

RFP Document

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INTRODUCTION

The Housing Authority of the County of DeKalb (hereinafter, "HA") is a public entity that was formed in 1946 to provide federally subsidized housing and housing assistance to low-income families, within the County of DeKalb. The HA is headed by an Executive Director (ED) and is governed by a five-person board of commissioners and is subject to the requirements of Title 24 of the Code of Federal Regulations (hereinafter, "CFR") and the HA's procurement policy.

Currently, the HA owns and/or manages: 280 Public Housing units; Two senior complexes, totaling 24 units; 48 unit tax credit project; a single family residence; 47 Shelter plus care units; administers a total of 611 Section 8 Housing Choice Vouchers and 17 EHV Vouchers (for a total of 1028). The HA currently has 24 employees.

In keeping with its mandate to provide efficient and effective services, the HA is now soliciting proposals from qualified, licensed and insured entities to provide the above noted services to the HA. All proposals submitted in response to this solicitation must conform to all of the requirements and specifications outlined within this document and any designated attachments in its entirety.

RFP INFORMATION AT A GLANCE

[Table No. 2]

HA CONTACT PERSON	Christine Sauter, CFO 815-758-2692 ext 123 csauter@dekcohousing.com
HOW TO OBTAIN THE RFP DOCUMENTS ON THE APPLICABLE INTERNET SITE	1. Access www.dekcohousing.com . 2. Click on the Procurement tab at the top of the screen. 3. Click on link to access the Annual Audit RFP
HOW TO FULLY RESPOND TO THIS RFP BY SUBMITTING A PROPOSAL SUBMITTAL	1. As instructed within Section 3.0 of the RFP document, submit 3 copies of your "hard copy" proposal to the HA Finance office.
PROPOSAL SUBMITAL RETURN & DEADLINE	*Friday, January 26, 2024 The Housing Authority of the County of DeKalb 310 N. 6 th Street, DeKalb Illinois *(The proposal must be received in-hand and time-stamped by the HA by no later than 4:30 p.m. on this date).
ANTICIPATED APPROVAL BY HA BOARD OF COMMISSIONERS	Tuesday, February 20, 2024 The Housing Authority of the County of DeKalb 310 N. 6 th Street, DeKalb, Illinois 60115

1.0 HA'S RESERVATION OF RIGHTS:

- 1.1 The HA reserves the right to reject any or all proposals, to waive any informality in the RFP process, or to terminate the RFP process at any time, if deemed by the HA to be in its best interests.
- 1.2 The HA reserves the right not to award a contract pursuant to this RFP.
- 1.3 The HA reserves the right to terminate a contract awarded pursuant to this RFP, at any time for its convenience upon 10 days written notice to the successful proposer(s).
- 1.4 The HA reserves the right to determine the days, hours and locations that the successful proposer(s) shall provide the services called for in this RFP.
- 1.5 The HA reserves the right to retain all proposals submitted and not permit withdrawal for a period of 60 days subsequent to the deadline for receiving proposals without the written consent of the HA Contracting Officer (CO).
- 1.6 The HA reserves the right to negotiate the fees proposed by the proposer entity.
- 1.7 The HA reserves the right to reject and not consider any proposal that does not meet the requirements of this RFP, including but not necessarily limited to incomplete proposals and/or proposals offering alternate or non-requested services.
- 1.8 The HA shall have no obligation to compensate any proposer for any costs incurred in responding to this RFP.
- 1.9 The HA shall reserve the right to at any time during the RFP or contract process to prohibit any further participation by a proposer or reject any proposal submitted that does not conform to any of the requirements detailed herein.

- 2.0 SCOPE OF WORK (SOW)/TECHNICAL SPECIFICATIONS (T/S):** The HA is seeking proposals from qualified, licensed and bonded entities to provide the following detailed services:

2.1 General Requirements

- 2.1.1** Any audit that is performed by award of this RFP shall be performed in accordance with generally accepted auditing standards, and will additionally require compliance testing and a study of internal accounting controls. The successful proposer will be required to certify that each and every audit is performed in accordance with all applicable federal and state laws and regulations, and in accordance with Generally Accepted Accounting Principles (GAAP).
- 2.1.2** The HA was last audited for the fiscal year end March 31, 2023. The programs the HA will require the successful proposer to audit for the fiscal years ending March 31, 2024 (FY2024), March 31, 2025 (FY2025) March 31, 2026 (FY2026) and March 31, 2027 (FY2027) include:
- 2.1.2.1** A conventional-owned Low-Rent Housing Program, with 280 units;
 - 2.1.2.2** Section 8 Housing Assistance Payments Program (Vouchers), with 586 regular vouchers, 25 VASH vouchers and 17 EHV vouchers;
 - 2.1.2.3** Business entity including 48 tax credit units (tax credits have expired currently completing extended use period set to expire 2024) and a single family residence;
 - 2.1.2.4** HA owned apartments with Section 8 Housing assistance payments subsidy, 2 properties with 12 units each;
 - 2.1.2.5** Shelter Plus Care Program, with 10 tenant based & 37 project based vouchers;
 - 2.1.2.6** 2021 CAPITAL FUNDS program, final closeout for HUD Field office;
 - 2.1.2.7** PHAS & SEMAP certification;

- 2.1.3 The FY2024 audit will be requested to be performed prior to July 15, 2024, and the report to be issued by October 15, 2024:
 - 2.1.3.1 Field work requested to be completed by July 15, 2024;
 - 2.1.3.2 Draft report to be submitted by September 15, 2024;
 - 2.1.3.3 Final report to be submitted by October 15, 2024.
 - 2.1.3.4 Similar deadlines will be established for the work pertaining to ensuing FY's.
- 2.1.4 Once completed, the successful proposer will be required to submit to the HA a total of 10 copies of the Single Audit Report.
- 2.2 **The Auditor's Responsibilities:** as defined within OMB Circular A-133 at <http://www.whitehouse.gov/omb/circulars/a133/a133.html>.
 - 2.2.1 General Responsibility, A-133.500(a): The audit shall be conducted in accordance with GAGAS. The audit shall cover the entire operations of the HA.
 - 2.2.2 Financial Statements, A-133.500(b): The auditor shall determine whether the HA's financial statements are fairly presented in all material respects in conformity with generally accepted accounting principles (GAAP). The auditor shall also determine whether the schedule of expenditure of Federal awards is presented fairly in all material respects in relation to the HA's financial statements taken as a whole.
 - 2.2.3 Internal Control, A-133.500(c): In addition to the requirements of GAGAS, the auditor shall perform procedures to obtain an understanding of the HA's internal control systems.
 - 2.2.4 Compliance, A-133.500(d): In addition to the requirements of GAGAS, the auditor shall determine whether the HA has complied with laws, regulations, and the provisions of contracts or grant agreements that may have a direct and material impact on each of its major programs.
 - 2.2.5 Audit Follow-up, A-133.315(b): The auditor shall follow-up on prior audit findings; perform procedures to assess the reasonableness of the summary of schedule of prior audit findings prepared by the HA.
 - 2.2.6 Data Collection Form, A-133.320 (b)(3): The auditor shall complete and sign specified sections of the data collection form.
 - 2.2.7 Audit Reporting, A-133.505: The auditor's report shall include:
 - 2.2.7.1 An opinion on financial statements and schedule of expenditure of Federal awards;
 - 2.2.7.2 A report on Internal Control;

- 2.2.7.3 Report on compliance;
 - 2.2.7.4 A schedule of findings and questioned costs.
- 2.2.8 Audit Working Papers, A-133.515:
 - 2.2.8.1 Retention of Working Papers: The auditor shall retain working papers for a minimum of 3 years after the date of issuance of the auditor's report to the HA.
 - 2.2.8.2 Access to Working Papers: Audit working papers shall be made available upon request to the cognizant or oversight agency for audit or its designee. Access to working papers includes the right of Federal agencies to obtain copies of working papers, as is reasonable and necessary.
- 2.2.9 Determine the HA's major programs, A-133.520.
- 2.2.10 Adherence to standards set forth by generally accepted auditing standards (GAAS) and the generally accepted government auditing standards (GAGAS).
- 2.2.11 Prepare the Audit Engagement Letter in accordance with AICPA standards. This letter will be a formal contract between the auditor and the HA. It confirms the auditor's acceptance of the appointment and documents the agreed-upon scope and terms of the engagement and shall become a part of the ensuing contract between the HA and the selected auditor. The basic elements of the Audit Engagement Letter shall be:
 - 2.2.11.1 Names of the parties to the contract.
 - 2.2.11.2 Audit schedule.
 - 2.2.11.3 Reporting package and its format.
 - 2.2.11.4 Auditor/HA relationship regarding changes in the kind or amount of work required, and access to and ownership of audit products, including:
 - 2.2.11.4.1 At any time the HA may, by written notice, make changes in or additions to work or services within the general scope of the agreement. If such changes are made, an equitable adjustment will be made in the cost of the audit using the rates specified in the agreement.
 - 2.2.11.4.2 If the auditor believes that a change in or addition to work is beyond the general scope of the agreement, it must notify the HA in writing within 10 days of being notified to

begin such work. The final administrative authority in settling such disputes shall rest with the HA.

- 2.2.11.4.3** **Audit Work Papers:** The work papers prepared by the auditor during the audit are its own property. These documents shall be retained for a period of at least 3 years after issuance of the Report. Copies of these work papers, if requested by the HA, HUD or any other governmental agency having jurisdiction to request such (i.e. Office of Inspector General), are to be made available to the requesting party within 10 days of receipt of such request. All reports rendered to the HA by the auditor are the exclusive property of the HA and subject to its use and control, according to applicable laws and regulations.
- 2.2.11.5** The objective of the audit is the expression of an opinion on the financial statements.
- 2.2.11.6** The Management of the HA is responsible for the HA's financial statements.
- 2.2.11.7** Management is responsible for establishing and maintaining effective internal control systems.
- 2.2.11.8** Management is responsible for identifying and ensuring that the HA complies with applicable laws and regulations.
- 2.2.11.9** Management is responsible for making all financial records and related information available to the auditor.
- 2.2.11.10** At the conclusion of the audit, the Management will provide the auditor with a letter that confirms certain representations made during the audit) Management Representation Letter).

- 2.2.11.11 The auditor is responsible for conducting the audit in accordance with generally accepted auditing standards (GAAS) and/or generally accepted governmental auditing standards (GAGAS).
- 2.2.11.12 The audit includes obtaining an understanding of the HA's internal controls sufficient to plan the audit and to determine the nature, timing and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, the auditor is responsible for ensuring that the Executive Director is aware of any reportable conditions that come to its attention.
- 2.2.11.13 Management is responsible for adjusting the financial statements to correct material misstatements and for affirming to the auditor in the representation letter that the effects of any uncorrected misstatements aggregated by the auditor are immaterial, both individually and in the aggregate.
- 2.2.11.14 Arrangements regarding the conduct of the engagement (i.e., timing; client assistance; availability of documents and use of specialists or internal auditors; etc.).
- 2.2.11.15 Arrangements involving a predecessor auditor, fees, expense reimbursement and payment schedule.
- 2.2.11.16 Any limitation of or other arrangements regarding the liability of the auditor or the HA.
- 2.2.11.17 Any other conditions under which third parties may be granted access to the auditor work papers.
- 2.2.11.18 Provision of services relating to regulatory requirements or other non-audit services.
- 2.2.12 All proposed work shall include any required assistance and verification that the Contractor must provide to assist and ensure the appropriate on-time submission of the audited Financial Data Schedule to HUD.

2.3 The HA's Responsibilities:

- 2.3.1 As defined within OMB Circular A-133:
 - 2.3.1.1 Provide Federal program-related information: Federal awards received and expended including the CFDA title and number; award number and year; name of the Federal agency; and the name of the pass-through entity; per A-133.300(a).

- 2.3.1.2 Maintain internal control over Federal program that provides reasonable assurance that the HA is managing Federal awards in compliance with laws, regulations and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs; per A-133.300(b).
 - 2.3.1.3 Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs; per A-133.300(c).
 - 2.3.1.4 Prepare the appropriate financial statements, including the schedule of expenditure of Federal awards in accordance with A-133.310; per A-133.300(d).
 - 2.3.1.5 Ensure that the required audits were properly performed and submitted timely; per A-133.300(e).
 - 2.3.1.6 Follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan in accordance with OMB Circular A-133.315(b) & (c), [A-133.300(f)].
 - 2.3.1.7 Submit the reporting package to OMB-designated Federal Clearinghouse and to its Cognizant Agency, including the Data Collection Form, (A-133.320).
- 2.3.2 Per 24 CFR Part 85.20:
 - 2.3.2.1 Financial Reporting: Disclose accurate, current and complete financial results of HUD assisted Programs.
 - 2.3.2.2 Accounting Records: Identify the source and application of funds provided for HUD assisted activities.
 - 2.3.2.3 Internal Controls: Maintain effective controls and accountability for all assets, including accounting controls and management activities.
 - 2.3.2.4 Budget Controls: Prepare separate budget for each HUD-assisted program, based on HUD prescribed categories, and assure that expenditures do not exceed the approved budget.
 - 2.3.2.5 Allowable Cost: Ensure that funds are expended in accordance with program requirements, based on OMB Circular A-87 or as amended.
 - 2.3.2.6 Source Documentation: Main source documents and files that support the financial transactions recorded in the books, providing an adequate audit trail.

2.3.3 Per Statement on Auditing Standards No. 85:

2.3.3.1 Prepare Management Representation Letter. This is the HA's written representations on financial statements under examination by the auditor. In accordance with generally accepted auditing standards (GAAS), the auditor requests this document from the HA prior to the conclusion of the audit.

2.3.4 Per 24 CFR 902.33:

2.3.3.1 Electronically submit the audited financial data to HUD's Real Estate Assessment Center (REAC) within 9 months after its fiscal year-end date.

2.4 Current Contractor: The HA's current contractor for these services is Hawkins Ash CPAs, of La Crosse, Wisconsin who was retained in January 2022. Pursuant to RFP No. P21-083.

3.0 PROPOSAL FORMAT:

- 3.1 Tabbed Proposal Submittal:** The HA intends to retain the successful proposer pursuant to a “Best Value” basis, not a “Low Proposal” basis (“Best Value,” in that the HA will, as detailed within the following Section 4.0, consider factors other than just cost in making the award decision). Therefore, so that the HA can properly evaluate the offers received, all proposals submitted in response to this RFP must be formatted in accordance with the sequence noted following. Each category must be separated by numbered index dividers (which number extends so that each tab can be located without opening the proposal) and labeled with the corresponding tab reference also noted below. None of the proposed services may conflict with any requirement the HA has published herein or has issued by addendum.

[Table No. 3]

RFP Section	Tab No.	Description
3.1.1	1	Form of Proposal: This Form is attached hereto as Attachment A to this RFP document. This 1-page Form must be fully completed, executed where provided thereon and submitted under this tab as a part of the proposal submittal.
3.1.2	2	Form HUD-5369-C (8/93), <i>Certifications and Representations of Offerors, Non-Construction Contract</i>: This Form is attached hereto as Attachment B to this RFP document. This 2-page Form must be fully completed, executed where provided thereon and submitted under this tab as a part of the proposal submittal.
3.1.3	3	Profile of Firm Form: The Profile of Firm Form is attached hereto as Attachment C to this RFP document. This 2-page Form must be fully completed executed and submitted under this tab as a part of the proposal submittal.
3.1.4	4	Proposed Services: As more fully detailed within Section 2.0, <i>Scope of Proposal/Technical Specifications</i> , of this document, the proposer shall, at a minimum, clearly detail within the information submitted under this tab documentation showing:
3.1.4.1		As detailed within Section 4.1, Evaluation Factor No. 2, herein, the proposer’s Demonstrated Understanding of the HA’s Requirements.
3.1.4.2		As detailed within Section 4.1, Evaluation Factor No. 3, herein, the proposer’s Technical Approach (including, if appropriate, labor categories, estimated hours and skill mix) and the proposer’s proposed Work Plan to provide the required services.
3.1.4.3		As detailed within Section 4.1, Evaluation Factor No. 4, herein, the proposer’s Technical Capabilities (in terms of personnel, equipment and materials) and Management Plan (including staffing of key positions, method of assigning work and procedures for maintaining level of service, etc.).
3.1.4.4		As detailed within Section 4.1, Evaluation Factor No. 5, herein, the proposer’s Demonstrated Experience in performing similar work and the proposer’s Demonstrated Successful Past Performance (including meeting costs, schedules and

		performance requirements) of contract work substantially similar to that required by this solicitation.
3.1.4.5		If the firm had a Quality Assurance audit done by the PIH/REAC QASS division? If so, submit a copy.
3.1.4.6		If appropriate, how staff are retained, screened, trained and monitored;
3.1.4.7		The proposed quality control program;
3.1.4.8		An explanation and copies of forms that will be used and reports that will be submitted and the method of such reports (i.e. written; fax; internet; etc.);
3.1.4.9		A complete description of the products and services the firms provides.
3.1.5	5	Managerial Capacity/Financial Viability: The proposer entity must submit under this tab a concise description of its managerial and financial capacity to deliver the proposed services, including brief professional resumes for the persons identified within areas (5) and (6) of Attachment C, <i>Profile of Firm Form</i> . Such information shall include the proposer's qualifications to provide the services; a description of the background and current organization of the firm.
3.1.6	6	Client Information: The proposer shall submit a listing of former or current clients, including the Public Housing Authorities, for whom the proposer has performed similar or like services to those being proposed herein. The listing shall, at a minimum, include:
3.1.6.1		The client's name;
3.1.6.2		The client's contact name;
3.1.6.3		The client's telephone number;
3.1.6.4		A brief description and scope of the service(s) and the dates the services were provided;
3.1.7	7	Equal Employment Opportunity: The proposer must submit under this tab a copy of its Equal Opportunity Employment Policy.
3.1.8	8	Other Information (Optional Item): The proposer may include hereunder any other general information that the proposer believes is appropriate to assist the HA in its evaluation.
3.1.9	9	Section 3 Business Preference Documentation (Optional Item): For any proposer claiming a Section 3 Business Preference, he/she shall under this tab include the fully completed and executed Section 3 Business Preference Certification Form attached hereto as Attachment D and any documentation required by that form.
3.1.10	10	Proposed Fees: The proposed fees shall be submitted under this tab. The proposed firm fixed fee for each fiscal year (FY) with a cost breakdown. Please note that the proposed fees submitted by each proposer are inclusive of all necessary costs to provide the proposed services, including, but not limited to: employee costs and benefits; clerical support; overhead; supplies; insurance; travel expense; etc. The proposer shall include fees for an audit performed on the fiscal year end of March 31, 2024, March 31, 2025, March 31, 2026 and March 31, 2027.

- 3.1.11 If no information is to be placed under any of the above noted tabs (especially the "Optional" tabs), please place there under a statement such as "NO INFORMATION IS BEING PLACED UNDER THIS TAB" or "THIS TAB LEFT INTENTIONALLY BLANK." DO NOT eliminate any of the tabs.
- 3.1.12 **Proposal Submittal Binding Method:** It is preferable and recommended that the proposer bind the proposal submittals in such a manner that the HA can, if needed, remove the binding (i.e. "comb-type;" etc.) or remove the pages from the cover (i.e. 3-ring binder; etc.) to make copies then conveniently return the proposal submittal to its original condition.
- 3.2 RESERVED
- 3.3 RESERVED
- 3.4 RESERVED
- 3.5 **Proposal Submission:** All proposals must be submitted and time-stamped received in the designated HA office by no later than the submittal deadline stated herein (or within any ensuing addendum). A total of 1 original signature copy (marked "ORIGINAL") and 2 exact copies (each of the 3 separate proposal submittals shall have a cover and extending tabs) of the proposal submittal, shall be placed unfolded in a sealed package and addressed to:

The Housing Authority of the County of DeKalb
Attention: Christine Sauter, CFO
310 N. 6th Street
DeKalb, IL 60115

The package exterior must clearly denote the above noted RFP number and must have the proposer's name and return address. Proposals received after the published deadline will not be accepted.

