

NAHAC



FINANCE SUMMARY

Prepared By: Brian Hardy

Date Prepared: 12/08/2016

1. **Summary**

The Organization has been heavily involved in correcting all deficiencies with Treasury, including the reporting of the accounting information in accordance with rules, regulations, and suggested methods.

2. **Finance Report Discussion**

Balance Sheet

 - Remaining funding available will depend heavily upon approval of the draw request.
 - We have a lengthy discussion with Brian Hiles from Treasury regarding bad debt expenses and the recording of lien recoveries. See actions below.

Income Statement

 - There was a significant increase in funding due to efforts to improve performance.
 - One employee from the Reno office received wages during November, at which point they were terminated in the payroll system.
 - There was a balance in accrued liabilities of \$7,500 that showed as payable to Gary Lien, CPA. We called that firm to inquire as to an existing balance, and was informed that there was none; therefore, this total balance was written off with a July date, resulting in a negative balance for that month.
 - The Reno office rent continued through November, contrary to initial expectations.
 - Additional services provided by Ellsworth & Stout during the month.
 - Total operating expenses have been consist at around \$135k for the past 3 months, which is a good indicator of the stability of the spending at this point.

3. **Actions & Recommendations**
 - Discuss lien recoveries and the appropriate accounting methods to be used in recording those transactions
 - We recommend that the "class" function be utilized going forward in Quickbooks to differentiate the amounts that are related to HHF and those that are related to other functions (such as culinary activities and unallowed expenditures. This way, the net income for the HHF will still net to zero, and we can see those that are unallowed at any given point.

Discuss any questions.

Nevada Affordable Housing Assistance Corporation

Balance Sheet

As of October 31, 2016

Accrual Basis

	Nov 30, 16	Oct 31, 16	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
10100 - Checking - Operating (BNY 9079)	364,334.00	3,701,891.00	-3,337,557.00	-90.2%
10200 - Checking - ACH Txfr (BNY 6666)	15,611.00	22,480.00	-6,869.00	-30.6%
10300 - Investment Account - BNY Sweep	2,368,528.00	0.00	2,368,528.00	100.0%
Total Checking/Savings	2,748,473.00	3,724,371.00	-975,898.00	-26.2%
Accounts Receivable				
11000 - Accounts Receivable	5,700.00	5,800.00	-100.00	-1.7%
11100 - Funds Receivable B-4 Client	81,926.00	86,995.00	-5,069.00	-5.8%
12000 - Allowance for Doubtful Accounts	-49,766.00	-49,766.00	0.00	0.0%
Total Accounts Receivable	37,860.00	43,029.00	-5,169.00	-12.0%
Other Current Assets				
13000 - Prepaid Expenses	22,900.00	21,143.00	1,757.00	8.3%
Total Other Current Assets	22,900.00	21,143.00	1,757.00	
Total Current Assets	2,809,233.00	3,788,543.00	-979,310.00	-25.8%
Fixed Assets				
15000 - Fixed Assets				
15100 - Office Equipment	112,457.00	112,457.00	0.00	0.0%
15200 - Software	67,825.00	67,825.00	0.00	0.0%
15300 - Furniture and Fixtures	24,742.00	24,742.00	0.00	0.0%
Total 15000 - Fixed Assets	205,024.00	205,024.00	0.00	0.0%
16000 - Accumulated Depreciation	-165,482.00	-163,551.00	-1,931.00	1.2%
Total Fixed Assets	39,542.00	41,473.00	-1,931.00	-4.7%
Other Assets				
17000 - Refundable Deposits	16,137.00	16,137.00	0.00	0.0%
Total Other Assets	16,137.00	16,137.00	0.00	0.0%
TOTAL ASSETS	2,864,912.00	3,846,153.00	-981,241.00	-25.5%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Other Current Liabilities				
23000 - Accrued Expenses	40,800.00	40,800.00	0.00	0.0%
25000 - Deferred Revenue	2,822,095.00	3,803,336.00	-981,241.00	-25.8%
Total Other Current Liabilities	2,862,895.00	3,844,136.00	-981,241.00	-25.5%
Total Current Liabilities	2,862,895.00	3,844,136.00	-981,241.00	-25.5%
Long Term Liabilities				
27000 - Unclaimed Property	2,017.00	2,017.00	0.00	0.0%
Total Long Term Liabilities	2,017.00	2,017.00	0.00	0.0%
Total Liabilities	2,864,912.00	3,846,153.00	-981,241.00	-25.5%

