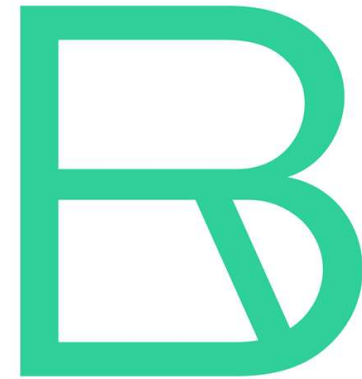


# Year End Close & Audit Prep

IAHA Maintenance & Management  
Clinic - 2024



# LEADING UP TO YEAR-END

- Review your Annual Occupancy % at each AMP
- Work towards 96% Agency Wide Occupancy Rate on last day of year
- Write off all eligible uncollectible AR from past residents
- Be able to identify areas of concern
- Review PIC Submission % Report for HCV & LIPH Programs



# LEADING UP TO YEAR-END

- Complete a board approved budget revision for Current Year
- Complete a board approved budget for next Fiscal Year
- Confirm [Depository Agreements](#) are in place at financial institutions
- Submit documentation to HUD to close out all fully expended Capital Fund Grants and complete close out in EPIC.
- Ensure that all approved invoices received have been processed and paid.



# END OF YEAR PROCESSING

- Perform a full inventory count and reconcile in software
- Adjust for Obsolete Inventory (5-10%)
- Review and ensure that all completed work orders have been closed/posted in software system



# Reconciliation

## Every account with a statement

Bank Statements

Investment Accounts

Loan Statements

Reserve Accounts



# Verify HUD Transactions

- Pull the listing of all eLOCCs Vouchers - ensure that each draw is recorded on your General Ledger
- Tie out HAP income and Admin fees to HAP Distribution notices
- Record any amounts receivable from Capital Funds
- Tie out HAP/URP expense to VMS reporting



# Year End Payroll Analysis

- Tie out Salary/Payroll Tax Expense to 941 Reports
- Calculate Accrued Wages using first payroll register of following fiscal year.
- Review benefits/taxes to determine what amounts were payable at year-end.
- Calculate Compensated Absence Liability at year-end
- Calculate and record Compensated Absences taken.



# Review Resident Reports

- Aged Accounts Receivable Report (tie out A/R and Tenant Prepaid Rent Amounts to Trial Balance)
- Security Deposit Activity (confirm all resident deposits on hand are accurately reported)
- Tie Deposit Liability to Trial Balance and confirm enough cash to cover Security Deposit Liability.
- Confirm Unit Months Available and Unit Months Leased for fiscal year (first or last day of month).



# Year End Payable Adjustments

- Review invoices paid for prepaid expense (benefits, insurance, service contracts, etc.) – Have invoices for auditors
- Review Aged Payable Report for accuracy and tie to Trial Balance
- Review invoices received during 30 days post year end for prior years expense to accrue (utilities, materials, etc.)



# Depreciation Schedules

- Review invoices for items over capitalization threshold (\$500-\$2500) to ensure all capital items are included in fixed assets.
- Have all property staff (PM, Maintenance, Admin) review Depreciation Schedules for disposed of assets that need removed from schedules.
- Record current year Depreciation Expense as calculated. Straight Line Depreciation recommended.



# Payment In Lieu of Taxes (PILOT) A/E

- Final Calculation for Year End should be PILOT to ensure that all changes to rent and utilities have been captured prior to this calculation
- Complete HUD-52267 to submit with PILOT Payment

# FDS Crosswalk

3410-01-000	Section 8 HAP Earned
3410-02-000	Section 8 Admin. Fee Income
3410-04-000	Port-In Admin Fees Earned
3410-06-000	Port In HAP Earned
3410-07-000	Section 8 EHV Admin Fee Income
3410-10-000	Section 8 EHV Placement/Issuance Fee Income
3410-11-000	Section 8 EHV HAP Income
3610-00-000	Investment Income - Unrestricted
3640-00-000	Fraud Recovery
3650-00-000	Miscellaneous Other Income
3804-00-000	Fraud Recovery
4110-00-000	Administrative Salaries
4110-04-000	Employee Benefit Contribution-Admin
4130-02-000	Criminal Background Checks
4130-03-000	Tenant Screening
4140-00-000	Staff Training
4150-00-000	Travel
4171-00-000	Auditing Fees
4172-00-000	Port Out Admin Fee Paid
4180-00-000	Office Rent
4182-00-000	Consultants
4190-00-001	Other Admin Expense



70600	HUD PHA Operating Grants
70610	Capital Grants
70710	Management Fee
70720	Asset Management Fee
70730	Book Keeping Fee
70740	Front Line Service Fee
70750	Other Fees
70700	Total Fee Revenue
70800	Other Government Grants
71100	Investment Income - Unrestricted
71200	Mortgage Interest Income
71300	Proceeds from Disposition of Assets Held for Sale
71310	Cost of Sale of Assets
71400	Fraud Recovery
71500	Other Revenue
71600	Gain or Loss on Sale of Capital Assets
72000	Investment Income - Restricted
70000	Total Revenue
91100	Administrative Salaries
91200	Auditing Fees
91300	Management Fee

# FDS Crosswalk

- Some software will have an FDS line report
- This requires adding the appropriate line for each GL account
- Can be prepared from the closed Trial Balances utilizing excel
- If preparing unaudited FDS, this will be essential to provide to auditors.

