

Staff Report

TO: Board of Directors

FROM: Greg Jones, Assistant General Manager
Sandra Dunlap, Director of Finance

DATE: January 22, 2025

SUBJECT: Write-Off for Uncollectible Property Rents (Consent)

FINANCE

RECOMMENDATION:

Adopt a resolution authorizing a write-off in the amount of \$76,575 from Miscellaneous Accounts Receivable in accordance with District Policy 11140 – Write-Off Policy.

BACKGROUND:

Resolution 2023-52 established District Policy 11140 – Accounts Receivable Write-Off, which mandates that uncollectible debts be reviewed and written off at least once annually. This policy ensures accurate financial reporting and aligns with best practices for managing accounts receivable.

The \$76,575 write-off proposed this year stems from uncollectible property rents on two District-managed properties. These rental delinquencies began during the COVID-19 pandemic while California rental protections from non-payment of rent were enacted. Despite efforts by both the District and its property management company to engage with the tenants, including initiating and conducting eviction proceedings, the tenants were unresponsive. Both properties are now vacant. The District has and will continue to pursue collections/legal action on these previous tenants.

To ensure accurate financial reporting purposes we are requesting to retroactively write-off on the books as of 12/31/24.

A summary of the uncollected rents by property is as follows:

22529 Dog Bar Road	\$44,300
22684 Dog Bar Road	\$32,275
TOTAL	\$76,575

BUDGETARY IMPACT:

A budget amendment in the amount of \$76,575 to bad debt expense and to retroactively post to 12/31/2024. Writing off once an account becomes stagnant ensures accurate reporting of the value of accounts receivable at year-end. Per the policy, any payment received on an account that has been written-off will be recorded as revenue in the period in which it is received.

Attachment: (1)

- Resolution 2025-06 - Authorizing Write-Offs



RESOLUTION NO. 2025-06
OF THE BOARD OF DIRECTORS OF THE NEVADA IRRIGATION DISTRICT

AUTHORIZING WRITE-OFFS

WHEREAS, the Nevada Irrigation District (District) adopted policy #11140 Write-off on December 13, 2023; and

WHEREAS, the policy requires that uncollectible debt be written off at least once annually; and

WHEREAS, District staff have reviewed rental activity and identified \$76,575 in uncollectible rent resulting from evictions of two properties owned by the District; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Nevada Irrigation District approves a retro-active budget amendment to bad debt expense and approve the write-off in the amount of \$76,575 in the Water Fund 10 dated 12/31/2024.

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PASSED AND ADOPTED by the Board of Directors of the Nevada Irrigation District at a regular meeting held on the 22nd day of January 2025 by the following vote:

- AYES:** Directors:
- NOES:** Directors:
- ABSENT:** Directors:
- ABSTAINS:** Directors:

President of the Board of Directors

Attest:

Secretary to the Board of Directors