Nevada Affordable Housing Assistance Corporation

Balance Sheet

As of October 31, 2016

Accrual Basis

	Nov 30, 16	Oct 31, 16	\$ Change	% Change
Equity				
30000 - Unrestricted Net Assets	0.00	0.00	0.00	0.0%
Net Income	0.00	0.00	0.00	0.0%
Total Equity	0.00	0.00	0.00	0.0%
TOTAL LIABILITIES & EQUITY	2,864,912.00	3,846,153.00	-981,241.00	-25.5%

NAHAC Income Statement
September 2016

	Budget	Current												YTD Actual w/ Budget	% of Budget
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		
INCOME															
Total Program Contract Revenue	25,722,475	364,631	394,042	419,152	411,276	991,254	1,592,327	2,427,075	3,711,893	3,687,143	3,687,254	3,686,893	3,687,943	22,480,528	87%
Other Revenues															
41000 Lien Satisfaction Recoveries	216,000	19,801	23,233	13,479	19,392	12,997	18,000	18,000	18,000	18,000	18,000	18,000	18,000	214,902	99%
42000 Interest Income	600	-	40	37	32	29	-	-	-	-	-	-	-	138	23%
Total Other Revenues	216,600	19,801	23,273	13,516	19,424	13,026	18,000	18,000	18,000	18,000	18,000	18,000	18,000	215,040	99%
TOTAL INCOME	25,939,075	384,432	417,315	432,668	430,700	1,004,280	1,610,327	2,445,075	3,729,893	3,705,143	3,705,254	3,704,893	3,705,943	25,275,923	97%
Direct Program Funding Costs															
50100 B1 Principal Reduction	19,100,000	176,094	232,600	198,631	259,576	615,554	1,161,048	1,824,504	2,861,154	2,861,154	2,861,154	2,861,154	2,861,154	18,773,777	98%
50200 B2 SMRP	485,000	130,544	60,665	85,103	-	243,877	-	-	-	-	-	-	-	520,189	107%
50400 B4 MAP (UMA)	1,750,000	8,690	21,020	-	30,318	-	98,400	164,000	254,200	254,200	254,200	254,200	254,200	1,593,428	91%
50800 B8 MRAP (MRP)	2,250,000	-	-	-	-	-	148,540	237,644	371,250	371,250	371,250	371,250	371,250	2,242,434	100%
TOTAL DIRECT PROGRAM FUNDING COSTS	23,585,000	315,328	314,285	283,734	289,894	859,431	1,407,988	2,226,148	3,486,604	3,486,604	3,486,604	3,486,604	3,486,604	23,129,828	98%
GROSS EARNINGS	2,354,075	69,104	103,030	148,934	140,806	144,849	202,339	218,927	243,289	218,539	218,650	218,289	219,339	2,146,095	91%
EXPENSES															
Transaction Related Expenses 60000															
61000 Recording Fees	45,000	6,018	2,668	4,533	5,329	4,022	3,521	3,521	3,521	3,521	3,521	3,521	3,521	47,218	105%
62000 Appraisal Fees	107,000	1,400	350	4,000	400	-	11,250	11,250	11,250	11,250	11,250	11,250	11,250	84,900	79%
63000 Bank Fees	21,000	160	970	1,200	837	998	2,068	2,068	2,068	2,068	2,068	2,068	2,068	18,641	89%
