
Audit: HUD money was abused

County Housing Authority claims finances improved

By Vanessa Miller

Camera Staff Writer

The Boulder County Housing Authority did not properly use federal money and did not keep adequate accounting records in 2002 and 2003, according to a federal audit released Friday.

County officials say they agree with much of the audit's findings but have made substantial changes to improve the

program's management, operations and accounting system.

They disagree that the agency misused money from the U.S. Department of Housing and Urban Development and the audit's finding that the county "inappropriately changed accounting records and 2002 year-end balances."

There is "no evidence of malfeasance or misappropriation" of money, the county said in a statement.

"When we look at this report, we see it as an outside confirmation about what has happened in the past," said Frank Alexander, executive director of the county's Housing Au-

thority. "They determined that, based on our accounting system, they could not track the dollars. But they did not find that funds were misused."

The county has responded to the audit, and assured HUD it will continue efforts to improve its fiscal management and operations.

Federal officials audited the authority, which provides subsidized housing for low-income persons and families, because its cash and investments declined from \$907,211 in 1999 to \$46,301 in 2001. The county's reserves dropped again in 2002, creating a deficit of \$6,850.

The audit said that because the Housing Authority, "did not properly use" federal dollars, at least \$433,139 of ineligible and \$123,784 of unsupported costs resulted.

The Daily Camera has previously reported much of the authority's financial woes, including its more than \$619,000 deficit recorded in January 2003.

The Boulder County Board of Commissioners took control of the authority that year and fronted it about \$980,000 from the county's general fund to pay salaries and correct the au-

Please see **AUDIT** on 7A

FROM PAGE 1A

Audit: HUD money abused

Continued from 1A

thority finances. Despite that, eight employees were laid off and eight resigned by year's end.

Since then, the agency has gained a new director and a new vision, officials said.

Alexander said that in 2004

and 2005 to date, all the authority's payroll obligations, expenditure requirements and debt service payments have been met.

"We have seen that improvement in a short period of time," he said. "We are meeting all our obligations and putting \$15,000 into operating reserves.

"We've been building up an accounting system to meet all the demands," Alexander said. "And, at the same time, stabilizing the financial difficulties that we experienced in 2003."

Contact Camera Staff Writer
Vanessa Miller at (303)
473-1329 or
millerv@dailycamera.com.