9,588	-	-	-	-	13,091			
	4,453	403	-	579	-	-	5,435			
Total current assets	540,400	193,483	-	811,754	-	-	1,545,637			

CAPITAL ASSETS

Land and land improvements	853,846	-	-	100,000	-	-	953,846			
Modernization costs	7,269,560	-	-	-	-	-	7,269,560			
Structures and equipment	5,562,149	57,475	-	1,896,820	-	-	7,516,444			
Total	13,685,555	57,475	-	1,996,820	-	-	15,739,850			
Less accumulated depreciation	(6,451,857)	(52,004)	-	(1,223,416)	-	-	(7,727,277)			
Net capital assets	7,233,698	5,471	-	773,404	-	-	8,012,573			

OTHER ASSETS

Accounts receivable - Housing Authority of the Village of Oak Park	335,000	198,462	32,264	162,158	(727,884)	-	-			
Total other assets	335,000	198,462	32,264	162,158	(727,884)	-	-			

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pension	80,927	-	-	-	-	-	80,927			
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TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	\$ 8,190,025	\$ 397,416	\$ 32,264	\$ 1,747,316	\$ (727,884)	\$ -	\$ 9,639,137			
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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 NET POSITION
DECEMBER 31, 2018

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

CURRENT LIABILITIES

	(MPT) C-1002	(Voucher) IL-103-VO	(Mainstream) IL-103-DV	Office Building	Eliminations	Total
Accounts payable - trade	\$ 48,604	\$ 3,461	\$ -	\$ 557	\$ -	\$ 52,622
Security deposits and other liabilities	65,796	-	-	1,000	-	66,796
Due to - Oak Park Residence Corporation	15,488	9,170	-	19,139	-	43,797
Current portion of long-term liabilities	-	-	-	32,500	-	32,500
Deferred revenue	12,987	-	-	-	-	12,987
Accrued liabilities	35,079	6,618	-	1,100	-	42,797
Total current liabilities	177,954	19,249	-	54,296	-	251,499

NONCURRENT LIABILITIES

Due to - Housing Authority Village of Oak Park	-	565,726	-	162,158	(727,884)	-
Payments in lieu of taxes	21,930	-	-	-	-	21,930
Notes and mortgage payable	-	-	-	630,076	-	630,076
Less current portion	-	-	-	(32,500)	-	(32,500)
Total noncurrent liabilities	21,930	565,726	-	759,734	(727,884)	619,506

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pension	49,911	-	-	-	-	49,911
Total liabilities and deferred inflows of resources	249,795	584,975	-	814,030	(727,884)	920,916

NET POSITION

Invested in capital assets, net	7,233,698	5,471	-	143,328	-	7,382,497
of related debt	-	-	9,981	-	-	9,981
Restricted	706,532	(193,030)	22,283	789,958	-	1,325,743
Unrestricted	7,940,230	(187,559)	32,264	933,286	-	8,718,221
Total net position	8,190,025	397,416	32,264	1,747,316	(727,884)	9,639,137

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

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 REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018**

REVENUES	(MPT) C-1002	(Voucher) IL-103-VO	(Mainstream) IL-103-DV	Office Building	Total
Administrative fee revenues	\$ -	\$ 390,261	\$ 70,676	\$ -	\$ 460,937
HUD PHA grant - modernization	166,841	-	-	-	166,841
Non-dwelling rental income	-	-	-	177,456	177,456
Operating subsidy	466,615	-	-	-	466,615
Subsidy - Village of Oak Park	-	35,000	-	-	35,000
Other revenues	81,449	31,268	-	6,825	119,542
Ports in income	-	640,984	-	-	640,984
Rental income	625,956	-	-	11,911	637,867
Section 8 revenues	-	3,925,547	374,443	-	4,299,990
Total revenues	1,340,861	5,023,060	445,119	196,192	7,005,232
EXPENSES					
Administration	256,529	340,076	37,786	1,364	635,755
Depreciation	435,392	650	-	46,321	482,363
Financial	-	-	-	27,776	27,776
General expense	150,550	149,724	12,586	8,606	321,466
Housing assistance payments	-	3,850,824	390,811	-	4,241,635
Management fee	-	-	-	11,920	11,920
Ordinary maintenance and operation	369,875	-	-	4,286	374,161
Ports in HAP payments	-	603,605	-	-	603,605
Protective services	9,757	-	-	-	9,757
Real estate taxes	21,900	-	-	-	21,900
Tenant services	81,749	-	-	-	81,749
Utilities	164,062	-	-	3,282	167,344
Total expenses	1,489,814	4,944,879	441,183	103,555	6,979,431
Operating income (loss)	(148,953)	78,181	3,936	92,637	25,801
NONOPERATING REVENUE					
Interest on general fund investments	1,258	137	-	597	1,992
CHANGE IN NET POSITION	(147,695)	78,318	3,936	93,234	27,793
NET POSITION, beginning of year	8,087,925	(265,877)	28,328	840,052	8,690,428
NET POSITION, end of year	\$ 7,940,230	\$ (187,559)	\$ 32,264	\$ 933,286	\$ 8,718,221