Counseling Expenses 64000:															
64100 Business Partners	30,000	2,450	-	-	-	-	2,113	2,113	2,113	2,113	2,113	2,113	2,113	17,238	57%
64200 Statistical Data	20,000	467	467	4,967	-	4,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	20,901	105%
64300 File Intake Costs	110,000	-	107	106	104	106	13,300	13,300	13,300	13,300	13,300	13,300	13,300	93,523	85%
64000 Counseling Expenses- Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total Counseling Expenses	160,000	2,917	574	5,073	104	4,606	16,913	16,913	16,913	16,913	16,913	16,913	16,913	131,662	82%
Total Transaction Related Expenses	333,000	10,495	4,562	14,806	6,670	9,626	33,752	33,752	33,752	33,752	33,752	33,752	33,752	282,420	85%
General and Administrative Expenses 70000															
Compensation Expenses 71000															
Salaries and Wages 71100:															
71110 Operations	260,000	4,198	33,597	28,501	19,068	19,248	21,001	21,001	21,001	21,001	21,001	21,001	21,001	251,620	97%
71120 Accounting	50,000	2,800	7,403	7,429	3,924	3,139	3,401	3,401	3,401	3,401	3,401	3,401	3,401	48,501	97%
71130 Underwriting	120,000	4,448	9,446	14,442	10,111	10,318	9,740	9,740	9,740	9,740	9,740	9,740	9,740	116,947	97%
71140 Closing and Recon	180,000	3,927	14,678	22,021	14,686	16,062	14,435	13,664	13,664	13,664	13,664	13,664	13,664	167,792	93%
71160 Temporary Labor	60,000	-	-	-	-	-	5,915	7,886	7,886	7,886	7,886	7,886	7,886	53,231	89%
Total Salaries and Wages	670,000	15,373	65,124	72,393	47,789	48,767	54,492	55,692	55,692	55,692	55,692	55,692	55,692	638,092	95%
71200 Payroll Tax Expenses	60,000	2,349	6,552	6,610	4,974	3,845	4,947	4,947	4,947	4,947	4,947	4,947	4,947	58,956	98%
Employee Benefits and Other HR 71300															
71310 Medical and Dental	122,900	9,819	5,198	9,051	5,445	11,675	10,242	10,242	10,242	10,242	10,242	10,242	10,242	112,880	92%
71320 Workers' Compensation	1,700	-	287	-	1,381	-	142	142	142	142	142	142	142	2,660	156%
71330 Employee Training	500	-	-	10	-	-	-	-	-	-	-	-	-	460	92%
71340 Payroll Processing Charges	16,900	1,203	2,818	1,067	1,035	1,619	980	980	980	980	980	980	980	14,602	86%
71300 Other Employee Benefits and HR	-	-	-	-	-	309	-	-	-	-	-	-	-	309	0%
Total Employee Benefits and Other HR	142,000	11,022	8,303	10,128	7,861	13,603	11,363	11,363	11,363	11,363	11,363	11,363	11,813	130,911	92%
Total Compensation Expenses	872,000	28,744	79,979	89,131	60,624	66,215	70,802	72,002	72,002	72,002	72,002	72,002	72,452	827,958	95%

