

HOUSING AUTHORITY OF THE CITY OF NORTH LAS VEGAS

FINANCIAL ISSUES AND CONCERNS

Section 4

PROGRAMS

- The Housing Authority programs can be categorized by their primary revenue sources.
- Federal aided programs like the Section 8 Voucher program and the Federal Low Rent/Public Housing program
- Non-Aided programs like Thunderbird apartments, scattered site housing, Housing Ventures Inc, and Yale-Keys partnership

The Federal Low-Rent Program

- The Authority receives monthly subsidy from HUD on this program and transfers the funds to the Housing Authority of the City of Las Vegas (HACLV) on a monthly basis.
- The management agreement went into effect on July 1, 2008.
- The HACLV has been able to managed the program with the rents collected and the subsidy provided.

Voucher Program Issues

- Management began to provide assistance to applicants without the necessary financial commitment from HUD.
- In February and March of 2009, the Authority had committed to approximately \$250,000 per month, in assistance without HUD funds.
- The Voucher program had no fund balance to support the excess payments
- City staff requested an advance of future funding from HUD; HUD provided that assistance under conditions.

Voucher Program Issues- What Happened?

- The Housing Authority had received in excess of \$5,000,000 of Housing Assistance Payment Funding (HAP).
- HUD reduced monthly funding so that the Authority could use the excess funds.
- The Authority committed to HAP assistance apparently with little regard to the fact that the excess funds once used would not be replaced by HUD.

Management Used Voucher Program HAP Funds for Administrative Costs and Loans to the Non-Aided Programs

- Management used some of the excess HAP funding from HUD to pay for administrative costs of the program.
- As of the end of June 30, 2008, management had an operating administrative fund deficit of \$496,546
- As of the end of June 30, 2008, management had allowed loans to be made to the non-aided programs totaling \$498,696
- Therefore, \$995,242 of cash that should have been available for HAP was not available.

Federal Low Rent Program Loans

- As of June 30, 2008, the Non-Aided programs had loans due to the Federal Low Rent Program of \$461,537

Due To/From - Interfund Loans

Due from (due to) or Interfund Loans				
	2005	2006	2007	2008
Federal Low-Rent	364,757	2,963,916	279,883	461,537
Voucher Program	151,708	654,861	392,581	498,696
Non-Aided	(516,465)	(3,618,777)	(672,464)	(960,233)

Audit report data used for 2005, 2006, 2007 fiscal years. Trail balance data used for fiscal year ended 6/30/2008.

Cash and Investments

	2005	2006	2007	2008	Jan 2009
Federal Low-Rent	139,879	3,399	34,532	33,181	-
Voucher Program	981,129	2,105,931	4,757,822	2,448,443	18,217
Non-Aided	7,454	57,005	49,549	(68,060)	13,180

Audit data was used for 2005-2007.

Trail Balance data was used for 2008

Bank balance was used for January 2009 and does not include outstanding checks

Non-Aided Program Cash Funds

- The programs have limited funds. The Reveolving Fund bank account balance as of January 31, 2009 was only \$13,180.
- The Authority has outstanding pas due liabilities of approximately \$283,000
- The Non-Aided program generates approximately \$71,000 a month in revenue. However, the monthly operating costs and payments for debt service is estimated at \$xx,xxx per month.

Past Due Liabilities

Legal Services	74,000
Insurance	54,000
Compensation Due Retired Employees	108,000
Operating and Administrative	<u>47,000</u>
	<u>\$ 283,000</u>