- 3.5.1 **Submission Conditions:** DO NOT FOLD OR MAKE ANY ADDITIONAL MARKS, NOTATIONS OR REQUIREMENTS ON THE DOCUMENTS TO BE SUBMITTED! Proposers are not allowed to change any requirements or forms contained herein, either by making or entering onto these documents or the documents submitted any revisions or additions; and if any such additional marks, notations or requirements are entered on any of the documents that are submitted to the HA by the proposer, such may invalidate that proposal. If, after accepting such a proposal, the HA decides that any such entry has not changed the intent of the proposal that the HA intended to receive, the HA may accept the proposal and the proposal shall be considered by the HA as if those additional marks, notations or requirements were not entered on such. By accessing and downloading these documents, each prospective proposer that does so is thereby agreeing to confirm all notices that the HA delivers to him/her as instructed, and by submitting a proposal, the proposer is thereby agreeing to abide by all terms and conditions published herein and by addendum pertaining to this RFP.

- 3.5.2 Submission Responsibilities:** It shall be the responsibility of each proposer to be aware of and to abide by all dates, times, conditions, requirements and specifications set forth within all applicable documents issued by the HA, including the RFP document, the documents listed within the following Section 3.8, and any addenda and required attachments submitted by the proposer. By virtue of completing, signing and submitting the completed documents, the proposer is stating his/her agreement to comply with the all conditions and requirements set forth within those documents. Written notice from the proposer not authorized in writing by the CO to exclude any of the HA requirements contained within the documents may cause that proposer to not be considered for award.
- 3.6 Proposer's Responsibilities--Contact With the HA:** It is the responsibility of the proposer to address all communication and correspondence pertaining to this RFP process to the CO only. Proposers must not make inquiry or communicate with any other HA staff member or official (including members of the Board of Commissioners) pertaining to this RFP. Failure to abide by this requirement may be cause for the HA to not consider a proposal submittal received from any proposer who may has not abided by this directive.
- 3.6.1 Addendums:** All questions and requests for information must be addressed in writing to the CO. The CO will respond to all such inquiries in writing by addendum to all prospective proposers (i.e. firms or individuals that have obtained the RFP Documents). During the RFP solicitation process, the CO will NOT conduct any *ex parte* (a substantive conversation—"substantive" meaning, when decisions pertaining to the RFP are made—between the HA and a prospective proposer when other prospective proposers are not present) conversations that may give one prospective proposer an advantage over other prospective proposers. This does not mean that prospective proposers may not call the CO—it simply means that, other than making replies to direct the prospective proposer where his/her answer has already been issued within the solicitation documents, the CO may not respond to the prospective proposer's inquiries but will direct him/her to submit such inquiry in writing so that the CO may more fairly respond to all prospective proposers in writing by addendum.
- 3.7 RESERVED**

- 3.8 Recap of Attachments:** It is the responsibility of each proposer to verify that he/she has downloaded the following attachments pertaining to this RFP, which are hereby by reference included as a part of this RFP:

[Table No. 4]

RFP Section	Attachment	Attachment Description
3.8.1	A	Form of Proposal
3.8.2	B	Form HUD-5369-C (8/93), <i>Certifications and Representations of Offerors, Non-Construction Contract</i>
3.8.3	C	Profile of Firm Form
3.8.4	D	Section 3 Forms, including explanation
3.8.5	E	Form HUD-5369-B (8/93), <i>Instructions to Offerors, Non-Construction</i>
3.8.6	G	HA Sample Contract Form (please note that this contract is being given as a sample only--the HA reserves the right to revise any clause herein and/or to include within the ensuing contract any additional clauses that the HA feels it is in its best interests to do so)
3.8.7	H	HA Profile of Properties
3.8.8	I	Audit Report FY2023

4.0 PROPOSAL EVALUATION:

- 4.1 Evaluation Factors:** The following factors will be utilized by the HA to evaluate each proposal submittal received; award of points for each listed factor will be based upon the documentation that the proposer submits within his/her proposal submittal:

[Table No. 5]

NO.	MAX POINT VALUE	FACTOR TYPE	FACTOR DESCRIPTION
1	25 points	Objective	The PROPOSED COSTS the proposer proposes to charge the HA to complete the required work.
2	20 points	Subjective (Technical)	The APPROPRIATENESS of the TECHNICAL APPROACH (including labor categories, estimated hours and skill mix) and the QUALITY of the WORK PLAN .
3	20 points	Subjective (Technical)	The proposer's TECHNICAL CAPABILITIES (in terms of personnel, equipment and materials) and the MANAGEMENT PLAN (including staffing of key positions, method of assigning work and procedures for maintaining level of service, etc.).
4	25 points	Subjective (Technical)	The proposer's DEMONSTRATED EXPERIENCE in performing similar work and the proposer's DEMONSTRATED SUCCESSFUL PAST PERFORMANCE (including meeting costs, schedules and performance requirements) of contract work substantially similar to that required by this solicitation as verified by reference checks or other means.
5	10 points	Subjective (Technical)	The OVERALL QUALITY AND PROFESSIONAL APPEARANCE OF THE PROPOSAL SUBMITTED , based upon the opinion of the evaluators.
	100 points	100 points	Total Points

4.2 Evaluation Method:

- 4.2.1 Initial Evaluation for Responsiveness:** Each proposal received will first be evaluated for responsiveness (e.g., meets the minimum of the published requirements). The HA reserves the right to reject any proposals deemed by the HA not minimally responsive (the HA will notify such firms in writing of any such rejection).
- 4.2.2 Evaluation Packet for Proposals Deemed Responsive:** Internally, an evaluation packet will be prepared for each evaluator, including the following documents:
- 4.2.2.1** Instructions to Evaluators;
 - 4.2.2.2** Proposal Tabulation Form;
 - 4.2.2.3** Written Narrative Justification Form for each proposer;
 - 4.2.2.4** Recap of each proposer's responsiveness;
 - 4.2.2.5** Copy of all pertinent RFP documents.

- 4.2.3 Evaluation Committee:** The HA anticipates that it will select a minimum of a three-person committee to evaluate each of the responsive “hard copy” proposals submitted in response to this RFP. PLEASE NOTE: No proposer shall be informed at any time during or after the RFP process as to the identity of any evaluation committee member. If, by chance, a proposer does become aware of the identity of such person(s), he/she SHALL NOT make any attempt to contact or discuss with such person anything related to this RFP. As detailed within Section 3.6 of this document, the designated CO is the only person at the HA that the proposers shall contact pertaining to this RFP. Failure to abide by this requirement may (and most likely will) cause such proposer(s) to be eliminated from consideration for award.
- 4.2.3 Evaluation:** The CO will evaluate and award points pertaining to Evaluation Factor No. 1. The appointed evaluation committee, independent of the CO or any other person at the HA, shall evaluate the responsive proposals submitted and award points pertaining to Evaluation Factors No. 2, 3, 4, and 5 (the “Subjective” Factors). Upon final completion of the proposal evaluation process, the evaluation committee will forward the completed evaluations to the CO.
- 4.2.4 Potential “Competitive Range” or “Best and Finals” Negotiations:** The HA reserves the right to, as detailed within Section 7.2.N through Section 7.2.R of HUD Procurement Handbook 7460.8 REV 2, conduct a “Best and Finals” Negotiation, which may include oral interviews, with all firms deemed to be in the competitive range. Any firm deemed not to be in the competitive range shall be notified of such in writing by the HA in a timely manner as possible, but in any case within no longer than 10 days after the beginning of such negotiations with the firms deemed to be in the competitive range.
- 4.2.5 Determination of Top-ranked Proposer:** Typically, the subjective points awarded by the evaluation committee will be combined with the objective points awarded by the CO to determine the final rankings, which is typically forwarded by the CO to the ED for approval. If the evaluation was performed to the satisfaction of the ED, the final rankings may be forwarded to the Housing Authority Board of Commissioners (BOC) at a scheduled meeting for approval. Contract negotiations may, at the HA’s option, be conducted prior to or after the BOC approval.
- 4.2.5.1 Minimum Evaluation Results:** To be considered to receive an award a proposer must receive a total calculated average of at least 70 points.
- 4.2.5.2 Ties:** In the case of a tie in points awarded, the award shall be decided as detailed within Section 6.12.C of HUD Procurement Handbook 7460.8 REV 2, by “drawing lots or other random means of selection.”
- 4.2.6 Notice of Results of Evaluation:** If an award is completed, all proposers will receive by e-mail a Notice of Results of Evaluation. Such notice shall inform all proposers of:

4.2.7.1 Which proposer received the award;

4.2.7.2 Where each proposer placed in the process as a result of the evaluation of the proposals received;

4.2.7.3 The cost or financial offers received from each proposer;

4.2.7.4 Each proposer's right to a debriefing and to protest.

4.2.7 **Restrictions:** All persons having familial (including in-laws) and/or employment relationships (past or current) with principals and/or employees of a proposer entity will be excluded from participation on the HA evaluation committee. Similarly, all persons having ownership interest in and/or contract with a proposer entity will be excluded from participation on the HA evaluation committee.

5.0 CONTRACT AWARD:

5.1 **Contract Award Procedure:** If a contract is awarded pursuant to this RFP, the following detailed procedures will be followed:

5.1.1 By completing, executing and submitting the Form of Proposal, Attachment A, the "proposer is thereby agreeing to abide by all terms and conditions pertaining to this RFP as issued by the HA, either in hard copy or on the noted eProcurement System," including the contract clauses already attached as Attachment G and G-1. Accordingly, the HA has no responsibility to conduct after the submittal deadline any negotiations pertaining to the contract clauses already published.

5.2 **Contract Conditions:** The following provisions are considered mandatory conditions of any contract award made by the HA pursuant to this RFP:

5.2.1 **Contract Form:** The HA will not execute a contract on the successful proposer's form--contracts will only be executed on the HA form (please see Sample Contract, Attachments G and G-1), and by submitting a proposal the successful proposer agrees to do so (please note that the HA reserves the right to amend this form as the HA deems necessary). However, the HA will during the RFP process (prior to the submittal deadline) consider any contract clauses that the proposer wishes to include therein and submits in writing a request for the HA to do so; but the failure of the HA to include such clauses does not give the successful proposer the right to refuse to execute the HA's contract form. It is the responsibility of each prospective proposer to notify the HA, in writing, prior to submitting a proposal, of any contract clause that he/she is not willing to include in the final executed contract and abide by. The HA will consider and respond to such written correspondence, and if the prospective proposer is not willing to abide by the HA's response (decision), then that prospective proposer shall be deemed ineligible to submit a proposal.

- 5.2.1.1 Please note that the HA has no legal right or ability to (and will not) at any time negotiate any clauses contained within ANY of the HUD forms included as a part of this RFP.
- 5.2.2 **Assignment of Personnel:** The HA shall retain the right to demand and receive a change in personnel assigned to the work if the HA believes that such change is in the best interest of the HA and the completion of the contracted work.
- 5.2.3 **Unauthorized Sub-Contracting Prohibited:** The successful proposer shall not assign any right, nor delegate any duty for the work proposed pursuant to this RFP (including, but not limited to, selling or transferring the contract) without the prior written consent of the CO. Any purported assignment of interest or delegation of duty, without the prior written consent of the CO shall be void and may result in the cancellation of the contract with the HA, or may result in the full or partial forfeiture of funds paid to the successful proposer as a result of the proposed contract; either as determined by the CO.
- 5.3 **Contract Period:** The HA anticipates that it will initially award a contract for services pertaining to FY2024 only. The HA shall retain the right to renew this contract, at the HA's option, for the three additional FY's identified within Section 3.1.10 herein.
- 5.4 **Licensing and Insurance Requirements:** Prior to award (but not as a part of the proposal submission) the *successful proposer* will be required to provide:
 - 5.4.1 An original certificate evidencing the proposer's current industrial (worker's compensation) insurance carrier and coverage amount;
 - 5.4.2 An original certificate evidencing General Liability coverage, naming the HA as an additional insured, together with the appropriate endorsement to said policy reflecting the addition of the HA as an additional insured under said policy (minimum of \$1,000,000 each occurrence, general aggregate minimum limit of \$1,000,000, together with damage to premises and fire damage of \$50,000 and medical expenses any one person of \$5,000), with a deductible of not greater than \$1,000;
 - 5.4.3 An original certificate showing the proposer's professional liability and/or "errors and omissions" coverage (minimum of \$1,000,000 each occurrence, general aggregate minimum limit of \$5,000,000), with a deductible of not greater than \$1,000;
 - 5.4.4 An original certificate showing the proposer's automobile insurance coverage in a combined single limit of \$1,000,000. For every vehicle utilized during the term of this program, when not owned by the entity, each vehicle must have evidence of automobile insurance coverage with limits of no less than \$50,000/\$100,000 and medical pay of \$5,000.
 - 5.4.5 A copy of the proposer's business license allowing that entity to provide such services within the State of Illinois.

- 5.4.6 If applicable, a copy of the proposer's license issued by the State of Illinois licensing authority allowing the proposer to provide the services detailed herein.
 - 5.4.7 The requested related information shall also be entered where provided for on the Profile of Firm Form (DO NOT ATTACH SUBMIT COPIES WITHIN THE PROPOSAL SUBMITTAL--we will garner the necessary certificates from the successful proposer prior to contract execution).
- 5.5 **Right To Negotiate Final Fees:** The HA shall retain the right to negotiate the amount of fees that are paid to the successful proposer, meaning the fees proposed by the top-rated proposer may, at the HA's options, be the basis for the beginning of negotiations. Such negotiations shall begin after the HA has chosen a top-rated proposer. If such negotiations are not, in the opinion of the CO successfully concluded within 5 business days, the HA shall retain the right to end such negotiations and begin negotiations with the next-rated proposer. The HA shall also retain the right to negotiate with and make an award to more than one proposer, as long as such negotiation(s) and/or award(s) are addressed in the above manner (i.e. top-rated first, then next-rated following until a successful negotiation is reached).
- 5.6 **Contract Service Standards:** All work performed pursuant to this RFP must conform and comply with all applicable local, state and federal codes, statutes, laws and regulations.

REQUEST FOR PROPOSAL (RFP) No.23-0097, Annual Audit Services

**FORM OF PROPOSAL
(RFP Attachment A)**

(This Form must be fully completed and placed under Tab No. 1 of the "hard copy" tabbed proposal submittal.)

(1) Instructions. Unless otherwise specifically required, the items listed below must be completed and included in the proposal submittal. Please complete this form by marking an "X," where provided, to verify that the referenced completed form or information has been included within the "hard copy" proposal submittal submitted by the proposer. Also, complete all the statements and certifications listed following herein:

[Table No. 1]

"X" = Item Tab Submittal Item Included No. (one original signature copy of each document)		
	1	Form of Proposal (Attachment A)
	2	form HUD-5369-C (Attachment B)
	3	Profile of Firm Form (Attachment C)
	4	Proposed Services
	5	Managerial Capacity/Financial Viability, including resumes
	6	Client Information
	7	Equal Employment Opportunity Statement
	8	Other Information (Optional)
	9	Section 3 Business Preference Documentation (Attachment D, Optional)
	10	Proposed Fees

(2) SECTION 3 STATEMENT. Are you claiming a Section 3 business preference? Yes ☐ No ☐ If "YES," pursuant to the Section 3 portion within the Conditions and Specifications, and pursuant to the documentation justifying such submitted under Tab No. 9, which priority are you claiming? _____.

(3) Debarred Statement. Has this firm, or any principal(s) ever been debarred from providing any services by the Federal Government, any state government, the State of Illinois, or any local government agency within or without the State of Illinois? Yes ☐ No ☐ If "Yes," please attach a full detailed explanation, including dates, circumstances, and current status.

(4) Disclosure Statement. Does this firm or any principals thereof have any current, past personal or professional relationship with any Commissioner or Officer of the Agency? Yes

Signature Date Printed Name Company

HOUSING AUTHORITY OF THE COUNTY OF DEKALB, ILLINOIS

**FORM OF PROPOSAL
(RFP Attachment A)**

(This Form must be fully completed and placed under Tab No. 1 of the "hard copy" tabbed proposal submittal.)

☐ No ☐ If "Yes," please attach a full detailed explanation, including dates, circumstances, and current status.

(5) Felony Disclosure. Has any principal(s) or any person(s) proposed to perform the work ever been convicted of a felony? Yes ☐ No ☐ If "Yes," please attach a full detailed explanation, including dates, circumstances, and current status. PLEASE NOTE: The Agency reserves the right to not make award to any proposer that has staff who has been convicted of a felony if the Agency feels that doing such is in its best interests.

(6) Non-Collusive Affidavit. The undersigned party submitting this proposal hereby certifies that such proposal is genuine and not collusive and that said proposer entity has not colluded, conspired, connived or agreed, directly or indirectly, with any proposer or person, to put in a sham proposal or to refrain from bidding, and has not in any manner, directly or indirectly sought by agreement or collusion, or communication or conference, with any person, to fix the proposal price of affiant or of any other proposer, to fix overhead, profit or cost element of said proposal price, or that of any other proposer or to secure any advantage against the Agency or any person interested in the proposed contract; and that all statements in said proposal are true.

(7) Proposer's Statement. The undersigned proposer hereby states that by completing and submitting this Form and all other documents within this proposal submittal, he/she is verifying that all information provided herein is, to the best of his/her knowledge, true and accurate, and that if the Agency discovers that any information entered herein to be false, such shall entitle the Agency to not consider or make award or to cancel any award with the undersigned party. Further, by completing and submitting the proposal submittal, and by entering and submitting the costs where provided within the eProcurement Marketplace, the undersigned proposer is thereby agreeing to abide by all terms and conditions pertaining to this RFQ as issued by the Agency, either in hard copy or on the eProcurement Marketplace, including an agreement to execute the attached Sample Contract form. Pursuant to all RFQ Documents, this Form of Proposal, and all attachments, and pursuant to all completed Documents submitted, including these forms and all attachments, the undersigned proposes to supply the Agency with the services described herein for the fee(s) entered within the areas provided within the eProcurement Marketplace pertaining to this RFQ.

Signature

Date

Printed Name

Company

Certifications and Representations of Offerors Non-Construction Contract

U.S. Department of Housing and
Urban Development
Office of Public and Indian Housing

Public reporting burden for this collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

This form includes clauses required by OMB's common rule on bidding/offering procedures, implemented by HUD in 24 CFR 85.36, and those requirements set forth in Executive Order 11625 for small, minority, women-owned businesses, and certifications for independent price determination, and conflict of interest. The form is required for nonconstruction contracts awarded by Housing Agencies (HAs). The form is used by bidders/offerors to certify to the HA's Contracting Officer for contract compliance. If the form were not used, HAs would be unable to enforce their contracts. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

1. Contingent Fee Representation and Agreement

(a) The bidder/offeror represents and certifies as part of its bid/offer that, except for full-time bona fide employees working solely for the bidder/offeror, the bidder/offeror:

- (1) ☐ has, ☐ has not employed or retained any person or company to solicit or obtain this contract; and
- (2) ☐ has, ☐ has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

(b) If the answer to either (a)(1) or (a) (2) above is affirmative, the bidder/offeror shall make an immediate and full written disclosure to the PHA Contracting Officer.

