



Memorandum

TO: Kevin J. Jackson, Village Manager 

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

FOR: Village President and Board of Trustees

DATE: May 9, 2024

SUBJECT: Fiscal Year 2023 Financial Monitoring of Partner Agencies

Purpose

The Village of Oak Park currently funds six (6) local not-for-profit entities that are commonly known as “partner agencies.” These agencies are the Oak Park Residence Corporation, Oak Park Housing Authority, Visit Oak Park, Downtown Oak Park, Oak Park Area Arts Council, and the Oak Park Regional Housing Center. In an effort to confirm that Village funds are being utilized by the agencies for the goals and objectives required by the Village, staff conducted financial monitoring of each agency. This monitoring consisted of agency staff interviews and review of financial statements, general ledgers, payroll records, and each agency’s policies and procedures. The monitoring also provided technical assistance to the agencies to assist with meeting their goals and objectives. Village staff plans to conduct this monitoring on an annual basis.

Below is a summary of Village staff’s monitoring activities pertaining to each agency.

Background

Organization: Downtown Oak Park
Agency Staff: Shannon Williams, Executive Director
Village Staff: Noemy Diaz, Management Analyst

Downtown Oak Park is not required to provide monthly nor quarterly financials to the Village since they are funded by a Village levy. Downtown Oak Park provides annual financials to the Village. Staff reviewed the annual financials for 2022 and 2023 and did not have any concerns.

Organization: **Oak Park Area Arts Council**

Agency Staff: Camille Wilson-White, Executive Director; Bill Wallace, Treasurer

Village Staff: Noemy Diaz, Management Analyst

Village staff held a Zoom meeting with Oak Park Area Arts Council (OPAAC) staff to review the financial processes of the organization. Treasurer Bill Wallace handles all organization finances. He prepares financial statements and reconciles the organization's financials on a quarterly basis to coincide with Village deadlines for deliverables.

The OPAAC has a total of five (5) bank accounts with Byline Bank. One serves as its primary account and the additional four are used as a fiscal agent to track received funds. One of the five (5) accounts is dedicated to the scholarship money awarded through the OPAAC's Off the Wall program. Treasurer Wallace monitors and manages the different funds by using separate ledger accounts for each.

The organization has a cash balance of \$180,000 in the event of unforeseeable expenses. The OPAAC also follows the Village's procurement policy as required by the Village's funding grant agreement.

The OPAAC has only two (2) individuals authorized to access its Byline bank accounts. Treasurer Wallace is the sole person authorized to sign checks and Executive Director Wilson-White is authorized to initiate ACH transfers. The organization has a debit card connected to its primary account that is issued to Executive Director Wilson-White. This debit card is used in place of a petty cash fund. Executive Director Wilson-White is required to submit receipts for each transaction to Treasurer Wallace for filing and verification.

Village staff had no concerns in reviewing the OPAAC 2022 and 2023 year-to-date financials. Payroll records were reviewed and there were no outstanding wages due to staff. Village staff also reviewed the organization's account payable aging summary. The organization has no outstanding payables.

Organization: **Oak Park Regional Housing Center**

Agency Staff: Athena Williams, Executive Director; Monica Roberts Wilkins, Finance Manager; Bhaveshri Patel, CPA

Village Staff: Noemy Diaz, Management Analyst; Jeff Prior, Neighborhood Programs Manager; Vanessa Matheny, Grants Manager

Village staff conducted interviews of Housing Center staff regarding the organization's financial processes. The Housing Center team shared that they manually track the different funds received by the organization. Staff aim to reconcile financial on a monthly basis; however, at the time of the interviews, the Housing Center had not reconciled its financials

for several months. The Housing Center recently hired a Certified Public Accountant (CPA), Bhaveshri Patel (Bev), who shared that she is reviewing the agency's 2022 and 2023 financials and "correcting their records" to provide accurate information. Village staff were unaware of the financials undergoing correction and asked the staff to forward the most up-to-date records.

The Housing Center has several bank accounts with Byline Bank consisting of a primary account and others meant for special projects, such as the redevelopment projects of the Laramie State Bank and the Housing Center office. Director Williams is the only individual authorized to issue checks and manage the accounts.

In review of the organization's financials, Village staff had several concerns. First, records show that Housing Center staff had not been paid for multiple pay periods. At the time of monitoring, Housing Center staff were waiting for payment of their July and August wages. Village staff also found that several invoices were overdue for payment.