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, 2018

CASH FLOWS FROM OPERATING ACTIVITIES					
	(MPT) C-1002	(Voucher) IL-103-V0	(Mainstream) IL-103-DV	Office Building	Total
Cash received from tenant fees and other operating sources	\$ 628,319	\$ -	\$ -	\$ -	\$ 628,319
Cash received from HUD operating grants	466,615	4,566,531	374,443	-	5,407,589
Cash received from other operating grants	166,841	-	-	-	166,841
Cash received from other government grants	-	35,000	-	-	35,000
Cash received from other operating revenue	102,289	437,464	70,676	212,129	822,558
Cash payments to suppliers, employees and others	(1,181,094)	(5,003,825)	(445,119)	(57,235)	(6,687,273)
Net cash flows from operating activities	182,970	35,170	-	154,894	373,034
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(238,442)	-	-	(21,889)	(260,331)
Principal paid on debt	-	-	-	(170,046)	(170,046)
Net cash flows from capital and related financing activities	(238,442)	-	-	(191,935)	(430,377)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	1,258	137	-	597	1,992
NET (DECREASE) INCREASE IN CASH	(54,214)	35,307	-	(36,444)	(55,351)
CASH - BEGINNING	567,630	315	-	847,619	1,415,564
CASH - ENDING	\$ 513,416	\$ 35,622	\$ -	\$ 811,175	\$ 1,360,213
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ (148,953)	\$ 78,181	\$ 3,936	\$ 92,637	\$ 25,801
Adjustments to reconcile change in net assets and net cash provided (used) by operating activities:					
Depreciation and amortization	435,392	650	-	46,321	482,363
Changes in deferred outflows and inflows and pension liability	(31,016)	-	-	-	(31,016)
Changes in operating assets and liabilities:					
(Increase) in restricted cash	(2)	(16,159)	-	-	(16,161)
(Increase) decrease in accounts receivable	32,147	(182,527)	(4,011)	-	(154,391)
(Increase) decrease in prepaid expenses	961	2,088	75	51	3,175
Increase (decrease) in accounts payable	(79,023)	(6,544)	-	557	(85,010)
Increase in tenant security deposits	511	-	-	(1,025)	(514)
Decrease in deferred revenue	(1,445)	-	-	-	(1,445)
Increase (decrease) in accrued liabilities	(25,602)	159,481	-	16,353	150,232
Net cash provided by operating activities	\$ 182,970	\$ 35,170	\$ -	\$ 154,894	\$ 373,034

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, 2018

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 financial statements of the Oak Park Housing Authority have been prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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, 2018. Further details can be found in the Management's Discussion and Analysis on page 4.

HOUSING AUTHORITY NET POSITION

The Housing Authority’s net position is 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 component of net position - 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 component of net position – 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, 2018

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, 2018, 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, 2018

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, 2018, 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.

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, 2018:

Balance Sheet:

Office Buildings

Accounts receivable (payable) – Oak Park Residence Corporation

\$ (43,797)

Net accounts receivable (payable)

\$ (43,797)

Statement of Activities and Changes in Net Assets:

Payments to the Office Building for Office Rent and Reimbursements:

Oak Park Residence Corporation

\$ 82,201

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, 2018 was \$132,900. The lease has been extended for five additional years to December 31, 2020.

Future minimum rental income under this lease is as follows:

2019	\$ 136,884
2020	<u>140,988</u>
Total	<u>\$ 277,872</u>

Payments to Oak Park Residence Corporation:

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

	<u>C-1002 MPT</u>	<u>IL-102-VO/ IL-103-DV</u>	<u>Office Building</u>	<u>Total</u>
Salaries	\$ 259,572	\$ 285,599	\$ ---	\$ 545,171
Employee benefits	59,476	92,264	---	151,740
Rent	4,200	34,728	---	38,928
Utilities	725	6,226	---	6,951
Computers and copier	3,102	6,555	---	9,657
Supplies	600	600	---	1,200
Postage	720	6,780	---	7,500
Telephone	1,020	4,560	---	5,580
Management fees	<u>---</u>	<u>---</u>	<u>12,384</u>	<u>12,384</u>
Total	<u>\$ 329,415</u>	<u>\$ 437,312</u>	<u>\$ 12,384</u>	<u>\$ 779,111</u>

Housing assistance payments made by the Authority to buildings owned by Oak Park Residence Corporation	<u>\$ 992,178</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. Cash in excess of FDIC limits was \$900,686 at December 31, 2018.

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 4 – DEBT

The following is a summary of changes in long-term debt for the year ended December 31, 2018:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Mortgage payable, secured by office building	\$ 611,297	\$ ---	\$ (31,221)	\$ 580,076
Mortgage payable for 324 N. Austin property	138,825	---	(138,825)	---
Acquisition loan payable to the Village of Oak Park for the property at 324 N. Austin	<u>50,000</u>	<u>---</u>	<u>---</u>	<u>50,000</u>
Total property and equipment, not being depreciated	<u>\$ 800,122</u>	<u>\$ ---</u>	<u>\$ (170,046)</u>	<u>\$ 630,076</u>

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.

\$ 580,076

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

630,076

Less current portion

(32,500)

Total

\$ 597,576

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 4 – DEBT (continued)

At December 31, 2018, the aggregate maturities of the mortgage payable for the succeeding years are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 32,500	\$ 24,020	\$ 56,520
2020	35,835	20,685	56,520
2021	36,998	19,522	56,520
2022	38,200	18,320	56,520
2023	39,440	17,080	56,520
2024 – 2028	217,265	65,335	282,600
2029 – 2033	<u>179,838</u>	<u>17,982</u>	<u>197,820</u>
Total	<u>\$ 580,076</u>	<u>\$ 182,944</u>	<u>\$ 763,020</u>

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, 2018 \$ 466,615

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	\$ 3,925,547	\$ 374,443	\$ 4,299,990
Administrative fees	<u>390,261</u>	<u>70,676</u>	<u>460,937</u>
Total	<u>\$ 4,315,808</u>	<u>\$ 445,119</u>	<u>\$ 4,760,927</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, 2018 was \$44,556.

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 6 – RENTAL INCOME (continued)

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, 2018. The renewed lease is for five years and requires minimum annual rent payments of \$8,400. Rental income for the year ended December 31, 2018 was \$7,800.

