



Yolo County Housing

Lisa A. Baker, Executive Director

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DATE: December 9, 2010
TO: YCH Board of Commissioners
FROM: Lisa A. Baker, Executive Director
By: Mark Stern, Finance Director
SUBJECT: **Authorize the YCH to write off Bad Debts of Approximately \$17,800 for the Low Income Public Housing Program and Cottonwood Meadows for the Six Months Ended 9/30/2010.**

RECOMMENDED ACTIONS:

That the Board of Commissioners:

1. Authorize staff to write off bad debts of the Yolo County Housing Low Income Public Housing Program and Cottonwood Meadows of approximately \$17,800 for the six months ended 9/30/2010.

BACKGROUND / DISCUSSION

In accordance with the approved Accounts Receivable Write Off policy, Real Estate Services and Finance staffs have reviewed the accounts receivable and identified amounts that are deemed to be uncollectible. Assuring that accounts receivable are not misstated protects the integrity of the agency financial statements. Accounts written off are submitted for collection but collections for previous write-offs have been -0- to date. No write off was requested for the quarter ended June 30. This request is slightly higher than the historical amounts incurred in the last several years and would extrapolate to about \$35,000 for the 2010-2011 fiscal year.

FISCAL IMPACT

For the six (6) months, the bad debts requested to be written off total approximately \$17,800. This amount is 1.9% of total rents charged by the programs. The percentage increase in the current quarter is indicative of the economic problems that our residents face.

Write-offs by year have been:

	<u>Amount</u>	<u>% of Rent</u>
	<u>LIPH/Cottonwood/Davis Solar</u>	
• 2007-2008	\$29,000	1.29%
• 2008-2009	\$25,500	1.16%

- 2009-2010 (9 mos) \$19,200 1.23%

The list of delinquent accounts is available for review at the YCH Finance Department.

CONCLUSION

We need to ensure that the accounts receivable reflected on the books represent the accounts that YCH would have a good chance of being able to successfully collect. In addition, bad debt accounts turned over to the collection agency sooner have a better chance of being collectible.