NAHAC Income Statement
September 2016

	Budget	Current												YTD Actual	
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	w/ Budget	% of Budget
Advertising, Marketing and PR 72000															
72100 Website Expenses	400	-	180	-	-	-	-	180	-	-	-	-	-	360	90%
72200 Marketing Expenses	120,000	-	250	-	-	-	14,583	14,583	14,583	14,583	14,583	14,583	15,183	102,931	86%
72300 Sponsorships	500	-	-	-	-	-	250	-	-	250	-	-	-	500	100%
Total Advertising, Marketing and PR	120,900	-	430	-	-	-	14,833	14,763	14,583	14,833	14,583	14,583	15,183	103,791	86%
Professional Services 73000															
73100 Accounting and Audit Services	85,000	(7,400)	100	100	3,500	8,000	3,500	3,500	28,500	3,500	3,500	3,500	3,500	53,800	63%
73200 Legal Services	150,000	7,826	-	9,733	22,993	329	12,500	12,500	12,500	12,500	12,500	12,500	12,500	128,381	86%
73300 Consulting Services	161,000	-	-	3,000	14,101	35,902	17,496	17,496	17,496	17,496	17,496	17,496	17,496	175,478	109%
73400 Other Professional Services	1,000	62	-	62	-	250	62	62	62	62	62	62	62	808	81%
Total Professional Services	397,000	488	100	12,895	40,594	44,481	33,558	33,558	58,558	33,558	33,558	33,558	33,558	358,467	90%
Building, Leases and Equipment 74000															
74100 Rent - Office	87,635	8,170	8,470	8,170	8,170	8,170	6,870	6,870	6,870	6,870	6,870	6,870	6,870	89,237	102%
74200 Rent - Equipment	1,440	358	-	361	377	361	-	358	-	-	361	-	-	2,176	151%
74300 Building Repairs and Maintenance	1,000	-	-	-	-	-	83	83	83	83	83	83	83	583	58%
74400 Equipment Repairs and Maintenance	1,800	7	144	288	-	144	150	150	150	150	150	150	150	1,633	91%
74500 Utilities Expense	700	54	-	109	27	88	54	54	54	54	54	54	54	658	94%
74600 Janitorial Expense	2,750	-	-	305	360	360	305	305	305	305	305	305	305	3,160	115%
Total Building, Leases and Equipment	95,325	8,589	8,614	9,233	8,934	9,123	7,462	7,820	7,462	7,462	7,823	7,462	7,462	97,447	102%
Insurance Expense 75000															
75100 Directors & Officers Insurance	20,000	1,667	1,667	1,667	1,563	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	19,898	
75200 Property and General Liability Insurance	3,650	301	301	301	301	301	301	301	301	301	301	301	301	3,613	99%
75300 Crime Insurance	5,800	484	484	484	484	484	484	484	484	484	484	484	484	5,806	100%
75500 Cyber Insurance	4,000	329	329	329	329	329	329	329	329	329	329	329	329	3,945	99%
75500 Professional Liability Insurance	10,800	900	900	900	900	900	900	900	900	900	900	900	900	10,797	100%
Total Insurance Expense	44,250	3,681	3,681	3,681	3,577	3,681	3,680	3,680	3,680	3,680	3,680	3,680	3,680	44,059	100%
Office Expenses 76000															
76100 Supplies	15,000	807	332	1,092	593	75	1,250	1,250	1,250	1,250	1,250	1,250	1,250	11,649	78%
76200 Postage and Freight	3,700	310	22	305	556	506	308	308	308	308	308	308	308	3,857	104%
76400 Office Furniture and Equipment	5,000	3,143	-	-	-	-	167	167	167	167	167	167	167	4,310	86%
76500 Dues and Subscriptions	500	-	-	-	-	-	42	42	42	42	42	42	42	292	58%
76600 Document Storage and Destruction	1,200	61	97	60	97	122	97	97	97	97	97	97	97	1,116	100%
Total Office Expenses	25,400	4,321	451	1,457	1,246	703	1,864	1,864	1,864	1,864	1,864	1,864	1,864	21,224	84%
Information, Tech and Communications 77000															
77100 Technology Hardware	3,000	-	-	-	-	-	250	250	250	250	250	250	250	1,750	58%
77200 Software Expense	50,000	1,633	491	491	491	509	4,694	4,694	4,694	4,694	4,694	4,694	4,694	36,476	73%
77300 Telephone / Internet / Security	20,000	1,052	247	1,701	370	1,765	1,482	1,482	1,482	1,482	1,482	1,482	1,482	15,512	78%
77400 IT Services	350,000	6,638	2,458	12,898	14,062	6,014	26,530	41,530	41,530	41,530	41,530	41,530	41,530	317,780	91%
Total Information, Tech and Communications	423,000	9,323	3,196	15,090	14,923	8,288	32,957	47,957	47,957	47,957	47,957	47,957	47,957	371,518	88%
Travel Expenses 78000															
78100 Airfare	5,400	948	-	-	1,198	416	450	450	450	450	450	450	450	5,712	106%
78200 Accomodations	2,400	23	-	-	743	-	200	200	200	200	200	200	200	2,166	90%
78300 Auto and Parking	2,400	205	85	332	93.00	157	183	183	183	183	183	183	183	2,155	90%
78400 Travel - Meals & Entertainment	2,400	355	-	277	112	27	167	167	167	167	167	167	167	1,938	81%
78500 Non-Employee Travel	500	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
78000 Other Travel	500	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total Travel Expenses	13,600	1,531	85	609	2,146	600	1,000	1,000	1,000	1,000	1,000	1,000	1,000	11,971	88%
Other General and Administrative 79000															
79100 Depreciation Expense	23,500	1,932	1,932	1,932	1,932	1,932	1,932	1,932	1,932	1,932	1,932	1,932	1,932	23,183	99%
79200 Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
79300 Taxes and Licenses	100	-	-	-	-	-	-	100	-	-	-	-	-	100	100%
79400 Fines and Penalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
79500 Board Expenses	6,000	-	-	100	160	200	500	500	500	500	500	500	500	3,960	66%
79000 Other General and Administrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total Other General and Administrative	29,600	1,932	1,932	2,032	2,092	2,132	2,432	2,532	2,432	2,432	2,432	2,432	2,432	27,243	92%