The Authority leases antenna space on one of its buildings under an operating lease. The original lease commenced January 2013, expired December 2018, and was renewed for an additional three years through December 2021. The lease requires minimum annual rent payments of \$10,800. Rental income for the year ended December 31, 2018 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, 2018 was \$4,700.

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, 2018 was \$11,911. 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:

2019	\$ 203,790
2020	183,473
2021	19,200
2022	8,400
2023	<u>4,200</u>
Total	<u>\$ 348,863</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, 2018 is \$21,930. This amount is included in accrued liabilities for Mills Park Tower.

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 8 – DEFINED BENEFIT PENSION PLAN

IMRF Plan Description

The Oak Park Housing 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 Oak Park Housing Authority's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF.

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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 8 – DEFINED BENEFIT PENSION PLAN (continued)

Employees Covered by Benefit Terms

As of December 31, 2018, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	2
Inactive Plan Members entitled to but not yet receiving benefits	-
Active Plan Members	<u>2</u>
Total	<u>4</u>

Contributions

As set by statute, the Oak Park Housing Authority's Regular Plan Members are required to contribute 4.5% 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 Oak Park Housing Authority's annual contribution rate for calendar year 2018 was 0.90%. For the fiscal year ended December 31, 2018, the Oak Park Housing Authority contributed \$1,102 to the plan. The Oak Park Housing Authority 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The Oak Park Housing Authority's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the MP-2017 (based year 2015) Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 8 – DEFINED BENEFIT PENSION PLAN (continued)

- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2018:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	37%	7.15%
International Equity	18%	7.25%
Fixed Income	28%	3.75%
Real Estate	9%	6.25%
Alternative Investments	7%	3.20-8.50%
Cash Equivalents	1%	2.50%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 8 – DEFINED BENEFIT PENSION PLAN (continued)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 525,011	\$ 665,341	\$ (140,330)
Changes for the year:			
Service Cost	13,323	-	13,323
Interest on the Total Pension Liability	39,402	-	39,402
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(23,870)	-	(23,870)
Changes of Assumptions	13,503	-	13,503
Contributions – Employer	-	1,102	(1,102)
Contributions – Employees	-	5,509	(5,509)
Net Investment Income	-	(30,704)	30,704
Benefit Payments, including Refunds of Employee Contributions	(12,620)	(12,620)	-
Other (Net Transfer)	-	5,059	(5,059)
Net Changes	29,738	(31,654)	61,392
Balances at December 31, 2018	\$ 554,749	\$ 633,687	\$ (78,938)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Net Pension Liability/(Asset) \$	(19,339)	(78,938)	(130,059)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the Oak Park Housing Authority recognized pension expense of \$1,145. At December 31, 2018, the Oak Park Housing Authority reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 8 – DEFINED BENEFIT PENSION PLAN (continued)

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 431	\$ 12,887
Changes of assumptions	7,290	3,248
Net difference between projected and actual earnings on pension plan investments	<u>73,206</u>	<u>33,776</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>80,927</u>	<u>49,911</u>
<i>Pension Contributions made subsequent to the Measurement Date</i>	<u>-</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 80,927</u>	<u>\$ 49,911</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31	Net Deferred Outflows of Resources	Net Deferred Inflows of Resources
2019	\$ 5,505	\$ -
2020	4,542	-
2021	4,856	-
2022	16,113	-
2023	-	-
Thereafter	-	-
Total	<u>\$ 31,016</u>	<u>\$ -</u>

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 9 – PROPERTY AND EQUIPMENT

A summary of the Authority's property and equipment for the year ended December 31, 2018 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	6,361,381	---	---	6,361,381
Modernization costs	7,470,120	255,982	(6,007)	7,720,095
Land improvements	39,846	---	---	39,846
Furniture and equipment	<u>700,180</u>	<u>4,348</u>	<u>---</u>	<u>704,527</u>
Total property and equipment, being depreciated	<u>14,571,527</u>	<u>260,330</u>	<u>(6,007)</u>	<u>14,825,850</u>
Less accumulated depreciation for:				
Buildings	(3,413,679)	(424,522)	---	(3,838,201)
Modernization costs	(3,260,864)	(35,331)	6,007	(3,290,188)
Land improvements	(17,646)	(900)	---	(18,546)
Furniture and equipment	<u>(558,733)</u>	<u>(21,609)</u>	<u>---</u>	<u>(580,341)</u>
Total accumulated depreciation	<u>(7,250,922)</u>	<u>(482,362)</u>	<u>6,007</u>	<u>(7,727,277)</u>
Total property and equipment, being depreciated, net	<u>7,320,605</u>	<u>(222,032)</u>	<u>---</u>	<u>7,098,573</u>
Total property and equipment, net	<u>\$ 8,234,605</u>	<u>\$ (222,032)</u>	<u>\$ ---</u>	<u>\$ 8,012,573</u>

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, 2018. 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 August 30, 2019, the date when the financial statements were available to be issued.