(c) Any misrepresentation by the bidder/offeror shall give the PHA the right to (1) terminate the resultant contract; (2) at its discretion, to deduct from contract payments the amount of any commission, percentage, brokerage, or other contingent fee; or (3) take other remedy pursuant to the contract.

2. Small, Minority, Women-Owned Business Concern Representation

The bidder/offeror represents and certifies as part of its bid/ offer that it:

- (a) ☐ is, ☐ is not a small business concern. "Small business concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding, and qualified as a small business under the criteria and size standards in 13 CFR 121.
- (b) ☐ is, ☐ is not a women-owned small business concern. "Women-owned," as used in this provision, means a small business that is at least 51 percent owned by a woman or women who are U.S. citizens and who also control and operate the business.
- (c) ☐ is, ☐ is not a minority enterprise which, pursuant to Executive Order 11625, is defined as a business which is at least 51 percent owned by one or more minority group members or, in the case of a publicly owned business, at least 51 percent

of its voting stock is owned by one or more minority group members, and whose management and daily operations are controlled by one or more such individuals.

For the purpose of this definition, minority group members are:

(Check the block applicable to you)

- | | |
|---|---|
| <input type="checkbox"/> Black Americans | <input type="checkbox"/> Asian Pacific Americans |
| <input type="checkbox"/> Hispanic Americans | <input type="checkbox"/> Asian Indian Americans |
| <input type="checkbox"/> Native Americans | <input type="checkbox"/> Hasidic Jewish Americans |

3. Certificate of Independent Price Determination

(a) The bidder/offeror certifies that—

- (1) The prices in this bid/offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other bidder/offeror or competitor relating to (i) those prices, (ii) the intention to submit a bid/offer, or (iii) the methods or factors used to calculate the prices offered;
 - (2) The prices in this bid/offer have not been and will not be knowingly disclosed by the bidder/offeror, directly or indirectly, to any other bidder/offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and
 - (3) No attempt has been made or will be made by the bidder/offeror to induce any other concern to submit or not to submit a bid/offer for the purpose of restricting competition.
- (b) Each signature on the bid/offer is considered to be a certification by the signatory that the signatory:
- (1) Is the person in the bidder/offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or
 - (2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action

contrary to subparagraphs (a)(1) through (a)(3) above (insert full name of person(s) in the bidder/offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the bidder/offeror's organization);

(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and

Previous edition is obsolete

page 1 of 2

ref. Handbook 7460.8

form HUD-5369-C (8/93)

(iii) As an agent, has not personally participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above.

(c) If the bidder/offeror deletes or modifies subparagraph (a)2 above, the bidder/offeror must furnish with its bid/offer a signed statement setting forth in detail the circumstances of the disclosure.

4. Organizational Conflicts of Interest Certification

(a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a

situation in which the nature of work under a proposed contract and a prospective contractor's organizational, financial, contractual or other interest are such that:

(i) Award of the contract may result in an unfair competitive advantage;

(ii) The Contractor's objectivity in performing the contract work may be impaired; or

(iii) That the Contractor has disclosed all relevant information and requested the HA to make a determination with respect to this Contract.

(b) The Contractor agrees that if after award he or she discovers an organizational conflict of interest with respect to this contract, he or she shall make an immediate and full disclosure in writing to the HA which shall include a description of the action which the Contractor has taken or intends to eliminate or neutralize the conflict. The HA may, however, terminate the Contract for the convenience of HA if it would be in the best interest of HA.

Previous edition is obsolete

page 2 of 2

(c) In the event the Contractor was aware of an organizational conflict of interest before the award of this Contract and intentionally did not disclose the conflict to the HA, the HA may terminate the Contract for default.

(d) The Contractor shall require a disclosure or representation from subcontractors and consultants who may be in a position to influence the advice or assistance rendered to the HA and shall include any necessary provisions to eliminate or neutralize conflicts of interest in consultant agreements or subcontracts involving performance or work under this Contract.

5. Authorized Negotiators (RFPs only)

The offeror represents that the following persons are authorized to negotiate on its behalf with the PHA in connection with this request for proposals: (list names, titles, and telephone numbers of the authorized negotiators):

6. Conflict of Interest

In the absence of any actual or apparent conflict, the offeror, by submission of a proposal, hereby warrants that to the best of its knowledge and belief, no actual or apparent conflict of interest exists with regard to my possible performance of this procurement, as described in the clause in this solicitation titled "Organizational Conflict of Interest."

7. Offeror's Signature

The offeror hereby certifies that the information contained in these certifications and representations is accurate, complete, and current.

Signature & Date:

Typed or Printed Name:

Title:

form HUD-5369-C (8/93)

ref. Handbook 7460.8

REQUEST FOR PROPOSALS RFP-23-0097, Annual Audit Services

**PROFILE OF FIRM FORM
(Attachment C)**

(This Form must be fully completed and placed under Tab No. 3 of the "hard copy" tabbed proposal submittal.)

- (1) Prime ____ Sub-contractor ____ (This form must be completed by and for each).
- (2) Name of Firm: _____ Telephone: _____ Fax: _____
- (3) Street Address, City, State, Zip: _____
- (4) Please attached a brief biography/resume of the company, including the following information:
 (a) Year Firm Established; (b) Year Firm Established in Illinois; (c) Former Name and Year Established (if applicable); (d) Name of Parent Company and Date Acquired (if applicable).
- (5) Identify Principals/Partners in Firm (submit under Tab No. 5 a brief professional resume for each):

NAME	TITLE	% OF OWNERSHIP

- (6) Identify the individual(s) that will act as project manager and any other supervisory personnel that will work on project; please submit under Tab No. 5 a brief resume for each. (Do not duplicate any resumes required above):

NAME	TITLE

- (7) Proposer Diversity Statement: You must circle all of the following that apply to the ownership of this firm and enter where provided the correct percentage (%) of ownership of each:

☐ Caucasian American (Male) _____%
 ☐ Public-Held Corporation _____%
 ☐ Government Agency _____%
 ☐ Non-Profit Organization _____%

Resident- (RBE), Minority- (MBE), or Woman-Owned (WBE) Business Enterprise (Qualifies by virtue of 51% or more ownership and active management by one or more of the following:

☐ Resident-Owned* _____%
 ☐ African American _____%
 ☐ **Native American _____%
 ☐ Hispanic American _____%
 ☐ Asian/Pacific American _____%
 ☐ Hasidic Jew _____%
 ☐ Asian/Indian American _____%

☐ Woman-Owned (MBE) _____%
 ☐ Woman-Owned (Caucasian) _____%
 ☐ Disabled Veteran _____%
 ☐ Other (Specify): _____%

WMBE Certification Number: _____

Certified by (Agency): _____

(NOTE: A CERTIFICATION/NUMBER NOT REQUIRED TO PROPOSE - ENTER IF AVAILABLE)

Signature _____ Date _____ Printed Name _____ Company _____

**PROFILE OF FIRM FORM
(Attachment C)**

(This Form must be fully completed and placed under Tab No. 3 of the "hard copy" tabbed proposal submittal.)

- (8) Federal Tax ID No.: _____
- (9) State of Illinois Business License No.: _____
- (10) State of _____ License Type and No.: _____
- (11) Worker's Compensation Insurance Carrier: _____
Policy No.: _____ Expiration Date: _____
- (12) General Liability Insurance Carrier: _____
Policy No. _____ Expiration Date: _____
- (13) Professional Liability Insurance Carrier: _____
Policy No. _____ Expiration Date: _____
- (14) Debarred Statement: Has this firm, or any principal(s) ever been debarred from providing any services by the Federal Government, any state government, the State of _____, or any local government agency within or without the State of _____? Yes ☐ No ☐
If "Yes," please attach a full detailed explanation, including dates, circumstances and current status.
- (15) Disclosure Statement: Does this firm or any principals thereof have any current, past personal or professional relationship with any Commissioner or Officer of the HA? Yes ☐ No ☐
If "Yes," please attach a full detailed explanation, including dates, circumstances and current status.
- (16) Non-Collusive Affidavit: The undersigned party submitting this proposal hereby certifies that such proposal is genuine and not collusive and that said proposer entity has not colluded, conspired, connived or agreed, directly or indirectly, with any proposer or person, to put in a sham proposal or to refrain from proposing, and has not in any manner, directly or indirectly sought by agreement or collusion, or communication or conference, with any person, to fix the proposal price of affiant or of any other proposer, to fix overhead, profit or cost element of said proposal price, or that of any other proposer or to secure any advantage against the HA or any person interested in the proposed contract; and that all statements in said proposal are true.
- (17) Verification Statement: The undersigned proposer hereby states that by completing and submitting this form he/she is verifying that all information provided herein is, to the best of his/her knowledge, true and accurate, and agrees that if the HA discovers that any information entered herein is false, that shall entitle the HA to not consider nor make award or to cancel any award with the undersigned party.

Signature

Date

Printed Name

Company

(Attachment D)

**CERTIFICATION FOR BUSINESS CONCERNS SEEKING SECTION 3 BUSINESS PREFERENCE
IN CONTRACTING AND DEMONSTRATION OF CAPABILITY**

NAME OF BUSINESS: _____

ADDRESS OF BUSINESS: _____

TYPE OF BUSINESS: ☐ Corporation ☐ Partnership ☐ Sole Proprietorship ☐ Joint Venture

Attached is the following documentation as evidence of status:

For business claiming status as a Section 3 resident-owned Enterprise:

☐ Copy of resident lease ☐ Other evidence ☐ Copy of evidence of participation in a public assistance program

For the business entity as applicable:

☐ Copy of Articles of Incorporation ☐ Certificate of Good Standing
☐ Assumed Business Name Certificate ☐ Partnership Agreement
☐ List of owners/stockholder and % of each ☐ Corporation Annual Report
☐ Latest Board minutes appointing officers ☐ Additional documentation
☐ Organization chart with names and titles and brief functional statement

For business claiming Section 3 status by subcontracting 25% of the dollar awarded to qualified Section 3 business:

☐ List of subcontracted Section 3 business and subcontract amount

For business claiming Section 3 status, claiming at least 30% of their workforce are currently Section 3 residents or were Section 3 eligible residents within 3 years of date of first employment with the business:

☐ List of all current full time employees ☐ List of all employees claiming Section 3 status
☐ PHA Residential lease (less than 3 years from date of employment) ☐ Other evidence of Section 3 status (less than 3 years from date of employment)

Evidence of ability to perform successfully under the terms and conditions of the proposed contract:

☐ Current financial statement ☐ List of owned equipment
☐ Statement of ability to comply ☐ List of all contracts for the past 2 years with public policy

Corporate Seal

Authorizing Name and Signature

Notary

Title

My term expires: _____

Signature

Date

Printed Name

(Attachment D)

SUGGESTED AFFIRMATIVE ACTION PLAN FOR UTILIZATION OF PROJECT AREA BUSINESSES

Number Of All Contracts Proposed: _____

Name Of Company: _____

Dollar Value Of All Contracts Proposed: _____

Project: _____

To The Greatest Extent Feasible, Contracts Will Be Awarded Through Negotiation Or Proposal To Qualified Project Area Businesses.

Goal Of These Contracts For Project Area Businesses:

PROPOSED TYPE OF CONTRACT	APPROX. COST	PROPOSED TYPE OF CONTRACT	APPROX. COST

Outline The Program To Achieve These Goals For Economically And Socially Disadvantaged:

NOTE: To Complete The Affirmative Action Plan, Follow Steps Outlines In Attached Exhibit.

(INSERT THIS DOCUMENT IN PROPOSAL DOCUMENTS AND WITH PROPOSAL)

DATE: _____

Signature

Date

Printed Name

HOUSING AUTHORITY OF THE COUNTY OF DEKALB (www.dekcohousing.com)

(Attachment D)

**SUGGESTED AFFIRMATIVE ACTION PLAN FOR UTILIZATION OF PROJECT AREA BUSINESSES
(con'd)**

SUGGESTED SECTION 3 PRELIMINARY WORKFORCE STATEMENT UTILIZATION OF LOWER INCOME PROJECT AREA RESIDENTS AS REGULAR, PERMANENT EMPLOYEES, TRAINEES, APPRENTICES.

COMPANY NAME: _____

ADDRESS: _____

PROJECT: _____

	PRESENT PERMANENT EMPLOYEES (At Time of Contract Signing)	SECTION 3 WORKFORCE PROJECTION (Residents)	TOTAL PROJECTED WORKFORCE INCREASE
TRAINEES			
APPRENTICES			
JOURNEYPERSONS			
LABORERS			
SUPERVISORY			
SUPERINTENDENT			
PROFESSIONAL			
CLERICAL			

NOTE: RESIDENTS ARE THOSE LOWER INCOME PROJECT AREA RESIDENTS WHO HAVE BEEN QUALIFIED AS ELIGIBLE.

Signature _____ Date _____ Printed Name _____

SECTION 3 BUSINESS PREFERENCE CLAUSE (Attachment D)

This contract is subject to the following conditions under Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3).

- A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor or organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- E. The contractor will certify that any vacant employment positions, including training positions that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.
- F. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- G. With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprise. Parties to this contract that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

PREFERENCE FOR SECTION 3 BUSINESS CONCERNS IN CONTRACTING OPPORTUNITIES

(Attachment D)

The HA has established the following priority for preference when providing contracting opportunities to Section 3 Businesses:

Priority I

Category 1a Business

Business concerns that are 51 percent or more owned by residents of the housing development or developments for which the Section 3-covered assistance is expended.

Priority II

Category 1b Business

Business concerns whose workforce includes 30 percent of residents of the housing development for which the Section 3-covered assistance is expended, or within three (3) years of the date of first employment with the business concern, were residents of the Section 3-covered housing development.

Priority III

Category 2a Business

Business concerns that are 51 percent or more owned by residents of any other housing development or developments.

Priority IV

Category 2b Business

Business concerns whose workforce includes 30 percent of residents of any other public housing development or developments, or within three (3) years of the date of first employment with the business concern, were "Section 3" residents of any other public housing development.

Priority V

Category 3 Business

Business concerns participating in HUD Youth-build programs being carried out in the metropolitan area in which the Section 3-covered assistance is expended.

Priority VI

Category 4a Business

Business concerns that are 51 percent or more owned by Section 3 residents in the metropolitan area, or whose permanent, full-time workforce includes no less than 30 percent of Section 3 residents in the metropolitan area, or within three (3) years of the date of employment with the business concern, were Section 3 residents in the metropolitan area.

Priority VII

Category 4b Business

Business concerns that subcontract in excess of 25 percent of the total amount of subcontracts to Section 3 business concerns.

Eligibility for Preference

A business concern seeking to qualify for a Section 3 contracting preference shall certify or submit evidence that the business concern is a Section business concern.

(Attachment D)

HUD directs within 24 CFR 135 that the HA may make award to qualified Section 3 business concern with the highest priority ranking and with the lowest responsive proposal if that proposal is:

- (a) within the maximum total contract price established by the HA; or
- (b) not more than "X" higher than the total proposal price of the lowest responsive proposal from any responsible bidder. "X" is determined as follows:

"X" = LESSOR OF:	
When the lowest responsive proposal is less than \$100,000	10% of that proposal, or \$9,000.00
When the lowest responsive proposal is at least:	
\$100,000.00, but less than \$200,000.00	9% of that proposal, or \$16,000.00
\$200,000.00, but less than \$300,000.00	8% of that proposal, or \$21,000.00
\$300,000.00, but less than \$400,000.00	7% of that proposal, or \$24,000.00
\$400,000.00, but less than \$500,000.00	6% of that proposal, or \$25,000.00
\$500,000.00, but less than \$1,000,000.00	5% of that proposal, or \$40,000.00
\$1,000,000.00, but less than \$2,000,000.00	4% of that proposal, or \$60,000.00
\$2,000,000.00, but less than \$4,000,000.00	3% of that proposal, or \$80,000.00
\$4,000,000.00, but less than \$7,000,000.00	2% of that proposal, or \$105,000.00
\$7,000,000.00, or more	1.5% of the lowest responsive and responsible proposal with no dollar limit

Instructions to Offerors Non-Construction

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing



- 03291 -

1. Preparation of Offers

(a) Offerors are expected to examine the statement of work, the proposed contract terms and conditions, and all instructions. Failure to do so will be at the offeror's risk.

(b) Each offeror shall furnish the information required by the solicitation. The offeror shall sign the offer and print or type its name on the cover sheet and each continuation sheet on which it makes an entry. Erasures or other changes must be initialed by the person signing the offer. Offers signed by an agent shall be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to the HA.

(c) Offers for services other than those specified will not be considered.

2. Submission of Offers

(a) Offers and modifications thereof shall be submitted in sealed envelopes or packages (1) addressed to the office specified in the solicitation, and (2) showing the time specified for receipt, the solicitation number, and the name and address of the offeror.

(b) Telegraphic offers will not be considered unless authorized by the solicitation; however, offers may be modified by written or telegraphic notice.

(c) Facsimile offers, modifications or withdrawals will not be considered unless authorized by the solicitation.

3. Amendments to Solicitations

(a) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged.

(b) Offerors shall acknowledge receipt of any amendments to this solicitation by

- (1) signing and returning the amendment;
- (2) identifying the amendment number and date in the space provided for this purpose on the form for submitting an offer,
- (3) letter or telegram, or
- (4) facsimile, if facsimile offers are authorized in the solicitation. The HA/HUD must receive the acknowledgment by the time specified for receipt of offers.

4. Explanation to Prospective Offerors

Any prospective offeror desiring an explanation or interpretation of the solicitation, statement of work, etc., must request it in writing soon enough to allow a reply to reach all prospective offerors before the submission of their offers. Oral explanations or instructions given before the award of the contract will not be binding. Any information given to a prospective offeror concerning a solicitation will be furnished promptly to all other prospective offerors as an amendment of the solicitation, if that information is necessary in submitting offers or if the lack of it would be prejudicial to any other prospective offerors.

5. Responsibility of Prospective Contractor

(a) The HA shall award a contract only to a responsible prospective contractor who is able to perform successfully under the terms and conditions of the proposed contract. To be determined responsible, a prospective contractor must -

- (1) Have adequate financial resources to perform the contract, or the ability to obtain them;

- (2) Have a satisfactory performance record;
- (3) Have a satisfactory record of integrity and business ethics;
- (4) Have a satisfactory record of compliance with public policy (e.g., Equal Employment Opportunity); and
- (5) Not have been suspended, debarred, or otherwise determined to be ineligible for award of contracts by the Department of Housing and Urban Development or any other agency of the U.S. Government. Current lists of ineligible contractors are available for inspection at the HA/HUD.

(b) Before an offer is considered for award, the offeror may be requested by the HA to submit a statement or other documentation regarding any of the foregoing requirements. Failure by the offeror to provide such additional information may render the offeror ineligible for award.

