



PHA PLAN

FY 2022

OCTOBER 1, 2022

Annual PHA Plan
(Standard PHAs and Troubled PHAs)

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

OMB No. 2577-0226
Expires: 03/31/2024

Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, including changes to these policies, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families.

Applicability. The Form HUD-50075-ST is to be completed annually by **STANDARD PHAs or TROUBLED PHAs**. PHAs that meet the definition of a High Performer PHA, Small PHA, HCV-Only PHA or Qualified PHA do not need to submit this form.

Definitions.

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments if administering both programs, or PHAS if only administering public housing.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceed 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceed 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined and is not PHAS or SEMAP troubled.

A. PHA Information.

A.1 PHA Name: Lake County Housing Authority PHA Code: IL056
 PHA Type: Standard PHA Troubled PHA
 PHA Plan for Fiscal Year Beginning: (MM/YYYY): 10/2022
 PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above)
 Number of Public Housing (PH) Units 484 Number of Housing Choice Vouchers (HCVs) 3275 Total Combined Units/Vouchers 3759
 PHA Plan Submission Type: Annual Submission Revised Annual Submission

Availability of Information. PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.

PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below)

Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program	
				PH	HCV
Lead PHA:					

B. Plan Elements

B.1 **Revision of Existing PHA Plan Elements.**

(a) Have the following PHA Plan elements been revised by the PHA?

Y N

Statement of Housing Needs and Strategy for Addressing Housing Needs

De-concentration and Other Policies that Govern Eligibility, Selection, and Admissions.

Financial Resources.

Rent Determination.

Operation and Management.

Grievance Procedures.

Homeownership Programs.

Community Service and Self-Sufficiency Programs.

Safety and Crime Prevention.

Pet Policy.

Asset Management.

Substantial Deviation.

Significant Amendment/Modification

(b) If the PHA answered yes for any element, describe the revisions for each revised element(s): **See attachment B**

(c) The PHA must submit its De-concentration Policy for Field Office review. **See Attachment A**

B.2	<p>New Activities.</p> <p>(a) Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Hope VI or Choice Neighborhoods.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Mixed Finance Modernization or Development.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Demolition and/or Disposition.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Designated Housing for Elderly and/or Disabled Families.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Conversion of Public Housing to Tenant-Based Assistance.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Occupancy by Over-Income Families.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Occupancy by Police Officers.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Non-Smoking Policies.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Project-Based Vouchers.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Units with Approved Vacancies for Modernization.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).</p> <p>(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project-based units and general locations, and describe how project basing would be consistent with the PHA Plan.</p> <p>See Attachment B.1 Revision of PHA Plan</p>
B.3	<p>Progress Report.</p> <p>Provide a description of the PHA's progress in meeting its Mission and Goals described in the PHA 5-Year and Annual Plan.</p>
B.4	<p>Capital Improvements. Include a reference here to the most recent HUD-approved 5-Year Action Plan in EPIC and the date that it was approved.</p> <p>See HUD form 50075.2 for FYXXXXXXXXXX submitted on XXXXXXXX approved on XXXXX</p>
B.5	<p>Most Recent Fiscal Year Audit.</p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>(b) If yes, please describe:</p>
C. Other Document and/or Certification Requirements.	
C.1	<p>Resident Advisory Board (RAB) Comments.</p> <p>(a) Did the RAB(s) have comments to the PHA Plan?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>(b) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p>
C.2	<p>Certification by State or Local Officials.</p> <p>Form HUD 50077-SL, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
C.3	<p>Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan.</p> <p>Form HUD-50077-ST-HCV-HP, <i>PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
C.4	<p>Challenged Elements. If any element of the PHA Plan is challenged, a PHA must include such information as an attachment with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public.</p> <p>(a) Did the public challenge any elements of the Plan?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>If yes, include Challenged Elements.</p>
C.5	<p>Troubled PHA.</p> <p>(a) Does the PHA have any current Memorandum of Agreement, Performance Improvement Plan, or Recovery Plan in place?</p> <p>Y N N/A</p> <p><input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>(b) If yes, please describe:</p>

D.	Affirmatively Furthering Fair Housing (AFFH).						
D.1	<p>Affirmatively Furthering Fair Housing (AFFH).</p> <p>Provide a statement of the PHA’s strategies and actions to achieve fair housing goals outlined in an accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5). Use the chart provided below. (PHAs should add as many goals as necessary to overcome fair housing issues and contributing factors.) Until such time as the PHA is required to submit an AFH, the PHA is not obligated to complete this chart. The PHA will fulfill, nevertheless, the requirements at 24 CFR § 903.7(o) enacted prior to August 17, 2015. See Instructions for further detail on completing this item.</p> <table border="1" data-bbox="181 747 1451 2118"> <tr> <td data-bbox="181 747 1451 787">Fair Housing Goal: Educate landlords regarding fair housing</td> </tr> <tr> <td data-bbox="181 787 1451 1204"> <p><i>Describe fair housing strategies and actions to achieve the goal</i></p> <p>Conduct a broad-based educational campaign to counter misperceptions around affordable, accessible housing.</p> </td> </tr> <tr> <td data-bbox="181 1225 1451 1266">Fair Housing Goal: Expand fair housing outreach, education, and enforcement</td> </tr> <tr> <td data-bbox="181 1266 1451 1642"> <p><i>Describe fair housing strategies and actions to achieve the goal</i></p> <p>Institute innovative ways to conduct outreach and education, develop an online education and training program in English and Spanish. Provide referrals to HUD and FHAP agencies for investigations of Alleged fair housing violations.</p> </td> </tr> <tr> <td data-bbox="181 1669 1451 1709">Fair Housing Goal: Prevent involuntary displacement and stabilize neighborhoods</td> </tr> <tr> <td data-bbox="181 1709 1451 2118"> <p><i>Describe fair housing strategies and actions to achieve the goal</i></p> <p>Provide Emergency Rental Assistance to families experiencing instability due to Covid. Provide financial education and budget management to renters and homeowners to ensure long term stability.</p> </td> </tr> </table>	Fair Housing Goal: Educate landlords regarding fair housing	<p><i>Describe fair housing strategies and actions to achieve the goal</i></p> <p>Conduct a broad-based educational campaign to counter misperceptions around affordable, accessible housing.</p>	Fair Housing Goal: Expand fair housing outreach, education, and enforcement	<p><i>Describe fair housing strategies and actions to achieve the goal</i></p> <p>Institute innovative ways to conduct outreach and education, develop an online education and training program in English and Spanish. Provide referrals to HUD and FHAP agencies for investigations of Alleged fair housing violations.</p>	Fair Housing Goal: Prevent involuntary displacement and stabilize neighborhoods	<p><i>Describe fair housing strategies and actions to achieve the goal</i></p> <p>Provide Emergency Rental Assistance to families experiencing instability due to Covid. Provide financial education and budget management to renters and homeowners to ensure long term stability.</p>
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Instructions for Preparation of Form HUD-50075-ST Annual PHA Plan for Standard and Troubled PHAs

A. PHA Information. All PHAs must complete this section. (24 CFR §903.4)

A.1 Include the full PHA Name, PHA Code, PHA Type, PHA Fiscal Year Beginning (MM/YYYY), PHA Inventory, Number of Public Housing Units and or Housing Choice Vouchers (HCVs), PHA Plan Submission Type, and the Availability of Information, specific location(s) of all information relevant to the public hearing and proposed PHA Plan. (24 CFR §903.23(4)(e))

PHA Consortia: Check box if submitting a Joint PHA Plan and complete the table. (24 CFR §943.128(a))

B. Plan Elements. All PHAs must complete this section.

B.1 Revision of Existing PHA Plan Elements. PHAs must:

Identify specifically which plan elements listed below that have been revised by the PHA. To specify which elements have been revised, mark the “yes” box. If an element has not been revised, mark “no.” ([24 CFR §903.7](#))

Statement of Housing Needs and Strategy for Addressing Housing Needs. Provide a statement addressing the housing needs of low-income, very low-income and extremely low-income families and a brief description of the PHA’s strategy for addressing the housing needs of families who reside in the jurisdiction served by the PHA and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The statement must identify the housing needs of (i) families with incomes below 30 percent of area median income (extremely low-income); (ii) elderly families (iii) households with individuals with disabilities, and households of various races and ethnic groups residing in the jurisdiction or on the public housing and Section 8 tenant-based assistance waiting lists based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data. The statement of housing needs shall be based on information provided by the applicable Consolidated Plan, information provided by HUD, and generally available data. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. Once the PHA has submitted an Assessment of Fair Housing (AFH), which includes an assessment of disproportionate housing needs in accordance with 24 CFR §5.154(d)(2)(iv), information on households with individuals with disabilities and households of various races and ethnic groups residing in the jurisdiction or on the waiting lists no longer needs to be included in the Statement of Housing Needs and Strategy for Addressing Housing Needs. ([24 CFR §903.7\(a\)](#)).

The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. ([24 CFR §903.7\(a\)\(2\)\(i\)](#)) Provide a description of the ways in which the PHA intends, to the maximum extent practicable, to address those housing needs in the upcoming year and the PHA’s reasons for choosing its strategy. ([24 CFR §903.7\(a\)\(2\)\(ii\)](#))

Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions. PHAs must submit a Deconcentration Policy for Field Office review. For additional guidance on what a PHA must do to deconcentrate poverty in its development and comply with fair housing requirements, see [24 CFR 903.2](#). ([24 CFR §903.23\(b\)](#)) Describe the PHA’s admissions policy for deconcentration of poverty and income mixing of lower-income families in public housing. The Deconcentration Policy must describe the PHA’s policy for bringing higher income tenants into lower income developments and lower income tenants into higher income developments. The deconcentration requirements apply to general occupancy and family public housing developments. Refer to 24 CFR §903.2(b)(2) for developments not subject to deconcentration of poverty and income mixing requirements. ([24 CFR §903.7\(b\)](#)) Describe the PHA’s procedures for maintain waiting lists for admission to public housing and address any site-based waiting lists. ([24 CFR §903.7\(b\)](#)). A statement of the PHA’s policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV. ([24 CFR §903.7\(b\)](#)) Describe the unit assignment policies for public housing. ([24 CFR §903.7\(b\)](#))

Financial Resources. A statement of financial resources, including a listing by general categories, of the PHA’s anticipated resources, such as PHA operating, capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources. ([24 CFR §903.7\(c\)](#))

Rent Determination. A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units, including applicable public housing flat rents, minimum rents, voucher family rent contributions, and payment standard policies. ([24 CFR §903.7\(d\)](#))

Operation and Management. A statement of the rules, standards, and policies of the PHA governing maintenance and management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including cockroaches), and management of the PHA and programs of the PHA. ([24 CFR §903.7\(e\)](#))

Grievance Procedures. A description of the grievance and informal hearing and review procedures that the PHA makes available to its residents and applicants. ([24 CFR §903.7\(f\)](#))

Homeownership Programs. A description of any Section 5h, Section 32, Section 8y, or HOPE I public housing or Housing Choice Voucher (HCV) homeownership programs (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval. ([24 CFR §903.7\(k\)](#))

Community Service and Self Sufficiency Programs. Describe how the PHA will comply with the requirements of ([24 CFR §903.7\(l\)](#)). Provide a description of: **1)** Any programs relating to services and amenities provided or offered to assisted families; and **2)** Any policies or programs of the PHA for the enhancement of the economic and social self-sufficiency of assisted families, including programs subject to Section 3 of the Housing and Urban Development Act of 1968 (24 CFR Part 135) and FSS. ([24 CFR §903.7\(l\)](#))

Safety and Crime Prevention (VAWA). Describe the PHA’s plan for safety and crime prevention to ensure the safety of the public housing residents. The statement must provide development-by-development or jurisdiction wide-basis: (i) A description of the need for measures to ensure the safety of public housing residents; (ii) A description of any crime prevention activities conducted or to be conducted by the PHA; and (iii) A description of the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities. ([24 CFR §903.7\(m\)](#)) A description of: **1)** Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; **2)** Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing; and **3)** Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families. ([24 CFR §903.7\(m\)\(5\)](#))

Pet Policy. Describe the PHA’s policies and requirements pertaining to the ownership of pets in public housing. ([24 CFR §903.7\(n\)](#))

Asset Management. State how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory. ([24 CFR §903.7\(q\)](#))

Substantial Deviation. PHA must provide its criteria for determining a “substantial deviation” to its 5-Year Plan. ([24 CFR §903.7\(r\)\(2\)\(i\)](#))

Significant Amendment/Modification. PHA must provide its criteria for determining a “Significant Amendment or Modification” to its 5-Year and Annual Plan. For modifications resulting from the Rental Assistance Demonstration (RAD) program, refer to the ‘Sample PHA Plan Amendment’ found in Notice PIH-2012-32 REV-3, successor RAD Implementation Notices, or other RAD Notices.

If any boxes are marked “yes”, describe the revision(s) to those element(s) in the space provided.

PHAs must submit a Deconcentration Policy for Field Office review. For additional guidance on what a PHA must do to deconcentrate poverty in its development and comply with fair housing requirements, see [24 CFR 903.2](#). ([24 CFR §903.23\(b\)](#))

B.2 New Activities. If the PHA intends to undertake any new activities related to these elements in the current Fiscal Year, mark “yes” for those elements, and describe the activities to be undertaken in the space provided. If the PHA does not plan to undertake these activities, mark “no.”

HOPE VI or Choice Neighborhoods. **1)** A description of any housing (including project number (if known) and unit count) for which the PHA will apply for HOPE VI or Choice Neighborhoods; and **2)** A timetable for the submission of applications or proposals. The application and approval process for Hope VI or Choice Neighborhoods is a separate process. See guidance on HUD’s website at:

https://www.hud.gov/program_offices/public_indian_housing/programs/ph/hope6 . ([Notice PIH 2011-47](#))

Mixed Finance Modernization or Development. **1)** A description of any housing (including project number (if known) and unit count) for which the PHA will apply for Mixed Finance Modernization or Development; and **2)** A timetable for the submission of applications or proposals. The application and approval process for Mixed Finance Modernization or Development is a separate process. See guidance on HUD’s website at: https://www.hud.gov/program_offices/public_indian_housing/programs/ph/hope6/mfph#4

Demolition and/or Disposition. With respect to public housing only, describe any public housing development(s), or portion of a public housing development projects, owned by the PHA and subject to ACCs (including project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition approval under section 18 of the 1937 Act (42 U.S.C. 1437p); and (2) A timetable for the demolition or disposition. This statement must be submitted to the extent that approved and/or pending demolition and/or disposition has changed as described in the PHA’s last Annual and/or 5-Year PHA Plan submission. The application and

approval process for demolition and/or disposition is a separate process. Approval of the PHA Plan does not constitute approval of these activities. See guidance on HUD's website at: http://www.hud.gov/offices/pih/centers/sac/demo_dispo/index.cfm. (24 CFR §903.7(h))

Designated Housing for Elderly and Disabled Families. Describe any public housing projects owned, assisted or operated by the PHA (or portions thereof), in the upcoming fiscal year, that the PHA has continually operated as, has designated, or will apply for designation for occupancy by elderly and/or disabled families only. Include the following information: 1) development name and number; 2) designation type; 3) application status; 4) date the designation was approved, submitted, or planned for submission, 5) the number of units affected and; 6) expiration date of the designation of any HUD approved plan. **Note:** The application and approval process for such designations is separate from the PHA Plan process, and PHA Plan approval does not constitute HUD approval of any designation. (24 CFR §903.7(i)(C))

Conversion of Public Housing under the Voluntary or Mandatory Conversion programs. Describe any public housing building(s) (including project number and unit count) owned by the PHA that the PHA is required to convert or plans to voluntarily convert to tenant-based assistance; 2) An analysis of the projects or buildings required to be converted; and 3) A statement of the amount of assistance received to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD's website at:

<http://www.hud.gov/offices/pih/centers/sac/conversion.cfm>. (24 CFR §903.7(j))

Conversion of Public Housing under the Rental Assistance Demonstration (RAD) program. Describe any public housing building(s) (including project number and unit count) owned by the PHA that the PHA plans to voluntarily convert to Project-Based Rental Assistance or Project-Based Vouchers under RAD. See additional guidance on HUD's website at: [Notice PIH 2012-32 REV-3, successor RAD Implementation Notices, and other RAD notices](#).