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

REQUIRED SUPPLEMENTARY INFORMATION

Draft

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
DECEMBER 31, 2018

Calendar Year Ended December 31,	2017	2016	2015
Total Pension Liability			
Service Cost	13,597.00	13,818.00	13,462.00
Interest on the Total Pension Liability	37,640.00	36,659.00	34,831.00
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	2,313.00	(25,048.00)	(12,097.00)
Changes of Assumptions	(17,418.00)	-	-
Benefit Payments, including Refunds of Employee Contributions	(12,367.00)	(12,124.00)	(11,872.00)
Net Change in Total Pension Liability	23,765.00	13,305.00	24,324.00
Total Pension Liability - Beginning	501,246.00	487,941.00	463,617.00
Total Pension Liability - Ending (A)	525,011.00	501,246.00	487,941.00
Plan Fiduciary Net Position			
Contributions - Employer	3,550.00	2,623.00	2,162.00
Contributions - Employees	5,585.00	5,293.00	5,405.00
Net Investment Income	99,084.00	37,787.00	2,833.00
Benefit Payments, including Refunds of Employee Contributions	(12,367.00)	(12,124.00)	(11,872.00)
Other (Net Transfers)	(5,325.00)	1,860.00	(27,837.00)
Net Change in Plan Fiduciary Net Position	90,527.00	35,439.00	(29,309.00)
Plan Fiduciary Net Position - Beginning	574,814.00	539,375.00	568,684.00
Plan Fiduciary Net Position - Ending (B)	665,341.00	574,814.00	539,375.00
Net Pension Liability - Ending (A) - (B)	(140,330.00)	(73,568.00)	(51,434.00)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	126.73%	114.68%	110.54%
Covered Valuation Payroll	124,122.00	117,612.00	120,109.00
Net Pension Liability as a Percentage of Covered Valuation Payroll	-113.06%	-62.55%	-42.82%

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
SCHEDULE OF EMPLOYER CONTRIBUTIONS
DECEMBER 31, 2018**

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2014	5,589.00	5,588.00	1.00	118,408.00	4.72%
2015	2,162.00	2,162.00	-	120,109.00	1.80%
2016	2,623.00	2,623.00	-	117,612.00	2.23%
2017	3,550.00	3,550.00	-	124,122.00	2.86%
2018	1,102.00	1,102.00	-	122,422.00	0.90%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF
THE 2018 CONTRIBUTION RATE
DECEMBER 31, 2018

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2016 Contribution Rate*

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2018 Contribution Rates:

Actuarial Cost Method: Aggregate entry age = normal
Amortization Method: Level percentage of payroll, closed
Remaining Amortization Period: Non-taxing bodies: 10-year rolling period.
 Taxing bodies (Regular, SLEP and ECO groups): 25-year closed period.
 Early Retirement Incentive Plan liabilities: a period up to 10 years selected by Employer upon adoption of ERI.
 SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (three employers were financed over 29 years).
Asset Valuation Method: 5-year smoothed market; 20% corridor
Wage Growth: 3.5%
Price Inflation: 2.75%
Salary Increases: 3.75% to 14.50%, including inflation
Investment Rate of Return: 7.50%
Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.
Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that was applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

SUPPLEMENTARY INFORMATION

Draft

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>Federal Grantor</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
U S Department of HUD				
MAJOR PROGRAMS - LOW RISK TYPE A PROGRAM:				
Housing assistance payments program:				
Housing Voucher Program	14.871	\$4,315,808	\$4,315,808	\$4,315,808
Mainstream housing for persons with disabilities (Section 811)	14.879	445,119	445,119	445,119
NON-MAJOR PROGRAMS - LOW RISK TYPE B PROGRAM:				
Direct programs:				
Operating subsidies	14.850A	466,615	466,615	466,615
Resident Opportunity and Supportive Services	14.870	6,337	6,337	6,337
Capital funding program:				
2016 grant	14.872	166,841	166,841	166,841
Capital funding program:				
2017 grant	14.872	166,881	---	---
Capital funding program:				
2018 grant	14.872	258,657	---	---
TOTALS		<u>\$5,826,258</u>	<u>\$5,400,720</u>	<u>\$5,400,720</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, 2018**

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, 2018. 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, 2018.

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
OAK PARK, ILLINOIS
STATEMENT OF MODERNIZATION COSTS – COMPLETED
DECEMBER 31, 2018**

Annual Contributions Contract C-1002 (Mills Park Tower)

Project Number	IL-103-1
CIAP (CFP) Number	IL06P103501-16
Total funds approved	\$ 166,841
Total funds expended	<u>166,841</u>
Excess (deficiency) of funds approved	<u>\$ ---</u>
 Total funds advanced or receivable from HUD	 \$ 166,841
Total funds expended or payable to contractors	<u>166,841</u>
Excess (deficiency) of funds advanced	<u>\$ ---</u>

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

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 net position as of December 31, 2018, and the related statement of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Village of Oak Park's basic financial statements, and have issued our report thereon, dated August 30, 2019.

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.

KOLNICKI, PETERSON, WIRTH LLC
Certified Public Accountants

Downers Grove, Illinois
August 30, 2019

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, 2018. 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, 2018.

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 a 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 or significant deficiencies 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.

KOLNICKI, PETERSON, WIRTH LLC
Certified Public Accountants

Draft

Downers Grove, Illinois
August 30, 2019

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
ACTIVITIES OF THE HOUSING AUTHORITY
DECEMBER 31, 2018

The Authority has 681 units in management and was administering one modernization program.

	<u>Units</u>
Management	
Owned Housing Project IL-103-1 (Contract C-1002)	198
Voucher Program (Contract IL-103-VO)	425
Mainstream Voucher Program (Contract IL-103-DV)	47
Non-Elderly Persons with Disabilities Program (Contract IL-103-6655)	<u>11</u>
Total	<u>681</u>
Portable vouchers – received	<u>69</u>
Portable vouchers – transferred out	<u>28</u>
Modernization	
Project IL06P10350116	<u>198</u>
Project IL06P10350117	<u>198</u>
Project IL06P10350118	<u>198</u>

**HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
OAK PARK, ILLINOIS
DECEMBER 31, 2018**

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, 2018**

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, 2018**

None.

