Housing Authority of the County of Tulare Fiscal Year 2011 Moving to Work Annual Report

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Table of Contents

SECTION	TITLE	PAGE
I	Introduction	1
II	General Operating Information	2
III	Non-MTW Information	10
IV	Long-Term MTW Plan	11
V	Proposed MTW Activities	12
VI	Ongoing MTW Activities	13
VII	Sources and Uses of Funding	23
VIII	Administrative	26

APPENDICES

A	Board Resolution	27
B	Capital Fund and Budget	29
C	Financial Statements	36
D	MTW Leveraging	112

Section I: Introduction

Mission Statement: To provide affordable, well-maintained rental housing to qualified low and very low-income families. Priority shall be given to working families, seniors and the disabled. Tenant self-sufficiency and responsibility shall be encouraged. Programs shall be self-supporting to the maximum extent feasible.

Background: The Housing Authority of the County of Tulare (HATC) was established in 1945. It initially sought to provide affordable housing for returning WWII veterans and their families. However, since its establishment, it has incorporated numerous different programs into its housing portfolio. These programs are funded by various types of agencies that include the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture (USDA), the Tax Credit Allocation Committee of the State Treasurer's Office (LIHTC), California's Rental Housing Construction Program (RHCP), HOME, City Redevelopment Agencies (RDA) and other local agencies.

HATC is also a current participant of the Moving to Work (MTW) demonstration program. Our mission statement was instituted prior to HATC's participation in the program. But with the commencement of the MTW demonstration program, we feel better able to provide our families the necessary tools to establish responsibility and achieve self-sufficiency. At the present, HATC provides affordable and well-maintained rental housing to nearly 5,000 households and this number is growing. We have a solid reputation for providing safe and affordable housing to low and very low-income families within Tulare County

HATC entered into its first MTW demonstration program contract with HUD in May 1, 1999. This report spans the 2010-2011 fiscal year (July 1, 2010 to June 30, 2011). In this report, we discuss current goals, operating information, non-MTW HATC programs and activities, long-term MTW objectives and plans, proposed MTW activities, ongoing MTW activities, agency performance and evaluation and the sources and uses of our funding.

Goals and Objectives: HATC's MTW goals and objectives for its employees and its company which include:

1. Reducing cost by achieving greater cost effectiveness in federal expenditures.
2. Increase incentives for families to seek employment, meet educational goals, or to participate in job-training programs to achieve economic self-sufficiency. Decrease incentives for families who fail to report or underreport income by establishing fixed subsidies.
3. Increase housing choices for program participants
4. Increase productivity and work quality by reducing calculation errors and unnecessary work volume.

HATC will further elaborate on how its goals are being met in Section VI: Ongoing MTW Activities.

We believe that the MTW demonstration program permits local agencies flexibility to provide assistance that best benefits low- income participants.

HATC currently administers almost 5,000 units of assistance. This number includes Section 8 Housing Choice Vouchers (HCV), Public Housing, Veterans Administrative Supportive Housing (VASH) and units funded by different sources.

A. Housing Stock Information

Public Housing: HATC currently owns and maintains 710 MTW Public Housing units. We have not purchased any new Public Housing units, and we do not anticipate purchasing any during the next fiscal year, nor have we removed any units from inventory. HATC has not made any significant capital expenditures by development (>30%) and does not anticipate making significant capital expenditures by development greater than 30% in the next fiscal year. HATC does not have any non-MTW Public Housing units. Table 1 shows our Public Housing Stock:

Table 1

HUD FUNDING				
MTW PUBLIC HOUSING as of 06/30/2011				
Complex	Location	No. of Units	Leased	Vacant
30-1A	Cutler	24	24	0
30-1B	Cutler	6	6	0
30-2	London	20	20	0
30-3	Cutler	25	24	1
30-4	Goshen	20	18	2
30-5	Dinuba	80	80	0
30-7	Woodlake	25	25	0
30-8	Traver	10	10	0
30-10	Tulare	75	74	1
30-11	Woodlake	5	5	0
30-12	Tulare	50	49	1
30-15	Visalia	36	36	0
30-16	Visalia	74	72	2
30-17	Porterville	65	65	0
30-19	Visalia	69	68	1
30-20	Tulare	50	50	0
30-21	Tulare	30	30	0
30-24	Porterville	46	45	1
Total MTW Public Housing Units		710	701	9

Section 8 Housing Choice Voucher Program (HCV): As of June 30, 2011, HATC had a total of 2,837 MTW vouchers allocated with 2,916 leased, making our lease-up percentage 103%. In the 2010-2011 Plan the Agency proposed to use Section 8 Program reserves to issue an additional 150 MTW Vouchers which began in this fiscal year. At the present time, HATC does not have any project-based vouchers. The 2009/2010 MTW Plan provides for implementation of a project-based

component of the Housing Voucher Program. We are awaiting the construction of a new tax-credit complex where we will enter into a contract and establish thirty project-based vouchers at that location. The construction is nearing completion and we anticipate entering into a contract in July of 2011.