Occupancy by Over-Income Families. A PHA that owns or operates fewer than two hundred fifty (250) public housing units, may lease a unit in a public housing development to an over-income family (a family whose annual income exceeds the limit for a low income family at the time of initial occupancy), if all the following conditions are satisfied: (1) There are no eligible low income families on the PHA waiting list or applying for public housing assistance when the unit is leased to an over-income family; (2) The PHA has publicized availability of the unit for rental to eligible low income families, including publishing public notice of such availability in a newspaper of general circulation in the jurisdiction at least thirty days before offering the unit to an over-income family; (3) The over-income family rents the unit on a month-to-month basis for a rent that is not less than the PHA's cost to operate the unit; (4) The lease to the over-income family provides that the family agrees to vacate the unit when needed for rental to an eligible family; and (5) The PHA gives the over-income family at least thirty days notice to vacate the unit when the unit is needed for rental to an eligible family. The PHA may incorporate information on occupancy by over-income families into its PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions. See additional guidance on HUD's website at: [Notice PIH 2011-7](#). (24 CFR 960.503) (24 CFR 903.7(b))

Occupancy by Police Officers. The PHA may allow police officers who would not otherwise be eligible for occupancy in public housing, to reside in a public housing dwelling unit. The PHA must include the number and location of the units to be occupied by police officers, and the terms and conditions of their tenancies; and a statement that such occupancy is needed to increase security for public housing residents. A "police officer" means a person determined by the PHA to be, during the period of residence of that person in public housing, employed on a full-time basis as a duly licensed professional police officer by a Federal, State or local government or by any agency of these governments. An officer of an accredited police force of a housing agency may qualify. The PHA may incorporate information on occupancy by police officers into its PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions. See additional guidance on HUD's website at: [Notice PIH 2011-7](#). (24 CFR 960.505) (24 CFR 903.7(b))

Non-Smoking Policies. The PHA may implement non-smoking policies in its public housing program and incorporate this into its PHA Plan statement of operation and management and the rules and standards that will apply to its projects. See additional guidance on HUD's website at: [Notice PIH 2009-21 and Notice PIH-2017-03](#). (24 CFR §903.7(e))

Project-Based Vouchers. Describe any plans to use Housing Choice Vouchers (HCVs) for new project-based vouchers, which must comply with PBV goals, civil rights requirements, Housing Quality Standards (HQS) and deconcentration standards, as stated in 983.57(b)(1) and set forth in the PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions. If using project-based vouchers, provide the projected number of project-based units and general locations, and describe how project-basing would be consistent with the PHA Plan (24 CFR §903.7(b)).

Units with Approved Vacancies for Modernization. The PHA must include a statement related to units with approved vacancies that are undergoing modernization in accordance with 24 CFR §990.145(a)(1).

Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).

For all activities that the PHA plans to undertake in the current Fiscal Year, provide a description of the activity in the space provided.

B.3 Progress Report. For all Annual Plans following submission of the first Annual Plan, a PHA must include a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year PHA Plan. (24 CFR §903.7(r)(1))

B.4 Capital Improvements. PHAs that receive funding from the Capital Fund Program (CFP) must complete this section (24 CFR §903.7 (g)). To comply with this requirement, the PHA must reference the most recent HUD approved Capital Fund 5 Year Action Plan in EPIC and the date that it was approved. PHAs can reference the form by including the following language in the Capital Improvement section of the appropriate Annual or Streamlined PHA Plan Template: "See Capital Fund 5 Year Action Plan in EPIC approved by HUD on XX/XX/XXXX."

B.5 Most Recent Fiscal Year Audit. If the results of the most recent fiscal year audit for the PHA included any findings, mark "yes" and describe those findings in the space provided. (24 CFR §903.7(p))

C. Other Document and/or Certification Requirements.

C.1 Resident Advisory Board (RAB) comments. If the RAB had comments on the annual plan, mark "yes," submit the comments as an attachment to the Plan and describe the analysis of the comments and the PHA's decision made on these recommendations. (24 CFR §903.13(c), 24 CFR §903.19)

C.2 Certification by State of Local Officials. Form HUD-50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan. (24 CFR §903.15). **Note:** A PHA may request to change its fiscal year to better coordinate its planning with planning done under the Consolidated Plan process by State or local officials as applicable.

C.3 Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan. Provide a certification that the following plan elements have been revised, provided to the RAB for comment before implementation, approved by the PHA board, and made available for review and inspection by the public. This requirement is satisfied by completing and submitting form HUD-50077 ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed*. Form HUD-50077-ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed* must be submitted by the PHA as an electronic attachment to the PHA Plan. This includes all certifications relating to Civil Rights and related regulations. A PHA will be considered in compliance with the certification requirement to affirmatively further fair housing if the PHA fulfills the requirements of §§ 903.7(o)(1) and 903.15(d) and: (i) examines its programs or proposed programs; (ii) identifies any fair housing issues and contributing factors within those programs, in accordance with 24 CFR 5.154 or 24 CFR 5.160(a)(3) as applicable; (iii) specifies actions and strategies designed to address contributing factors, related fair housing issues, and goals in the applicable Assessment of Fair Housing consistent with 24 CFR 5.154 in a reasonable manner in view of the resources available; (iv) works with jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; (v) operates programs in a manner consistent with any applicable consolidated plan under 24 CFR part 91, and with any order or agreement, to comply with the authorities specified in paragraph (o)(1) of this section; (vi) complies with any contribution or consultation requirement with respect to any applicable AFH, in accordance with 24 CFR 5.150 through 5.180; (vii) maintains records reflecting these analyses, actions, and the results of these actions; and (viii) takes steps acceptable to HUD to remedy known fair housing or civil rights violations. impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction. (24 CFR §903.7(o)).

C.4 Challenged Elements. If any element of the Annual PHA Plan or 5-Year PHA Plan is challenged, a PHA must include such information as an attachment to the Annual PHA Plan or 5-Year PHA Plan with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public.

C.5 Troubled PHA. If the PHA is designated troubled, and has a current MOA, improvement plan, or recovery plan in place, mark "yes," and describe that plan. Include dates in the description and most recent revisions of these documents as attachments. If the PHA is troubled, but does not have any of these items, mark "no." If the PHA is not troubled, mark "N/A." (24 CFR §903.9)

D. Affirmatively Furthering Fair Housing (AFFH).

D.1 Affirmatively Furthering Fair Housing. The PHA will use the answer blocks in item D.1 to provide a statement of its strategies and actions to implement each fair housing goal outlined in its accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5) that states, in relevant part: “To implement goals and priorities in an AFH, strategies and actions shall be included in program participants’ ... PHA Plans (including any plans incorporated therein) Strategies and actions must affirmatively further fair housing” Use the chart provided to specify each fair housing goal from the PHA’s AFH for which the PHA is the responsible program participant – whether the AFH was prepared solely by the PHA, jointly with one or more other PHAs, or in collaboration with a state or local jurisdiction – and specify the fair housing strategies and actions to be implemented by the PHA during the period covered by this PHA Plan. If there are more than three fair housing goals, add answer blocks as necessary.

Until such time as the PHA is required to submit an AFH, the PHA will not have to complete section D., nevertheless , the PHA will address its obligation to affirmatively further fair housing in part by fulfilling the requirements at 24 CFR 903.7(o)(3) enacted prior to August 17, 2015, which means that it examines its own programs or proposed programs; identifies any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with local jurisdictions to implement any of the jurisdiction’s initiatives to affirmatively further fair housing that require the PHA’s involvement; and maintain records reflecting these analyses and actions. Furthermore, under Section 5A(d)(15) of the U.S. Housing Act of 1937, as amended, a PHA must submit a civil rights certification with its Annual PHA Plan, which is described at 24 CFR 903.7(o)(1) except for qualified PHAs who submit the Form HUD-50077-CR as a standalone document.

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the 5-Year and Annual PHA Plan.

Public reporting burden for this information collection is estimated to average 7.52 hours 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. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Act Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. 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.

VAWA Statement

9.1 5-Year and Annual Plans PHAs are required to include a brief description in their Annual Plan (as applicable) and 5-Year Plan of goals, activities, objectives, policies, programs, or services for child and adult victims of domestic violence, dating violence, sexual assault, or stalking, as required in 24 CFR 903.6(a)(3) and 24 CFR 903.7(m)(5) and described below. The VAWA Final Rule did not change this requirement. The availability of new PHA Annual and 5-Year PHA Plan templates that include the provisions of VAWA 2013 were first made available through Notice PIH 2015-18 (HA). HUD encourages reference to the PHA's Emergency Transfer Plan described in Section 12. All PHAs are required to submit a 5-Year Plan for HUD's approval (MTW PHAs excepted).

Annual PHA Plan Templates require PHAs to report any changes to Plan elements, which include VAWA provisions at 24 CFR 903.7(m)(5), under the safety and crime prevention element. The following information must be included:

- A statement of any domestic violence, dating violence, sexual assault, and stalking prevention programs; **Lake County Housing Authority is committed to preserving the peaceful enjoyment of all communities. LCHA is cognizant of actions that may pose a threat related to domestic violence, dating violence or stalking. In compliance with the Violence Against Women Act and Justice Department Reauthorization Action of 2013 (VAWA), LCHA will not terminate the lease or evict victims of criminal activity related to their victimization.**
- A description of any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; **LCHA refers families to A Safe Place (provider of services exclusively addressing domestic violence in Lake County, Illinois).**
- A description of any activities, services, or programs provided or offered by a PHA that help child and adult victims of domestic violence, dating violence, sexual assault, or stalking to obtain or maintain housing; and **LCHA partners with A Safe Place by contracting 37 Project Based Vouchers to developments owned by A Safe Place. In addition, LCHA has specialized**
- A description of any activities, services, or programs provided or offered by a PHA to prevent domestic violence, dating violence, sexual assault, or stalking, or to enhance victim safety in assisted families. **LCHA is seeking to partner with a local agency to provide bi-annual workshops to clients in addition to referrals.**

Lake County Housing Authority De-concentration Policy

It is Lake County Housing Authority's policy to provide for de-concentration of poverty and encourage income mixing by bringing higher income families into lower income developments and lower income families into higher income developments. Although this is the general policy the LCHA will not apply rigid income mixing methods. Toward this end, LCHA will skip families on the waiting list to reach other families with a lower or higher income. LCHA will accomplish this in a uniform and non-discriminating manner.

The Lake County Housing Authority will affirmatively market its housing to all eligible income groups. Lower income residents will not be steered toward lower income developments and higher income people will not be steered toward higher income developments.

Prior to the beginning of each fiscal year, LCHA will analyze the income levels of families residing in each of its developments, the income levels of census tracts in which LCHA developments are located, and the income levels of the families on the waiting list. Based on this analysis, LCHA will determine the level of marketing strategies and de-concentration incentives to implement.

DECONCENTRATION INCENTIVES

The Lake County Housing Authority may offer one or more incentives to encourage applicant families whose income classification would help to meet the de-concentration goals of a particular development.

Various incentives may be used at different times, or under different conditions, but will always be provided in a consistent and nondiscriminatory manner.

OFFER OF A UNIT

When the Lake County Housing Authority discovers that a unit will become available, staff will contact the first ten (10) or more families on the waiting list who have the highest priority for this type of unit or development and whose income category would help to meet the de-concentration goal and/or the income targeting goal in order to verify preferences claimed by the applicants. Once preferences are verified the name at the top of the list will be provided to the Housing Manager for the next available unit.

The Lake County Housing Authority will contact the family by first class mail to make the unit offer. The family will be given five (5) calendar days from the date the letter was mailed to contact the Lake County Housing Authority regarding the offer. In order to expedite the process, the LCHA will sometimes make the first contact by telephone, so that a determination of interest in the unit may be made more quickly. When a unit is rejected on the basis of a phone contact with the family, such rejection will be documented in the applicant file.

The family will be offered the opportunity to view the unit. After the opportunity to view the unit, the family will have two (2) business days to accept or reject the unit. This verbal offer and the family's decision must be documented in the tenant file. If the family rejects the offer of the unit, the Lake County Housing Authority will send the family a letter documenting the offer and the rejection.

Attachment B

Repositioning Affordability Objective – Lake County Housing Authority (IL056)

In coordination with the U.S. Department of Housing and Urban Development, Strategic Plan 2022-2026. The Lake County Housing Authority (LCHA) will continue to focus on finding strategic resolutions to maintain its' affordable housing in Lake County community.

LCHA is beginning to reposition its' Public Housing portfolio, specifically its' Scattered Sites under Section 18 Demo/Dispo. As such, LCHA is proposing to dispose of for sale Public Housing homes, this is aligned with the goals of the PHA and the PHA plan. Additionally, as outlined in Section 18, LCHA's Scattered Sites, are operationally unsustainable to maintain, the distance and time it takes staff to travel between sites, the homes lack uniformity, they have different mechanical systems and require different materials. Additionally, as defined the property must be in non-contiguous buildings with four (4) or fewer units.

Lake County Housing Authority must move away from the policies and programs of the past and develop an innovative approach that is more responsive to the community; that anticipates the public housing essentials of the future while addressing current needs.

In devising a strategic plan, LCHA will examine:

- Capital needs of the property
- Cost to operate
- Future HUD funding potential
- Market demand
- Existing debt or other obligations

LCHA will facilitate the preservation, rehabilitation, or demolition of units by utilizing existing HUD provided tools:

- Rental Assistance Demonstration (RAD)
- Demolition & Disposition (Section 18)
- RAD/Section 18 Blends
- HUD's Subject Matter Experts (SMEs)

By implementing the above, LCHA will deliver units that are in better physical condition and provide long-term availability of affordable housing and rental assistance in the local community.

Background

LCHA Units: 495

The Lake Authority wants to explore options for converting its elderly/disabled development, consisting of 334 units. Additionally, the LCHA wants to know what choices under the options we have for two scattered-site properties, totaling 161 single-family homes.

The Repositioning Panel advises that LCHA has several options to consider for its portfolio and could do them in different phases.

LCHA First Phase of Disposition – Scattered Site units (161 single-family homes)

- Submit a Section 18 application under Scattered Sites if the units meet the definition of scattered sites. LCHA would have to demonstrate they are unable to maintain the units as public housing. The units must also be in non-contiguous buildings with four or fewer units. Additionally, the LCHA must have a

relocation plan with the option for residents to remain using Project-Based Vouchers (PBVs) or Housing Choice Voucher (HCV).