Draft

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2018

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 programs tested as a major program included: (a) Housing assistance payments program, Housing Voucher Program, CFDA #14.871; (b) Mainstream Housing for Persons with Disabilities, CFDA #14.879.
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, 2018

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	MPT Resident Opportunity & Supportive Services	TOTAL
ASSETS:								
CURRENT ASSETS:								
Cash:								
111	Cash - unrestricted	\$ 676,350	\$ -	\$ 447,113	\$ 35,622	\$ -	\$ -	\$ 1,159,085
113	Cash - other restricted	-	-	9,180	49,641	-	-	58,821
114	Cash - tenant security deposits	-	-	66,303	-	-	-	66,303
100	Total cash	<u>676,350</u>	<u>-</u>	<u>522,596</u>	<u>85,263</u>	<u>-</u>	<u>-</u>	<u>1,284,209</u>
Accounts and notes receivables:								
121	Accounts receivable - PHA projects	-	-	-	45,729	-	-	45,729
125	Accounts Receivable Misc	-	-	2,015	52,500	-	-	54,515
126	Accounts receivable- tenants - dwelling rents	-	-	7,833	-	-	-	7,833
120	Total receivables, net of allowances for doubtful accounts	<u>-</u>	<u>-</u>	<u>9,848</u>	<u>98,229</u>	<u>-</u>	<u>-</u>	<u>108,077</u>
Current investments:								
131	Investments - unrestricted	134,825	-	-	-	-	-	134,825
142	Prepaid expenses and other assets	579	-	7,956	9,991	-	-	18,526
144	Interprogram - due from	-	32,264	335,000	-	-	-	367,264
150	TOTAL CURRENT ASSETS	<u>811,754</u>	<u>32,264</u>	<u>875,400</u>	<u>193,483</u>	<u>-</u>	<u>-</u>	<u>1,912,901</u>
NONCURRENT ASSETS:								
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	-	-	244,809	-	-	-	244,809
164	Furniture, equipment & mach. - admin	356,579	-	5,328	57,475	-	-	419,382
165	Leasehold improvements	637,189	-	8,107,268	-	-	-	8,744,457
166	Accumulated depreciation	(1,229,423)	-	(6,451,857)	(52,004)	-	-	(7,733,284)
160	Total fixed assets, net of accumulated depreciation	<u>773,404</u>	<u>-</u>	<u>7,233,698</u>	<u>5,471</u>	<u>-</u>	<u>-</u>	<u>8,012,573</u>
180	TOTAL NONCURRENT ASSETS	<u>773,404</u>	<u>-</u>	<u>7,233,698</u>	<u>5,471</u>	<u>-</u>	<u>-</u>	<u>8,012,573</u>
DEFERRED OUTFLOWS OF RESOURCES								
190	Deferred Outflows Related to Pension	-	-	80,927	-	-	-	80,927
290	TOTAL ASSETS	<u>\$ 1,585,158</u>	<u>\$ 32,264</u>	<u>\$ 8,190,025</u>	<u>\$ 198,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$10,006,401</u>
LIABILITIES AND EQUITY:								
LIABILITIES:								
CURRENT LIABILITIES:								
312	Accounts payable < 90 days	\$ 20,796	-	\$ 74,455	\$ 12,631	\$ -	\$ -	\$ 107,882
321	Accrued wage/payroll taxes payable	-	-	24,716	6,618	-	-	31,334
325	Accrued interest payable	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	-
341	Tenant security deposits	1,000	-	65,796	-	-	-	66,796
342	Deferred revenues	-	-	12,987	-	-	-	12,987
343	Current portion of L-T debt - capital projects	32,500	-	-	-	-	-	32,500
345	Other current liabilities	-	-	21,930	-	-	-	21,930
347	Inter-program - due to	-	-	-	367,264	-	-	367,264
310	TOTAL CURRENT LIABILITIES	<u>54,296</u>	<u>-</u>	<u>199,884</u>	<u>386,513</u>	<u>-</u>	<u>-</u>	<u>640,693</u>
NONCURRENT LIABILITIES:								
351	Long-term debt, net of current - capital projects	597,576	-	-	-	-	-	597,576

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
FINANCIAL DATA SCHEDULES
STATEMENT OF NET ASSETS DATA
December 31, 2018

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	MPT Resident Opportunity & Supportive Services	TOTAL
353	Noncurrent liabilities - other	-	-	-	-	-	-	-
350	TOTAL NONCURRENT LIABILITIES	597,576	-	-	-	-	-	597,576
DEFERRED INFLOWS OF RESOURCES								
290	Deferred Inflows Related to Pension	-	-	49,911	-	-	-	49,911
300	TOTAL LIABILITIES	651,872	-	249,795	386,513	-	-	1,288,180
EQUITY:								
Contributed Capital:								
508.1	Invested in Capital Assets, Net of Related Debt	143,328	-	7,233,698	5,471	-	-	7,382,497
Reserved fund balance:								
511.1	Restricted Net Assets	-	9,981	-	-	-	-	9,981
512.1	Unrestricted Net Assets	789,958	22,283	706,532	(193,030)	-	-	1,325,743
513	TOTAL EQUITY	933,286	32,264	7,940,230	(187,559)	-	-	8,718,221
600	TOTAL LIABILITIES AND EQUITY	\$ 1,585,158	\$ 32,264	\$ 8,190,025	\$ 198,954	\$ -	\$ -	\$10,006,401

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
FINANCIAL DATA SCHEDULES
STATEMENT OF REVENUES AND EXPENSES DATA
December 31, 2018