6. Late Submissions, Modifications, and Withdrawal of Offers

(a) Any offer received at the place designated in the solicitation after the exact time specified for receipt will not be considered unless it is received before award is made and it -

- (1) Was sent by registered or certified mail not later than the fifth calendar day before the date specified for receipt of offers (e.g., an offer submitted in response to a solicitation requiring receipt of offers by the 20th of the month must have been mailed by the 15th);
- (2) Was sent by mail, or if authorized by the solicitation, was sent by telegram or via facsimile, and it is determined by the HA/ HUD that the late receipt was due solely to mishandling by the HA/ HUD after receipt at the HA;
- (3) Was sent by U.S. Postal Service Express Mail Next Day Service - Post Office to Addressee, not later than 5:00 p.m. at the place of mailing two working days prior to the date specified for receipt of proposals. The term "working days" excludes weekends and U.S. Federal holidays; or
- (4) Is the only offer received.

(b) Any modification of an offer, except a modification resulting from the HA's request for "best and final" offer (if this solicitation is a request for proposals), is subject to the same conditions as in subparagraphs (a)(1), (2), and (3) of this provision.

(c) A modification resulting from the HA's request for "best and final" offer received after the time and date specified in the request will not be considered unless received before award and the late receipt is due solely to mishandling by the HA after receipt at the HA.

(d) The only acceptable evidence to establish the date of mailing of a late offer, modification, or withdrawal sent either by registered or certified mail is the U.S. or Canadian Postal Service postmark both on the envelope or wrapper and on the original receipt from the U.S. or Canadian Postal Service. Both postmarks must show a legible date or the offer, modification, or withdrawal shall be processed as if mailed late. "Postmark" means a printed, stamped, or otherwise placed impression (exclusive of a postage meter machine impression) that is readily identifiable without further action as having been supplied and affixed by employees of the U.S. or Canadian Postal Service on the date of mailing. Therefore, offerors should request the postal clerk to place a hand cancellation bull's-eye postmark on both the receipt and the envelope or wrapper.

(e) The only acceptable evidence to establish the time of receipt at the HA is the time/date stamp of HA on the offer wrapper or other documentary evidence of receipt maintained by the HA.

(f) The only acceptable evidence to establish the date of mailing of a late offer, modification, or withdrawal sent by Express Mail Next Day Service-Post Office to Addressee is the date entered by the post office receiving clerk on the "Express Mail Next Day Service-Post Office to Addressee" label and the postmark on both the envelope or wrapper and on the original receipt from the U.S. Postal Service. "Postmark" has the same meaning as defined in paragraph (c) of this provision, excluding postmarks of the Canadian Postal Service. Therefore, offerors should request the postal clerk to place a legible hand cancellation bull's eye postmark on both the receipt and the envelope or wrapper.

(g) Notwithstanding paragraph (a) of this provision, a late modification of an otherwise successful offer that makes its terms more favorable to the HA will be considered at any time it is received and may be accepted.

(h) If this solicitation is a request for proposals, proposals may be withdrawn by written notice, or if authorized by this solicitation, by telegram (including mailgram) or facsimile machine transmission received at any time before award. Proposals may be withdrawn in person by a offeror or its authorized representative if the identity of the person requesting withdrawal is established and the person signs a receipt for the offer before award. If this solicitation is an invitation for bids, bids may be withdrawn at any time prior to bid opening.

7. Contract Award

(a) The HA will award a contract resulting from this solicitation to the responsible offeror whose offer conforming to the solicitation will be most advantageous to the HA, cost or price and other factors, specified elsewhere in this solicitation, considered.

(b) The HA may

- (1) reject any or all offers if such action is in the HA's interest,
- (2) accept other than the lowest offer,
- (3) waive informalities and minor irregularities in offers received, and (4) award more than one contract for all or part of the requirements stated.

(c) If this solicitation is a request for proposals, the HA may award a contract on the basis of initial offers received, without discussions. Therefore, each initial offer should contain the offeror's best terms from a cost or price and technical standpoint.

(d) A written award or acceptance of offer mailed or otherwise furnished to the successful offeror within the time for acceptance specified in the offer shall result in a binding contract without further action by either party. If this solicitation is a request for proposals, before the offer's specified expiration time, the HA may accept an offer, whether or not there are negotiations after its receipt, unless a written notice of withdrawal is received before award. Negotiations conducted after receipt of an offer do not constitute a rejection or counteroffer by the HA.

(e) Neither financial data submitted with an offer, nor representations concerning facilities or financing, will form a part of the resulting contract.

8. Service of Protest

Any protest against the award of a contract pursuant to this solicitation shall be served on the HA by obtaining written and dated acknowledgment of receipt from the HA at the address shown on the cover of this solicitation. The determination of the HA with regard to such protest or to proceed to award notwithstanding such protest shall be final unless appealed by the protestor.

9. Offer Submission

Offers shall be submitted as follows and shall be enclosed in a sealed envelope and addressed to the office specified in the solicitation. The proposal shall show **the hour and date specified in the solicitation for receipt, the solicitation number, and the name and address of the offeror, on the face of the envelope.**

It is very important that the offer be properly identified on the face of the envelope as set forth above in order to insure that the date and time of receipt is stamped on the face of the offer envelope. Receiving procedures are: date and time stamp those envelopes identified as proposals and deliver them immediately to the appropriate contracting official, and only date stamp those envelopes which do not contain identification of the contents and deliver them to the appropriate procuring activity only through the routine mail delivery procedure.

[Describe bid or proposal preparation instructions here:]

**CONTRACT BETWEEN
THE HOUSING AUTHORITY OF THE COUNTY OF DEKALB
AND
[THE CONTRACTOR]**

INTRODUCTION

This contract by and between the Housing Authority of the County of DeKalb (hereinafter "HA"), and _____, (hereinafter "the Contractor") is hereby entered into this ____ day of _____, 2024.

Services pursuant to this contract shall begin on the ____ day of _____, 2024, and shall end on the ____ day of _____, 2024, unless otherwise extended, modified, terminated or renewed by the parties as provided for within this contract. Unless otherwise detailed herein, all references to "days" shall be calendar days (in the case that the last day referenced falls on a Saturday, Sunday or legal holiday, then the period of time shall be automatically extended to include the next work day). Also, whenever the term "herein" is referred to, such refers to this contract form, the appendices and all listed attachments.

1.0 Definitions:

- 1.1 **Housing Authority (HA):** Any reference herein or within any Appendix to the "Housing Authority" shall be interpreted to mean the same as the HA.
- 1.2 **Contracting Officer (CO):** The HA Contracting Officer, typically the HA Executive Director, but may be another person delegated such authority by the ED.
- 1.3 **Executive Director (ED):** The HA Executive Director.
- 1.4 **Request For Proposals (RFP):** A competitive solicitation process conducted by the HA wherein award was completed to the top-rated responsive and responsible proposer.

2.0 Services and Payment:

- 2.1 **Scope of Services:** The services provided pursuant to this contract generally consist of those services for the HA as described herein and within the Appendices. Said services shall be provided on the dates and times determined by the HA at the designated HA community and facilities. In addition, the HA shall retain the right to implement and/or enforce any item issued as a part of RFP-23-0097.
- 2.2 **Provisions of any and all Work (Task Orders):** The Contractor shall not begin any additional work (other than that already detailed herein) without the receipt of a completed Contract Task Order Form (CTOF) from the authorized HA representative. This shall be completed as follows:
- 2.3 **Cost/Value of Services:**
 - 2.3.1 **Contract Value:** The current total Not-To-Exceed (NTE) value of this contract is:

\$____,____.____

The Contractor exceeds the NTE amount at his/her own risk. The Contractor is under no obligation to provide additional services that would cause the Contractor's fees to exceed the NTE amount without prior revision of this amount by written change order.

- 2.4 Renewal Options:** This contract is initially executed for services pertaining to FY2024 only. The HA shall retain the right to renew this contract, at the HA's option, for the three additional FY's named in the RFP Document that the HA received pricing for.
- 2.5 Time Performance:** The Contractor will complete each assigned task as detailed within the executed HA Task Order.
- 2.6 Billing Method:**
- 2.6.1** To receive payment for services rendered pursuant to this contract the Contractor shall submit a fully completed invoice for work previously performed to:
Housing Authority of the County of DeKalb Finance Dept
finance@dekcohousing.com
- 2.6.2** At a minimum, the invoice shall detail the following information:
- 2.6.2.1** Unique invoice number;
- 2.6.2.2** Contractor's name, address and telephone number;
- 2.6.2.3** Date of invoice and/or billing period;
- 2.6.2.4** Applicable Contract No. C080__;
- 2.6.2.5** Applicable Purchase Order No.;
- 2.6.2.6** Brief description of services rendered, including applicable time frame, total hours being billed for each service at each detailed site, and at the approved rate (may be submitted in the form of a report);
- 2.6.2.7** Task Order, approved by the HA Executive Director; and
- 2.6.2.8** Total dollar amount being billed.
- 2.6.3** The HA will pay each such properly completed invoice received on a Net/30 basis. Any invoice received not properly completed will not be paid unless and/or until the Contractor complies with the applicable provisions of this contract.

- 3.0 HA's Obligations:** Pursuant to this contract, the HA agrees to provide the specific services detailed herein and also shall be responsible for the following:
- 3.1** The HA agrees to not provide to the Contractor any Task Order assigning work to the Contractor without the prior written approval of the ED.
- 4.0 Contractor's Obligations:** Pursuant to this contract, the Contractor agrees to provide the specific services detailed herein and also shall be responsible for the following:
- 4.1 Supervision and Oversight:** The Contractor shall be solely responsible for providing supervision and oversight to all of the Contractor's personnel that are assigned to the HA properties pursuant to this contract.
- 4.2 Qualified Personnel:** The Contractor warrants and represents that it will assign only qualified personnel to perform the services outlined herein and within the appendices. For the purposes of this contract, the term "qualified personnel" shall mean those personnel that have been investigated, tested and trained in the manner described within this contract and, as proposed by the Contractor within its proposal or as provided by the Contractor during the Contractor's normal conduct of business.
- 4.3 Compliance with Federal and State Laws:** All work performed by the Contractor, pursuant to this contract, shall be done in accordance with applicable all Federal, State and local laws, regulations, codes and ordinances.
- 4.4 Insurance Requirements:**
- 4.4.1** The complete indemnity requirements are detailed within Section 11.19 herein.
- 4.4.2** In this regard, the Contractor shall maintain the following insurance coverage during the effective term(s) of this contract:
- 4.4.2.1** Policy of General Liability Insurance, \$1,000,000 per occurrence, \$1,000,000 aggregate together with damage to premises and fire damage of \$50,000 and medical expenses for any one person of \$5,000 with a deductible not greater than \$1,000. The HA shall be named upon the certificate issued as an "additional insured," together with providing a copy of the corresponding endorsement evidencing the same.
- 4.4.2.2** Policy of Professional Liability Insurance or Errors & Omissions coverage, minimum of \$1,000,000 each occurrence, general aggregate minimum limit of \$1,000,000 with a deductible of not greater than \$1,000;
- 4.4.2.3** Automobile Liability coverage in a combined single limit of \$1,000,000. For every vehicle utilized during the term of this contract, when not owned by the entity, each vehicle must have evidence of automobile insurance coverage with limits of no less

than \$50,000/\$100,000 and medical pay of \$5,000 with a deductible not greater than \$1,000.

4.4.2.4 Worker's compensation coverage evidencing carrier and coverage amount.

4.4.2.5 The Contractor shall provide to the HA with current certificate(s)/endorsement(s) evidencing the insurance coverage referenced above. Failure to maintain the above-reference insurance coverage, including naming the HA as an additional insured (where appropriate) during the term(s) of this contract shall constitute a material breach thereof.

4.4.2.6 Insurance certificate(s)/endorsement(s) shall be delivered to the following person representing the HA:

Christine Sauter
CFO
finance@dekcohousing.com

4.5 **Licensing:** The Contractor shall also provide to the HA a copy of the required State of Illinois Business License. Failure to maintain this license in a current status during the term(s) of this contract shall constitute a material breach thereof.

4.6 **Financial Viability and Regulatory Compliance:**

4.6.1 The Contractor warrants and represents that its corporate entity is in good standing with all applicable federal, state and local licensing authorities and that it possesses all requisite licenses to perform the services required by this contract. The Contractor further warrants and represents that it owes no outstanding delinquent federal, state or local taxes or business assessments.

4.6.2 The Contractor agrees to promptly disclose to the HA any IRS liens or insurance or licensure suspension or revocation that may adversely affect its capacity to perform the services outlined within this contract. The failure by the Contractor to disclose such issue to the HA in writing within 5 days of such notification received will constitute a material breach of this contract.

4.6.3 The Contractor further agrees to promptly disclose to the HA any change of more than 50% of its ownership and/or any declaration of bankruptcy that the Contractor may undergo during the term(s) of this contract. The failure of the Contractor to disclose any change of more than 50% of its ownership and/or its declaration of bankruptcy within 5 days of said actions shall constitute a material breach of this contract.

4.6.4 All disclosures made pursuant to this section of the contract shall be made in writing and submitted to HA within the time periods required herein.

- 5.0 Modification:** This contract shall not be modified, revised, amended or extended except by written addendum, executed by both parties.
- 6.0 Severability:** The invalidity of any provision of this contract, as determined by a court of competent jurisdiction and/or HUD, shall in no way affect the validity of any other provision herein.
- 7.0 Applicable Laws:**
- 7.1 Compliance with Federal and State Laws:** All work performed by the Contractor, pursuant to this contract, shall be done in accordance with applicable all Federal, State and local laws, regulations, codes and ordinances.
- 7.2 Jurisdiction of Law:** The laws of the State of Illinois shall govern the validity, construction and effect of this contract, unless said laws are superseded by, or in conflict with applicable federal laws and/or federal regulations. This contract will be binding upon the parties, their heirs, beneficiaries, and devisees of the parties hereto. The parties agree that DeKalb, Illinois is the appropriate forum for any action relating to this contract. Should any party hereto retain counsel for the purpose of initiating litigation or arbitration to enforce, prevent the breach of any provision hereof, or for any other judicial remedy, then the prevailing party shall be entitled to be reimbursed by the losing party for all costs and expenses incurred thereby, including, but not limited to, reasonable attorneys fees and costs incurred by such prevailing party. This contract may be signed in counterparts.
- 8.0 Notices, Invoices and Reports:**
- 8.1** All notices, reports and/or invoices submitted to the HA by the Contractor pursuant to this contract shall be in writing and delivered to the attention of the following person representing the HA:
- Christine Sauter**
Housing Authority of the County of DeKalb
finance@dekcohousing.com
- 8.2** All notices submitted to the Contractor pursuant to this contract shall be in writing and emailed to the attention of:
- _____

000/000-0000
- or, if appropriate, shall be faxed to: 000/000-0000.
- 9.0 Disputed Billings (Charges):**

9.1 Procedures: In addition to the procedures detailed within Clause No. 7 of Appendix No. 1, Form HUD-5370-C (10/2006), *General Conditions for Non-Construction Contracts, Section I—(With or without Maintenance Work)*, in the event that the HA disputes any portion of its billing(s), the HA shall pay the undisputed portion of such billing and initiate the dispute-resolving procedures, as follows:

9.1.1 The HA's representative shall, within 10 days after the HA's receipt of such billing, formally notify the contractor's representative of all particulars pertaining to the dispute, and request that he/she investigate and respond to this issue.

9.1.2 If such dispute cannot be resolved by the contractor's response, within 10 days after such notification is given, the CO and the contractor's representative shall meet to discuss the matter and attempt to arrive at a resolution.

9.1.3 If the CO and the contractor's representative are unable to resolve the dispute through such discussion within 10 days, the HA shall, within 10 days thereafter, either:

9.1.3.1 pay the disputed charges and reserve the right to submit the matter to the Illinois Court Annexed Arbitration program if the disputed amount does not exceed \$40,000 or to the appropriate district court in the State of _____;

9.1.3.2 not pay the disputed charge and submit the matter to the Illinois Court Annexed Arbitration program if the disputed amount does not exceed \$40,000 or to the appropriate district court in the State of _____;

9.1.3.3 not pay the disputed charge and allow the Contractor to submit the matter either to the Illinois Court Annexed Arbitration program if the disputed amount does not exceed \$40,000 or to the appropriate district court in the State of _____.

9.1.4 The decision from arbitration will be binding upon both parties. If the decision is adverse to the HA, the HA shall pay the HA's receipt of the decision. If the decision is in favor of the HA, the contractor will either:

9.1.4.1 clear the amount which is ordered from the HA account; or

9.1.4.2 repay to the HA the amount ordered;

Either option shall be completed within 10 days after the contractor's receipt of the arbitrator's decision.

10.0 24 CFR 85.36(i), *Procurement*: Pursuant to this CFR, as issued by the Office of the Secretary, HUD, the HA and the Contractor each agree to comply with the following provisions:

- 10.1 Remedies for Contractor Breach:** Pertaining to contract-related issues, it is the responsibility of both the HA and the contractor to communicate with each in as clear and complete a manner as possible. If at any time during the term of this contract the HA or the contractor is not satisfied with any issue, it is the responsibility of that party to deliver to the other party communication, in writing, fully detailing the issue and corrective action (please note that the HA has the right to issue unilateral addendums to this contract, but the contractor does not have the same right). The other party shall, within 10 days, respond in writing to the other party (however, the HA shall retain the right to, if conditions warrant, require the contractor to respond in a shorter period of time). Further, the HA shall, at a minimum, employ the following steps in dealing with the contractor as to any performance issues:
- 10.1.1** If the contractor is in material breach of the contract, the HA may promptly invoke the termination clause detailed within Section No. 3 of Appendix No. 1, Form HUD-5370-C (10/2006), *General Conditions for Non-Construction Contracts, Section I—(With or without Maintenance Work)*, which is attached hereto, and terminate the contract for cause. Such termination must be delivered to the contractor in writing and shall fully detail all pertinent issues pertaining to the cause of and justification for the termination.
- 10.1.2** Prior to termination, the HA may choose to warn the contractor, verbally or in writing, of any issue of non-compliant or unsatisfactory performance. Such written warning may include placing the contractor on probation, thereby giving the contractor a certain period of time to correct the deficiencies or potentially suffer termination. The HA shall maintain in the contract file a written record of any such warning detailing all pertinent information. If the contractor does not agree with such action, the contractor shall have ten 10 days to dispute or protest, in writing, such action; if he/she does not do so within the 10-day period, he/she shall have no recourse but to accept and agree with the HA's position on the issue. The written protest must detail all pertinent information pertaining to the dispute, including justification detailing the HA's alleged incorrect action(s).
- 10.1.3** After termination, if the contractor does not agree with the HA's justification for the termination, the contractor shall have 10 days to dispute, in writing, such action; if he/she does not do so within the 10-day period, he/she shall have no recourse but to accept and agree with the HA's position on the issue. The written protest must detail all pertinent information pertaining to the dispute, including justification detailing the HA's alleged incorrect action(s).
- 10.1.4** The response to any protest received shall be conducted in accordance with Section No. 4.0 of the *Instructions to Proposers and Contractors* document.
- 10.2 Termination For Cause and Convenience:** As detailed within Clause No. 3 of Attachment G-1, Form HUD-5370-C (10/2006), *General Conditions for Non-Construction Contracts, Section I—(Within or without Maintenance Work)*, attached hereto.

