

**MINUTES**  
DUPAGE HOUSING AUTHORITY  
FINANCE COMMITTEE  
December 13, 2022

CALL TO ORDER

Pursuant to executive order 2020-07 signed by Governor Pritzker and guidance provided by legal counsel, DuPage Housing Authority conducted this meeting by use of electronic means using Zoom, without a physical quorum present in the boardroom. Finance Chairman Bergman, called the meeting to order at 9:00 a.m.

ROLL CALL

In attendance were Commissioners Berley, Hood, and Chairman Bergman. Also present were, Executive Director Corbett, Comptroller Williams, and Admin. Assistant Martin.

PUBLIC COMMENTS

No members of the public were in attendance.

APPROVAL OF MINUTES

Bergman made a motion, seconded by Berley to approve the Finance Committee meeting minutes for Nov. 15, 2022, and Dec. 1, 2022.

FINANCIAL STATEMENTS

- The financials included the Balance Sheet, Income Statement, Payment Register (7/2022-11/2022) and FY2023 Revised Budget. Highlights included the decrease of HAP income in Nov. because HUD won't overfund accounts. DHA absorbed 240 port-ins in Dec. so admin fees will be stabilized. Credit cards were closed, and a credit was recorded. Retrieving data directly from Paylocity will increase payroll posting accuracy.
- Every expense will be reviewed by the Comptroller. Starting with the next quarter, the focus will be on procurement and the opportunity to reduce expenditures.
- The net income is a negative amount resulting from HUD's decreased payment. Discussion covered how funding works and admin funds in the bank accounts. The topic of insurance accounted on a cash basis vs accrual method was covered with the decision to leave it as cash now and it can be shifted to accrual later. There were no Security expenses yet as no invoices have been received.
- The Finance Committee did not have adequate time to review the 32-page Payment Register in detail. They will individually review it and if there are questions, they can be asked at the next meeting. One question was asked about expenses for ordering non-eligible items. The Comptroller explained that we were still paying invoices for non-eligible items ordered in the past but non-eligible ordering is not allowed anymore.
- On the Balance Statement, the Max Safe Money Market needs reconciliation and the Unrestricted Cash line will be removed. A discussion on TPA noted that Comptroller Williams is working with Yardi to transition TPA from accounts receivables to bad debt. A question was asked as to what exactly is the TPA Gross Offset line 1129-03-000. Comptroller Williams explained HUD allows two ways of accounting TPAs but he believes the current way is not the best way as it is more complex and gives an unrealistic amount that one can actually expect to recoup. He will check into this and get back to the committee. The current TPA position is overinflated. On the topic of Port-In income, it was explained that payments arrive as checks or by ECHs. When the Finance Dept. catches up on the ECHs, the numbers will change.
- In reviewing fixed assets, Exec. Director Corbett noted this information may change as QAD is reviewing items such as the office building acquisition, etc. The goal is to gather all documents and have them available and accessible for future stakeholders. There is upcoming training for the Board of Commissioners.
- Some line items from the Balance Sheet under "Intercompany" may be revised. Questions such as what percent should be taken for staff, etc. used for other than DHA. More to follow. Expect numbers to change on liabilities as Yardi needs an overhaul with accurate data. In summary, Finance Chairman Bergman stated, "we have a good handle on current payments in/out and the overall cash position, but beyond that we can't rely on these reports."

## NEW BUSINESS

- Budget Revision Report: Adjustments were made in overall income with reforecasting numbers. Fraud recovery is currently located in Receivables, but an allowance should be created for Bad Debt. When the real numbers were reviewed the amounts decreased. Some of the fraud recovery money must go back to HUD. Comptroller Williams runs the age receivable reports and then compares it to the EOP (end of participation) list for a more accurate prediction of money paid back. Clients off the program don't usually pay their debt and a collection agency is used. The Balance Sheet is not matching what Yardi reports, there is a difference of 100K vs. 500K. Director Corbett announced that there is a new template for TPA's that will roll out next week. It is based on ability and affordability to pay so the amount of payment will be slower and lower. FSS forfeiture is also hard to predict. Legal expenses increased; travel expenses decreased; fleet removed. The loan repayment is showcased.
- A question was asked on the budget line for the BDO expense of \$250K and asked for documentation provided, approving them as a single source provider of forensic auditing services by HUD. Also, if an RFP is needed and did HUD approve it. Director Corbett affirmed that HUD has been notified and approved it, and a copy of the letter with additional information will be forwarded to all commissioners.
- Another question asking about the functions of the former Compliance Manager. Director Corbett explained the key issue is data integrity with two new positions of Data Analysis I and II.
- QAD Update- The response is due Dec. 16<sup>th</sup>. Everything appears good.
- BDO has planned an on-site visit in January. The commissioners are welcome to attend the BDO biweekly meetings. The final version will be sent to the commissioners. A placeholder for the virtual BDO training for commissioners will also go out.
- A question on RFP for Banking and Audit Services. The goal is to have draft solicitation forms ready in January. Director Corbett will review the last auditor procurement. CHA utilizes BMO Harris and Director Corbett will be reaching out to their point of contact next week.
- 401a forfeiture funds are on hold until February as Director Corbett works to obtain better pricing and cost savings.
- January Agenda to have QAD update, BDO update, RFP drafts, FY2023 Financial Audit Update, Employee Health Insurance Renewal Update.
- Comptroller Williams explained that to change the accounting of TPAs, is a labor-intensive process and it would be better to wait until the audit is completed. Chairman Bergman agreed.

## ADJOURNMENT

Consensus to adjourned by Chair Bergman at 10:10 a.m.

Respectfully Submitted, Susan Martin, Sr. Administrative Assistant/Recording Secretary