- LCHA could dispose of the properties to a third-party entity under state law, including a non-profit, and could retain ownership or control. The options discussed during the call included:
 - Selling the property at Fair Market Value and use the proceeds to maintain other LCHA PH properties
 - Disposing of the property below fair market (Commensurate public benefit. Use restriction required)
 - Creating a local Homeownership program under Section 32 (Exploring under AIM North Nonprofit).
- TPVs are available for all units occupied by assisted tenants within the previous 24-months at the HUD's Special Application Center (SAC) approval time.
 - Eligible to project-based 100% of property; however, families could request a voucher to move after one year.
 - LCHA has seven (7) over-income families that would not be eligible for Tenant Protection Voucher (TPV) under Section 18. LCHA would have to provide comparable housing for the seven families.
- Under this option, the Panel advised LCHA can submit one application for all the units at one time. If LCHA plans to dispose at different times, may consider putting properties in batches and submitting separate applications.

Second LCHA – Elderly /Disabled Properties (2 sites totaling 160 units)

- LCHA wants to explore options for a blended conversion for a mixed development.
- These properties would be strong Rental Assistance Demonstration (RAD) candidates.
- Additionally, the Panel advised LCHA they may want to consider submitting a Section 18 under the RAD/Section 18 blend if the units will be substantially rehabilitated without the use of 9% Low Income Housing Tax Credits. Substantially rehabilitated means hard construction costs over 60% of Housing Construction Costs (published by HUD).
- If eligible, SAC will approve the disposition of 25% of the project units under Section 18 and replace those units with Section 18 TPVs. If the properties are in an Opportunity Zone, they may qualify for the RAD \$100 PUM rent boost for a PBRA conversion.
- TPVs will be issued based on the occupancy of the public housing units being removed through Section 18 when the SAC application is approved. Those vouchers may be project-based. RAD units are **not** eligible for TPVs.

Remaining 175 Units

- If LCHA submits applications based on the LCHA one and LCHA two options, they would have 175 PH units remaining and consider submitting an application under Streamlined Voluntary Conversion (SVC) for the remainder of its inventory. Under SVC, conversion to PBV requires tenant consent. Tenants have the right to remain in their unit with the TPV, or take the TPV and rent in the private market, or accept a PBV and remain in the unit (must be in writing)
- LCHA could remove the remaining 175 units via the RAD/Section 18 Close-out Blend, where 125 units convert through RAD, and the last 50 units are converted through Section 18. The LCHA would project-based the TPVs obtained for the 50 Section 18 units, and the LCHA would not need tenant consent.

LCHA and the Lake County Community Development Department forged a partnership to maintain the integrity for which the Scattered Site public housing properties were purchased. However, due to the limited funding challenges the housing authority will continue to move forward with disposition and other opportunities to help address rehabilitation and physical needs

as well as securing a more financial foundation while preserving affordable housing for low-income families.

Section B Narrative

Our main goal is to decentralize the concentration of assisted families in low-income areas and gain new landlords in opportunity areas. An aggressive outreach to landlords in opportunity areas combined with the landlord incentives will increase housing choices for families giving them incentives to live in opportunity areas with better schools. The cost effectiveness will balance out as those in the work force retain their employment and thus result in lower Housing Assistance Payments in addition to funding received from Lake County, IL.

Our short-term goal is to decrease the current 67% of voucher holders living in low income areas. Ongoing efforts to increase landlord participation in opportunity areas will increase the supply of rental units for the families to choose from. They have a better chance to realize Self-Sufficiency with seeking employment, retaining employment, or gain better employment. More housing choices will be available when the new landlords in opportunity areas agree to participate in the HCV program. LCHA will try to bridge the Landlord-Tenant gap the families have had to overcome on their own.

The current Family Self-Sufficiency staff will encourage participation in the FSS program to all families including those gaining residence in the landlord incentive program. Individualized consistent contact with the families will help ensure any issues are addressed to help them succeed.

The Housing Counseling staff will continue to assist all families in areas where their needs require credit counseling or managing finances. As new landlords and families renting in opportunities area are tracked, additional support will be given and encouraged frequently.

LCHA will continuously hold landlord information meetings, both in person and online. Funding received through the County will enable an additional staff member to specialize in landlord outreach and communicate the incentives being offered. Local realtors and leasing agents will be contacted in hopes of educating them on the benefits to the Housing Choice Voucher program. An additional goal is to have many rentals to choose from in the opportunity areas.

Opportunity areas will be defined by the current standards set forth by the State of Illinois in processing tax abatements in HCV rentals. The property must be located in a qualified Township whose tax capacity exceeds 80% of the average tax capacity of Lake County. Currently there are 10 Townships that qualify, but as the tax capacity changes every year, this is re-evaluated each year. The property must also be located in a census tract where less than 10% of the residents live below the poverty level. The poverty level is determined by the most recent US Census.

New landlords to the program will be given one month's rent as an incentive to lease to a HCV family. One on one contact with staff will help maintain relationships during the leasing process.

Landlords in opportunity areas will be given one month's rent as a vacancy payment in between tenants if they rent to another HCV family.

Progress Report

Lake County Housing Authority (LCHA) continues to provide its low rent program residents with safe and well maintained housing and services.

The quality of documentation and physical work remains a top priority of the agency. Our Resident Services Coordinator provides services to elderly and disabled residents to increase their independence and well-being. This has never been more important than during the Covid 19 pandemic. Some of the activities include, wellness checks, regular surveys to identify and address needs, distribution of food and PPE. Our Resident Service Coordinator has gotten very creative in finding ways to ensure the safety and wellbeing of our residents by providing door hangers to alert staff when all is well. Also hosting activities via Zoom, and assisting residents with access to Covid 19 testing and vaccinations, as well as other needed services.

The Authority has branched into the community to partner with many other agencies to provide needed services. Some partnerships include, but are not limited to Oak Street Health, Catholic Charities, and many others.

LCHA continues to administer its CHOICES (Choose Housing In Communities Empowering Self Sufficiency) program. This program encourages Voucher holders to choose units in defined opportunity areas.

The Brookstone and Regency at Coles Park (formerly Marion Jones Town homes) redevelopment project is nearly complete and over 95% occupied. Former Marion Jones residents have been given the first opportunity to move into the newly completed community.

LCHA has received additional Family Unification Vouchers (FUP) to provide additional housing to families needing assistance to remain together and 40 additional Mainstream Vouchers which assist homeless non-elderly persons with disabilities with housing assistance.

In 2021, LCHA has increased the housing counseling budget from \$100,000. to nearly \$1.5 million dollars allowing us to address the needs of Homeowners and Renters in the Lake County area through our Housing Counseling Program.

Covid Housing Relief Program – LCHA partnered with the County of Lake to distribute over \$8,000,000 in Federal Emergency Rental Assistance (FERA) rental and utility assistance to residents in Lake County. These funds allowed us to assist families to stabilize their housing and prevent eviction and/or homelessness.

Illinois Rental Payment Program – LCHA partnered with the Illinois Housing Development Authority (IHDA) to provide marketing and intake for their rental assistance program.

These programs help to address the needs of Lake County residents and stabilize our communities.

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Board of Commissioners, and
Lorraine Hocker, Executive Director/CEO
Housing Authority of the County of Lake
33928 N. US Highway 45
Grayslake, IL 60030

Re: Follow-up on Status of OIG Audit Findings

The Housing Authority of the County of Lake's audited financial statements for the year ended September 30, 2020 included information regarding the status of HUD Office of Inspector General (OIG) Audit Report 2018-CH-1007. This letter is to provide an updated status of the remaining open item that was referred to in footnote 4e of the Housing Authority's September 30, 2020 financial statements.

Footnote 4e indicated that the OIG's Finding 2 had one remaining recommendation to be completed. We are pleased to inform you that this final recommendation has been completed, and that all findings related to the OIG audit are now considered closed.

The audit for the year ended September 30, 2021 will reflect the closed status of the OIG findings and audit.

Sincerely,

Allan C. Kitchen
Director

**HOUSING AUTHORITY OF THE COUNTY OF LAKE
GRAYSLAKE, ILLINOIS**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT**

Year Ended September 30, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the County of Lake
Grayslake, Illinois

We have audited the accompanying financial statements of the Housing Authority of the County of Lake, Illinois (the Authority) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Member, American Institute of Certified Public Accountants

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2020, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Financial Data Schedule and statements and certifications of Capital Fund Program costs are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

The Financial Data Schedule, statements and certifications of Capital Fund Program costs, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedule, statements and certifications of Capital Fund Program 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 November 17, 2021 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Rubins & Company". The signature is written in black ink and is positioned to the right of the date and location text.

Bethesda, Maryland
November 17, 2021

**HOUSING AUTHORITY OF THE COUNTY OF LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended September 30, 2020**

The management of the Housing Authority of the County of Lake (PHA) offers this narrative overview and analysis of its audited financial statements for the fiscal year ended September 30, 2020. The goal is for the reader to better understand the PHA'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 PHA has invested its capital assets. We encourage readers to consider the information presented here in conjunction with the PHA's financial statements.

Financial Highlights

- The PHA's total assets exceeded its total liabilities ending September 30, 2020 resulting in a \$26,086,543 net position at fiscal year-end.
- The PHA's net investment in capital assets as of September 30, 2020 was \$16,590,406.
- The PHA's total revenue and contributions for the fiscal year end September 30, 2020 was \$40,892,405.
- The PHA's total expenses for the fiscal year end September 30, 2020 was \$39,334,117 thus, the PHA's revenues exceeded its expenses by \$1,558,288.

Overview of Financial Statements

The following financial statements are included in this report:

- *Statement of Net Position* - reports the PHA's current financial resources: its cash and other current assets, current and noncurrent liabilities and comparing those two elements, the resulting net position of the PHA.
- *Statement of Revenue and Expenses and Change in Net Position* - reports the PHA's various revenue and expenses.
- *Statement of Cash flows* - reports cash inflows and outflows for the PHA's fiscal year.

**HOUSING AUTHORITY OF THE COUNTY OF LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended September 30, 2020**

Analysis of Financial Statements

**HOUSING AUTHORITY OF THE COUNTY OF LAKE
Statement of Net Position**

<u>Account Descriptions</u>	<u>September 30,</u>		<u>Total Change</u>	<u>% Change</u>
	<u>2020</u>	<u>2019</u>		
Current Assets	\$ 8,875,918	\$ 7,062,229	\$ 1,813,689	25.68%
Capital Assets	16,590,406	17,133,498	(543,092)	-3.17%
Other Noncurrent Assets	2,748,918	2,214,007	534,911	24.16%
Total Assets	<u>28,215,242</u>	<u>26,409,734</u>	<u>1,805,508</u>	6.84%
Current Liabilities	1,472,344	1,033,289	439,055	42.49%
Noncurrent Liabilities	656,355	596,601	59,754	10.02%
Total Liabilities	<u>2,128,699</u>	<u>1,629,890</u>	<u>498,809</u>	30.60%
Net Position				
Investment in Capital Assets	16,590,406	17,133,498	(543,092)	-3.17%
Restricted Net Position	1,224,076	357,608	866,468	242.30%
Unrestricted Net Position	8,272,061	7,288,738	983,323	13.49%
Total Net Position	<u>\$ 26,086,543</u>	<u>\$ 24,779,844</u>	<u>\$ 1,306,699</u>	5.27%

Net Current Assets increased by \$1,813,689 or 25.68% primarily due to higher cash balances and prepaid expenses offset somewhat by lower accounts receivable.

Net Capital Assets decreased by \$543,092 primarily due to disposals during the year of \$24,442 and depreciation expense during the year of \$1,532,258 offset by \$999,202 of additions.

Other Noncurrent Assets increased by \$534,911 due to increases notes receivable balance amounts.

Total Liabilities increased by \$498,809 or 30.60% as unearned revenue were \$599,641 higher during the year, offset somewhat by decrease of \$150,402 in accounts payable.

**HOUSING AUTHORITY OF THE COUNTY OF LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended September 30, 2020**

Analysis of Financial Statements (continued)

Net Position - The difference between an organization's assets and its liabilities and net position. Net position is categorized into three components.

1. Net investment in capital assets - capital assets, net of accumulated depreciation and related debt is due to the capital asset and long-term debt activity;
2. Restricted - the component of the Authority's net position which is subject to constraints imposed by law or agreement consisting primarily of HAP equity and debt service reserves;
3. Unrestricted - the component of the Authority's net position that is neither invested in capital assets nor restricted which increase principally due to operations. These resources are available to meet the Authority's ongoing obligations to its residents and creditors.

Analysis of Entity-Wide Revenue and Expenses (Statement of Revenues, Expenses and Change in Net Position)

During the year, operating revenue increased from \$35,462,913 to \$39,817,536 or 12.28% which represents an increase of \$4,354,623. This increase was primarily a function of the \$4,362,723 in increased grant revenue.

Total operating expenses increased by \$1,334,391 from FY 2019 to FY 2020 primarily due to the increase in Housing Assistance Payments (HAP) by \$2,793,230 (10.25%) due to higher utilization and increases in tenant services of \$372,922 (150.67%). Those increases were offset somewhat offset by decreases in other categories such as administration expense \$554,413 (11.81%) and general expense \$1,724,883 (69.93%).

**HOUSING AUTHORITY OF THE COUNTY OF LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended September 30, 2020**

**HOUSING AUTHORITY OF THE COUNTY OF LAKE
Statement of Revenue, Expenses and Changes in Net Position**

<u>Account Descriptions</u>	<u>September 30,</u>		<u>Total Change</u>	<u>% Change</u>
	<u>2020</u>	<u>2019</u>		
Dwelling rent	\$ 1,659,877	\$ 1,635,705	\$ 24,172	1.48%
Governmental grants and subsidy	37,345,457	32,982,734	4,362,723	13.23%
Other Income	812,202	844,474	(32,272)	-3.82%
Total Operating Revenues	39,817,536	35,462,913	4,354,623	12.28%
Administration	4,141,349	4,695,762	(554,413)	-11.81%
Tenant Services	620,438	247,516	372,922	150.67%
Utilities	300,457	304,618	(4,161)	-1.37%
Maintenance and operations	1,942,522	1,472,600	469,922	31.91%
General expense	741,596	2,466,429	(1,724,833)	-69.93%
Housing Assistance Payments	30,054,174	27,260,944	2,793,230	10.25%
Depreciation	1,532,258	1,550,534	(18,276)	-1.18%
Total Operating Expenses	39,332,794	37,998,403	1,334,391	3.51%
Operating Income	484,742	(2,535,490)	3,020,232	-119.12%
NONOPERATING REVENUES (EXPENSES)				
Gain/(loss) on sale of assets	150	(3,816)	3,966	-103.93%
Interest and investment income	82,990	137,681	(54,691)	-39.72%
Total Nonoperating Revenues	83,140	133,865	(50,725)	
CAPITAL CONTRIBUTIONS				
Capital grants	990,406	461,649	528,757	114.54%
Change in Net Position	1,558,288	(1,939,976)	3,498,264	-180.33%
Beginning Net Position	24,769,808	27,010,451	(2,240,643)	-8.30%
Prior period adjustments	(241,553)	(290,631)	49,078	-16.89%
Ending Net Position	\$ 26,086,543	\$ 24,779,844	\$ 1,306,699	5.27%

In closing, the change in net position reflected in the financial statements of \$3,498,264 includes the non-cash items of depreciation of \$1,532,258. Exclusive of these items, additional activities resulted in \$5,030,522 of increases in net position for the year.