- 10.3 Executive Order 11246:** For all construction contracts awarded in excess of \$10,000, both parties hereby agree to comply with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor Regulations (41 CFR Chapter 60).
- 10.4 Copeland "Anti-Kickback" Act:** For all construction or repair contracts awarded, both parties hereby agree to comply with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor Regulations (29 CFR Part 3).
- 10.5 Davis-Bacon-Act:** For all construction contracts awarded in excess of \$2,000 when required by Federal Grant Program legislation, both parties hereby agree to comply with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented in Department of Labor Regulations (29 CFR Part 5).
- 10.6 Sections 103 and 107 of the Contract Work Hours and Safety Standards Act:** For all construction contracts awarded in excess of \$2,000 and for other contracts, which involve the employment of mechanics or laborers awarded in excess of \$2,500, both parties hereby agree to comply with the Sections 103 and 107 of the Contract Work Hours and Safety Act (40 U.S.C. 327-330) as supplemented in Department of Labor Regulations (29 CFR Part 5).
- 10.7 Reporting:** Both parties hereby agree to comply with any reporting requirements that may be detailed herein.
- 10.8 Patent Rights:** Both parties hereby agree to comply with HUD Bulletin 90-23, which is the (a) Notice of Assistance Regarding Patent and Copyright Infringement.
- 10.9 Copy Rights/Rights in Data:** In addition to the requirements contained within Clause No. 5 of Attachment G-1, *General Conditions for Non-Construction Contracts, Section I—(With or without Maintenance Work)*, the HA has unlimited rights to any data, including computer software, developed by the contractor in the performance of the contract specifically:
- 10.9.1** Except as provided elsewhere in this clause, the HA shall have unlimited rights in data first produced in the performance of this contract; form, fit, and function data delivered under this contract; data delivered under this contract (except for restricted computer software) that constitute manuals or instructional and training material for installation, operation, or routine maintenance and repair of items, components, or processes delivered or furnished for use under this contract; and all other data delivered under this contract unless provided otherwise for limited rights data or restricted computer software.
- 10.9.2** The contractor shall have the right to: use, release to others, reproduce, distribute, or publish any data first produced or specifically used by the contractor in the performance of this contract, unless provided otherwise in this clause; protect from unauthorized disclosure and use those data which are limited rights data or restricted computer software to the extent provided in this clause; substantiate use of, add or correct limited rights,

restricted rights, or copyright notices and to take other appropriate action in accordance with this clause; and establish claim to copyright subsisting in data first produced in the performance of this contract to the extent provided below.

- 10.9.3** For data first produced in the performance of this contract, the contractor may establish, without prior approval of the CO, claim to copyright subsisting in scientific or technical articles based on or containing data first produced in the performance of this contract. The contractor grants the HA and others acting on its behalf a paid-up, non-exclusive, irrevocable, worldwide license in such copyrighted data to reproduce, prepare derivative works, distribute copies to the public, and perform or display publicly by or on behalf of the HA.
- 10.9.4** The contractor shall not, without the prior written permission of the contracting Officer, incorporate in data delivered under this contract any data not first produced in the performance of this contract and which contains copyright notice, unless the contractor identifies such data and grants the HA a license of the same scope as identified in the preceding paragraph.
- 10.9.5** The HA agrees not to remove any copyright notices placed on data and to include such notices in all reproductions of the data. If any data delivered under this contract are improperly marked, the HA may either return the data to the contractor, or cancel or ignore the markings.
- 10.9.6** The contractor is responsible for obtaining from its subcontractors all data and rights necessary to fulfill the contractor's obligations under this contract.
- 10.9.7** Notwithstanding any provisions to the contrary contained in the contractor's standard commercial license or lease contract pertaining to any restricted computer software delivered under this contract, and irrespective of whether any such contract has been proposed prior to the award of this contract or of the fact that such contract may be affixed to or accompany the restricted computer software upon delivery, the contractor agrees the HA shall have the rights set forth below to use, duplicate, or disclose any restricted computer software delivered under this contract. The terms and conditions of this contract, including any commercial lease or licensing contract, shall be subject to the following procedures.
- 10.9.8** The restricted computer software delivered under this contract may not be used, reproduced, or disclosed by the HA except as provided below or as expressly stated otherwise in this contract. The restricted computer software may be: used or copied for use in or with the computer(s) for which it was acquired, including use at any HA location to which such computer(s) may be transferred; used or copied for use in or with backup computer if any computer for which it was acquired is inoperative; reproduced for safekeeping (archives) or backup purposes; modified, adapted, or combined with other computer software, provided that the

modified, combined, or adapted portions of the derivative software incorporating any of the delivered, restricted computer software shall be subject to the same restrictions set forth in this contract; and used or copies for use in or transferred to a replacement computer.

- 10.10 Access to Records:** Both parties hereby guarantee access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.
- 10.11 Record Retention:** Both parties hereby guarantee retention of all required records for three records after grantees or subgrantees make final payments and all other pending matters are closed.
- 10.12 Clean Air Act:** For all contracts in excess of \$100,000, both parties hereby agree to comply with all applicable standards, orders or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR Part 15).
- 10.13 Energy Policy and Conservation Act:** Both parties hereby agree to comply with all mandatory standards and policies relating to energy efficiency, which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

11.0 Additional Considerations:

11.1 Right of Joinder Pursuant to NRS 332.195:

- 11.1.1** Any political subdivision within the State of Illinois may be granted the privilege of joining the awarded contract, only at the option of the Contractor. If the Contractor so grants such a privilege, the terms and conditions of the RFP documents, including the ensuing contract, may be passed on to the joining political subdivision by the Contractor.
- 11.1.2** The Contractor shall retain the unilateral right to allow or disallow any political subdivision the privilege of joining the awarded contract. In the event the Contractor allows another political subdivision to join the HA contract, it is expressly understood that the HA shall in no way be liable for the joining political subdivision obligations to the Contractor in any manner whatsoever.
- 11.2 Non-Escalation:** Unless otherwise specified within the RFP documents, the unit prices reflected on the contract shall remain firm with no provision for price increases during the term of the contract.
- 11.3 Funding Restrictions and Order Quantities:** The HA reserves the right to reduce or increase estimated or actual quantities in whatever amount necessary without prejudice or liability to the HA, if:

- 12.3.1 funding is not available;
 - 12.3.2 legal restrictions are placed upon the expenditure of monies for this category of service or supplies; or,
 - 12.3.3 the HA's requirements in good faith change after award of the contract.
- 11.4 Unless otherwise stated in the RFP documents, all local, State or Federal permits which may be required to provide the services ensuing from award of this RFP, whether or not they are known to either the HA or the proposers at the time of the proposal submittal deadline or the award, shall be the sole responsibility of the Contractor and any costs that were submitted by the Contractor in response to the RFP shall reflect all costs required by the Contractor to procure and provide such necessary permits.
- 11.5 **Taxes:** All persons doing business with the HA are hereby made aware that the HA is exempt from paying Nevada State Sales and Use Taxes and Federal Excise Taxes. A letter of Tax Exemption will be provided upon request.
- 11.6 **Government Standards:** It is the responsibility of the proposer to ensure that all items and services proposed conform to all local, State and Federal law concerning safety (OSHA and NIOSH) and environmental control (EPA and _____ Pollution Regulations) and any other enacted ordinance, code, law or regulation. The Contractor shall be responsible for all costs incurred for compliance with any such possible ordinance, code, law or regulation. No time extensions shall be granted or financial consideration given to the Contractor for time or monies lost due to violations of any such ordinance, code, law or regulations that may occur.
- 11.7 **Freight on Bill and Delivery:** All costs submitted by the proposer shall reflect the cost of delivering the proposed items and/or services to the locations(s) specified within the RFP documents or within the contract.
- 11.7.1 The Contractor agrees to deliver to the designated location(s) on or before the date as specified in the finalized contract. Failure to deliver on or before the specified date constitutes an event of default by the Contractor. Upon default, the Contractor agrees that the HA may, at its option, rescind the finalized contract under the default clause herein and seek compensatory damages as provided by law.
- 11.8 **Backorders:**
- 11.8.1 The CO must be notified in writing by the contractor within 10 days of any and all backordered materials and/or any incomplete services; and the estimated delivery date.
 - 11.8.2 Unless otherwise stipulated in the contract, any order that will take more than a maximum of 10 days past the original agreed upon delivery date, may at the option of the HA, be canceled and ordered from another source, if, in the opinion of the CO, it is in the best interests of the HA to do so.

- 11.9 Work on HA Property:** If the Contractor's work under the contract involves operations by the Contractor on HA premises, the Contractor shall take all necessary precautions to prevent the occurrence of any injury to persons or property during the progress of such work and, except to the extent that any such injury is caused solely and directly by the HA's negligence, shall indemnify the HA, and their officers, agents, servants and employees against all loss which may result in any way from any act or omission of the Contractor, its agents, employees, or subcontractors.
- 11.10 Official, Agent and Employees of the HA Not Personally Liable:** It is agreed by and between the parties hereto that in no event shall any official, officer, employee, or agent of the HA in any way be personally liable or responsible for any covenant or agreement herein contained whether expressed or implied, nor for any statement, representation or warranty made herein or in any connection with this agreement.
- 11.11 Subcontractors:** Unless otherwise stated within the RFP documents, the Contractor may not use any subcontractors to accomplish any portion of the services described within the RFP documents or the contract without the prior written permission of the CO.
- 11.12 Salaries and Expenses Relating to the Contractors Employees:** Unless otherwise stated within the RFP documents, the Contractor shall pay all salaries and expenses of, and all Federal, Social Security taxes, Federal and State Unemployment taxes, and any similar taxes relating to its employees used in the performance of the contract. The Contractor further agrees to comply with all Federal, State and local wage and hour laws and all licensing laws applicable to its employees or other personnel furnished under this agreement.
- 11.13 Attorney's Fees:** In the event that litigation is commenced by one party hereto against the other in connection with the enforcement of any provision of this agreement, the prevailing party shall be paid by the losing party all court costs and other expenses of such litigation, including reasonable attorneys' fees. The amount so allowed as attorneys' fees shall be taxed to the losing party as costs of the suit, unless prohibited by law.
- 11.14 Independent Contractor:** Unless otherwise stated within the RFP documents or the contract, the Contractor is an independent contractor. Nothing herein shall create any association, agency, partnership or joint venture between the parties hereto and neither shall have any authority to bind the other in any way.
- 11.15 Severability:** If any provision of this agreement or any portion or provision hereof applicable to any particular situation or circumstance is held valid, the remainder of this agreement or the remainder of such provision (as the case may be), and the application thereof to other situations or circumstances shall not be affected thereby.
- 11.16 Waiver of Breach:** A waiver of either party of any terms or condition of this agreement in any instance shall not be deemed or construed as a waiver of such term or condition for the future, or of any subsequent breach thereof. All remedies, rights, undertakings, obligations, and agreements contained in this agreement shall be cumulative and none

of them shall be in limitation of any other remedy, right, obligation or agreement of either party.

11.17 Time of the Essence: Time is of the essence under this agreement as to each provision in which time of performance is a factor.

11.18 Limitation of Liability: In no event shall the HA be liable to the Contractor for any indirect, incidental, consequential or exemplary damages.

11.19 Indemnification:

11.19.1 The Contractor shall indemnify, defend, and hold the HA (and its officers, employees, and agents) harmless from and against any and all claims, damages, losses, suits, actions, decrees, judgments, attorney's fees, court costs and other expenses of any kind or character, which are caused by, arise out of, or occur due to any failure of the Contractor to (1) abide by any of the applicable professional standards within its industry, or (2) comply with the terms, conditions, or covenants that are contained in this contract, (3) comply with the "Nevada Industrial Insurance Act," or any other law, ordinance, or decree; or (4) ensure that the any subcontractors abide by the terms of this provision and this contract; provided, however, that Contractor will not be required to indemnify the HA against any loss or damage which was specifically caused by the HA providing inaccurate information to the Contractor, failing to provide necessary and requested information to the Contractor, or refusal to abide by any recommendation of the Contractor.

11.19.2 In this connection, it is expressly agreed that the Contractor shall, at its own expense, defend the HA, its officers, employees, and agents, against any and all claims, suits or actions which may be brought against them, or any of them, as a result of, or by reason of, or arising out of, or on account of, or in consequence of any act or failure to act the consequences of which the Contractor has indemnified the HA. If the Contractor shall fail to do so, the HA shall have the right, but not the obligation, to defend the same and to charge all direct and incidental costs of such defense to the Contractor including attorney's fees and court costs.

11.19.3 Any money due to the Contractor under and by virtue of this contract, which the HA believes must be withheld from the Contractor to protect the HA, may be retained by the HA so long as it is reasonably necessary to ensure the HA's protection; or in case no money is due, its surety may be held until all applicable claims have been settled and suitable evidence to that effect furnished to the HA provided, however, neither the Corporation's payments shall not be withheld, and its surety shall be released, if the Contractor is able to demonstrate that it has adequate liability and property damage insurance to protect the HA from any potential claims.

11.19.4 The Contractor shall provide that any contractual arrangement with a subcontractor shall be in conformance with the terms of this Contract including the terms of this indemnity provision. The Contractor guarantees

that it will promptly handle and rectify any and all claims for materials, supplies and labor, or any other claims that may be made against it or any of its subcontractors in connection with the contract.

12.20 Lobbying Certification: By execution of this contract with the HA the Contractor thereby certifies, to the best of his or her knowledge and belief, that:

- 12.20.1** No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal loan, the entering into of any cooperative agreement, or modification of any Federal contract, grant, loan, or cooperative agreement.
- 12.20.2** If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form- LLL, Disclosure Form to Report Lobbying, in an accordance with its instructions.
- 12.20.3** The Contractor shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

12.21 Additional Federally Required Orders/Directives: Both parties agree that they will comply with the following laws and directives, where applicable:

- 12.21.1** Executive Order 11061, as amended, which directs the Secretary of HUD to take all action which is necessary and appropriate to prevent discrimination by agencies that utilize federal funds.
- 12.21.2** Public Law 88-352, Title VI of the Civil Rights Act of 1964, which provides that no person in the United States shall, on the basis of race, color, national origin or sex, be excluded from participation in, denied the benefits of, or subjected to discrimination under any program or activity which receives federal financial assistance. The HA hereby extends this requirement to the Contractor and its private contractors. Specific prohibited discriminatory actions and corrective action are described in Chapter 2, Subtitle C, Title V of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 19901 et. seq.).
- 12.21.3** Public Law 90-284, Title VIII of the Civil Rights Act of 1968., popularly known as the Fair Housing Act, which provides for fair housing throughout the United States and prohibits any person from discriminating in the sale or rental of housing, the financing of housing or the provision of brokerage services, including in any way making unavailable or denying a dwelling to any person because of race, color, religion, sex or national origin. Pursuant

to this statute, the HA requires that the Contractor administer all programs and activities, which are related to housing and community development in such a manner as affirmatively to further fair housing.

12.21.4 The Age Discrimination Act of 1975, which prohibits discrimination on the basis of age.

12.21.5 Anti-Drug Abuse Act of 1988 (42 U.S.C. 11901 et. seq.).

12.21.6 HUD Information Bulletin 909-23 which is the following:

12.21.6.1 Notice of Assistance Regarding Patent and Copyright Infringement;

12.21.6.2 Clean Air and Water Certification; and,

12.21.6.3 Energy Policy and Conversation Act.

12.21.7 That the funds that are provided by the HA and HUD hereunder shall not be used, directly or indirectly, to employ, award a contract to, or otherwise engage the services of any debarred, suspended or ineligible Contractor.

12.21.8 That none of the personnel who are employed in the administration of the work required by this contract shall, in any way or to any extent, be engaged in the conduct of political activities in violation of Title V, Chapter 15, of the United States Code.

12.21.9 The mention herein of any statute or Executive Order is not intended as an indication that such statute or Executive Order is necessarily applicable not is the failure to mention any statute or Executive Order intended as an indication that such statute or Executive Order is not applicable. In this connection, therefore each provision of law and each clause, which is required by law to be inserted in this agreement, shall be deemed to have been inserted herein, and this agreement shall be read and enforced as though such provision or clause had been physically inserted herein. If, through mistake or otherwise, any such provision is not inserted or is inserted incorrectly, this agreement shall forthwith be physically amended to make such insertion or correction upon the application of either part.

13.0 Section 3 Clause: As detailed within 24 CFR 135.38, *Section 3 clause*, the following required clauses are hereby included as a part of this contract.

13.1 The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

- 13.2** The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- 13.3** The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- 13.4** The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- 13.5** The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.
- 13.6** Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- 13.7** With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

14.0 Appendices:

- 14.1** The following noted documents are placed under each of the noted appendix and are a part of this contract:

- 14.1.1 **Appendix No. 1:** form HUD-5370-C (10/2006), *General Condition for Non-Construction Contracts, Section I—(With or without Maintenance Work)*, aka Attachment G-1 of the RFP document;
- 14.1.2 **Appendix No. 2:** Specific documentation pertaining to Section 3 that pertains to this contract.
- 14.1.3 **Appendix No. 3:** Scope of Services, as agreed upon by negotiation between the HA and the contractor;
- 14.1.4 **Appendix No. 4:** The proposed fee(s) submitted by this contractor in response to the RFP, or any negotiated fee(s) that resulted thereto, which fee(s) shall apply to each procurement that ensues from this contract;
- 14.1.5 Included by reference is any document or clause issued as a part of RFP - P21-083 that the HA may choose to include at any time during the performance of this contract or any options exercised thereto by the HA. Further, any document that may be referenced herein that has not been listed above is hereby incorporated herein by reference, and a copy of each such document is available from the HA upon written request for such from the contractor.

14.2 Please note that, in the case of any discrepancy between this contract and any of the above noted appendices, the requirement(s) detailed within the body of this contract shall take first precedence, then the requirement(s) detailed within each appendix shall take precedence in the order that they are listed above (meaning, the requirement(s) detailed within the lower listed item may not overrule any requirement(s) detailed within a higher listed item).