Non-MTW Vouchers: HATC was also allocated 35 VASH vouchers for its veteran population in order for them to obtain affordable housing. As of June 30, 2011, 23 of those slots have been utilized. HATC continues working with the Department of Veteran Affairs and is optimistic about receiving more client referrals that are able to locate and qualify for housing in Tulare County. The contracts for the last four Moderate Rehabilitation Program units were terminated by the end of this fiscal year, and we anticipate receiving replacement Housing Choice Vouchers shortly.

Table 2 shows the breakdown of Housing Voucher Units:

Table 2

HUD FUNDING		
SECTION 8 HCV as of 06/30/2011		
Type	Allocated	Leased
MTW Housing Choice Voucher	2,837	2,916
VASH Housing Choice Voucher	35	23
Total Section 8 Units	2,872	2,939

Multifamily Housing (HUD): HATC manages by contract two Multi-family complexes. One complex, La Serena, provides affordable housing for low-income families, while the other complex, Santa Fe Plaza, provides affordable housing for qualified seniors.

Table 3 provides information on these two Porterville-based projects:

Table 3

MULTIFAMILY HUD FUNDING			
Complex	Location	Year Built/Acquired	No. of Units
Santa Fe Plaza (Section 8/202)	Porterville	1983	105
La Serena (Section 8 New Construction)	Porterville	1983	65
Total Multifamily Units			170

Other Housing Stock (Non-HUD): HATC owns/manages several other properties throughout the community funded by various sources. In partnership with Kaweah Management Company (KMC), a non-profit affordable development company, HATC has several new complexes in development. These new units are being developed using a combination of funds that include LIHTC, HOME, RDA tax-increment funding, bonds, HATC MTW program-reserve funds and HATC administrative-program-reserve funds.

Tables 4-8 delineate our other housing stock and their various funding sources:

Table 4

FARM LABOR HOUSING STOCK USDA FUNDING			
Complex	Location	Year Built/Acquired	No. of Units
Terra Bella FLC	Terra Bella	1977	14
Sonora	Tulare	1985	52
Linnell FLC	Visalia	1938/1967/1972/1977	191
La Puente	Visalia	1980	15
Woodville FLC	Woodville	1938/1967/1977	178
Total Farm Labor Housing Units			450

Table 5

RENTAL HOUSING CONSTRUCTION PROGRAM UNITS STATE OF CALIFORNIA RHCP FUNDING			
Complex	Location	Year Built	No. of Units
Clark Court	Visalia	1983	24
Visalia Garden Villas	Visalia	1987	60
Total RHCP Housing Units			84

Table 6

LIHTC STOCK CALIFORNIA TAX CREDIT ALLOCATION FUNDING			
Complex	Location	Year Built/Acquired	No. of Units
Euclid Village	Dinuba	2011	57
Gateway Village II	Farmersville	2009	16
Palomar Court	Farmersville	2011	40
Cypress Cove	Tulare	1993	52
Westport Village	Visalia	1989	25
Fairview Village	Visalia	1994	8
Willowbrook	Visalia	1996	10
Kimball Court	Visalia	2000	95
Court & Paradise	Visalia	1980-2008	11
Parkside Court	Woodlake	2007	24
Total Tax Credit Housing Units			338

Table 7

MIXED FUNDING UNITS				
Complex	Location	Year Built/Acquired	No. of Units	Funding Sources
Linmar Apartments	Dinuba	1982-1992	48	USDA
Gateway Village Apartments	Farmersville	2008	48	USDA/CTCAC
Sultana Acres	Sultana	1992	36	RHCP/CTCAC
Oakwood	Tulare	2009	20	MTW/Tulare RDA*
North E Street	Tulare	1963/1980	1	HATC Non-Profit
Blain Units	Tulare/Porterville	1984-2001	14	HATC Non-Profit
Robinwood Court	Visalia	2007	10	HOME/Visalia RDA
Millcreek Parkway	Visalia	2008	70	MTW/Visalia RDA**
West Oriole	Visalia	2010	8	MTW/Visalia RDA***
Tracy Court	Visalia	2010	3	HATC Non-Profit
North Jacob	Visalia	1958/1993	1	HATC Non-Profit
South Crenshaw	Visalia	1983/1995	1	HATC Non-Profit
Myrtle Court	Visalia	1998/2008	32	HATC Non-Profit
Encina Triplex	Visalia	1945/2008	3	Visalia RDA
County Center	Visalia	1974/2010	1	HATC Non-Profit
East Tulare Avenue Cottages	Visalia	1979/2009	22	RHCP/CHFA/Tulare RDA
Transitional Living Center	Visalia	1966/2005	32	Visalia RDA
Village Grove	Farmersville	1984-2009	48	USDA/CTCAC/BOND
Poplar Grove	Poplar Grove	2003	50	USDA/CTCAC
Total Mixed Funding Units			448	