**HOUSING AUTHORITY OF THE COUNTY OF LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended September 30, 2020**

Budgetary Highlights

The PHA adopts a consolidated annual operating budget for all programs. The budget for Low Rent Housing is adopted on the basis of accounting practices prescribed to by the U.S. Department of Housing and Urban Development. Program budgets for the Housing Assistance Payments (HAP) Funds are approved by the U.S. Department of Housing and Urban Development on a basis with the grant applications covering HAP Programs.

Capital Asset Activity During the Year

Capital Assets - The Housing Authority of the County of Lake's capital assets as of September 30, 2020 amounts to \$16,590,406 (net of depreciation). The capital assets include land, buildings, improvements, equipment, and construction in progress.

**HOUSING AUTHORITY OF THE COUNTY OF LAKE
Statement of Capital Assets
Net of Accumulated Depreciation**

<u>Account Descriptions</u>	<u>September 30,</u>		<u>Total Change</u>	<u>% Change</u>
	<u>2020</u>	<u>2019</u>		
Land	\$ 5,180,417	\$ 5,180,417	\$ -	0.00%
Buildings	45,032,277	44,041,496	990,781	2.25%
Furniture, equipment and machinery- dwelling	69,945	69,945	-	0.00%
Furniture, equipment and machinery- admin	1,328,512	1,334,499	(5,987)	-0.45%
Construction in progress	-	10,035	(10,035)	-100.00%
Total Capital Assets	<u>51,611,151</u>	<u>50,636,392</u>	<u>974,759</u>	<u>1.93%</u>
Less: Accumulated depreciation	<u>(35,020,745)</u>	<u>(33,502,894)</u>	<u>(1,517,851)</u>	<u>4.53%</u>
Total Capital Assets (net depreciation)	<u>\$ 16,590,406</u>	<u>\$ 17,133,498</u>	<u>\$ (543,092)</u>	<u>-3.17%</u>

The overall decrease in capital assets for the current fiscal year was \$543,092. The capital asset decrease was due to depreciation expense in the current year compared to additions. More unit turnaround activity is being expensed compared to prior years.

Debt Activity During the Year

Noncurrent liabilities at September 30, 2020, consist of the following:

	<u>Balance</u> <u>9/30/2019</u>	<u>Addition</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2020</u>	<u>Due within</u> <u>One Year</u>
Deferred credits and escrow deposits	\$ 412,548	\$ 123,912	\$ -	\$ 536,460	\$ -
Accrued compensated absences	255,071	44,065	-	299,136	179,241
Total	<u>667,619</u>	<u>\$ 167,977</u>	<u>\$ -</u>	<u>\$ 835,596</u>	<u>\$ 179,241</u>

**HOUSING AUTHORITY OF THE COUNTY OF LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended September 30, 2020**

The component unit blended also has a note payable to the PHA in the amount of \$26,546 due at September 30, 2020. The following table summarizes the change in this debt as of September 30, 2020.

	<u>Balance</u> <u>9/30/2019</u>		<u>Addition</u>		<u>Deletions</u>		<u>Balance</u> <u>9/30/2020</u>
Notes Payable	\$ 32,568	\$	-	\$	6,022	\$	26,546

Future Events

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID -19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. Impacts have included disruptions or restrictions on our employees ability to work or the tenant's ability to pay the required monthly rent. Operating functions that have changed include intake, recertifications and maintenance. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown.

Contacting the Authority's Financial Management

The financial report is designed to provide a general overview of the PHA'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 the Executive Director, Lorraine Hocker, 33928 North US Highway 45, Grayslake, IL 60030-1714.

LAKE COUNTY HOUSING AUTHORITY
Grayslake, Illinois
STATEMENT OF NET POSITION
September 30, 2020

ASSETS

Current Assets

Cash and cash equivalents, unrestricted	\$	4,281,625
Cash and cash equivalents, restricted		2,482,760
Investments		1,751,056
Receivables, net		223,805
Prepaid expenses		114,002
Inventory, net		<u>22,670</u>
 Total current assets		 <u>8,875,918</u>

Noncurrent Assets

Capital Assets:

Land and improvements		5,180,417
Buildings		45,032,277
Furniture and equipment		<u>1,398,457</u>
		51,611,151
Less: Accumulated depreciation		<u>(35,020,745)</u>
Total capital assets		16,590,406

Other Noncurrent Assets:

Notes receivable - unrestricted		<u>2,748,918</u>
Total noncurrent assets		<u>19,339,324</u>

TOTAL ASSETS	\$	<u><u>28,215,242</u></u>
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The accompanying notes are an integral part of these financial statements.

LAKE COUNTY HOUSING AUTHORITY
Grayslake, Illinois
STATEMENT OF NET POSITION
September 30, 2020

LIABILITIES AND NET POSITION

Current Liabilities

Accounts payable	\$ 347,722
Accrued liabilities	118,294
Current portion of compensated absences	179,241
Unearned revenue	628,304
Tenant security deposits	<u>198,783</u>
 Total current liabilities	 <u>1,472,344</u>

Noncurrent Liabilities

Compensated absences, net of current portion	119,895
Noncurrent liabilities - other	<u>536,460</u>
 Total noncurrent liabilities	 <u>656,355</u>

Total liabilities	<u>2,128,699</u>
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NET POSITION

Net investment in capital assets	16,590,406
Restricted net position	1,224,076
Unrestricted net position	<u>8,272,061</u>
 Total net position	 <u>26,086,543</u>

TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 28,215,242</u></u>
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The accompanying notes are an integral part of these financial statements.

LAKE COUNTY HOUSING AUTHORITY
Grayslake, Illinois
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
Year ended September 30, 2020

OPERATING REVENUES	
Dwelling rent	\$ 1,659,877
Governmental grants and subsidy	37,345,457
Other income	<u>812,202</u>
Total operating revenue	<u>39,817,536</u>
OPERATING EXPENSES	
Administration	4,141,349
Tenant services	620,438
Utilities	300,457
Maintenance and operations	1,942,522
General	741,596
Housing assistance payments	30,054,174
Depreciation	<u>1,532,258</u>
Total operating expenses	<u>39,332,794</u>
Operating income	<u>484,742</u>
NONOPERATING REVENUES (EXPENSES)	
Gain on sale of capital assets	150
Interest and investment income	<u>82,990</u>
Total nonoperating revenues (expenses)	<u>83,140</u>
Loss before other revenues, expenses, gains, losses, and transfers	<u>567,882</u>
Capital grants	<u>990,406</u>
Decrease in net position	<u>1,558,288</u>
Net position, beginning of year	24,769,808
Prior period adjustments	<u>(241,553)</u>
Net position, end of year	<u><u>\$ 26,086,543</u></u>

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

LAKE COUNTY HOUSING AUTHORITY
Grayslake, Illinois
STATEMENT OF CASH FLOWS
Year ended September 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 2,595,000
Governmental grants and subsidy - operations	38,002,139
Payments to suppliers	(3,291,692)
Payments for housing assistance	(30,054,174)
Payments to employees	<u>(4,811,388)</u>
 Net cash flows provided by operating activities	 <u>2,439,885</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital grants	1,024,338
Proceeds from sale of assets	150
Payments for capital assets	<u>(989,166)</u>
 Net cash flows provided by capital and related financing activities	 <u>35,322</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	26,247
Increase in notes receivable	<u>(431,654)</u>
 Net cash flows used by investing activities	 <u>(405,407)</u>

NET INCREASE IN CASH

2,069,800

CASH AND CASH EQUIVALENTS, beginning of year

6,445,641

CASH AND CASH EQUIVALENTS, end of year

\$ 8,515,441

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

Cash and Cash Equivalents - Unrestricted	\$ 4,281,625
Cash and Cash Equivalents - Restricted	2,482,760
Investments	<u>1,751,056</u>
Cash and Cash Equivalents per Statement of Net Position	<u><u>\$ 8,515,441</u></u>

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

LAKE COUNTY HOUSING AUTHORITY
Grayslake, Illinois
STATEMENT OF CASH FLOWS
Year ended September 30, 2020

**RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 484,742
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,532,258
Decrease (Increase) in accounts receivable	95,919
Decrease (Increase) in prepaid expenses	(18,528)
Decrease (Increase) in inventory	1,786
Increase (Decrease) in accounts payable	(391,957)
Increase (Decrease) in accrued liabilities	72,383
Increase (Decrease) in unearned revenue	599,641
Increase (Decrease) in FSS and other liabilities	63,661
Increase (Decrease) in security deposits	<u>(20)</u>
Net cash provided by operating activities	<u>\$ 2,439,885</u>

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

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - Summary of Significant Accounting Policies

The Housing Authority of the County of Lake (Authority) is a Special Purpose Government entity established to provide low-rent housing, under the low rent program Annual Contributions Contract for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development and other Federal agencies.

The Housing Authority complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

1a. Financial Reporting Entity

The Housing Authority's financial reporting entity comprises the following:

Primary Government: Housing Authority

Component Unit: AIM North Development Corporation

In determining the financial reporting entity, the Housing Authority complies with the provisions of GASB Statement No. 14 as amended by GASB No. 39 and GASB No. 61, "The Financial Reporting Entity," and includes all component units, if any, of which the Housing Authority appointed a voting majority of the units' board; the Housing Authority is either able to impose its will on the unit or a financial benefit or burden relationship exists.

A blended component unit is a legally separate entity from the Housing Authority, but is so intertwined with the Housing Authority that it is, in substance, the same as the Housing Authority.

The accompanying financial statements include the activities of the Housing Authority of the County of Lake and its blended component unit, AIM North Development Corporation. AIM North Development Corporation was organized as a charitable, not-for-profit corporation to serve the community through promotion of educational programs, development of affordable housing opportunities, and management of affordable housing properties within Lake County.

1b. GASB Implementation

No new accounting standards were implemented during the year ended September 30, 2020.

**HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE 1 - Summary of Significant Accounting Policies (Continued)

1c. Basis of Presentation

Financial statements of the reporting entity's programs are organized and reported as a single enterprise fund and are accounted for by providing a set of self-balancing accounts that constitute its assets, liabilities, net position, revenues, and expenses. Enterprise funds are used to account for business-like activities provided to its tenants. These activities are financed primarily by user charges and/or Federal funding and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes all of the Authority's programs as an enterprise fund.

Following is a description of the Authority's programs:

Program	Brief Description
Low Rent	Accounts for activities of the Public and Indian Housing program which HUD provides an annual subsidy to help public housing agencies (PHAs) pay some of the cost of operating and maintaining public housing units.
Central Office Cost Center	Accounts for managing all program within the Housing Authority.
Housing Choice Vouchers	Accounts for activities of the Voucher program which assists very low-income families, the elderly, and the disabled to afford decent, safe and sanitary housing in the private market.
Capital Fund Program	Accounts for activities of the Capital Fund which provides funds to housing authorities to modernize public housing developments.
PIH Family Self-Sufficiency	A voluntary program for participants who receive HUD Housing Choice Voucher (Section 8) Rental Assistance, or are living in Public Housing, and wish to improve their financial situation, eliminate their dependence on public assistance and are motivated to change their lives. The program emphasizes employment as well as educational and vocational training that leads to full time consistent employment.
Housing Counseling Assistance Program	Serves the needs of Lake County residents in various areas related to housing, including homebuyer education, pre-purchase counseling, post-purchase and foreclosure prevention, mortgage default counseling, financial and budgeting counseling, and rental counseling.

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - Summary of Significant Accounting Policies (Continued)

1c. Basis of Presentation (Continued)

Program	Brief Description
Business Activities	LCHA Affordable Housing: Fostering affordable housing opportunities by obtaining and rehabilitating HUD foreclosures, and then utilizing them to house additional families. Once purchased and rehabilitated, the homes are taken under the rentals inventory umbrella.
Component Unit - AIM North	AIM North Development Corporation is an affiliate entity of the Lake County Housing Authority and serves the community through promotion of educational programs, development of affordable housing opportunities, and management of affordable housing properties within Lake County.
Development Program	Development program receives funds from the Department of Housing and Urban Development to cover capital cost of building units of housing; these units consist of mixed income mixed finance units.

1d. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the financial statements, the “economic resources” measurement focus is used as follows:

Proprietary fund types, which includes enterprise funds, utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with the fund’s activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the financial statements, the proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when a liability is incurred or economic asset used.

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - Summary of Significant Accounting Policies (Continued)

1e. Assets, Liabilities, and Equity

Cash and Investments

For the purpose of the Statement of Net Position, “cash and cash equivalents” includes all demand, savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less. For the purpose of the Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments are carried at fair value except for short-term U.S. Treasury obligations, if any, with a remaining maturity at the time of purchase of one year or less. Those investments, if any, are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Notes 2b. and 3a.

Interprogram Receivables and Payables

During the course of operations, numerous transactions occur within individual programs that may result in amounts owed between these programs. Offsetting interprograms, if any, are eliminated for financial statement presentation.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Tenant accounts receivable, accrued interest receivable and accounts receivable from U.S. Department of Housing and Urban Development compose the majority of receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventories

Inventories are valued at average cost, and consist of expendable supplies held for consumption. The cost of inventories is recorded as expense when consumed, rather than when purchased.

Budgets and Budgetary Accounting

The Authority adopts a formal operating budget each year for its operating programs and on a project length basis for its capital expenditures which are approved by the Board of Commissioners and submitted to the Department of Housing and Urban Development for approval, if required.

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - Summary of Significant Accounting Policies (Continued)

1e. Assets, Liabilities, and Equity (Continued)

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) is as follows:

In the financial statements, capital assets purchased or acquired with an original cost of \$1,500 or more are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual cost information is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense depending on the program where the asset is shown, in the Statement of Revenues, Expenses and Changes in Net Position, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40	years
Furniture, equipment and machinery - dwelling	3 – 10	years
Furniture, equipment and machinery - administration	3 – 10	years
Leasehold improvements	15 - 25	years

Impairment of Long-Lived Assets

Prominent events or changes in circumstances affecting capital assets are evaluated to determine whether an impairment of a capital asset has occurred. Impaired capital assets that will no longer be used are reported at the lower of carrying value or fair value. Impairment of capital assets with physical damage generally is measured using the restoration cost approach, which uses the estimated cost to restore the capital asset to identify the portion of the historical cost of the capital asset that should be written off. No such impairment loss was incurred during the current year.

Restricted Assets

Restricted assets include cash and investments legally restricted as to their use. The primary restricted assets are related to Housing Choice Vouchers and PIH Family Self Sufficiency which are HUD programs.

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - Summary of Significant Accounting Policies (Continued)

1e. Assets, Liabilities, and Equity (Continued)

Compensated Absences

The Housing Authority's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as short-term and long-term liabilities based on historical trends. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Equity Classifications

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets. The Authority had no related debt.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

1f. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Non-operating revenues and expenses are those that are not operating in nature.

Interprogram Transfers

For the purposes of the Statement of Revenues, Expenses and Change in Net Position, all interprogram transfers between individual programs, if any, have been eliminated.

**HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE 2 - Stewardship, Compliance, and Accountability

The Authority and its component unit are subject to various federal, state, and local laws and contractual regulations. An analysis of the Authority’s compliance with significant laws and regulations and demonstration of its stewardship over Authority resources follows.

2a. Program Accounting Requirements

The Authority complies with all state and local laws and regulations requiring the use of separate programs. The programs used by the Authority are as follows:

Program	Required By
Public and Indian Housing	U.S. Department of Housing and Urban Development
Central Office Cost Center	U.S. Department of Housing and Urban Development
Housing Choice Vouchers	U.S. Department of Housing and Urban Development
Capital Fund Program	U.S. Department of Housing and Urban Development
PIH Family Self-Sufficiency	U.S. Department of Housing and Urban Development
Housing Counseling Assistance Program	U.S. Department of Housing and Urban Development
Business Activities	Public Housing Agency
Component Unit - AIM North	Public Housing Agency

2b. Deposits and Investments Laws and Regulations

In accordance with state-law, all uninsured deposits of the Authority in financial institutions must be secured with acceptable collateral valued at the lower of market or par. All financial institutions pledging collateral to the Authority must have a written collateral agreement. As reflected in Note 3a., all deposits were fully insured or collateralized.

Investments of the Authority are limited by state law to the following:

- a. Direct obligations of the U.S. Government or its agencies or instrumentalities to which acceptable collateral is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral.

2c. Revenue Restrictions

The Authority has various restrictions placed over certain revenue sources. The primary restricted revenue sources include:

<i>Revenue Source</i>	<i>Legal Restrictions of Use</i>
Capital Fund Program	Modernization

For the year ended September 30, 2020, the Authority complied, in all material respects, with these revenue restrictions.

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - Detail Notes on Transaction Classes/Accounts

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3a. Cash and Investments

Deposits

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it, or the Authority will not be able to recover collateral securities in the possession of an outside party. As of September 30, 2020, the Authority's bank balances of \$7,112,318, were insured by federal depository insurance or collateralized with securities held by the pledging financial institutions in the Authority's name.

Investments

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2020, the Authority's investments were \$1,751,056. These investments were insured by federal depository insurance or registered, or securities held by the Authority or its agent in the Authority's name.

Credit Risk Investments, Concentrations of Credit Risk and Interest Rate Risk - Investments:

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority will minimize credit risk by reviewing the financial institutions with which the Authority will do business so that potential losses on individual securities will be minimized.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Authority will minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements and investing operating funds primarily in shorter term securities.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. The Authority does not have a written investment policy covering concentration of credit risk.

**HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE 3 - Detail Notes on Transaction Classes/Accounts (Continued)

3b. Restricted Cash and Cash Equivalents

The restricted cash and cash equivalents as of September 30, 2020 are as follows:

<u>Type of Restrictd Cash and Cash Equivalents</u>	<u>Cash Including Time Deposits</u>	<u>Investments</u>	<u>Total</u>
Public Housing	\$ 56,580	\$ -	\$ 56,580
HAP	2,149,263	-	2,149,263
Security Deposit	174,270	-	174,270
Restricted for Payment of Current Liabilities	102,647	-	102,647
	<u>\$ 2,482,760</u>	<u>\$ -</u>	<u>\$ 2,482,760</u>

3c. Accounts Receivable

Accounts receivable detail at September 30, 2020 is as follows:

Tenant accounts receivable	\$ 112,560
Allowance for doubtful accounts	(45,643)
Tenants accounts receivable - net	<u>66,917</u>
Fraud recovery	421,007
Allowance for doubtful accounts	(421,007)
Fraud recovery - net	<u>-</u>
Accounts receivable - HUD-operating subsidy	153,815
Accounts receivable - miscellaneous	3,073
	<u>\$ 223,805</u>

**HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE 3 - Detail Notes on Transaction Classes/Accounts (Continued)

3d. Capital Assets

Capital asset activity for the year ended September 30, 2020 was as follows:

	Balance October 1, 2019	Additions	(Deductions)	Balance September 30, 2020
<i>Non Depreciated Assets</i>				
Land	\$ 5,180,417	\$ -	\$ -	\$ 5,180,417
<i>Depreciated Assets</i>				
Buildings	44,041,496	990,781	-	45,032,277
Furniture, equipment and machinery- dwelling	69,945	-	-	69,945
Furniture, equipment and machinery- administration	1,334,499	8,420	(14,407)	1,328,512
Constuction in progress	10,035	-	(10,035)	-
	50,636,392	999,201	(24,442)	51,611,151
Less Accumulated Depreciation:	<u>(33,502,894)</u>	<u>(1,532,258)</u>	<u>14,407</u>	<u>(35,020,745)</u>
Total	<u>\$ 17,133,498</u>	<u>\$ (533,057)</u>	<u>\$ (10,035)</u>	<u>\$ 16,590,406</u>

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - Detail Notes on Transaction Classes/Accounts (Continued)

3e. Notes Receivable

Note Receivable due from TBG Brookstone, LLC

On December 1, 2016, the Housing Authority entered into a \$1,545,550 loan agreement with TBG Brookstone, LLC, an Illinois limited liability company. The purpose of the loan was for the construction of low-income housing. The payment of this note is secured by Junior Leasehold Mortgage, Assignment of Rents and Leases, Security Agreement, Financing Statement, and Fixture Filing. Annual payments for the loan commence on June 1, 2019 and on June 1st each year thereafter during the term of this Note until the indebtedness evidenced is paid in full. Payments of accrued and unpaid interest in the amount not to exceed \$30,909. The interest rate is 2% with a maturity date of December 1, 2016. As of September 30, 2020 the outstanding principal balance was \$1,897,492.

Notes Receivable due from TBG Brookstone, LLC

On December 1, 2016, the Housing Authority entered into a \$293,625 loan agreement with TBG Brookstone, LLC, an Illinois limited liability company. The purpose of the loan was for the construction of low-income housing. The payment of this note is secured by Subordinate Junior Leasehold Mortgage, Assignment of Rents and Leases, Security Agreement, Financing Statement, and Fixture Filing. Annual payments commencing on February 1, 2020 and on February 1st each year thereafter during the term of this Note until the indebtedness evidenced is paid in full. Payments of accrued and unpaid interest in the amount note to exceed \$22,674. The interest rate is 2% commencing on January 1, 2020. As of September 30, 2020 the outstanding principal balance was \$293,625.

Notes Receivable due from TBG Regency, LLC

On August 31, 2017, the Housing Authority entered into a \$454,545.45 loan agreement with TBG Regency, LLC, an Illinois limited liability company. The purpose of the loan was for the construction of low-income housing. The payment of this note is secured by Subordinate Junior Leasehold Mortgage, Assignment of Rents and Leases, Security Agreement, Financing Statement, and Fixture Filing. Annual payments for the loan commence on June 1, 2019 and on June 1st each year thereafter during the term of this Note until the indebtedness evidenced is paid in full. Payments of accrued and unpaid interest in the amount not to exceed \$22,674. The interest rate is 2% . As of September 30, 2020, the outstanding principal balance was \$454,545.

**HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE 3 - Detail Notes on Transaction Classes/Accounts (Continued)

3f. Accounts Payable

Payable detail at September 30, 2020 is as follows:

Accounts payable - vendors	\$ 206,873
Accounts payable - PHA projects	3,111
Accounts payable - other government - PILOT	137,738
	<u>\$ 347,722</u>

3g. Compensated Absences

Accumulated unpaid compensated absences are accrued. The liability for compensated absences at September 30, 2020 is \$299,136.

3h. Non-current Liabilities

As of September 30, 2020, the non-current liabilities are comprised of the following:

Deferred credits and escrow deposits - FSS escrow	\$ 536,460
Accrued compensated absences - non current portion	<u>119,895</u>
Total	<u>\$ 656,355</u>

The following is a summary of changes in non-current liabilities for the year ended September 30, 2020:

	Balance September 30, 2019	Addition	Deletions	Balance September 30, 2020	Due within One Year	Non-current Portion
Deferred credits and escrow deposits	\$ 412,548	\$ 123,912	\$ -	\$ 536,460	\$ -	\$ 536,460
Accrued compensated absences	255,071	44,065	-	299,136	179,241	119,895
Total	<u>\$ 667,619</u>	<u>\$ 167,977</u>	<u>\$ -</u>	<u>\$ 835,596</u>	<u>\$ 179,241</u>	<u>\$ 656,355</u>

**HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE 3 - Detail Notes on Transaction Classes/Accounts (Continued)

3i. Long-term Debt - Component Units

Changes in Long-term Debt

The Authority has made a loan to AIM North Development Corporation, a blended component unit. The note payable, related note receivable, interest expense and interest income have been eliminated in preparing the financial statements. The following is a summary of changes in long-term debt for the year ended September 30, 2020:

Type of Debt	Balance 9/30/2019	Addition	Deletions	Balance 9/30/2020
Notes Payable	\$ 32,568	\$ -	\$ 6,022	\$ 26,546
Total	\$ 32,568	\$ -	\$ 6,022	\$ 26,546

Annual Debt Service Requirements

The mortgage bears interest at 4.25%, with annual payments of \$7,410 including principal and interest, and matures on June 1, 2021, with any amounts owed under the note to be paid in full on that date.

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2020 are as follows:

Year Ending September 30	Component Unit Notes Payable	
	Principal	Interest
2021	\$ 28,546	\$ 1,213
Total	\$ 28,546	\$ 1,213

3j. Interprogram Transactions

Transfers are used to move revenues from the program that is authorized to transfer them to the program in accordance with budgetary authorizations. Offsetting operating transfers, if any, are eliminated for financial statement presentation.

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 4 - Other Notes

4a. Employee Retirement Plan

The Housing Authority of the County of Lake provides pension benefits to all its eligible full-time employees through a defined contribution plan administered by AXA Equitable. A defined contribution plan depends solely on amounts contributed to the plan plus investment earnings. The Plan was established, is authorized and may be amended by the Authority's Board of Commissioners. Employees are eligible to participate after three months on continuous employment. The plan requires the Housing Authority of the County of Lake to contribute 19.70 percent of covered payroll and the employees to contribute 6-12.5 percent of covered payroll. The Housing Authority's contribution for each employee is fully vested after five years of continuous service. Authority contributions forfeited by employees are used to pay administrative costs of the plan. The Authority accounts for pension costs as incurred.

For the year ended September 30, 2020, the following amounts related to the defined contribution plan:

Authority total payroll	\$3,228,824
Payroll for covered employees	\$3,139,935
Employer (Authority) contributions made	\$615,621
Employee contributions made	\$30,527

The Authority offers no other post-employment benefits.

4b. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. The Authority manages these various risks of loss as follows:

Type of Loss	Method Managed
a. Torts, errors, and omissions	Purchased insurance with AHRMA.
b. Injuries to employees (workers' compensation)	Purchased insurance with AHRMA; Claims are administered by AHRMA.
c. Physical property loss and natural disasters	Purchased commercial insurance with \$5,000 deductibles.
d. Health and life	Purchased health insurance with Blue Cross Blue Shield; Life insurance is provided by Minnesota Mutual Life

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 4 - Other Notes (Continued)

4c. Economic Dependency

The Housing Authority of the County of Lake receives a significant portion of its revenue from funds provided through Federal grants. The grant amounts are appropriated each year at the Federal level. The amount of the funds the Authority receives could be reduced significantly and have an adverse impact on its operations.

4d. Commitments and Contingencies

There are no commitments and contingencies identified that would require recognition or disclosure in these financial statements.

4e. Office of Inspector General Audit Report 2018-CH-1007

The Office of Inspector General (OIG) issued an Audit Report 2018 -CH- 1007 on September 25, 2018 for their inspection of the Housing Authority of the County of Lake. In that report the OIG had three findings, each with multiple recommendation for corrections. The findings were as follows:

Finding 1 - The Authority Did Not Appropriately Manage Its Family Self-Sufficiency Program

This finding had nine separate recommendations. The Housing Authority has completed all of the recommendations, and they are considered closed.

Finding 2 - The Authority Did Not Comply with HUD's and Its Own Requirements for Its Housing Choice Voucher Program Files

This finding had five separate recommendations. and of those five, the Housing Authority has completed four of them and those four are considered closed. The Housing Authority has completed all of the recommendations, and they are considered closed.

Finding 3 - The Authority Did Not Always Appropriately Manage Its Program Funds

This finding had twelve separate recommendations. The Housing Authority has completed all of the recommendations, and they are considered closed.

Final close out documents for the OIG audit were received during December 2019. Additionally, during December 2019, the Authority transferred \$23,080 of non-federal source funds to its Housing Choice Voucher program to reimburse the program for unsupported administrative costs.

**HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE 4 - Other Notes (Continued)

4f. Subsequent Events

Subsequent events have been evaluated through November 17, 2021, which is the date the financial statements were available to be issued, and there no subsequent events identified that would require recognition or disclosure in these financial statements.

NOTE 5 – Condensed Combining Information for Blended Component Unit

Condensed combining information for the Authority’s blended component unit as of, and for the year ended September 30, 2020 is provided as follows:

	Blended Component Unit - AIM North		
	Development Corporation	Primary Government	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current Assets	\$ 38,839	\$ 8,837,079	\$ 8,875,918
Noncurrent Assets	-	19,339,324	19,339,324
Total Assets	<u>38,839</u>	<u>28,176,403</u>	<u>28,215,242</u>
LIABILITIES			
Current Liabilities	10,492	1,461,852	1,472,344
Noncurrent Liabilities	20,264	636,091	656,355
Total Liabilities	<u>30,756</u>	<u>2,097,943</u>	<u>2,128,699</u>
NET POSITION			
Net Investment in Capital Assets	-	16,590,406	16,590,406
Restricted	-	1,224,076	1,224,076
Unrestricted	8,083	8,263,978	8,272,061
Total Net Position	<u>\$ 8,083</u>	<u>\$ 26,078,460</u>	<u>\$ 26,086,543</u>

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 5 – Condensed Combining Information for Blended Component Unit (Continued)

	Blended Component Unit - AIM North		
	Development Corporation	Primary Government	Total
	<u> </u>	<u> </u>	<u> </u>
REVENUE			
Dwelling Rent	\$ -	\$ 1,659,877	\$ 1,659,877
Government Grants	-	38,118,521	38,118,521
Other Income	<u>3</u>	<u>1,112,681</u>	<u>1,112,684</u>
Total Revenues	3	40,891,079	40,891,082
EXPENSES			
Operating expense	8,889	7,737,473	7,746,362
Housing assistance payments	-	30,054,174	30,054,174
Depreciation	<u>-</u>	<u>1,532,258</u>	<u>1,532,258</u>
Total Expenses	8,889	39,323,905	39,332,794
CHANGE IN NET POSITION	(8,886)	1,567,174	1,558,288
Prior Period Adjustments	-	(215,068)	(215,068)
BEGINNING NET POSITION	<u>16,969</u>	<u>24,726,354</u>	<u>24,743,323</u>
ENDING NET POSITION	<u>\$ 8,083</u>	<u>\$ 26,078,460</u>	<u>\$ 26,086,543</u>

	Blended Component Unit - AIM North		
	Development Corporation	Primary Government	Total
	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided/ (Used) by			
Operating Activities	\$ (21,362)	\$ 2,461,247	\$ 2,439,885
Capital and Related Financing Activities	-	35,322	35,322
Investing Activities	<u>7,488</u>	<u>(412,895)</u>	<u>(405,407)</u>
Net Increase/(Decrease) in Cash	(13,874)	2,083,674	2,069,800
Cash and Cash Equivalents - Beginning of Year	<u>\$ 51,871</u>	<u>\$ 6,393,770</u>	<u>\$ 6,445,641</u>
Cash and Cash Equivalents - End of Year	<u>\$ 37,997</u>	<u>\$ 8,477,444</u>	<u>\$ 8,515,441</u>

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 6 - Prior Period Adjustment

A prior period adjustment has been recorded in the financial statements for \$241,553 that Authority agreed to pay back to HUD from its Mainstream Vouchers program.