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	MPT Resident Opportunity & Supportive Services 14.870	TOTAL
REVENUE:								
703	Net tenant rental revenue	189,367	-	589,258	-	-	-	778,625
704	Tenant revenue - other	6,825	-	12,138	-	-	-	18,963
705	Total tenant revenue	196,192	-	601,396	-	-	-	797,588
706	HUD PHA grants	-	-	466,615	-	-	-	466,615
	HUD PHA Grant-HAP Funds Restricted	-	374,443	-	3,925,547	-	-	4,299,990
	HUD PHA Grant-Adm Fees Unrestricted	-	70,676	-	390,261	-	-	460,937
	HUD ROSS Grant (Service Coordinator)	-	-	-	-	-	6,337	6,337
706.1	Capital Grants	-	-	-	-	166,841	-	166,841
711	Investment income - Unrestricted	597	-	1,258	137	-	-	1,992
714	Fraud recovery - U.N.P.	-	-	-	15,634	-	-	15,634
	Fraud recovery - R.N.P.	-	-	-	15,634	-	-	15,634
715	Other revenue	-	-	-	-	-	-	-
	Portability In HAP Receipts	-	-	-	596,959	-	-	596,959
	Portability In Admin Fee Receipts	-	-	-	44,025	-	-	44,025
	Village of OP Admin Grant for Inspctns	-	-	-	35,000	-	-	35,000
	Miscellaneous Income	-	-	52,681	-	-	-	52,681
	W/O of PILOT A/P not due	-	-	46,991	-	-	-	46,991
720		-	-	-	-	-	-	-
700	TOTAL REVENUE	196,789	445,119	1,168,941	5,023,197	166,841	6,337	7,007,224
EXPENSES:								
Administrative:								
911	Administrative salaries	-	28,562	201,973	257,037	-	-	487,572
912	Accounting and Auditing fees	1,600	962	9,625	8,663	-	-	20,850
913	Outside management fees	11,920	-	-	-	-	-	11,920
914	Advertising and Marketing	-	-	518	-	-	-	518
915	Employee benefit contributions- administrative	-	9,224	54,556	83,039	-	-	146,819
916	Office Expenses	1,364	8,276	62,204	116,878	-	-	188,722
917	Legal	-	-	-	512	-	-	512
918	Travel	-	-	-	-	-	-	-
919	Other	-	2,375	-	15,155	-	-	17,530
910	Total Operating - Administrative	14,884	49,399	328,876	481,284	-	-	874,443
Tenant services:								
921	Tenant services - salaries	-	-	57,599	-	-	-	57,599
923	Tenant services - benefits	-	-	4,920	-	-	-	4,920
924	Tenant services - other	-	-	19,229	-	-	-	19,229
925	Total Tenant Services	-	-	81,748	-	-	-	81,748
Utilities:								
931	Water	81	-	77,510	-	-	-	77,591
932	Electricity	868	-	77,181	-	-	-	78,049
933	Gas	2,333	-	9,372	-	-	-	11,705
930	Total Utilities Expense	3,282	-	164,063	-	-	-	167,345
Ordinary maintenance & operation:								
941	Ordinary maint and op - labor	-	-	127,361	-	-	-	127,361
942	Ordinary maintenance and op - materials and labor	4,286	-	30,210	-	-	-	34,496
943	Ordinary maintenance and op - contract costs	-	-	216,312	-	-	-	216,312
945	Employee benefit contributions - ordinary maintenance	-	-	612	-	-	-	612
940	Total Maintenance	4,286	-	374,495	-	-	-	378,781

HOUSING AUTHORITY OF THE VILLAGE OF OAK PARK
FINANCIAL DATA SCHEDULES
STATEMENT OF REVENUES AND EXPENSES DATA
December 31, 2018

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	MPT Resident Opportunity & Supportive Services 14.870	TOTAL
	Protective services:							
952	Protective services - other contract costs	-	-	5,137	-	-	-	5,137
950	Total Protect Services	-	-	5,137	-	-	-	5,137
	General expenses:							
9611	Property Insurance	7,006	-	56,546	-	-	-	63,552
9612	Liability Insurance	-	539	-	4,614	-	-	5,153
9613	Workmen's compensation	-	434	7,844	3,902	-	-	12,180
9610	Total Insurance Program	7,006	973	64,390	8,516	-	-	80,885
963	Payments in lieu of taxes	-	-	21,900	-	-	-	21,900
964	Bad Debt Tenant Rents	-	-	13,813	-	-	-	13,813
960	Total Other General Expenses	-	-	35,713	-	-	-	35,713
9671	Interest on Mortgage Payable	27,776	-	-	-	-	-	27,776
967	Total Interest Expense	27,776	-	-	-	-	-	27,776
969	TOTAL OPERATING EXPENSES	57,234	50,372	1,054,422	489,800	-	-	1,651,828
970	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	139,555	394,747	114,519	4,533,397	166,841	6,337	5,355,396
971	Extraordinary maintenance	-	-	-	-	-	-	-
972	Casualty losses - non capitalized	-	-	-	-	-	-	-
973	Housing assistance payments	-	390,811	-	3,850,824	-	-	4,241,635
9735	Ports In HAP Payments	-	-	-	603,605	-	-	603,605
974	Depreciation expense	46,321	-	435,392	650	-	-	482,363
900	TOTAL EXPENSES	103,555	441,183	1,489,814	4,944,879	-	-	6,979,431
1000	EXCESS OF REVENUE OVER EXPENSES	93,234	3,936	(320,873)	78,318	166,841	6,337	27,793
MEMO account information								
1102	Required Annual Debt Principal Payments	170,917	-	-	-	-	-	170,917
1103	Beginning equity	840,052	28,328	8,087,925	(265,877)	-	-	8,690,428
	Beginning Equity - Restricted	-	22,940	-	(120,973)	-	-	-
	Beginning Equity - Unrestricted	840,052	5,388	8,087,925	(144,904)	-	-	-
1009	Prior period adjustments, Equity Transfers	-	-	173,178	-	(166,841)	(6,337)	-
1117	Administrative Fee Equity	-	25,692	-	(156,943)	-	-	(131,251)
1118	Housing Assistance Payments Equity	-	6,572	-	(30,616)	-	-	(24,044)
1119	Unit months available	36	600	2,376	5,304	-	-	8,316
1121	Number of unit months leased	27	584	2,298	5,167	-	-	8,076
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	21,889	-	143,214	-	166,841	-	331,944

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, 2018, and have issued our report thereon dated August 30, 2019.