FDS Line	FDS Description	Business Activities	HCV	EHV	FSS	HC	FSS Forfeitures	PBRA
111	Cash - Unrestricted	1,287.22	14,672.58	40,605.93	-	-		46,628.05
113	Cash - Other Restricted	11,299.10	12,641.25	-	-	-		691,035.82
113	Cash - Other Restricted - FSS Escrow	-	40,600.00	-	10,759.49	-		-
113	Cash - Other Restricted - HAP Funds	-	-	-	-	-		-
114	Cash - Tenant Security Deposits	-	-	-	-	-		16,359.81
122	Accounts Receivable - HUD other projects	-	59,202.00	-	-	-		562.00
124	Accounts Receivable - Other Government	2,497.13	-	-	-	-		-
125	Accounts Receivable - Miscellaneous	5,611.00	38,486.53	-	-	-		-
126	Accounts Receivable - Tenants	-	13,916.00	-	-	-		6,631.87
142	Prepaid Expenses and Other Assets	4,860.83	12,962.22	-	-	-		19,509.51
144	Inter Program Due From	73,480.20	-	-	-	-		-
161	Land	-	-	-	-	-		117,258.35
162	Buildings	284,825.23	-	-	-	-		6,022,806.29
163	Furniture, Equipment & Machinery - Dwellings	-	-	-	-	-		71,271.85
164	Furniture, Equipment & Machinery - Administration	124,516.66	40,576.70	-	-	-		-
166	Accumulated Depreciation	(184,046.66)	(28,596.00)	-	-	-		(3,681,055.87)
171	Notes Receivable	286,966.17	-	-	-	-		-
174	Other Assets	190,534.96	-	-	-	-		-
312	Accounts Payable <= 90 Days	(1,962.19)	(3,515.24)	(1,461.82)	-	-		(31,240.25)
322	Accrued Compensated Absences - Current Portion	(20,700.21)	-	-	-	-		-
333	Accounts Payable - Other Government	-	-	-	-	-		(15,465.08)
341	Tenant Security Deposits	-	-	-	-	-		(16,352.41)
342	Unearned Revenues - Other, Prepaid Rent	-	-	(28,421.11)	-	-		(8,818.48)
343	Current Portion of Long-Term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-		-
344	Current Portion of Lon-Term Debt - Operating Borrowings	-	-	-	-	-		-
345	Other Current Liabilities - Miscellaneous	-	(39,032.53)	-	-	-		(1,718.77)
345	Other Current Liabilities - FSS Escrow	-	-	-	-	-		-
347	Inter Program - Due To	-	(64,590.20)	-	-	-		(8,890.00)
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	(116,111.94)	(8,498.54)	-	-	-		-
352	Long-term Debt, Net of Current - Operating Borrowings	(916,917.93)	-	-	-	-		-
400	Deferred Inflow of Resources	(286,447.46)	-	-	-	-		-

# Scoring Check – for fungibility

	111	\$ 25,000.00	\$ 686,093.50	\$ 686,976.50	\$ 1,398,070.00
	114	\$ 77,114.00	\$ 37,936.00	\$ 23,250.00	\$ 138,300.00
	120	\$ 149,197.00	\$ 6,596.00	\$ 3,682.00	\$ 159,475.00
	131	\$ 257,813.00	\$ 479,077.00	\$ 621,965.00	\$ 1,358,855.00
	135	\$ -	\$ -	\$ -	\$ -
	142	\$ 21,823.00	\$ 39,717.00	\$ 30,170.00	\$ 91,710.00
	144	\$ 521,281.00	\$ 1,981.00	\$ -	\$ 523,262.00
	310	\$ 99,653.00	\$ 209,096.00	\$ 314,192.00	\$ 622,941.00
QR		10.56	5.98	4.35	5.89
	96900	\$ 599,473.00	\$ 817,228.00	\$ 725,774.00	\$ 2,142,475.00
		\$ 49,956.08	\$ 68,102.33	\$ 60,481.17	\$ 178,539.58
		\$ 952,575.00	\$ 1,042,304.50	\$ 1,051,851.50	\$ 3,046,731.00
MENAR		19.07	15.30	17.39	17.06
	126		13232	6821	3431
	70500		212660	440395	334915
TAR			0.062221386	0.015488368	0.01024439
			0	2	5
	312		15503	17729	10429
	96900		599473	817228	725774
			49956.08333	68102.33333	60481.16667
AP			0.310332575	0.260328819	0.172433843
			4	4	4

# Final FDS Checks & Balances

- Tie out HCV FDS Entries to VMS entries
- Confirm UMA/UML match PIC reports
- Run Edit Flag Reports and address them
- Confirm Eliminations match inter-program balances
- Upload any comments necessary

# FDS Submission Process

- Enter unaudited Financial Data Schedule into FASS system within 60 days of FYE.
- If [extension](#) is needed file according to HUD timeline
- Audited FDS Submission has 4 Steps
  1. Auditor enters amounts with Notes
  2. Exec Director reviews and confirms
  3. Auditor gives final approval
  4. ED submits

# AUDIT PREPARATION

- Auditors should send an engagement letter to be reviewed & signed by Executive Director
- Auditor should provide a PBC (Prepared by Client) List of Requests
  - Bank & Loan Confirmations
  - Rent Rolls
  - List of Move Outs for the Year
  - Check Listing
  - Deposit Listing

# AUDIT PREPARATION

- Auditor should provide a PBC (Prepared by Client) List of Requests (cont)
  - Quarterly 941 Reports
  - 52722/52723 Submissions
  - TAR Reports
- Ideally, all requests should have been gathered during internal closeout.
- If there is an item needed, that wasn't used, make note for the next year.
- Having the Trial Balance in agreement with the requested schedules will make your auditors happy.