NOTE 7 – Coronavirus Pandemic

On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the United States have declared a state of emergency. It is anticipated that these impacts will continue for some time. The Authority's operation has experienced closures of its offices to the general public. The immediate financial impact to the Authority's operations has been minimized with the award of supplemental CARES Act operating funding in the amounts of \$249,399 for its Public Housing program, \$2,441,132 for its Housing Choice Vouchers program and \$6,591 for its Mainstream program. Future potential impacts may include disruptions or restrictions on employees' ability to work or tenants' ability to pay the required monthly rent. Operating functions that may be changed include intake, recertifications and maintenance. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
FINANCIAL DATA SCHEDULE
BALANCE SHEET SUMMARY
September 30, 2020

	Low-Rent Public Housing 14.850	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	1 Business Activities	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers
ASSETS:						
CURRENT ASSETS:						
Cash:						
Cash - Unrestricted	\$ 67,684	\$ -	\$ -	\$ 808,851	\$ -	\$ 3,051,340
Cash - Other Restricted	56,580	-	-	-	445,307	1,703,956
Cash - Tenant Security Deposits	155,092	-	-	19,178	-	-
Cash - Restricted for Payment of Current Liabilities	102,646	-	-	1	-	-
Total Cash	382,002	-	-	828,030	445,307	4,755,296
Accounts and notes receivables:						
Accounts Receivable - PHA Projects	-	-	-	-	-	24,491
Accounts Receivable - HUD Other Projects	12,150	47,505	-	-	-	-
Accounts Receivable - Other Government	-	-	-	-	-	-
Accounts Receivable - Miscellaneous	-	-	-	-	-	1,716
Accounts Receivable - Tenants	92,987	-	-	19,573	-	-
Allowance for Doubtful Accounts -Tenants	(36,705)	-	-	(8,938)	-	-
Notes, Loans, & Mortgages Receivable - Current	-	-	-	6,282	-	-
Fraud Recovery	-	-	-	-	-	421,007
Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	(421,007)
Accrued Interest Receivable	-	-	-	284	-	-
Total Receivables, Net	68,432	47,505	-	17,201	-	26,207
Other Current Assets:						
Investments - Unrestricted	1,220,285	-	-	-	-	530,771
Prepaid Expenses and Other Assets	48,811	-	-	4,477	-	33,390
Inventories	22,414	-	-	-	-	-
Allowance for Obsolete Inventories	(1,121)	-	-	-	-	-
Inter Program Due From	47,505	-	-	195,156	-	176,901
TOTAL CURRENT ASSETS	1,788,328	47,505	-	1,044,864	445,307	5,522,565
NONCURRENT ASSETS:						
Capital Assets:						
Land	4,663,092	-	-	517,325	-	-
Buildings	40,252,381	-	-	2,585,787	-	-
Furniture, Equipment & Machinery - Dwellings	69,945	-	-	-	-	-
Furniture, Equipment & Machinery - Administration	718,886	-	-	15,073	-	268,848
Accumulated Depreciation	(31,726,813)	-	-	(1,349,743)	-	(255,359)
Total Capital Assets, Net	13,977,491	-	-	1,768,442	-	13,489
Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	2,769,182	-	-
TOTAL NONCURRENT ASSETS	13,977,491	-	-	4,537,624	-	13,489
TOTAL ASSETS	\$ 15,765,819	\$ 47,505	\$ -	\$ 5,582,488	\$ 445,307	\$ 5,536,054

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
FINANCIAL DATA SCHEDULE
BALANCE SHEET SUMMARY
September 30, 2020

	Low-Rent Public Housing 14.850	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	1 Business Activities	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers
LIABILITIES AND NET POSITION						
LIABILITIES:						
CURRENT LIABILITIES:						
Accounts Payable <= 90 Days	\$ 74,467	\$ -	\$ -	\$ 720	\$ -	\$ 100,314
Accrued Wage/Payroll Taxes Payable	33,103	-	-	185	-	42,242
Accrued Compensated Absences - Current Portion	55,718	-	-	226	-	61,214
Accrued Interest Payable	-	-	-	-	-	-
Accounts Payable - HUD PHA Programs	-	-	-	-	-	3,111
Accounts Payable - Other Government	117,877	-	-	19,861	-	-
Tenant Security Deposits	179,605	-	-	19,178	-	-
Unearned Revenue	182,996	-	-	1	445,307	-
Current Portion of L-T Debt - Operating Borrowings	-	-	-	-	-	-
Accrued Liabilities - Other	5,879	-	-	-	-	-
Inter Program - Due To	75,752	47,505	-	-	-	-
TOTAL CURRENT LIABILITIES	725,397	47,505	-	40,171	445,307	206,881
NONCURRENT LIABILITIES:						
L-T Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-
Non-current Liabilities - Other	56,580	-	-	-	-	479,880
Accrued Compensated Absences - Non Current	27,932	-	-	43	-	36,700
TOTAL NONCURRENT LIABILITIES	84,512	-	-	43	-	516,580
TOTAL LIABILITIES	809,909	47,505	-	40,214	445,307	723,461
NET POSITION						
Net Investment in Capital Assets	13,977,491	-	-	1,768,442	-	13,489
Restricted Net Position	-	-	-	-	-	1,224,076
Unrestricted Net Position	978,419	-	-	3,773,832	-	3,575,028
TOTAL NET POSITION	14,955,910	-	-	5,542,274	-	4,812,593
TOTAL LIABILITIES AND NET POSITION	\$ 15,765,819	\$ 47,505	\$ -	\$ 5,582,488	\$ 445,307	\$ 5,536,054

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
FINANCIAL DATA SCHEDULE
BALANCE SHEET SUMMARY
September 30, 2020

	14.169 Housing Counseling Assistance Program	14.CCC Central Office Cost Center CARES Act Funding	COCC	6.2 Component Unit - Blended	14.870 Resident Opportunity and Supportive Services
ASSETS:					
CURRENT ASSETS:					
Cash:					
Cash - Unrestricted	\$ -	\$ -	\$ 315,753	\$ 37,997	\$ -
Cash - Other Restricted	-	-	-	-	-
Cash - Tenant Security Deposits	-	-	-	-	-
Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-
Total Cash	-	-	315,753	37,997	-
Accounts and notes receivables:					
Accounts Receivable - PHA Projects	-	-	-	-	-
Accounts Receivable - HUD Other Projects	-	-	-	-	2,062
Accounts Receivable - Other Government	62,907	-	-	-	-
Accounts Receivable - Miscellaneous	-	-	-	460	-
Accounts Receivable - Tenants	-	-	-	-	-
Allowance for Doubtful Accounts -Tenants	-	-	-	-	-
Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-
Fraud Recovery	-	-	-	-	-
Allowance for Doubtful Accounts - Fraud	-	-	-	-	-
Accrued Interest Receivable	-	-	-	-	-
Total Receivables, Net	62,907	-	-	460	2,062
Other Current Assets:					
Investments - Unrestricted	-	-	-	-	-
Prepaid Expenses and Other Assets	932	-	26,010	382	-
Inventories	-	-	1,449	-	-
Allowance for Obsolete Inventories	-	-	(72)	-	-
Inter Program Due From	-	-	-	-	-
TOTAL CURRENT ASSETS	63,839	-	343,140	38,839	2,062
NONCURRENT ASSETS:					
Capital Assets:					
Land	-	-	-	-	-
Buildings	-	-	2,194,109	-	-
Furniture, Equipment & Machinery - Dwellings	-	-	-	-	-
Furniture, Equipment & Machinery - Administration	-	-	325,705	-	-
Accumulated Depreciation	-	-	(1,688,830)	-	-
Total Capital Assets, Net	-	-	830,984	-	-
Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	-
TOTAL NONCURRENT ASSETS	-	-	830,984	-	-
TOTAL ASSETS	\$ 63,839	\$ -	\$ 1,174,124	\$ 38,839	\$ 2,062

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
FINANCIAL DATA SCHEDULE
BALANCE SHEET SUMMARY
September 30, 2020

	14.169 Housing Counseling Assistance Program	14.CCC Central Office Cost Center CARES Act Funding	COCC	6.2 Component Unit - Blended	14.870 Resident Opportunity and Supportive Services
LIABILITIES AND NET POSITION					
LIABILITIES:					
CURRENT LIABILITIES:					
Accounts Payable <= 90 Days	\$ 9,366	\$ -	\$ 21,782	\$ -	\$ -
Accrued Wage/Payroll Taxes Payable	1,061	-	26,919	-	2,062
Accrued Compensated Absences - Current Portion	1,751	-	58,327	-	-
Accrued Interest Payable	-	-	-	284	-
Accounts Payable - HUD PHA Programs	-	-	-	-	-
Accounts Payable - Other Government	-	-	-	-	-
Tenant Security Deposits	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Current Portion of L-T Debt - Operating Borrowings	-	-	-	6,282	-
Accrued Liabilities - Other	-	-	-	-	-
Inter Program - Due To	25,857	-	123,559	3,926	-
TOTAL CURRENT LIABILITIES	38,035	-	230,587	10,492	2,062
NONCURRENT LIABILITIES:					
L-T Debt, Net of Current - Operating Borrowings	-	-	-	20,264	-
Non-current Liabilities - Other	-	-	-	-	-
Accrued Compensated Absences - Non Current	-	-	55,220	-	-
TOTAL NONCURRENT LIABILITIES	-	-	55,220	20,264	-
TOTAL LIABILITIES	38,035	-	285,807	30,756	2,062
NET POSITION					
Net Investment in Capital Assets	-	-	830,984	-	-
Restricted Net Position	-	-	-	-	-
Unrestricted Net Position	25,804	-	57,333	8,083	-
TOTAL NET POSITION	25,804	-	888,317	8,083	-
TOTAL LIABILITIES AND NET POSITION	\$ 63,839	\$ -	\$ 1,174,124	\$ 38,839	\$ 2,062

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
FINANCIAL DATA SCHEDULE
BALANCE SHEET SUMMARY
September 30, 2020

	14,896 PIH Family Self- Sufficiency Program	14,879 Mainstream Vouchers	Subtotal	Eliminations	Total
ASSETS:					
CURRENT ASSETS:					
Cash:					
Cash - Unrestricted	\$ -	\$ -	\$ 4,281,625	\$ -	\$ 4,281,625
Cash - Other Restricted	-	-	2,205,843	-	2,205,843
Cash - Tenant Security Deposits	-	-	174,270	-	174,270
Cash - Restricted for Payment of Current Liabilities	-	-	102,647	-	102,647
Total Cash	-	-	6,764,385	-	6,764,385
Accounts and notes receivables:					
Accounts Receivable - PHA Projects	-	-	24,491	-	24,491
Accounts Receivable - HUD Other Projects	4,700	-	66,417	-	66,417
Accounts Receivable - Other Government	-	-	62,907	-	62,907
Accounts Receivable - Miscellaneous	-	897	3,073	-	3,073
Accounts Receivable - Tenants	-	-	112,560	-	112,560
Allowance for Doubtful Accounts - Tenants	-	-	(45,643)	-	(45,643)
Notes, Loans, & Mortgages Receivable - Current	-	-	6,282	(6,282)	-
Fraud Recovery	-	-	421,007	-	421,007
Allowance for Doubtful Accounts - Fraud	-	-	(421,007)	-	(421,007)
Accrued Interest Receivable	-	-	284	(284)	-
Total Receivables, Net	4,700	897	230,371	(6,566)	223,805
Other Current Assets:					
Investments - Unrestricted	-	-	1,751,056	-	1,751,056
Prepaid Expenses and Other Assets	-	-	114,002	-	114,002
Inventories	-	-	23,863	-	23,863
Allowance for Obsolete Inventories	-	-	(1,193)	-	(1,193)
Inter Program Due From	-	-	419,562	(419,562)	-
TOTAL CURRENT ASSETS	4,700	897	9,302,046	(426,128)	8,875,918
NONCURRENT ASSETS:					
Capital Assets:					
Land	-	-	5,180,417	-	5,180,417
Buildings	-	-	45,032,277	-	45,032,277
Furniture, Equipment & Machinery - Dwellings	-	-	69,945	-	69,945
Furniture, Equipment & Machinery - Administration	-	-	1,328,512	-	1,328,512
Accumulated Depreciation	-	-	(35,020,745)	-	(35,020,745)
Total Capital Assets, Net	-	-	16,590,406	-	16,590,406
Notes, Loans and Mortgages Receivable - Non-Current	-	-	2,769,182	(20,264)	2,748,918
TOTAL NONCURRENT ASSETS	-	-	19,359,588	(20,264)	19,339,324
TOTAL ASSETS	\$ 4,700	\$ 897	\$ 28,661,634	\$ (446,392)	\$ 28,215,242

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
FINANCIAL DATA SCHEDULE
BALANCE SHEET SUMMARY
September 30, 2020

	14,896 PIH Family Self- Sufficiency Program	14,879 Mainstream Vouchers	Subtotal	Eliminations	Total
LIABILITIES AND NET POSITION					
LIABILITIES:					
CURRENT LIABILITIES:					
Accounts Payable <= 90 Days	\$ -	\$ 224	\$ 206,873	\$ -	\$ 206,873
Accrued Wage/Payroll Taxes Payable	4,700	2,143	112,415	-	112,415
Accrued Compensated Absences - Current Portion	-	2,005	179,241	-	179,241
Accrued Interest Payable	-	-	284	(284)	-
Accounts Payable - HUD PHA Programs	-	-	3,111	-	3,111
Accounts Payable - Other Government	-	-	137,738	-	137,738
Tenant Security Deposits	-	-	198,783	-	198,783
Unearned Revenue	-	-	628,304	-	628,304
Current Portion of L-T Debt - Operating Borrowings	-	-	6,282	(6,282)	-
Accrued Liabilities - Other	-	-	5,879	-	5,879
Inter Program - Due To	-	142,963	419,562	(419,562)	-
TOTAL CURRENT LIABILITIES	4,700	147,335	1,898,472	(426,128)	1,472,344
NONCURRENT LIABILITIES:					
L-T Debt, Net of Current - Operating Borrowings	-	-	20,264	(20,264)	-
Non-current Liabilities - Other	-	-	536,460	-	536,460
Accrued Compensated Absences - Non Current	-	-	119,895	-	119,895
TOTAL NONCURRENT LIABILITIES	-	-	676,619	(20,264)	656,355
TOTAL LIABILITIES	4,700	147,335	2,575,091	(446,392)	2,128,699
NET POSITION					
Net Investment in Capital Assets	-	-	16,590,406	-	16,590,406
Restricted Net Position	-	-	1,224,076	-	1,224,076
Unrestricted Net Position	-	(146,438)	8,272,061	-	8,272,061
TOTAL NET POSITION	-	(146,438)	26,086,543	-	26,086,543
TOTAL LIABILITIES AND NET POSITION	\$ 4,700	\$ 897	\$ 28,661,634	\$ (446,392)	\$ 28,215,242