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	\$ 12,384	6%

Draft

**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.

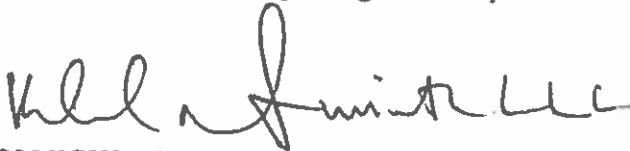
Other Information

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.



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	776,182	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	7,242,266	-	-	-	-	7,079,917	7,242,266
Structure & Equipment	5,146,267	5,406,457	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)	(1,163,102)	-	-	(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	-	-	796,843	762,184	-	-	796,843	762,184
Other Liabilities	69,967	68,898	38,806	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)	(2,268)	-	-	7,383,645	7,434,482
Total Liab & Net Assets								
Restricted	139,450	5,388	-	-	-	-	139,450	5,388
Unrestricted	676,817	406,216	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
Total Income	6,282,721	6,143,910	214,824	239,739	6,497,545	6,383,649
<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
Total Expenses	6,272,461	6,541,039	99,423	105,019	6,371,884	6,646,058
Change In Net Assels	10,260	(397,129)	115,401	134,720	125,661	(262,409)

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

ASSETS					
	(MPT) C-1002	(Voucher) IL-103-VQ	(Mainstream) IL-103-DV	Office Building	Eliminations
					Total
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)
TOTAL ASSETS	\$ 8,393,369	\$ 166,163	\$ 28,328	\$ 1,646,085	\$ 9,863,192

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												
CURRENT LIABILITIES												
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		
LONG-TERM LIABILITIES												
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		
NET ASSETS (DEFICIT)												
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		
TOTAL LIABILITIES AND NET ASSETS												
	\$	8,393,369	\$	166,163	\$	28,328	\$	1,646,085	\$	(370,753)	\$	9,863,192

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-VQ	(Mainstream) IL-103-DV	Office Building	Total
REVENUES					
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
EXPENSES					
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)
NET ASSETS, beginning of year	8,170,393	18,230	58,882	705,332	8,952,837
NET ASSETS, end of year	\$ 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
CASH FLOWS FROM OPERATING ACTIVITIES					
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
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of land, structures and equipment	(424,538)	-	-	(54,200)	(478,738)
Net cash used by investing activities	(424,538)	-	-	(54,200)	(478,738)
CASH FLOWS FROM FINANCING ACTIVITIES					
Principal payments on mortgages payable	-	-	-	(37,326)	(37,326)
Net cash used by financing activities	-	-	-	(37,326)	(37,326)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,620)	(165,339)	-	71,427	(99,532)
CASH AND CASH EQUIVALENTS, beginning of year	573,250	165,654	-	776,192	1,515,096
CASH AND CASH EQUIVALENTS, end of year	\$ 567,630	\$ 315	\$ -	\$ 847,619	\$ 1,415,564
SUPPLEMENTAL INFORMATION					
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

\$ (46,570)

Net accounts receivable (payable)

\$ (46,570)

Statement of Activities and Changes in Net Assets:

Payments to the Office Building for Office Rent and Reimbursements:

Oak Park Residence Corporation

\$ 67,980

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 16 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.

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 0.0% 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**

<u>Federal Grantor</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
<u>U S Department of HUD</u>				
MAJOR PROGRAMS - LOW RISK TYPE A PROGRAM:				
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
NON-MAJOR PROGRAMS - LOW RISK TYPE B PROGRAM:				
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	---	---
TOTALS		<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.

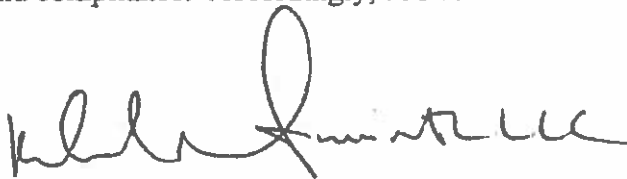
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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



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>
Management	
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>
Modernization	
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
ASSETS:							
CURRENT ASSETS:							
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
0	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>
NONCURRENT ASSETS:							
Fixed assets:							
161	Land	100,000	-	853,846	-	-	953,846
162	Buildings	909,059	-	4,474,304	-	-	5,383,363
163	Furniture, equipment & mach. - dwelling	-	-	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>
LIABILITIES AND EQUITY:							
LIABILITIES:							
CURRENT LIABILITIES:							
312	Accounts payable < 90 days	\$ 3,372	\$ -	\$ 144,126	\$ 55,305	\$ -	\$ 202,803
321	Accrued wage/payroll taxes payable	-	-	12,706	5,982	-	18,888
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
NONCURRENT LIABILITIES:							
351	Long-term debt, net of current - capital projects	629,205	-	-	-	-	629,205
353	Noncurrent liabilities - other	-	-	-	-	-	-
350	TOTAL NONCURRENT LIABILITIES	<u>629,205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>629,205</u>
300	TOTAL LIABILITIES	<u>806,033</u>	<u>-</u>	<u>305,444</u>	<u>432,040</u>	<u>-</u>	<u>1,543,517</u>
EQUITY:							
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	TOTAL EQUITY	<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	TOTAL LIABILITIES AND EQUITY	<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
REVENUE:							
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	221,125	-	599,263	-	-	820,388
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	TOTAL REVENUE	239,739	367,645	1,158,951	4,445,960	171,354	6,383,649
EXPENSES:							
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	-	-	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	16,552	50,189	287,896	468,737	-	822,503
Tenant services:							
921	Tenant services - salaries	-	-	56,403	-	-	56,403
924	Tenant services - other	-	-	22,647	-	-	22,647
925	Total Tenant Services	-	-	79,050	-	-	79,050
Utilities:							
931	Water	-	-	76,225	-	-	76,225
932	Electricity	-	-	63,999	-	-	63,999
933	Gas	-	-	9,952	-	-	9,952
930	Total Utilities Expense	-	-	150,176	-	-	150,176
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	5,067	-	373,437	-	-	378,504