15.0 **CERTIFICATIONS:** The undersigned representative of each party hereby acknowledges by signature below that they have reviewed the foregoing and understand and agree to abide by their respective obligations as defined herein:

[The Contractor]:

By: _____ Date: _____
[Name], [Title]

Housing Authority of the County of DeKalb:

By: _____ Date: _____
[Name], [Title]

FACILITY	CONTACTS	DATA
Taylor Street Plaza (1970) 507 E Taylor St DeKalb IL 60115 815-758-4396 Phone Elevators – 815.748.0097 and 815.756.2780 Front Door – 815.756.4145	Jennifer Price, Manager Nichole Johnson, Asst. Property Mgr Aaron Anderson, Maintenance Roy Kimpflin, Maintenance Unit 210 Resident Council	150 one bedroom units – 310-400 sq ft 16 story hi-rise AMP 1-L089000100 Development IL089001 Public Housing
Civic Apartments (1970) 350 Grant St Sycamore IL 60178 815-895-5631 Phone Elevator – 815.899.0640 Front Door – 815.899.9633	Maria Taylor, Manager No Asst. Property Mgr. Kevin Zirzow, Maintenance Kurt Warren, Maintenance Unit 101 – Office Unit 400 – Resident Council	74 one bedroom units – 296 sq ft 5 Story medium-rise AMP 3-L089000300 Development IL0890003 Public Housing
Mason Court Apartments (1971) 275 N Cross St Sycamore IL 60178 815-895-5631 Phone	Maria Taylor, Manager No Asst. Property Mgr. Kevin Zirzow, Maintenance Kurt Warren, Maintenance Resident Officer Unit 101	12 two bedroom units – 581 sq ft 14 three bedroom units – 700 sq ft 26 Total Units 13 Buildings AMP 3-L089000300 Development IL089004 Public Housing Family Site
Sunset View Apartments (1977) 160 N Garfield 1-4 <u>(180 N Garfield 1-4 Destroyed 10.17.21 Fire)</u> 251 W McKinley 1-4 Hinckley IL 60520 815-895-5631 Phone Privately Owned by HACD as of Sept. 23, 2015 Accepting HCV Vouchers	Maria Taylor, Manager No Asst. Property Mgr. Kevin Zirzow, Maintenance Kurt Warren, Maintenance <u>7/1/21 Rent</u> 1B \$625 2B \$700	1 one bedroom units – 625 sq ft 7 two bedroom units - 756 sq ft 8 Total Units 2 Buildings Fire: 10-17-2021 Destroyed 180 N. Garfield
Lewis Court (1979) 802 N 14 th St A-B 1428 Lewis A-C 720 N 14 th St A-C 730 N 14 th St A-D 760 N 14 th St A-B DeKalb IL 60115	Erica Williams, Manager No Asst. Property Mgr. Jerry Dudzik, Maintenance Resident Officer - 802 N 14 th A- Jonathan Bell	8 two bedroom units – 590 sq ft 6 three bedroom units – 702 sq ft 14 Total Units 5 Buildings AMP 2-L089000200 Development IL089002 Public Housing Family Site 1000-1100 sq ft.
Sequoia Apartments (1980) 15 Sequoya St Shabbona IL 60550 815-895-5631 Phone Multi-Family National Housing Compliance PBC – Performance Based Contract Administration	Maria Taylor, Manager No Asst. Property Mgr. Kevin Zirzow, Maintenance Kurt Warren, Maintenance <u>10/22/21 Rent</u> 1B \$842 UA \$88 2B \$899 UA \$133	9 one bedroom units – 668 sq ft 3 two bedroom units – 799 sq ft 12 Total Units 3 Buildings Project Based Section 8 NHC Contract# IL06R000026 Property ID – 800006316

FACILITY	CONTACTS	DATA
Garden Estates (1987) 234 W Garden St A-G 506 Leonard Ave A-B 207 W Garden A-B 427 Haish Blvd A-E DeKalb IL 60115	Erica Williams, Manager No Asst. Property Mgr. Jerry Dudzik, Maintenance	10 two bedroom units – 702 sq ft 6 three bedroom units 812 sq ft 16 Total Units 4 Town home Units AMP 2-L089000200 Development IL089005 Public Housing Family Site
Gurler Street Apartments (1970) 307 Gurler St. 313 Gurler St. DeKalb, IL 60115 Online with DCHA - 1994	Erica Williams, Manager No Asst. Property Mgr. Jerry Dudzik, Maintenance DCRDC, Owner BGC, Support Services Unit 313 - Office	4 one bedroom units 8 two bedroom units 2 Buildings Shelter Plus Care Project Based Assistance Homeless with disabilities
Dresser Court Apartments (2003) 965 Dresser Court DeKalb Il, 60115 SPC – Tenant Base Assistance	Erica Williams, Manager No Asst. Property Mgr. Jerry Dudzik, Maintenance DCRDC, Owner Hope Haven, Support Services	26 one bedroom units – 416 sq ft 1 Building Shelter Plus Care Project Based Assistance Chronically Homeless
Sunset House (1950 purchased 2011) 316 E. Sunset Pl. DeKalb, IL 60115 DOFA 3/1/12	Erica Williams, Manager No Asst. Property Mgr. Jerry Dudzik, Maintenance	Single Family Home Two bedroom – 864 sq ft One bathroom
Briarwood Apartments (1994) 3345 Resource Parkway DeKalb, IL 60115 815-758-2960 Phone Took ownership 12/20/2012 #TFB-008 TC-51902	Erica Williams, Manager No Asst. Property Mgr. Jerry Dudzik, Maintenance <u>7/1/21 Rent</u> 1B \$675 2B \$800 3B \$1025	16 one bedroom units – 645 sq ft 24 two bedroom units – 850 sq ft 8 three bedroom units – 945 sq ft 48 Total Units 6 Buildings A= 2 BR D= 3 BR B= 2 BR E= 1 BR C= 2 BR F= 1 BR
Central Office (year?) 310 N. 6 th Street DeKalb, IL 60115 815-758-2692 Phone 815-758-4190 Fax		
280 Public Housing Units 12 HUD Multifamily (Sequoia Apartments) 48 Tax Credit (Briarwood) 8 Market Rate (Sunset View) Old USDA 1 House (Sunset Place)	26 Chronically Homeless (Dresser Court) 12 Serious Mental Illness (Gurler Street) 10 SPC Vouchers (tenant based) 12 SRO Units (Hope Haven)	586 Housing Choice Vouchers (6) Project Based at Safe Passage 25 VASH Vouchers 17 Emergency Housing Vouchers 628 TOTAL

**HOUSING AUTHORITY OF THE
COUNTY OF DEKALB
DeKalb, Illinois**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT**

MARCH 31, 2023

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Housing Authority of the County of DeKalb
DeKalb, Illinois

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of the Housing Authority of the County of DeKalb (the "Housing Authority"), as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority as of March 31, 2023, and the respective changes in financial position, and where applicable, cash flows there of for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Housing Authority of the County of DeKalb, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The combining financial statements, the statement and certification of actual modernization costs, and the schedule of expenditures of federal awards are 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* (Uniform Guidance), and the Department of Housing and Urban Development, and is also not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate 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 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 financial statements, the statement and certification of actual modernization costs, and the 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 September 25, 2023, on our consideration of the Housing Authority'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'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's internal control over financial reporting and compliance.

Hankins Ash CPAs, LLP

La Crosse, Wisconsin
September 25, 2023

**HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois**

MANAGEMENT'S DISCUSSION AND ANALYSIS

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED MARCH 31, 2023

The management of the Housing Authority of the County of DeKalb (the "Housing Authority") offers this narrative overview and analysis of its audited financial statements for fiscal year ended March 31, 2023. The goal is for the reader to better understand the Housing Authority's financial activities and its overall financial position and to show whether current year revenues covered current year expenses and the extent to which the Housing Authority has invested its capital assets. We encourage readers to consider the information presented here in conjunction with the Housing Authority's financial statements, which begin on page 10.

THE HOUSING AUTHORITY'S PROGRAMS:

- *Public Housing* - Under the Public Housing Program, the Housing Authority rents 278 units that it owns to low-income households. The Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30 percent of household income. The Public Housing Program includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Housing Authority's properties. The Housing Authority's Capital Fund Program is referred herein as Modernization.
- *Section 8 Choice Vouchers* - Under the Section 8 Choice Voucher Program, the Housing Authority administers 586 regular vouchers and 25 VASH vouchers for a total baseline of 611 vouchers. The agency also administers 17 Emergency Housing Vouchers. The agency contracts with independent landlords that own the property to provide housing for participants. The Housing Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Housing Authority to structure a lease that sets the participants' rent at 30 percent of household income.
- *Continuum of Care* - The Continuum of Care program provides rental subsidy to homeless individuals and families. The program has the capacity to serve 60 households and is currently assisting 55 households.
- *New Construction/Section 8 Program* - The New Construction program is a multifamily project-based voucher program that supports a twelve-unit property that serves elderly and disabled individuals located in Shabbona, Illinois.
- *Business Activities* - Business activities consist of a single-family home, Briarwood apartments, a 48-unit affordable housing complex and Sunset View apartments, a 8-unit affordable housing complex. The single-family home and Briarwood apartments are in DeKalb, Illinois. Sunset View apartments is in Hinckley, Illinois.

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
MANAGEMENT DISCUSSION AND ANALYSIS - Continued
YEAR ENDED MARCH 31, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS:

The following financial statements are included in this report:

- *Statement of Net Position* - reports the Housing Authority's overall financial position: cash and other current assets, noncurrent assets, current and noncurrent liabilities subtracting total liabilities from total assets results in the net position of the Housing Authority.
- *Statement of Revenue, Expenses, and Changes in Net Position* - reports the Housing Authority's various revenue and expenses for the fiscal year.
- *Statement of Cash Flows* - reports cash inflows and outflows for the Housing Authority's fiscal year.

FINANCIAL HIGHLIGHTS:

- The assets of the Housing Authority exceed its liabilities as of March 31, 2023 by \$12,224,781 (net position).
- The Housing Authority's net investment in capital assets as of March 31, 2023 was \$8,213,417.
- The Housing Authority's total revenue for the fiscal year ended March 31, 2023 was \$10,262,804.
- The Housing Authority's total expenses for the fiscal year ended March 31, 2023 was \$9,196,696.
- The Housing Authority's total combined revenue exceed its total combined expenses by \$1,066,108.

ANALYSIS OF FINANCIAL STATEMENTS:

STATEMENT OF NET POSITION

	<u>2023</u>	<u>2022</u>	<u>INCREASE (DECREASE)</u>
ASSETS			
Cash and investments	\$ 4,184,905	\$ 3,679,764	\$ 505,141
Other current assets	227,002	220,423	6,579
Noncurrent assets	<u>8,747,775</u>	<u>7,616,874</u>	<u>1,130,901</u>
TOTAL ASSETS	<u>13,159,682</u>	<u>11,517,061</u>	<u>1,642,621</u>
LIABILITIES			
Current liabilities	<u>368,041</u>	<u>358,388</u>	<u>9,653</u>
DEFERRED INFLOWS OF RESOURCES			
Leases	<u>566,860</u>	<u>-</u>	<u>566,860</u>
NET POSITION			
Net investment in capital assets	8,213,417	7,611,590	601,827
Restricted	178,374	183,341	(4,967)
Unrestricted	<u>3,832,990</u>	<u>3,363,742</u>	<u>469,248</u>
TOTAL NET POSITION	<u>12,224,781</u>	<u>11,158,673</u>	<u>1,066,108</u>

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
MANAGEMENT DISCUSSION AND ANALYSIS - Continued
YEAR ENDED MARCH 31, 2023

ANALYSIS OF FINANCIAL STATEMENTS - Continued:

The net increase in cash and investments is due to positive earnings and Public Housing operating reserve legal settlement.

The net increase in noncurrent assets is due to adding antenna leases for the implementation of GASB 87 in 2023 and the addition of capital assets.

The deferred inflows of resources - leases is due to the implementation of GASB 87 in 2023.

Net increase in investment in capital assets is due to the Civic domestic water pipe and Mason landscape capital fund projects.

Restricted net position represents Section 8 HCV grant funds restricted by HUD for future HAP expenses.

ANALYSIS OF STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION PRIOR AND CURRENT FISCAL YEAR:

	YEAR ENDING MARCH 31,			
	2023		2022	
	AMOUNT	%	AMOUNT	%
REVENUE				
Tenant rental revenue	\$ 1,602,224	16	\$ 1,477,642	16
HUD operating and capital grants	8,125,964	79	7,174,192	79
Other operating revenue	464,669	4	419,951	5
Interest	69,947	1	1,081	-
TOTAL REVENUE	10,262,804	100	9,072,866	100
EXPENSES				
Administrative expenses	1,742,319	19	1,560,004	18
Tenant services	33,224	-	44,715	-
Utilities	185,811	2	206,201	2
Maintenance and operations	881,416	10	846,645	10
General expenses	397,017	4	354,226	4
Protective services	864	-	1,548	-
Housing assistance payments	5,104,179	56	5,018,942	57
Depreciation	841,021	9	767,677	9
Interest expense	7	-	239	-
Loss on disposition of capital asset	10,838	-	7,630	-
TOTAL EXPENSES	9,196,696	100	8,807,827	100
CHANGE IN NET POSITION	\$ 1,066,108		\$ 265,039	

The increase in tenant rental revenue is due to more rent collected which is related to changes in tenant income. The net increase in HUD operating and capital grants is due to an increase in capital fund hard costs. Other operating revenue increase is due to an increase in insurance proceeds and an increase in fraud recovery. Interest income increased due to interest rates. Administrative expense increase is due to wages and employee benefits. Maintenance and operations expense increase is due to wages and employee benefits. General expense increase is due to port out admin fees, payment in lieu of taxes and bad debt. Depreciation increased in FY23 due to adding new assets.

HOUSING AUTHORITY OF THE COUNTY OF DEKALB

DeKalb, Illinois

MANAGEMENT DISCUSSION AND ANALYSIS - Continued YEAR ENDED MARCH 31, 2023

BUDGETARY HIGHLIGHTS:

Low-Rent Public Housing (Operations Only) – All AMPs ended with a higher net income, before depreciation, than budgeted, which is added to the reserves for each of the AMPs. Capital projects in progress during the year include Civic domestic water pipe replacement and Mason landscape project. Ordinary maintenance was closely monitored and finished 4.05% below budget. Capital projects completed using reserves include unit flooring, appliance replacement, TSP elevator pit ladder, new maintenance truck, new truck snow plow, Garden HVAC unit and Civic concrete bike pad. Collection loss was over budget due to extensive rehab costs for vacated units. The program ended with net earnings of \$287,549.

Section 8 Choice Vouchers - The Housing Authority earned \$5,065,705 in annual contributions. The Restricted Net Position (consisting of excess housing assistance payments contributed) decreased to \$178,374 from \$183,341 the previous fiscal year, and annual budget authority was utilized to assist 90% of the 611 baseline units. The program ended with net earnings of (\$30,753).

Continuum of Care - The Housing Authority manages the properties associated with this grant for the DeKalb County Residential Development Corporation (DCRDC), a non-profit entity. The program earned \$383,566 through rental assistance payments which assisted 55 units.

New Construction/Section 8 Program - The Shabbona property continues to be a strong performer with high occupancy and improved physical condition due to capital improvements including windows, doors, drainage, sidewalks, driveway, and landscaping. The program ended with net earnings of \$56,486.

Business Activities - Since the purchase of Briarwood apartments in December 2012, occupancy has increased from 80% to 95%. Capital projects completed include unit flooring, appliance replacement, new HVAC unit, two hot water heaters and a new copier. Briarwood ended with net earnings of \$176,198. The Sunset View property operates as an affordable housing complex. The property finished the year with net earnings of \$30,553. The Sunset house net earnings were \$6,256.

CAPITAL ASSETS AND DEBT ADMINISTRATION:

Capital Assets

As of year-end, the Housing Authority had \$8,213,417 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (additions, deductions, and depreciation) of \$596,543 from the end of 2022. The net increase is due to capital asset additions.

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
MANAGEMENT DISCUSSION AND ANALYSIS - Continued
YEAR ENDED MARCH 31, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued:

	<u>2023</u>	<u>2022</u>
Land	\$ 957,985	\$ 957,985
Land improvements	924,295	920,407
Buildings and improvements	20,162,025	19,018,216
Equipment	2,154,753	2,039,603
Construction work in progress	252,440	153,198
SUBTOTAL	24,451,498	23,089,409
Less accumulated depreciation	(16,238,081)	(15,472,535)
NET CAPITAL ASSETS	<u>\$ 8,213,417</u>	<u>\$ 7,616,874</u>

FUTURE EVENTS (NEW BUSINESS):

The Housing Authority has undergone some changes, which will affect the annual financials in future years:

- In Fiscal Year 2023, HACD undertook a near complete overhaul of executive leadership. HACD welcomed a new Board Commissioner, a new Executive Director, Operations Director, HCV Administrator, and Admission's Manager. We anticipate this refresh of staffing will lead to improved program performance and improved associated financials.
- After an 18 month decline in HCV Utilization, voucher utilization has increased and is accelerating. It is anticipated that HCV utilization will return to 100% in December 2023.
- Public Housing occupancy remained strong in FY 2023 and continues to improve. Occupancy finished the Fiscal Year at 98.2%. Maintaining high occupancy will be critical to securing ongoing operating subsidy.
- The agency continues to manage expenses diligently and will explore more ways to reduce costs. Outsourced snow removal costs increased significantly in FY2023. In FY2024, we anticipate bringing more snow removal services back in house.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT:

The financial report is designed to provide a general overview of the Housing Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to David Siegel, Executive Director, Housing Authority of the County of DeKalb, 310 North Six Street, DeKalb, IL 60115.

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
Dekalb, Illinois
STATEMENT OF NET POSITION
MARCH 31, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 3,901,398
Cash and cash equivalents - restricted	283,507
Receivables	
Tenants, net of allowance for doubtful accounts	2,040
Other, net of allowance for doubtful accounts	54,699
Leases receivable	32,502
Notes receivable	17,472
Interest	30,722
Inventory	27,916
Prepaid expenses	61,651
TOTAL CURRENT ASSETS	<u>4,411,907</u>

NONCURRENT ASSETS

Leases receivable	534,358
Land	957,985
Land improvements	924,295
Buildings and improvements	20,162,025
Equipment	2,154,753
Construction work in progress	252,440
Less accumulated depreciation	<u>(16,238,081)</u>
TOTAL NONCURRENT ASSETS	<u>8,747,775</u>

TOTAL ASSETS

\$ 13,159,682

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 19,845
Accrued payroll liabilities	55,306
Compensated absences	21,036
Unearned revenue	55,402
Due to other governments	95,177
Tenants' security deposits	105,133
Other current liabilities	16,142
TOTAL LIABILITIES	<u>368,041</u>

DEFERRED INFLOWS OF RESOURCES

Leases	<u>566,860</u>
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NET POSITION

Net investment in capital assets	8,213,417
Restricted	178,374
Unrestricted	<u>3,832,990</u>
TOTAL NET POSITION	<u>12,224,781</u>

**TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES,
AND NET POSITION**

\$ 13,159,682

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

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED MARCH 31, 2023

OPERATING REVENUE	
Dwelling rental	\$ 1,602,224
Operating grants	6,858,981
Other operating revenue	<u>464,669</u>
TOTAL OPERATING REVENUE	<u>8,925,874</u>
OPERATING EXPENSES	
Administration	1,742,319
Tenant services	33,224
Utilities	185,811
Maintenance and operations	881,416
General expenses	397,017
Protective services	864
Housing assistance payments	5,104,179
Depreciation	<u>841,021</u>
TOTAL OPERATING EXPENSES	<u>9,185,851</u>
OPERATING (LOSS)	<u>(259,977)</u>
NONOPERATING REVENUE (EXPENSES)	
Interest income	69,947
(Loss) on disposition of fixed assets	(10,838)
Interest expense	<u>(7)</u>
NET NONOPERATING REVENUE	<u>59,102</u>
CHANGE IN NET POSITION BEFORE CAPITAL GRANTS	(200,875)
CAPITAL GRANTS	<u>1,266,983</u>
CHANGE IN NET POSITION	1,066,108
NET POSITION AT BEGINNING OF YEAR	<u>11,158,673</u>
NET POSITION AT END OF YEAR	<u>\$ 12,224,781</u>

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

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from tenants/participants	\$ 1,596,581
Cash received from operating grants	6,879,076
Other income received	481,842
Cash payments to vendors	(1,932,464)
Cash payments to employees	(1,303,455)
Cash payments for housing assistance	(5,104,179)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>617,401</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital grants	1,266,983
Acquisition of capital assets	(1,448,818)
Proceeds from sale of capital assets	418
Principal payments	(783)
Interest paid	(7)
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(182,207)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	<u>69,947</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS	505,141
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CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,679,764</u>
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CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 4,184,905</u>
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(Continued on page 13)

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

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
STATEMENT OF CASH FLOWS - Continued
YEAR ENDED MARCH 31, 2023

RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION

Cash and cash equivalents	\$ 3,901,398
Cash and cash equivalents - restricted	283,507
CASH AND CASH EQUIVALENTS PER STATEMENT OF NET POSITION	<u>\$ 4,184,905</u>

RECONCILIATION OF (LOSS) FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating (loss)	\$ (259,977)
Adjustments to reconcile operating (loss) to net cash provided by operating activities	
Depreciation	841,021
Changes in assets and liabilities	
Decrease (increase) in assets	
Accounts receivable	42,240
Notes receivable	4,611
Due from other governments	20,095
Interest receivable	(30,722)
Inventory	(6,207)
Prepaid expenses	(4,094)
(Decrease) increase in liabilities	
Accounts payable	(9,395)
Accrued expenses	(24,317)
Unearned revenue	25,477
Due to other governments	15,521
Tenants' security deposits	3,148
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 617,401</u>

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

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
NOTES TO THE BASIC FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity - The Housing Authority is a separate governmental entity created for the purpose of constructing, maintaining, and operating Public Housing and providing rental assistance to low income and elderly persons. Most of the Housing Authority's funding is provided by the United States Department of Housing and Urban Development (HUD). All programs of the Housing Authority are included in these statements. The Housing Authority has no component units.