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
FINANCIAL DATA SCHEDULE
REVENUE AND EXPENSE SUMMARY
Year ended September 30, 2020

	Low-Rent Public Housing 14.850	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	1 Business Activities	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers
REVENUES:						
Net Tenant Rental Revenue	\$ 1,425,801	\$ -	\$ -	\$ 201,055	\$ -	\$ -
Tenant Revenue - Other	33,021	-	-	-	-	-
Total Tenant Revenue	<u>1,458,822</u>	<u>-</u>	<u>-</u>	<u>201,055</u>	<u>-</u>	<u>-</u>
HUD PHA Operating Grants	2,340,810	249,399	6,591	-	1,995,825	32,135,802
Capital Grants	990,406	-	-	-	-	-
Management Fee	-	-	-	-	-	-
Asset Management Fee	-	-	-	-	-	-
Book Keeping Fee	-	-	-	-	-	-
Other Fees	-	-	-	12,953	-	-
Total Fee Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,953</u>	<u>-</u>	<u>-</u>
Other Government Grants	-	-	-	-	-	-
Investment Income - Unrestricted	14,056	-	-	3,687	-	15,907
Mortgage Interest Income	-	-	-	50,660	-	-
Fraud Recovery	-	-	-	-	-	93,582
Other Revenue	163,982	-	-	55,184	-	478,647
Gain or Loss on Sale of Capital Assets	-	-	-	-	-	150
TOTAL REVENUES	<u>4,968,076</u>	<u>249,399</u>	<u>6,591</u>	<u>323,539</u>	<u>1,995,825</u>	<u>32,724,088</u>
EXPENSES:						
Administrative						
Administrative Salaries	230,373	31,686	5,091	2,818	509,167	656,029
Auditing Fees	9,217	-	-	1,535	-	3,433
Management Fee	724,534	-	-	11,783	-	436,704
Book-keeping Fee	43,492	-	-	1,170	-	272,940
Advertising and Marketing	276	-	-	-	-	-
Employee Benefit contributions - Administrative	136,564	-	1,500	959	161,405	407,778
Office Expenses	134,052	-	-	9,787	-	133,719
Legal Expense	7,921	-	-	1,810	-	-
Travel Expense	1,649	-	-	9	-	6,258
Other operating - administrative	22,066	-	-	22,791	-	74,230
Total Administrative Expense	<u>1,310,144</u>	<u>31,686</u>	<u>6,591</u>	<u>52,662</u>	<u>670,572</u>	<u>1,991,091</u>
Asset Management Fee	59,160	-	-	-	-	-
Tenant Services						
Tenant Services - Salaries	89,703	32,005	-	-	38,130	-
Employee Benefit Contributions - Tenant Services	33,786	-	-	-	-	-
Tenant Services - Other	200	39,334	-	-	49,677	-
Total Tenant Services	<u>123,689</u>	<u>71,339</u>	<u>-</u>	<u>-</u>	<u>87,807</u>	<u>-</u>
Utilities						
Water	83,451	-	-	2,444	-	313
Electricity	106,997	-	-	2,621	-	7,226
Gas	44,320	-	-	-	-	1,771
Sewer	44,406	-	-	-	-	421
Total Utilities	<u>279,174</u>	<u>-</u>	<u>-</u>	<u>5,065</u>	<u>-</u>	<u>9,731</u>

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
FINANCIAL DATA SCHEDULE
REVENUE AND EXPENSE SUMMARY
Year ended September 30, 2020

	Low-Rent Public Housing 14.850	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	1 Business Activities	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers
EXPENSES (continued):						
Ordinary Maintenance and Operations						
Ordinary Maintenance and Operations - Labor	559,246	30,690	-	2,337	-	-
Ordinary Maintenance and Operations - Materials and Other	370,679	-	-	3,433	-	5,052
Ordinary Maintenance and Operations Contracts	576,930	-	-	34,556	-	29,231
Employee Benefit Contributions - Ordinary Maintenance	242,268	-	-	401	-	-
Total Maintenance	1,749,123	30,690	-	40,727	-	34,283
Protective Services						
Protective Services - Other Contract Costs	15,099	-	-	840	-	11,502
Total Protective Services	15,099	-	-	840	-	11,502
Insurance Premiums						
Property Insurance	89,848	-	-	11,814	-	931
Liability Insurance	12,021	-	-	-	-	18,360
Workmen's Compensation	56,205	-	-	-	-	76,269
All Other Insurance	16,247	-	-	-	-	9,219
Total insurance Premiums	174,321	-	-	11,814	-	104,779
General Expenses						
Other General Expenses	5,527	-	-	7,653	-	81,002
Compensated Absences	18,617	-	-	2	-	-
Payments in Lieu of Taxes	3,145	115,684	-	19,861	-	-
Bad debt - Tenant Rents	47,444	-	-	5,038	-	-
Total Other General Expenses	74,733	115,684	-	32,554	-	81,002
Financial Expenses						
Interest on Notes Payable	-	-	-	-	-	-
Total Financial Expenses	-	-	-	-	-	-
TOTAL OPERATING EXPENSES	3,785,443	249,399	6,591	143,662	758,379	2,232,388
EXCESS OPERATING REVENUE	1,182,633	-	-	179,877	1,237,446	30,491,700
Housing Assistance Payments	-	-	-	-	1,237,446	28,301,609
HAP Portability - In	-	-	-	-	-	283,150
Depreciation Expense	1,314,794	-	-	116,620	-	10,935
Total Other Expenses	1,314,794	-	-	116,620	1,237,446	28,595,694
TOTAL EXPENSES	5,100,237	249,399	6,591	260,282	1,995,825	30,828,082
EXCESS OF REVENUE OVER EXPENSES	\$ (132,161)	\$ -	\$ -	\$ 63,257	\$ -	\$ 1,896,006
Other Financing Sources						
Operating Transfer In	489,193	-	-	-	-	23,080
Operating Transfer Out	(489,193)	-	-	(23,080)	-	-
Transfers between Program and Project - In	(105,000)	-	-	-	-	-
Transfers between Project and Program - Out	105,000	-	-	-	-	-
Prior Period Adjustments, Equity Transfers, and Correction of Errors	-	-	-	-	-	-
Beginning Net Position	15,088,071	-	-	5,502,097	-	2,893,507
Ending Net Position	\$ 14,955,910	\$ -	\$ -	\$ 5,542,274	\$ -	\$ 4,812,593

HOUSING AUTHORITY OF THE COUNTY OF LAKE
 Grayslake, Illinois
 FINANCIAL DATA SCHEDULE
 REVENUE AND EXPENSE SUMMARY
 Year ended September 30, 2020

	14.169 Housing Counseling Assistance Program	14.CCC Central Office Cost Center CARES Act Funding	COCC	6.2 Component Unit - Blended	14.870 Resident Opportunity and Supportive Services
REVENUES:					
Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Tenant Revenue - Other	-	-	-	-	-
Total Tenant Revenue	-	-	-	-	-
HUD PHA Operating Grants	15,450	-	-	-	35,596
Capital Grants	-	-	-	-	-
Management Fee	-	-	1,111,145	-	-
Asset Management Fee	-	-	59,160	-	-
Book Keeping Fee	-	-	318,375	-	-
Other Fees	-	-	-	-	-
Total Fee Revenue	-	-	1,488,680	-	-
Other Government Grants	217,342	-	-	-	-
Investment Income - Unrestricted	-	-	-	3	-
Mortgage Interest Income	-	-	-	-	-
Fraud Recovery	-	-	-	-	-
Other Revenue	4,521	53,201	14,993	-	-
Gain or Loss on Sale of Capital Assets	-	-	-	-	-
TOTAL REVENUES	237,313	53,201	1,503,673	3	35,596
EXPENSES:					
Administrative					
Administrative Salaries	119,151	-	792,947	-	-
Auditing Fees	2	-	308	15	-
Management Fee	-	-	-	-	-
Book-keeping Fee	-	-	-	-	-
Advertising and Marketing	-	-	1,231	-	-
Employee Benefit contributions - Administrative	51,174	-	326,574	-	-
Office Expenses	7,893	-	103,576	56	-
Legal Expense	-	-	13,120	1,922	-
Travel Expense	2,485	-	23,212	-	-
Other operating - administrative	31,255	-	66,620	2,148	-
Total Administrative Expense	211,960	-	1,327,588	4,141	-
Asset Management Fee	-	-	-	-	-
Tenant Services					
Tenant Services - Salaries	-	20,175	-	-	25,177
Employee Benefit Contributions - Tenant Services	-	-	-	-	10,419
Tenant Services - Other	-	33,026	-	-	-
Total Tenant Services	-	53,201	-	-	35,596
Utilities					
Water	-	-	-	-	-
Electricity	-	-	6,487	-	-
Gas	-	-	-	-	-
Sewer	-	-	-	-	-
Total Utilities	-	-	6,487	-	-

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
FINANCIAL DATA SCHEDULE
REVENUE AND EXPENSE SUMMARY
Year ended September 30, 2020

	14.169 Housing Counseling Assistance Program	14.CCC Central Office Cost Center CARES Act Funding	COCC	6.2 Component Unit Blended	14.870 Resident Opportunity and Supportive Services
EXPENSES (continued):					
Ordinary Maintenance and Operations					
Ordinary Maintenance and Operations - Labor	-	-	16,407	-	-
Ordinary Maintenance and Operations - Materials and Other	-	-	11,858	-	-
Ordinary Maintenance and Operations Contracts	-	-	46,182	-	-
Employee Benefit Contributions - Ordinary Maintenance	-	-	13,252	-	-
Total Maintenance	-	-	87,699	-	-
Protective Services					
Protective Services - Other Contract Costs	-	-	8,356	-	-
Total Protective Services	-	-	8,356	-	-
Insurance Premiums					
Property Insurance	-	-	6,196	-	-
Liability Insurance	-	-	11,320	1,525	-
Workmen's Compensation	2,928	-	47,235	-	-
All Other Insurance	-	-	1,776	-	-
Total insurance Premiums	2,928	-	66,527	1,525	-
General Expenses					
Other General Expenses	-	-	-	1,900	-
Compensated Absences	568	-	35,459	-	-
Payments in Lieu of Taxes	-	-	-	-	-
Bad debt - Tenant Rents	-	-	-	-	-
Total Other General Expenses	568	-	35,459	1,900	-
Financial Expenses					
Interest on Notes Payable	-	-	-	1,323	-
Total Financial Expenses	-	-	-	1,323	-
TOTAL OPERATING EXPENSES	215,456	53,201	1,532,116	8,889	35,596
EXCESS OPERATING REVENUE	21,857	-	(28,443)	(8,886)	-
Housing Assistance Payments	-	-	-	-	-
HAP Portability - In	-	-	-	-	-
Depreciation Expense	-	-	89,909	-	-
Total Other Expenses	-	-	89,909	-	-
TOTAL EXPENSES	215,456	53,201	1,622,025	8,889	35,596
EXCESS OF REVENUE OVER EXPENSES	\$ 21,857	\$ -	\$ (118,352)	\$ (8,886)	\$ -
Other Financing Sources					
Operating Transfer In	-	-	-	-	-
Operating Transfer Out	-	-	-	-	-
Transfers between Program and Project - In	-	-	-	-	-
Transfers between Project and Program - Out	-	-	-	-	-
Prior Period Adjustments, Equity Transfers, and Correction of Errors	-	-	-	-	-
Beginning Net Position	3,947	-	1,006,669	16,969	-
Ending Net Position	\$ 25,804	\$ -	\$ 888,317	\$ 8,083	\$ -

HOUSING AUTHORITY OF THE COUNTY OF LAKE
 Grayslake, Illinois
 FINANCIAL DATA SCHEDULE
 REVENUE AND EXPENSE SUMMARY
 Year ended September 30, 2020

	14.896 PIH Family Self-Sufficiency Program	14.879 Mainstream Vouchers	Subtotal	Eliminations	Total
REVENUES:					
Net Tenant Rental Revenue	\$ -	\$ -	\$ 1,626,856	\$ -	\$ 1,626,856
Tenant Revenue - Other	-	-	33,021	-	33,021
Total Tenant Revenue	-	-	1,659,877	-	1,659,877
HUD PHA Operating Grants	248,806	99,836	37,128,115	-	37,128,115
Capital Grants	-	-	990,406	-	990,406
Management Fee	-	-	1,111,145	(1,111,145)	-
Asset Management Fee	-	-	59,160	(59,160)	-
Book Keeping Fee	-	-	318,375	(318,375)	-
Other Fees	-	-	12,953	(12,953)	-
Total Fee Revenue	-	-	1,501,633	(1,501,633)	-
Other Government Grants	-	-	217,342	-	217,342
Investment Income - Unrestricted	-	-	33,653	-	33,653
Mortgage Interest Income	-	-	50,660	(1,323)	49,337
Fraud Recovery	-	-	93,582	-	93,582
Other Revenue	-	1,293	771,821	(53,201)	718,620
Gain or Loss on Sale of Capital Assets	-	-	150	-	150
TOTAL REVENUES	248,806	101,129	42,447,239	(1,556,157)	40,891,082
EXPENSES:					
Administrative					
Administrative Salaries	-	19,900	2,367,162	-	2,367,162
Auditing Fees	-	71	14,581	-	14,581
Management Fee	-	3,108	1,176,129	(1,176,129)	-
Book-keeping Fee	-	1,943	319,545	(319,545)	-
Advertising and Marketing	-	-	1,507	-	1,507
Employee Benefit contributions - Administrative	-	5,323	1,091,277	-	1,091,277
Office Expenses	-	-	389,083	-	389,083
Legal Expense	-	-	24,773	-	24,773
Travel Expense	-	-	33,613	-	33,613
Other operating - administrative	-	243	219,353	-	219,353
Total Administrative Expense	-	30,588	5,637,023	(1,495,674)	4,141,349
Asset Management Fee	-	-	59,160	(59,160)	-
Tenant Services					
Tenant Services - Salaries	148,133	-	353,323	-	353,323
Employee Benefit Contributions - Tenant Services	100,673	-	144,878	-	144,878
Tenant Services - Other	-	-	122,237	-	122,237
Total Tenant Services	248,806	-	620,438	-	620,438
Utilities					
Water	-	-	86,208	-	86,208
Electricity	-	-	123,331	-	123,331
Gas	-	-	46,091	-	46,091
Sewer	-	-	44,827	-	44,827
Total Utilities	-	-	300,457	-	300,457

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
FINANCIAL DATA SCHEDULE
REVENUE AND EXPENSE SUMMARY
Year ended September 30, 2020