**NAHAC Income Statement
September 2016**

	Budget	Jul	Aug	Sep	Oct	Current						YTD Actual w/ Budget	% of Budget		
						Nov	Dec	Jan	Feb	Mar	Apr			May	Jun
Total General and Administrative Expenses	2,021,075	58,609	98,468	134,128	134,136	135,223	168,588	185,176	209,538	184,788	184,899	184,538	185,588	1,863,678	92%

NAHAC Income Statement
September 2016

	Budget	Jul	Aug	Sep	Oct	Current						Jun	YTD Actual		
						Nov	Dec	Jan	Feb	Mar	Apr		May	w/ Budget	% of Budget
TOTAL EXPENSES	2,354,075	69,104	103,030	148,934	140,806	144,849	202,339	218,927	243,289	218,539	218,650	218,289	219,339	2,146,098	91%
Other Income (Expense)															
81000 Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
82000 Other Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
82100 Gain (Loss) on Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total Other Income (Expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
NET INCOME	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%

NAHAC Funding Details

Cumulative Funds Available and Used through June 30, 2016

	(a) HHF Participation Cap (from the current HPA Amendment)	Cumulative used through 11.30.2016	Available funds
Principal Reduction Program (B1)	\$99,935,128.00	\$53,836,761.00	\$46,098,367.00
Second Lien Relief Program (B2)	\$6,469,200.00	\$6,113,077.00	\$356,123.00
Short Sale Acceleration Program (B3)	\$289,179.00	\$289,179.00	\$0.00
Mortgage Assistance Program (MAP) (B4)	\$52,275,976.00	\$30,955,421.00	\$21,320,555.00
MAPA (B5)	\$1,613,451.00	\$1,613,451.00	\$0.00
Reinstatement (B8)	\$17,081,271.00	\$0.00	\$17,081,271.00
Admin	\$25,247,676.00	\$17,820,798.00	\$7,426,878.00
Total	\$202,911,881.00	\$110,628,687.00	\$92,283,194.00

Treasury Draws Taken through June 30, 2016

<u>Date</u>	<u>Amount</u>
9/23/2010	2,600,000.00
4/25/2011	4,851,000.00
12/28/2011	4,851,000.00
5/31/2012	5,620,000.00
8/30/2012	14,170,000.00
12/26/2012	21,950,000.00
3/4/2013	20,000,000.00
5/6/2013	24,800,000.00
6/27/2014	13,207,869.00
Total	112,049,869.00