Programs Administered by the Housing Authority - The programs of the Housing Authority are recorded in one enterprise fund. Each program is maintained using a separate set of self-balancing accounts. The programs include Public Housing (which consists of three AMPS), Capital Funds, Section 8 Choice Vouchers, Central Office Cost Center (COCC), Section 8 New Construction, Business Activities, and Continuum of Care (COC).

Basis of Accounting and Measurement Focus - The Housing Authority's financial statements are presented on the full accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Housing Authority applies all GASB pronouncements as well as U.S. GAAP.

All activities of the Housing Authority are accounted for within one proprietary (enterprise) fund. A proprietary fund is used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

A proprietary fund distinguishes operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Housing Authority are rents collected from tenants and operating grants. Operating expenses for proprietary funds include the cost of operating properties owned, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

The accounting and financial reporting treatment applied to the Housing Authority is determined by its measurement focus. The transactions of the Housing Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net position. Net position (i.e., total assets net of total liabilities) are segregated into net investment in capital assets, restricted, and unrestricted. When both restricted and unrestricted resources are available for use, it is the Housing Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Housing Authority considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Cash and Cash Equivalents - Restricted - Restricted cash and cash equivalents are segregated resources for tenants' security deposits and unspent housing assistance payments.

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
MARCH 31, 2023

NOTE 1 - Summary of Significant Accounting Policies - Continued

Accounts Receivable - Accounts receivable are recorded at gross amount, less an allowance for doubtful accounts. The allowance for doubtful accounts was \$650 for Public Housing and \$10,000 for Section 8 Choice Vouchers at March 31, 2023.

Note Receivable - At March 31, 2023, the Housing Authority has a note receivable balance of \$17,472, which represents repayment agreement balances owed by public housing tenants.

Insurance - The premiums on all major insurance policies are charged to prepaid insurance and amortized over the life of the policy.

Inventory - Inventory is valued at average cost, and consists of expendable supplies held for consumption. The cost of inventory is recorded as expenditures when consumed, rather than when purchased.

Capital Assets - Purchased capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date donated. Buildings and equipment are carried at cost or estimated fair value and depreciated using a straight-line method of depreciation over their estimated useful lives as follows:

Land improvements	5-15 years
Buildings and improvements	10-40 years
Equipment	5-10 years

Maintenance and repairs expenses of less than \$1,500 are expensed as incurred. Capital expenses of \$1,500 or more, with a useful life of greater than one year, are capitalized.

Impairment of Long-Lived Assets - The Housing Authority reviews its capital assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recovered. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized during the year ended March 31, 2023.

Compensated Absences - The Housing Authority allows the following compensated absences:

Full and part-time administration employees earn PTO as follows:

YEARS OF SERVICE	ACCRUAL RATE PER HOUR	ANNUAL PTO ACCRUAL
0-4	.0654	136 hours/17 days
5-8	.0846	176 hours/22 days
9-14	.1038	216 hours/27 days
15+	.1192	248 hours/31 days

Part-time employees earn PTO at a prorated rate based on the full-time accrual rates. No employee can accumulate more than 40 hours in excess of earned PTO. Upon termination, all pay for accrued PTO time will be included in the employee's last paycheck.

The amount of accumulated benefits at March 31, 2023 was \$21,036, and is recorded as a liability in the applicable programs.

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
MARCH 31, 2023

NOTE 1 - Summary of Significant Accounting Policies - Continued

Deferred Outflows and Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until then. The Housing Authority does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The Housing Authority has one item that qualifies for reporting in this category: leases. The amount representing leases is the revenue to be collected in future periods for the leases receivable.

Net Position Classifications - Net position represents the difference between the total assets and the total liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Federal Aids - Federal aids for reimbursable programs are recognized as revenue in the year the related program expenditures are incurred. Aids received prior to meeting revenue recognition criteria are recorded as unearned revenue.

Employee Retirement Plan - The Housing Authority has a retirement plan covering substantially all of its eligible employees which is funded through contributions to Old National Bank.

Due To/From Other Programs - During the course of operations, numerous transactions occur between individual programs for goods provided or services rendered. These receivables and payables are classified as "due from other programs" or "due to other programs" on the combining statement of net position and have been eliminated in the basic financial statements.

Interprogram Transactions - Quasi-external transactions are accounted for as revenue or expenses. Transactions that constitute reimbursements to a program for expenses initially made from it that are properly applicable to another program, are recorded as expenses in the reimbursing program and as reductions of expenses in the program that is reimbursed.

Rental Income - Rental income is recognized as rents become due.

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Construction Projects - There are certain major construction projects in progress at March 31, 2023. These include the Civic waterpipe replacement project and modernizing rental units at many different projects. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
MARCH 31, 2023

NOTE 1 - Summary of Significant Accounting Policies - Continued

Changes in Accounting Principle - The Housing Authority has implemented GASB Statement No. 87, Leases, in fiscal year 2023. At the beginning of the period, where the Housing Authority was the lessor, leases recorded as operating leases under previous guidance were recorded in the statement of net position as deferred inflows of resources and corresponding lease receivables in the public housing program in the amount of \$601,247. The change resulted in no adjustments to net position or fund balances.

Subsequent Events - The Housing Authority has evaluated subsequent events through September 25, 2023, the date which the financial statements were available to be issued.

NOTE 2 - Cash and Cash Equivalents

HUD regulations and statutes authorize the Housing Authority to have deposits in checking accounts, certificates of deposit, money-market funds, United States government securities, and repurchase agreements fully collateralized by United States government securities.

At March 31, 2023, the Housing Authority reported cash and cash equivalents as follows:

Cash and cash equivalents	\$ 3,901,398
Cash and cash equivalents - restricted	283,507
TOTAL	<u>\$ 4,184,905</u>

The difference between cash and cash equivalents reported below is due to reconciling items such as deposits in transit and outstanding checks.

Fair Value of Deposits - Deposits are reported at fair value. At March 31, 2023, the fair value of the Housing Authority's deposits approximated original cost; therefore, no fair value adjustments were necessary.

Determining Fair Value - Fair value of the Housing Authority's deposits are determined as follows: deposits with stated interest rates (operating accounts, savings accounts, certificates of deposit, repurchase agreements, and money market accounts) are stated at cost.

Income Allocation - Interest income is generally allocated to the program that owns the operating accounts, savings accounts, certificates of deposit, repurchase agreements, and money market accounts.

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Housing Authority's deposits may not be returned to it. The Housing Authority does not have a formal deposit policy for custodial risk. As of March 31, 2023, \$3,710,282 of the Housing Authority's bank balance of \$4,210,882 was exposed to custodial credit risk as follows:

Uninsured, collateralized by bank	<u>\$ 3,710,282</u>
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HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
MARCH 31, 2023

NOTE 3 - Capital Assets

A summary of changes in capital assets is as follows:

	BALANCE 04/01/22	ADDITIONS	RETIREMENTS	TRANSFERS	BALANCE 03/31/23
<i>Capital assets not being depreciated:</i>					
Land	\$ 957,985	\$ -	\$ -	\$ -	\$ 957,985
Construction in progress	153,198	1,266,983	-	(1,167,741)	252,440
Total capital assets not being depreciated	<u>1,111,183</u>	<u>1,266,983</u>		<u>(1,167,741)</u>	<u>1,210,425</u>
<i>Capital assets being depreciated:</i>					
Buildings and improvements	19,018,216	84,759	(22,672)	1,081,722	20,162,025
Land improvements	920,407	3,888	-	-	924,295
Equipment	2,039,603	93,188	(64,057)	86,019	2,154,753
Total capital assets being depreciated	21,978,226	181,835	(86,729)	1,167,741	23,241,073
Less accumulated depreciation	(15,472,535)	(841,021)	75,475	-	(16,238,081)
Total capital assets being depreciated, net of accumulated depreciation	<u>6,505,691</u>	<u>(659,186)</u>	<u>(11,254)</u>	<u>1,167,741</u>	<u>7,002,992</u>
NET CAPITAL ASSETS	<u>\$ 7,616,874</u>	<u>\$ 607,797</u>	<u>\$ (11,254)</u>	<u>\$ -</u>	<u>\$ 8,213,417</u>

NOTE 4 - Long-Term Obligations

Details of the Housing Authority's long-term obligations are set forth below:

Summary of Long-Term Obligations

	BALANCE 04/01/22	ADDITIONS	REDUCTIONS	BALANCE 03/31/23	AMOUNT DUE WITHIN ONE YEAR
Compensated absences	\$ 22,041	\$ -	\$ (1,005)	\$ 21,036	\$ 21,036
Financed purchase	783	-	(783)	-	-
	<u>\$ 22,824</u>	<u>\$ -</u>	<u>\$ (1,788)</u>	<u>\$ 21,036</u>	<u>\$ 21,036</u>

Financed Purchase

The Housing Authority entered into a financed purchase agreement in fiscal year 2018 to acquire two copy machines. The finance agreement qualifies as a financed purchase (option for title transfer at the end of the financed purchase) and has been recorded at the present value of the future minimum payment as of the date of the inception. The interest rate related to the finance agreement is 7.356 percent and the maturity date is May 24, 2022.

Copier Financed purchase	\$ 19,780
Less: Accumulated Depreciation	<u>19,780</u>
	<u>\$ -</u>

Depreciation expense on financed assets was \$659 for the year ended March 31, 2023.

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
MARCH 31, 2023

NOTE 5 - Leases Receivable

In November 2000, the Housing Authority entered into a lease with a communications and internet service provider. Under the lease, the provider is to pay the Housing Authority \$1,725 per month, with the amount increasing 15 percent for the extension periods effective November 2025 and November 2030, to lease space on the Housing Authority's Taylor Street Plaza. The agreement runs for five years and ends on October 31, 2025, with an automatic renewal for two successive five-year periods. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 4.0 percent, which is the rate stated in the lease. In fiscal year 2023, in AMP 1, the Housing Authority recognized \$11,721 of lease revenue and \$8,979 of interest revenue under the lease. The lease receivable and deferred inflows of resources related to the lease is \$239,390 as of March 31, 2023.

In June 2015, the Housing Authority entered into a lease with a communications and internet service provider. Under the lease, the provider is to pay the Housing Authority \$2,473 per month, with the amount increasing 7.5 percent on the first day of each renewal term, to lease space on the Housing Authority's Taylor Street Plaza. The agreement runs for five years and ends on May 31, 2035, with an automatic renewal for two successive five-year periods. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 4.0 percent, which is the rate stated in the lease. In fiscal year 2023, in AMP 1, the Housing Authority recognized \$18,019 of lease revenue and \$11,651 of interest revenue under the lease. The lease receivable and deferred inflows of resources related to the lease is \$309,219 as of March 31, 2023.

In January 2022, the Housing Authority entered into a lease with a communications and internet service provider. Under the lease, the provider is to pay the Housing Authority \$450 per month, with the amount increasing 3 percent on April 1 each year of the lease, to lease space on the Housing Authority's Taylor Street Plaza. The agreement runs for five years and ends on December 31, 2026. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 4.0 percent, which is the rate stated in the lease. In fiscal year 2023, in the AMP 1, the Housing Authority recognized \$4,646 of lease revenue and \$754 of interest revenue under the lease. The lease receivable and deferred inflows of resources related to the lease is \$18,251 as of March 31, 2023.

NOTE 6 - Retirement Plan

The Housing Authority provides retirement benefits for all its full-time employees through a defined contribution plan. The name of the plan is the Housing Authority of the County of DeKalb Retirement Plan. The Board of Commissioners is responsible for establishing and amending the plan benefits. The Plan trustee is the Old National Bank. The entity that administers the Plan is also the Old National Bank. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to participate on the first of the month following six months of employment. The Housing Authority contributes an amount equal to 14 percent of the employee's base salary each month. Employees are allowed to contribute voluntary contributions. The Housing Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous service. The Housing Authority contributions for, and interest forfeited by, employees who leave employment before five years of service are used to reduce the Housing Authority's current-period contributions requirement.

The Housing Authority's actual contribution was \$148,062 for the year ended March 31, 2023. Total payroll expense for the Housing Authority was \$1,057,588.

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
MARCH 31, 2023

NOTE 7 - Net Position

The following is a summary of individual net position restrictions at March 31, 2023:

<u>Program</u>	<u>Purpose</u>	<u>Amount</u>
Section 8 Choice Vouchers	Future HAP expenditures	\$ 171,939
Emergency Housing Vouchers	Future HAP expenditures	6,435
TOTAL		<u>\$ 178,374</u>

NOTE 8 - Risk Management

Insured Risk - The Housing Authority purchases commercial insurance with various deductibles and coverages to cover liability, property, workers' compensation, errors, omissions, and employee defalcation risk. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 9 - Economic Dependency

The Housing Authority received approximately 79 percent of its total revenue from the United States Department of Housing and Urban Development. This funding is subject to federal government budget appropriations and potential funding reductions.

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
COMBINING STATEMENT OF NET POSITION
MARCH 31, 2023

ASSETS	PUBLIC HOUSING		BUSINESS ACTIVITIES - HINCKLEY	SECTION 8 NEW CONSTRUCTION	BUSINESS ACTIVITIES
	AMP 1	AMP 2			
CURRENT ASSETS					
Cash and cash equivalents	\$ 1,077,992	\$ 157,394	\$ 157,357	\$ 651,912	\$ 958,987
Cash and cash equivalents - restricted	29,880	6,700	5,212	4,447	36,987
Receivables					
Tenants, net of allowance for doubtful accounts	31	162	29	63	1,654
Other, net of allowance for doubtful accounts	-	-	-	-	-
Leases receivable	32,502	-	-	-	-
Notes receivable	2,399	11,432	-	-	-
Interest	14,973	-	-	6,230	9,519
Due from other programs	117	-	-	-	-
Inventory	5,644	1,634	50	-	1,745
Prepaid expenses	30,145	3,187	724	1,100	6,754
TOTAL CURRENT ASSETS	1,193,683	180,509	163,372	663,752	1,015,646
NONCURRENT ASSETS					
Leases receivable	534,358	-	-	-	-
Land	130,027	515,273	27,000	12,000	115,000
Land improvements	283,888	222,180	21,783	90,544	22,607
Buildings and improvements	8,961,977	2,083,769	446,721	660,252	1,542,594
Equipment	657,788	186,088	46,144	59,315	313,581
Construction work in progress	-	-	-	-	-
Less accumulated depreciation	(6,798,225)	(2,351,990)	(433,647)	(646,302)	(760,769)
TOTAL NONCURRENT ASSETS	3,769,813	655,320	108,001	175,809	1,233,013
TOTAL ASSETS	\$ 4,963,496	\$ 835,829	\$ 271,373	\$ 839,561	\$ 2,248,659

(Continued on page 22)

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
COMBINING STATEMENT OF NET POSITION - Continued
MARCH 31, 2023

<u>ASSETS</u>	<u>CONTINUUM OF CARE</u>	<u>CAPITAL FUNDS</u>	<u>SECTION 8 CHOICE VOUCHERS</u>	<u>EMERGENCY HOUSING VOUCHERS</u>	<u>COCC</u>	<u>ELIMINATING ENTRY</u>	<u>TOTAL</u>
CURRENT ASSETS							
Cash and cash equivalents	\$ 23,919	\$ -	\$ 252,269	\$ 45,981	\$ 169,070	\$ -	\$ 3,901,398
Cash and cash equivalents - restricted	-	-	171,939	6,435	-	-	283,507
Receivables							
Tenants, net of allowance for doubtful accounts	-	-	-	-	-	-	2,040
Other, net of allowance for doubtful accounts	-	-	53,222	1,477	-	-	54,699
Leases receivable	-	-	-	-	-	-	32,502
Notes receivable	-	-	-	-	-	-	17,472
Interest	-	-	-	-	-	-	30,722
Due from other programs	-	-	-	-	100	(217)	-
Inventory	-	-	-	-	12,337	-	27,916
Prepaid expenses	-	-	965	-	9,636	-	61,651
TOTAL CURRENT ASSETS	23,919	-	478,395	53,893	191,143	(217)	4,411,907
NONCURRENT ASSETS							
Leases receivable	-	-	-	-	-	-	534,358
Land	-	-	-	-	-	-	957,985
Land improvements	-	-	-	-	-	-	924,295
Buildings and improvements	-	1,227,740	-	-	276,719	-	20,162,025
Equipment	-	86,019	51,844	-	132,031	-	2,154,753
Construction work in progress	-	252,440	-	-	-	-	252,440
Less accumulated depreciation	-	(68,575)	(45,844)	-	(359,178)	-	(16,238,081)
TOTAL NONCURRENT ASSETS	-	1,497,624	6,000	-	49,572	-	8,747,775
TOTAL ASSETS	\$ 23,919	\$ 1,497,624	\$ 484,395	\$ 53,893	\$ 240,715	\$ (217)	\$ 13,159,682

(Continued on page 23)

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
COMBINING STATEMENT OF NET POSITION - Continued
MARCH 31, 2023

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES,
AND NET POSITION**

	PUBLIC HOUSING		BUSINESS ACTIVITIES - HINCKLEY		SECTION 8 NEW CONSTRUCTION		BUSINESS ACTIVITIES
	AMP 1	AMP 2	AMP 3				
LIABILITIES							
CURRENT LIABILITIES							
Accounts payable	\$ 4,570	\$ 635	\$ 4,516	\$ 200	\$ 57	\$ 1,895	
Accrued payroll liabilities	32,042	1,275	6,243	-	-	2,677	
Compensated absences	4,902	648	3,038	-	-	1,108	
Unearned revenue	4,020	2,870	5,314	2	76	4,951	
Due to other programs	100	117	-	-	-	-	
Due to other governments	44,108	10,513	35,267	-	-	-	
Tenants' security deposits	29,880	6,700	21,907	5,212	4,447	36,987	
Other current liabilities	6,915	140	3,219	121	1,594	3,438	
TOTAL LIABILITIES	<u>126,537</u>	<u>22,898</u>	<u>79,504</u>	<u>5,535</u>	<u>6,174</u>	<u>51,056</u>	
DEFERRED INFLOWS OF RESOURCES							
Leases	566,860	-	-	-	-	-	
NET POSITION							
Net investment in capital assets	3,235,455	655,320	1,252,623	108,001	175,809	1,233,013	
Restricted	-	-	-	-	-	-	
Unrestricted	1,034,644	157,611	368,308	157,837	657,578	964,590	
TOTAL NET POSITION	<u>4,270,099</u>	<u>812,931</u>	<u>1,620,931</u>	<u>265,838</u>	<u>833,387</u>	<u>2,197,603</u>	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 4,963,496</u>	<u>\$ 835,829</u>	<u>\$ 1,700,435</u>	<u>\$ 271,373</u>	<u>\$ 839,561</u>	<u>\$ 2,248,659</u>	