	14.896 PIH Family Self-Sufficiency Program	14.879 Mainstream Vouchers	Subtotal	Eliminations	Total
EXPENSES (continued):					
Ordinary Maintenance and Operations	-	-	608,680	-	608,680
Ordinary Maintenance and Operations - Labor	-	-			
Ordinary Maintenance and Operations - Materials and Other	-	-	391,022	-	391,022
Ordinary Maintenance and Operations Contracts	-	-	686,899	-	686,899
Employee Benefit Contributions - Ordinary Maintenance	-	-	255,921	-	255,921
Total Maintenance	-	-	1,942,522	-	1,942,522
Protective Services					
Protective Services - Other Contract Costs	-	-	35,797	-	35,797
Total Protective Services	-	-	35,797	-	35,797
Insurance Premiums					
Property Insurance	-	-	108,789	-	108,789
Liability Insurance	-	-	43,226	-	43,226
Workmen's Compensation	-	-	182,637	-	182,637
All Other Insurance	-	-	27,242	-	27,242
Total insurance Premiums	-	-	361,894	-	361,894
General Expenses					
Other General Expenses	-	-	96,082	-	96,082
Compensated Absences	-	2,005	56,651	-	56,651
Payments in Lieu of Taxes	-	-	138,690	-	138,690
Bad debt - Tenant Rents	-	-	52,482	-	52,482
Total Other General Expenses	-	2,005	343,905	-	343,905
Financial Expenses					
Interest on Notes Payable	-	-	1,323	(1,323)	-
Total Financial Expenses	-	-	1,323	(1,323)	-
TOTAL OPERATING EXPENSES	248,806	32,593	9,302,519	(1,556,157)	7,746,362
EXCESS OPERATING REVENUE	-	68,536	33,144,720	-	33,144,720
Housing Assistance Payments	-	231,969	29,771,024	-	29,771,024
HAP Portability - In	-	-	283,150	-	283,150
Depreciation Expense	-	-	1,532,258	-	1,532,258
Total Other Expenses	-	231,969	31,586,432	-	31,586,432
TOTAL EXPENSES	248,806	264,562	40,888,951	1,556,157	39,332,794
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ (163,433)	\$ 1,558,288	\$ -	\$ 1,558,288
Other Financing Sources					
Operating Transfer In	-	-	512,273	(512,273)	-
Operating Transfer Out	-	-	(512,273)	512,273	-
Transfers between Program and Project - In	-	-	(105,000)	105,000	-
Transfers between Project and Program - Out	-	-	105,000	(105,000)	-
Prior Period Adjustments, Equity Transfers, and Correction of Errors	-	(241,553)	(241,553)	-	(241,553)
Beginning Net Position	-	258,548	24,769,808	-	24,769,808
Ending Net Position	\$ -	\$ (146,438)	\$ 26,086,543	\$ -	\$ 26,086,543

**HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois**

**STATEMENT AND CERTIFICATION OF CAPITAL FUND PROGRAM COSTS
September 30, 2020**

1 Actual Capital Fund Program costs are as follows:	IL01P056501-17
Funds approved	\$ 971,049
Funds expended	971,049
Excess of Funds Approved	\$ <u><u>-</u></u>
Funds advanced	\$ 971,049
Funds expended	<u>971,049</u>
Excess of Funds Advanced	\$ <u><u>-</u></u>

2 The costs as shown on the Actual Cost Certificate dated August 14, 2020 submitted to HUD for approval is in agreement with the PHA's records as of September 30, 2020.

3 All costs have been paid and all related liabilities have been discharged through payments.

**HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois**

**STATEMENT AND CERTIFICATION OF CAPITAL FUND PROGRAM COSTS
September 30, 2020**

1 Actual Capital Fund Program costs are as follows:

IL01P056501-18

Funds approved	\$	1,496,531
Funds expended		1,496,531
Excess of Funds Approved	\$	<u><u>-</u></u>
Funds advanced	\$	1,496,531
Funds expended		<u><u>1,496,531</u></u>
Excess of Funds Advanced	\$	<u><u>-</u></u>

2 The costs as shown on the Actual Cost Certificate dated August 14, 2020 submitted to HUD for approval is in agreement with the PHA's records as of September 30, 2020.

3 All costs have been paid and all related liabilities have been discharged through payments.



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6903 Rockledge Drive
Suite 300
Bethesda, MD 20817

301-564-3636

STRENGTH IN NUMBERS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners
Housing Authority of the County of Lake
Grayslake, 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 Lake, Illinois, (Authority), as of and for the year ended September 30, 2020 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 17, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Member, American Institute of Certified Public Accountants

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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the 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*.

Housing Authority of the County of Lake's Response to Finding

The Authority's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bethesda, Maryland
November 17, 2021



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Bethesda, MD 20817

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

Board of Commissioners
Housing Authority of the County of Lake
Grayslake, Illinois

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the County of Lake, Illinois's (the Authority's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2020. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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



Member, American Institute of Certified Public Accountants

Opinion on Each Major Federal Program

In our opinion, the Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Bethesda, Maryland
November 17, 2021

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended September 30, 2020

Federal Grantor/Program or Cluster Title	CFDA Number	Total Federal Expenditures
Department of Housing and Urban Development Programs		
Housing Voucher Cluster:		
Housing Choice Vouchers	14.871	\$ 32,135,802
Housing Choice Voucher - CARES Act	14.HCC	1,995,825
Mainstream Vouchers	14.879	99,836
Mainstream CARES Act	14.MSC	6,591
Housing Choice Voucher Cluster		<u>34,238,054</u>
Public and Indian Housing	14.850	1,565,102
Public and Indian Housing - CARES Act	14.PHC	249,399
		<u>1,814,501</u>
Capital Fund Program	14.872	1,766,114
Resident Opportunity and Supportive Services	14.870	35,596
Housing Counseling Assistance Program	14.169	15,450
PIH Family Self-Sufficiency Program	14.896	248,806
Total HUD Expenditures		<u>38,118,521</u>
TOTAL FEDERAL EXPENDITURES		<u><u>\$ 38,118,521</u></u>

See Notes to the Schedule

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2020

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Housing Authority of the County of Lake, Illinois (the Authority) under programs of the federal government for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the 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. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. INDIRECT COST RATE

The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2020**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor’s report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material Weakness(es) identified? | Yes |
| b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? | None reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|---------------|
| 4. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? | None reported |
| 5. Type of auditor’s report issued on compliance for major programs: | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Uniform Guidance? | No |

7. Identification of Major Programs:

<u>Federal Grantor/Program Title</u>	<u>CFDA No.</u>		
U.S. Department of Housing and Urban Development (HUD):			
Housing Voucher Cluster	14.871/14.HCC/ 14.879/14.MSC	\$	34,238,054

- | | |
|---|------------|
| 8. Dollar threshold used to distinguish between Type A and Type B programs: | \$ 750,000 |
| 9. Auditee qualified as low-risk auditee under Uniform Guidance, section 530? | Yes |

**HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2020**

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2020-001 Prior Period Adjustment – Material Weakness

Condition: The financial statements required a prior period adjustment of \$241,553 to the beginning net position to reflect amounts owed to HUD from the Authority’s Mainstream Vouchers program.

Criteria: Internal controls should be in place that provide reasonable assurance that financial statements will not require material adjustments to prior year balances.

Cause: HUD review of the Authority’s Mainstream Voucher program resulted in the Authority being required to repay \$241,553 to HUD.

Effect: The beginning net position of the Authority’s Mainstream Voucher program required a material adjustment in order for the September 30, 2020 financial statements to be fairly stated.

Recommendation: Procedures should be implemented to prevent errors in reporting grant activity so that financial statements are materially accurate.

Views of Responsible Officials and Planned Corrective Actions: The Authority will utilize its fee accountant to assist in reviewing financial reporting for its various grants.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

HOUSING AUTHORITY OF THE COUNTY OF LAKE
Grayslake, Illinois
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
September 30, 2020

SECTION I – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

SECTION II – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

**Certification by State or Local
Official of PHA Plans Consistency
with the Consolidated Plan or
State Consolidated Plan
(All PHAs)**

U. S Department of Housing and Urban Development

Office of Public and Indian Housing

OMB No. 2577-0226

Expires 3/31/2024

**Certification by State or Local Official of PHA Plans
Consistency with the Consolidated Plan or State Consolidated Plan**

I, Brenda O'Connell, the Community Development Administrator
Official's Name *Official's Title*

certify that the 5-Year PHA Plan for fiscal years 2022-2023 and/or Annual PHA Plan for fiscal year 2022 of the Lake County Housing Authority is consistent with the

PHA Name

Consolidated Plan or State Consolidated Plan including the Analysis of Impediments (AI) to Fair Housing Choice or Assessment of Fair Housing (AFH) as applicable to the

County of Lake, IL

Local Jurisdiction Name

pursuant to 24 CFR Part 91 and 24 CFR §§ 903.7(o)(3) and 903.15.

Provide a description of how the PHA Plan's contents are consistent with the Consolidated Plan or State Consolidated Plan.

The Lake County Consolidated Plan places high priority on affordable housing such as the housing Authority's low rent developments, providing priority to homeless population through Mainstream voucher program, and ensuring decent, safe, sanitary, and well-maintained housing and services. Participate in fair housing activities, advertise openings to Lake County residents in Spanish language.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official:	Title:
Brenda O'Connell	County of Lake Community Development Administrator
Signature:	Date:

The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. 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. This information is collected to ensure consistency with the consolidated plan or state consolidated plan.

Public reporting burden for this information collection is estimated to average 0.16 hours per year 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. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Civil Rights Certification
(Qualified PHAs)

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB Approval No. 2577-0226
Expires 3/31/2024

Civil Rights Certification

Annual Certification and Board Resolution

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairperson or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the 5-Year PHA Plan, hereinafter referred to as "the Plan", of which this document is a part, and make the following certification and agreements with the Department of Housing and Urban Development (HUD) for the fiscal year beginning 10/2022 in which the PHA receives assistance under 42 U.S.C. 1437f and/or 1437g in connection with the mission, goals, and objectives of the public housing agency and implementation thereof:

The PHA certifies that it will carry out the public housing program of the agency in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d—4), the Fair Housing Act (42 U.S.C. 3601-19), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), title II of the Americans with Disabilities Act (42 U.S.C. 12101 et seq.), and other applicable civil rights requirements and that it will affirmatively further fair housing in the administration of the program. In addition, if it administers a Housing Choice Voucher Program, the PHA certifies that it will administer the program in conformity with the Fair Housing Act, title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, title II of the Americans with Disabilities Act, and other applicable civil rights requirements, and that it will affirmatively further fair housing in the administration of the program. The PHA will affirmatively further fair housing, which means that it will take meaningful actions to further the goals identified in the Assessment of Fair Housing (AFH) conducted in accordance with the requirements of 24 CFR § 5.150 through 5.180, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR § 903.7(o)(3). The PHA will fulfill the requirements at 24 CFR § 903.7(o) and 24 CFR § 903.15(d). Until such time as the PHA is required to submit an AFH, the PHA will fulfill the requirements at 24 CFR § 903.7(o) promulgated prior to August 17, 2015, which means that it examines its programs or proposed programs; identifies any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with local jurisdictions to implement any of the jurisdiction’s initiatives to affirmatively further fair housing that require the PHA’s involvement; and maintains records reflecting these analyses and actions.

Lake County Housing Authority

II056

PHA Name

PHA Number/HA Code

I hereby certify that all the statement above, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Executive Director:

Lorraine Hocker

Signature

Date

Name of Board Chairperson:

Dr. H Lee Jordan Jr.

Signature

Date

The United States Department of Housing and Urban Development is authorized to collect the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. 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. The information is collected to ensure that PHAs carry out applicable civil rights requirements.

Public reporting burden for this information collection is estimated to average 0.16 hours 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. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

**Certifications of Compliance with
PHA Plan and Related Regulations
(Standard, Troubled, HCV-Only, and
High Performer PHAs)**

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 3/31/2024

**PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations
including PHA Plan Elements that Have Changed**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairperson or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the ___ 5-Year and/or X Annual PHA Plan, hereinafter referred to as "the Plan", of which this document is a part, and make the following certification and agreements with the Department of Housing and Urban Development (HUD) for the PHA fiscal year beginning 2022, in connection with the submission of the Plan and implementation thereof:

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located (24 CFR § 91.2).
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments (AI) to Fair Housing Choice, or Assessment of Fair Housing (AFH) when applicable, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan (24 CFR §§ 91.2, 91.225, 91.325, and 91.425).
3. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Resident Advisory Board or Boards in developing the Plan, including any changes or revisions to the policies and programs identified in the Plan before they were implemented, and considered the recommendations of the RAB (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
4. The PHA provides assurance as part of this certification that:
 - (i) The Resident Advisory Board had an opportunity to review and comment on the changes to the policies and programs before implementation by the PHA;
 - (ii) The changes were duly approved by the PHA Board of Directors (or similar governing body); and
 - (iii) The revised policies and programs are available for review and inspection, at the principal office of the PHA during normal business hours.
5. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
6. The PHA certifies that it will carry out the public housing program of the agency in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601-19), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), title II of the Americans with Disabilities Act (42 U.S.C. 12101 et seq.), and other applicable civil rights requirements and that it will affirmatively further fair housing in the administration of the program. In addition, if it administers a Housing Choice Voucher Program, the PHA certifies that it will administer the program in conformity with the Fair Housing Act, title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, title II of the Americans with Disabilities Act, and other applicable civil rights requirements, and that it will affirmatively further fair housing in the administration of the program.
7. The PHA will affirmatively further fair housing, which means that it will take meaningful actions to further the goals identified in the Assessment of Fair Housing (AFH) conducted in accordance with the requirements of 24 CFR § 5.150 through 5.180, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR § 903.7(o)(3). The PHA will fulfill the requirements at 24 CFR § 903.7(o) and 24 CFR § 903.15(d). Until such time as the PHA is required to submit an AFH, the PHA will fulfill the requirements at 24 CFR § 903.7(o) promulgated prior to August 17, 2015, which means that it examines its programs or proposed programs; identifies any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; and maintains records reflecting these analyses and actions.
8. For PHA Plans that include a policy for site-based waiting lists:
 - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2011-65);

- The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
 - Adoption of a site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
 - The PHA shall take reasonable measures to assure that such a waiting list is consistent with affirmatively furthering fair housing; and
 - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR 903.7(o)(1).
9. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
 10. In accordance with 24 CFR § 5.105(a)(2), HUD's Equal Access Rule, the PHA will not make a determination of eligibility for housing based on sexual orientation, gender identify, or marital status and will make no inquiries concerning the gender identification or sexual orientation of an applicant for or occupant of HUD-assisted housing.
 11. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
 12. The PHA will comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
 13. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
 14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
 15. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
 16. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
 17. The PHA will keep records in accordance with 2 CFR 200.333 and facilitate an effective audit to determine compliance with program requirements.
 18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
 19. The PHA will comply with the policies, guidelines, and requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Financial Assistance, including but not limited to submitting the assurances required under 24 CFR §§ 1.5, 3.115, 8.50, and 107.25 by submitting an SF-424, including the required assurances in SF-424B or D, as applicable.
 20. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
 21. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
 22. The PHA certifies that it is in compliance with applicable Federal statutory and regulatory requirements, including the Declaration of Trust(s).

Lake County Housing Authority

IL056

PHA Name

PHA Number/HA Code

Annual PHA Plan for Fiscal Year 20 22

5-Year PHA Plan for Fiscal Years 20 - 20

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Name of Executive Director

Name

Lorraine Hocker

Dr. H Lee Jordan Jr. Board Chairman

Signature

Date

Signature

Date

The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. 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. This information is collected to ensure compliance with PHA Plan, Civil Rights, and related laws and regulations including PHA plan elements that have changed.

Public reporting burden for this information collection is estimated to average 0.16 hours per year 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. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.