



Yolo County Housing

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BOARD OF COMMISSIONERS

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DATE: May 19, 2011
TO: YCH Board of Commissioners
FROM: Lisa A. Baker, Executive Director
By: Mark Stern, Finance Director
SUBJECT: **Authorize Yolo County Housing to write off Bad Debts of Approximately \$4,500 for the Low Income Public Housing Program and Cottonwood Meadows for the Six Months Ended March 31, 2011**

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 \$4,500 for the six months ended 3/31/2011.

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. This request is significantly lower than the historical amounts incurred in the last several years. When combined with the September 30, 2010 write approved off of \$17,300, this amount is slightly higher than historical amounts. However the September 30 write off included three months of the 2009-2010 fiscal year.

FISCAL IMPACT

For the six (6) months, the bad debts requested to be written off total approximately \$4,500. This amount is 0.42% of total rents charged by the programs during this six month period.

Write-offs approved 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% |

Working together to provide quality affordable housing and community development services for all

- | | | |
|-----------------------|----------|-------|
| • 2009-2010 | \$19,200 | 1.23% |
| • 2010-2011 (9 mos)** | \$22,300 | 1.49% |

**The 2010-2011 amount includes the final three months of the 2009-2010 fiscal year

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. Staff recommends that the Board approve the requested authorization.