(Continued on page 24)

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
COMBINING STATEMENT OF NET POSITION - Continued
MARCH 31, 2023

<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>	<u>CONTINUUM OF CARE</u>	<u>CAPITAL FUNDS</u>	<u>SECTION 8 CHOICE VOUCHERS</u>	<u>EMERGENCY HOUSING VOUCHERS</u>	<u>COCC</u>	<u>ELIMINATING ENTRY</u>	<u>TOTAL</u>
LIABILITIES							
CURRENT LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 3,207	\$ -	\$ 4,765	\$ -	\$ 19,845
Accrued payroll liabilities	-	-	5,305	-	7,764	-	55,306
Compensated absences	-	-	2,475	-	8,865	-	21,036
Unearned revenue	-	-	-	37,371	798	-	55,402
Due to other programs	-	-	-	-	-	(217)	-
Due to other governments	-	-	5,289	-	-	-	95,177
Tenants' security deposits	-	-	-	-	-	-	105,133
Other current liabilities	-	-	-	-	715	-	16,142
TOTAL LIABILITIES	-	-	16,276	37,371	22,907	(217)	368,041
DEFERRED INFLOWS OF RESOURCES							
Leases	-	-	-	-	-	-	566,860
NET POSITION							
Net investment in capital assets	-	1,497,624	6,000	-	49,572	-	8,213,417
Restricted	-	-	171,939	6,435	-	-	178,374
Unrestricted	23,919	-	290,180	10,087	168,236	-	3,832,990
TOTAL NET POSITION	23,919	1,497,624	468,119	16,522	217,808	-	12,224,781
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 23,919	\$ 1,497,624	\$ 484,395	\$ 53,893	\$ 240,715	\$ (217)	\$ 13,159,682

HOUSING AUTHORITY OF THE COUNTY OF DEKALB

DeKalb, Illinois

COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION YEAR ENDED MARCH 31, 2023

	PUBLIC HOUSING			BUSINESS ACTIVITIES - HINCKLEY	SECTION 8 NEW CONSTRUCTION	BUSINESS ACTIVITIES
	AMP 1	AMP 2	AMP 3			
OPERATING REVENUE						
Dwelling rental	\$ 534,951	\$ 107,002	\$ 399,567	\$ 64,000	\$ 44,041	\$ 452,663
Operating grants	521,120	122,481	355,376	-	77,395	-
Other operating revenue	76,946	12,148	23,640	55,728	4,018	31,232
TOTAL OPERATING REVENUE	1,133,017	241,631	778,583	119,728	125,454	483,895
OPERATING EXPENSES						
Administration	430,654	104,415	302,269	28,151	28,071	128,726
Tenant services	9,404	-	22,770	650	-	400
Utilities	93,857	2,072	46,881	3,685	8,229	24,309
Maintenance and operations	264,996	80,874	294,120	46,357	31,782	115,763
General expenses	138,985	37,005	75,633	11,454	8,658	40,522
Protective services	150	-	714	-	-	-
Housing assistance payments	-	-	-	-	-	-
Depreciation	373,757	60,791	173,027	22,081	31,306	107,111
TOTAL OPERATING EXPENSES	1,311,803	285,157	915,414	112,378	108,046	416,831
OPERATING (LOSS) INCOME	(178,786)	(43,526)	(136,831)	7,350	17,408	67,064
NONOPERATING REVENUE (EXPENSES)						
Interest income	39,242	598	1,928	1,120	7,920	12,269
(Loss) on disposition of fixed assets	(1,229)	(606)	(195)	(5,731)	-	(3,077)
Interest expense	-	-	-	-	-	-
NET NONOPERATING REVENUE (EXPENSES)	38,013	(8)	1,733	(4,611)	7,920	9,192
CHANGE IN NET POSITION BEFORE CAPITAL GRANTS	(140,773)	(43,534)	(135,098)	2,739	25,328	76,256
CAPITAL GRANTS						
CHANGE IN NET POSITION	(140,773)	(43,534)	(135,098)	2,739	25,328	76,256
NET POSITION AT BEGINNING OF YEAR	4,410,872	856,465	1,756,029	263,099	808,059	2,121,347
NET POSITION AT END OF YEAR	\$ 4,270,099	\$ 812,931	\$ 1,620,931	\$ 265,838	\$ 833,387	\$ 2,197,603

(Continued on page 26)

HOUSING AUTHORITY OF THE COUNTY OF DEKALB DeKalb, Illinois

COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - Continued YEAR ENDED MARCH 31, 2023

	CONTINUUM OF CARE	CAPITAL FUNDS	SECTION 8 CHOICE VOUCHERS	EMERGENCY HOUSING VOUCHERS	COCC	ELIMINATING ENTRY	TOTAL
OPERATING REVENUE							
Dwelling rental	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ 1,602,224
Operating grants	383,566	130,472	5,065,705	202,866	-	-	6,858,981
Other operating revenue	-	-	70,005	2,724	842,352	(654,124)	464,669
TOTAL OPERATING REVENUE	<u>383,566</u>	<u>130,472</u>	<u>5,135,710</u>	<u>205,590</u>	<u>842,352</u>	<u>(654,124)</u>	<u>8,925,874</u>
OPERATING EXPENSES							
Administration	14,183	130,472	543,421	10,817	674,976	(653,836)	1,742,319
Tenant services	-	-	-	-	-	-	33,224
Utilities	-	-	-	-	6,778	-	185,811
Maintenance and operations	-	-	28,673	528	18,611	(288)	881,416
General expenses	-	-	55,180	689	28,891	-	397,017
Protective services	-	-	-	-	-	-	864
Housing assistance payments	369,383	-	4,555,250	179,546	-	-	5,104,179
Depreciation	-	55,678	1,000	-	16,270	-	841,021
TOTAL OPERATING EXPENSES	<u>383,566</u>	<u>186,150</u>	<u>5,183,524</u>	<u>191,580</u>	<u>745,526</u>	<u>(654,124)</u>	<u>9,185,851</u>
OPERATING (LOSS) INCOME	<u>-</u>	<u>(55,678)</u>	<u>(47,814)</u>	<u>14,010</u>	<u>96,826</u>	<u>-</u>	<u>(259,977)</u>
NONOPERATING REVENUE (EXPENSES)							
Interest income	289	-	4,633	-	1,948	-	69,947
(Loss) on disposition of fixed assets	-	-	-	-	-	-	(10,838)
Interest expense	-	-	-	-	(7)	-	(7)
NET NONOPERATING REVENUE	<u>289</u>	<u>-</u>	<u>4,633</u>	<u>-</u>	<u>1,941</u>	<u>-</u>	<u>59,102</u>
CHANGE IN NET POSITION BEFORE CAPITAL GRANTS	<u>289</u>	<u>(55,678)</u>	<u>(43,181)</u>	<u>14,010</u>	<u>98,767</u>	<u>-</u>	<u>(200,875)</u>
CAPITAL GRANTS	<u>-</u>	<u>1,266,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,266,983</u>
CHANGE IN NET POSITION	<u>289</u>	<u>1,211,305</u>	<u>(43,181)</u>	<u>14,010</u>	<u>98,767</u>	<u>-</u>	<u>1,066,108</u>
NET POSITION AT BEGINNING OF YEAR	<u>23,630</u>	<u>286,319</u>	<u>511,300</u>	<u>2,512</u>	<u>119,041</u>	<u>-</u>	<u>11,158,673</u>
NET POSITION AT END OF YEAR	<u>\$ 23,919</u>	<u>\$ 1,497,624</u>	<u>\$ 468,119</u>	<u>\$ 16,522</u>	<u>\$ 217,808</u>	<u>\$ -</u>	<u>\$ 12,224,781</u>

HOUSING AUTHORITY OF THE COUNTY OF DEKALB

DeKalb, Illinois

COMBINING STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31, 2023

	PUBLIC HOUSING			BUSINESS ACTIVITIES - HINCKLEY	SECTION 8 NEW CONSTRUCTION	BUSINESS ACTIVITIES
	AMP 1	AMP 2	AMP 3			
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from tenants/participants	\$ 529,285	\$ 107,065	\$ 378,218	\$ 71,552	\$ 45,181	\$ 465,280
Cash received from operating grants	521,120	122,481	355,376	-	77,395	-
Other income received	63,058	12,281	25,356	55,706	(2,178)	24,317
Cash (paid to) received from interfund services provided	(17)	117	-	-	-	-
Cash payments to vendors	(590,130)	(152,583)	(449,135)	(89,627)	(77,004)	(211,035)
Cash payments to employees	(341,005)	(71,821)	(269,021)	-	-	(108,831)
Cash payments for housing assistance	-	-	-	-	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	182,311	17,540	40,794	37,631	43,394	169,731
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital grants	-	-	-	-	-	-
Acquisition of capital assets	(75,752)	(16,002)	(31,938)	-	(3,311)	(51,366)
Proceeds from sale of capital assets	-	-	-	-	-	418
Principal payments	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(75,752)	(16,002)	(31,938)	-	(3,311)	(50,948)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	39,242	598	1,928	1,120	7,920	12,269
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	145,801	2,136	10,784	38,751	48,003	131,052
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	962,071	161,958	417,640	123,818	608,356	864,922
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,107,872	\$ 164,094	\$ 428,424	\$ 162,569	\$ 656,359	\$ 995,974

(Continued on page 28)

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
COMBINING STATEMENT OF CASH FLOWS - Continued
YEAR ENDED MARCH 31, 2023

	CONTINUUM OF CARE	CAPITAL FUNDS	SECTION 8 CHOICE VOUCHERS	EMERGENCY HOUSING VOUCHERS	COCC	ELIMINATING ENTRY	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from tenants/participants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,596,581
Cash received from operating grants	383,566	130,472	5,065,705	222,961	-	-	6,879,076
Other income received	-	-	93,481	30,997	832,948	(654,124)	481,842
Cash (paid to) received from interfund services provided	-	-	-	-	(100)	-	-
Cash payments to vendors	(1,634)	(130,472)	(626,854)	(12,034)	(246,080)	654,124	(1,932,464)
Cash payments to employees	(14,183)	-	-	-	(498,594)	-	(1,303,455)
Cash payments for housing assistance	(369,383)	-	(4,555,250)	(179,546)	-	-	(5,104,179)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(1,634)	-	(22,918)	62,378	88,174	-	617,401
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital grants	-	1,266,983	-	-	-	-	1,266,983
Acquisition of capital assets	-	(1,266,983)	-	-	(3,466)	-	(1,448,818)
Loan proceeds	-	-	-	-	-	-	418
Principal payments	-	-	-	-	(783)	-	(783)
Interest paid	-	-	-	-	(7)	-	(7)
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	-	-	-	-	(4,256)	-	(182,207)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	289	-	4,633	-	1,948	-	69,947
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,345)	-	(18,285)	62,378	85,866	-	505,141
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	25,264	-	442,493	(9,962)	83,204	-	3,679,764
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 23,919	\$ -	\$ 424,208	\$ 52,416	\$ 169,070	\$ -	\$ 4,184,905

(Continued on page 29)

HOUSING AUTHORITY OF THE COUNTY OF DEKALB

DeKalb, Illinois

COMBINING STATEMENT OF CASH FLOWS - Continued YEAR ENDED MARCH 31, 2023

	PUBLIC HOUSING			BUSINESS ACTIVITIES - HINCKLEY	SECTION 8 NEW CONSTRUCTION		BUSINESS ACTIVITIES
	AMP 1	AMP 2	AMP 3				
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION							
Cash and cash equivalents	\$ 1,077,992	\$ 157,394	\$ 406,517	\$ 157,357	\$ 651,912	\$ 958,987	
Cash and cash equivalents - restricted	29,880	6,700	21,907	5,212	4,447	36,987	
CASH AND CASH EQUIVALENTS PER STATEMENT OF NET POSITION	\$ 1,107,872	\$ 164,094	\$ 428,424	\$ 162,569	\$ 656,359	\$ 995,974	
RECONCILIATION OF (LOSS) INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES							
Operating (loss) income	\$ (178,786)	\$ (43,526)	\$ (136,831)	\$ 7,350	\$ 17,408	\$ 67,064	
Adjustments to reconcile operating (loss) income to net cash provided by operating activities							
Depreciation	373,757	60,791	173,027	22,081	31,306	107,111	
Changes in assets and liabilities							
Decrease (increase) in assets							
Accounts receivable	464	(38)	186	7,452	315	11,862	
Notes receivable	3,325	1	1,285	-	-	-	
Due from other governments	-	-	-	-	-	-	
Due from other programs	(117)	-	-	-	-	-	
Interest receivable	(14,973)	-	-	-	(6,230)	(9,519)	
Inventory	(2,134)	(972)	1,693	-	-	171	
Prepaid expenses	(1,509)	(502)	(1,271)	118	(143)	(1,089)	
(Decrease) increase in liabilities							
Accounts payable	(7,908)	348	2,607	198	57	(6,285)	
Accrued expenses	3,001	(1,097)	(5,485)	(296)	(178)	(3,343)	
Unearned revenue	666	133	1,716	(22)	34	2,604	
Due to other programs	100	117	-	-	-	-	
Due to other governments	6,057	2,185	3,917	-	-	-	
Tenants' security deposits	368	100	(50)	750	825	1,155	
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 182,311	\$ 17,540	\$ 40,794	\$ 37,631	\$ 43,394	\$ 169,731	

(Continued on page 30)

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
COMBINING STATEMENT OF CASH FLOWS - Continued
YEAR ENDED MARCH 31, 2023

RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION

	CONTINUUM OF CARE	CAPITAL FUNDS	SECTION 8 CHOICE VOUCHERS	EMERGENCY HOUSING VOUCHERS	COCC	ELIMINATING ENTRY	TOTAL
Cash and cash equivalents	\$ 23,919	\$ -	\$ 252,269	\$ 45,981	\$ 169,070	\$ -	\$ 3,901,398
Cash and cash equivalents - restricted	-	-	171,939	6,435	-	-	283,507
CASH AND CASH EQUIVALENTS PER STATEMENT OF NET POSITION	\$ 23,919	\$ -	\$ 424,208	\$ 52,416	\$ 169,070	\$ -	\$ 4,184,905

RECONCILIATION OF (LOSS) INCOME FROM OPERATIONS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES

Operating (loss) income	\$ -	\$ (55,678)	\$ (47,814)	\$ 14,010	\$ 96,826	\$ -	\$ (259,977)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities	-	-	-	-	-	-	-
Depreciation	-	55,678	1,000	-	16,270	-	841,021
Changes in assets and liabilities	-	-	-	-	-	-	-
Decrease (increase) in assets	-	-	23,476	(1,477)	-	-	42,240
Accounts receivable	-	-	-	-	-	-	4,611
Notes receivable	-	-	-	20,095	-	-	20,095
Due from other governments	-	-	-	-	-	-	-
Due from other programs	-	-	-	-	(100)	217	-
Interest receivable	-	-	-	-	-	-	(30,722)
Inventory	-	-	-	-	(4,965)	-	(6,207)
Prepaid expenses	-	-	(104)	-	406	-	(4,094)
(Decrease) increase in liabilities	-	-	-	-	-	-	-
Accounts payable	-	-	2,922	-	(1,334)	-	(9,395)
Accrued expenses	(1,634)	-	(5,760)	-	(9,525)	-	(24,317)
Unearned revenue	-	-	-	29,750	(9,404)	-	25,477
Due to other programs	-	-	-	-	-	(217)	-
Due to other governments	-	-	3,362	-	-	-	15,521
Tenants' security deposits	-	-	-	-	-	-	3,148
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	\$ (1,634)	\$ -	\$ (22,918)	\$ 62,378	\$ 88,174	\$ -	\$ 617,401

**HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois**

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois

STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS
YEAR ENDED MARCH 31, 2023

ANNUAL CONTRIBUTIONS CONTRACT

1. The Actual Modernization Costs for the Locally-Owned Projects are as follows:

IL01P089501-20

Funds approved	\$ 744,622
Funds expended	<u>744,622</u>
EXCESS (DEFICIENCY) OF FUNDS APPROVED	<u>\$ -</u>
 HUD grants	 \$ 744,622
Funds expended	<u>744,622</u>
EXCESS (DEFICIENCY) OF FUNDS EXPENDED	<u>\$ -</u>

2. The distribution of costs as shown on the Final Statement of Modernization Costs dated November 9, 2022, accompanying the Actual Modernization Cost Certificates submitted to HUD are in agreement with the Housing Authority's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED MARCH 31, 2023

GRANTOR/PASS THROUGH AGENCY/ PROGRAM TITLE AND GRANT NUMBER	LISTING NUMBER	IDENTIFICATION NUMBER	SUBRECIPIENTS NUMBER	FEDERAL EXPENDITURES
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - Direct Programs</u>				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	N/A	-	\$ 5,065,705
Section 8 Housing Choice Vouchers - EHV	14.871	N/A	-	<u>202,866</u>
Total Housing Voucher Cluster				5,268,571
Public and Indian Housing				
Public Housing	14.850	N/A	-	998,977
Section 8 Project-Based Cluster				
Section 8 New Construction	14.182	N/A	-	77,395
Continuum of Care Program				
Public Housing Capital Funds	14.267	N/A	-	383,566
	14.872	N/A	-	<u>1,397,455</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 8,125,964

TOTAL EXPENDITURES OF FEDERAL AWARDS

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of the County of DeKalb and is presented on the accrual basis of accounting. 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* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the financial statements.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Housing Authority of the County of DeKalb has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

Note 3 - Disclosure of Other Forms of Assistance

The Housing Authority of the County of DeKalb received no federal awards of non-monetary assistance that are required to be disclosed for the year ended March 31, 2023.

The Housing Authority of the County of DeKalb had no loans or loan guarantees required to be disclosed for the year ended March 31, 2023.

**HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois**

OTHER REPORTS



**INDEPENDENT AUDITORS' 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**

To the Board of Commissioners
Housing Authority of the County of DeKalb
DeKalb, Illinois

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 County of DeKalb (the "Housing Authority"), as of and for the year ended March 31, 2023, and the related notes to financial statements, which collectively comprise the Housing Authority's basic financial statements, and have issued our report hereon dated September 25, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Housing Authority'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'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 Housing 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 Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hardie Ash CPAs, LLP

La Crosse, Wisconsin
September 25, 2023



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

To the Board of Commissioners
Housing Authority of the County of DeKalb
DeKalb, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of the County of DeKalb's (the "Housing Authority") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Housing Authority's major federal programs for the year ended March 31, 2023. The Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Housing Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Housing Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Housing Authority's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Housing Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Housing Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Housing Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Housing Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Housing Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
September 25, 2023

HOUSING AUTHORITY OF THE COUNTY OF DEKALB
DeKalb, Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED MARCH 31, 2023

Section I - Summary of Auditors' Results

Basic Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes X None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of federal major program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
14.871	Housing Voucher Cluster
14.850	Public and Indian Housing
14.872	Public Housing Capital Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ Yes X No

Section II - Financial Statement Findings - None

Section III - Federal and State Award Findings and Questioned Costs - None

Section IV - Status of Prior Year Findings – Item 2022-001 SEMAP Reporting. Cleared.