The Housing Center does not have a cash balance. It does, however, have three lines of credit that had been fully expended to cover some payroll and operational expenses. Upon review of the financials, it was noted that the Housing Center's primary bank account closes monthly in a deficit. Director Williams expressed that the Housing Center has a cash flow issue and does not receive sufficient funding to operate.

Village staff recommended that an external review of the Housing Center's financials be conducted by a third party. This review was conducted by the firm of Kolnicki, Peterson & Wirth. The firm's final report was inconclusive as it did not receive complete financial documentation from the Housing Center.

Village staff have since advised the Housing Center that their funding from the Village would continue to be paused until a corrective action plan was formulated and presented to the Village Board. Village staff continue to meet with the Housing Center to address their financial and administrative operations in preparation for a future Village Board meeting.

Organization: **Oak Park Residence Corporation/Oak Park Housing Authority**

Agency Staff: David Pope, Executive Director; Beth Swaggerty, Vice President; Brad Sinn, Director of Accounting; Chris Gardocki, Senior Accountant

Village Staff: Noemy Diaz, Management Analyst; Jeff Prior, Neighborhood Programs Manager; LuWanda Johnson-Harper, Account Clerk

Village staff visited the Oak Park Residence Corporation (OPRC) and Oak Park Housing Authority (OPHA) office to conduct interviews of the OPRC's staff regarding its financial processes. The OPRC/OPHA financial team consists of three (3) individuals who manage and

monitor both the OPRC and OPHA finances and ensure each organization's finances is kept separate. The accounting department of the OPHA/OPRC reconciles the finances monthly and aims to have reconciliations completed by the 15th of each month. Separate ledger accounts are used to track funding sources for each organization.

The OPRC and OPHA aim to have a cash balance of \$20,000 in the event of unforeseeable expenses. Both the OPRC and the OPHA use the Village's procurement policy as required by the Village's funding grant agreement.

Village staff had no concerns in reviewing the 2022 and 2023 year-to-date financials. Payroll records were reviewed and there were no outstanding wages due to staff. Village staff also reviewed each organization's account payable aging summary. Per the organization's records, there were no outstanding items. Invoices for both organizations are processed and paid on the same day they are received.

Organization: **Visit Oak Park**

Agency Staff: Annie Coakley, Executive Director

Village Staff: Noemy Diaz, Management Analyst

Village staff visited the Visit Oak Park (VOP) office to interview VOP staff about the financial processes of the organization. VOP recently hired a new Finance Director, Johnnice Chew, who reconciles the organization's finances on a monthly basis. On the 15th of each month, bank statements are reconciled and invoices are issued to the Village.

Visit Oak Park is currently in the process of closing its bank accounts with Forest Park Bank and transitioning to Byline Bank. The organization had difficulties accessing its financial records and accounts during Annie Coakley's transition to Executive Director. VOP now has four (4) accounts with Byline Bank to track expenses. One account is dedicated to funds received from the Village, the second account is dedicated to funds received from the State of Illinois, a third is designated for Oak Park ARPA funds, and the last account is for Cook County ARPA funds. Three individuals have access to the bank accounts: Executive Director Coakley, Director Chew, and VOP Chair Jim Prescott. The organization uses pre-numbered checks only and logs its financials using QuickBooks software.

VOP has a cash balance of \$25,000 in the event of unforeseeable expenses. VOP also uses the Village's procurement policy as required by the Village's funding grant agreement.

Village staff had no concerns in reviewing VOP's 2022 and 2023 financials. Payroll records were reviewed and there were no outstanding wages due to staff. Village staff also reviewed the VOP's account payable aging summary. There were two outstanding items, one for \$6,000 due to Hilary Mary Creative and a second for \$22,150 owed to Ripson Group.

Payment for each is pending as staff await approval of both contracts. Both agreements were approved in the October Visit Oak Park Board of Directors meeting.

For questions, please contact Ahmad Zayyad, Deputy Village Manager/Interim Director of Neighborhood Services, via email at azayyad@oak-park.us or by phone at (708) 358-5774 or Emily Egan, Development Services Director, via email at eeegan@oak-park.us or by phone at (708) 3538-5422.

cc: Lisa Shelley, Deputy Village Manager
Erin E. Baynes, Assistant to the Village Manager
Noemy Diaz, Management Analyst
Vanessa Matheny, Grant Manager
Jeff Prior, Neighborhood Programs Manager
Christina M. Waters, Village Clerk
All Department Directors