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	TOTAL OPERATING EXPENSES	58,799	51,633	994,414	481,033	-	1,585,879
970	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	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	TOTAL EXPENSES	105,019	398,199	1,412,773	4,730,067	-	6,646,058
1000	EXCESS OF REVENUE OVER EXPENSES	134,720	(30,554)	(253,822)	(284,107)	171,354	(262,409)
MEMO account information							
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%

HOUSING AUTHORITY of the VILLAGE of OAK PARK
HOUSING CHOIC VOUCHER PROGRAM ADMINISTRATION
2019 Forecast
with 2020 Preliminary Budget

	2019 YTD Actual	2019 Forecast	FY 2019 Budget	2019 Forecast vs Budget	FY 2020 Budget
Admin Operating Income					
1 Village of Oak Park Funding	17,500	35,000	35,000	0	0
2 Fraud Recovery Retained	7,507	15,100	15,000	100	16,000
3 Admin Fee - Regular HCV Program	196,294	392,600	367,200	25,400	384,000
4 Admin Fee - Mainstream	23,614	43,414	39,720	3,694	44,280
5 Admin Fee - Portability In	25,653	51,310	49,200	2,110	45,000
6 Other Income	0	0	0	0	0
7 Interest Income	112	230	100	130	100
8 Total Admin Operating Income	270,680	537,654	506,220	31,434	489,380
Admin Operating Expenses					
9 Salaries - Administration	133,444	288,053	258,440	(29,613)	279,866
10 Employee Benefits	39,729	90,281	89,280	(1,001)	95,190
11 Legal Expenses	0	500	1,000	500	3,000
12 Inspections	27,185	38,300	38,000	(300)	38,500
13 Staff Training and Travel	0	2,500	10,000	7,500	5,000
14 Dues & Subscriptions, Memberships	0	250	600	350	300
15 Audit/Accounting Fees	5,250	10,500	10,500	0	11,500
16 Computer Expense	5,805	12,620	11,120	(1,500)	11,500
17 Office Rent	17,886	35,772	34,740	(1,032)	36,850
18 Telephone	2,280	4,560	4,740	180	4,700
19 Office Utilities	3,278	6,560	6,360	(200)	6,760
20 Other Sundry Expense/Bank Charges	125	250	400	150	260
21 Office Supplies, Equipment & Printing	7,273	14,546	9,180	(5,366)	14,990
22 Postage	3,456	6,920	7,020	100	7,130
23 Insurance	1,828	3,660	5,060	1,400	3,770
24 Workers Comp Insurance	1,775	3,560	6,510	2,950	3,670
25 Security Checks & Interpreter Services	1,343	2,690	5,000	2,310	2,780
26 Total Admin Expenses	250,657	521,522	497,950	(23,572)	525,766
27 Net Adm Surplus (Shortage)	20,023	16,132	8,270	7,862	(36,386)

Housing Choice Voucher Program Accomplishments through June 30, 2019

OPHA is currently serving a total of 541 Housing Choice Voucher holders as follows:

- 407 Regular Vouchers (which includes 20 Port-Out Vouchers, 2 Homeownership Vouchers and 5 Project-Based Vouchers)
- 45 Mainstream Vouchers (All are persons with disabilities and this total includes 5 Payable Port-Out Vouchers) – The OPHA has been awarded 50 Mainstream Vouchers 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.
- 11 Non Elderly Disabled/Nursing Home Transition (NED/NHT) Vouchers (which includes 1 Payable Port-Out Voucher)
- 78 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 10 Vouchers over the same period in 2018.

Program demographics are as follows:

- 41% are non-elderly heads of household without disabilities
- 28% are non-elderly heads of households with disabilities
- 9% are elderly heads of households without disabilities
- 22% are elderly heads of households with disabilities

Landlords

Currently there are approximately 178 individual landlords participating in the Program, ranging in size from the Oak Park Residence Corporation with approximately 112 voucher tenants to several landlords with single-unit properties.

Other Information

For its Fiscal Year 2018, 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.

From 2014 through 2018, 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 SALARIES AND BENEFITS FY 2019 AND FY 2020 BUDGET					
Full Name	Position	2019 Forecast HCV Salaries	2019 Forecast HCV Benefits	2020 HCV Budget Salaries	2020 Budget HCV Benefits
Abbas, Malik G.	Controller	17,758	5,624	18,468	5,880
Cobb, Lataunda	HCV Program Manager	56,000	22,606	58,240	23,637
Collins-Sykes, Coty S.	Case Manager	38,629	6,068	40,174	6,345
Doctor, Stacia	Accountant	1,851	585	1,925	612
Gardocki, Krzysztof	Senior Accountant	7,170	2,643	7,457	2,764
Hill, Meredith	Receptionist	11,228	6,190	11,677	6,472
Jones, Eva	HCV Clerk	27,663	10,893	28,769	11,389
New Case Manager	Case Manager	15,417	8,308	37,925	17,088
Nichol, Thomas	Part Time Help	414	1,005	430	1,051
Obirek, Dolores	Accountant	2,214	341	2,302	356
Pope, David G.	Executive Director	29,122	4,138	30,287	4,326
Sinn, Bradley	Accounting Manager	8,447	1,238	8,785	1,294
Southward, Kenneth	Director of HA Programs	61,086	18,195	21,929	11,415
Swaggerty, Beth A.	Assistant Executive Director	11,055	2,448	11,498	2,560
Totals	Totals	288,053	90,281	279,866	95,190