*See next page
** See next page
*** See next page

Table 8

FUTURE HOUSING STOCK FUNDING SOURCES				
Complex	Location	Estimated Completion	No. of Units	Funding Sources
Exeter Family	Exeter	2012	49	TBD
Lindsay Senior Apartments	Lindsay	2011	72	USDA/CTCAC
Tule Vista	Tulare	2011	57	USDA/CTCAC/BD/Tul RDA/MTW****
West Trail	Tulare	2011	49	USDA/CTCAC
Tulare NSP	Tulare	2011	5	Tulare RDA/NSP/MTW
Goshen & Lovers Lane	Visalia	2013	TBD	CTCAC
Total Future Housing Units			232	

**** See next page

* The Housing Authority board approved the use of MTW reserve funds in the amount of $950,000 to purchase the 20-unit project in the City of Tulare Redevelopment area in cooperation with the City of Tulare Redevelopment Agency which authorized the use of tax-increment funds to be granted to Kaweah Management Company, the non-profit managed by the Housing Authority. MTW flexibility allowed for the quick closing on this project to help fight blight in the City of Tulare. Contributions of MTW funds to this project is authorized through HATC's approved Activity #5 – Development of Additional Affordable Housing, which makes use of the "Broader Uses of Funds" authority in HATC's Attachment D of the Standard MTW Agreement.

** HATC used MTW reserve money to refinance the $2,200,000 loan on this project to a more affordable interest rate for the project, at a higher rate than could have been achieved had the reserves been invested in traditional investments. Contributions of MTW funds to this project is authorized through HATC's approved Activity #5 – Development of Additional Affordable Housing, which makes use of the "Broader Uses of Funds" authority in HATC's Attachment D of the Standard MTW Agreement.

*** This project was the purchase of two foreclosed fourplexes in the City of Visalia Redevelopment Target Area. The HATC Board approved for funding to come from MTW program reserves in the amount of $365,000 per 4-Plex. After acquisition, the fourplexes were financed by our local banking partner, Valley Business Bank, in the amount of $250,000 per fourplex at five percent for 25 years. The balance of the acquisition is MTW funds. Contributions of MTW funds to this project is authorized through HATC's approved Activity #5 – Development of Additional Affordable Housing, which makes use of the "Broader Uses of Funds" authority in HATC's Attachment D of the Standard MTW Agreement.

**** The Tule Vista project will be financed by multiple sources. One source will be MTW reserve funds in the amount of $3,900,000 to be used as a bridge loan during the 15-year-tax-credit-compliance period. The project is one of the first in the State of California to have approval to convert to homeownership at the end of 15 years. Once the units are sold, the sale proceeds will be repaid to HATC. Contributions of MTW funds to these projects are authorized through HATC's approved MTW Activity #5 – Development of Additional Affordable Housing, which makes use of the "Broader Uses of Funds" authority in HATC's Attachment D of the Standard MTW Agreement.

B. Leasing Information

Public Housing: HATC has 710 public housing units, all of which are part of the MTW Demonstration Program. Throughout the report year, HATC was able to house 143 new families in our public-housing units. At the end of the fiscal year, HATC had 701 units leased; representing a 98% lease-up. Presently, our agency does not anticipate the demolition, disposition or major rehabilitation of any public-housing unit that would reduce the public-housing-occupancy rate.

During FY 2011, 66 families vacated because they reached their five-year time limit.

Housing Choice Vouchers: HATC has a total of 2,837 MTW voucher allocations. Of this amount, 2,916 slots are in use, making the utilization rate 103%. This is due to authorization to lease 150 additional MTW Vouchers using Section 8 Program Reserves. Throughout FY 2011, HATC leased a total of 33,423 unit months. Our agency housed 719 new families on the MTW Demonstration Program during the report timeframe. HATC received 35 voucher allocations for the VASH program, and at the present time 23 VASH slots have been leased. HATC continues working with the Department of Veteran Affairs and is optimistic about receiving more referrals to lease up the last allocations. The contracts for the last four Moderate Rehabilitation units terminated this year. The VASH program is not part of the MTW Demonstration Program.

HATC continued to feel the effect of the housing market crisis during FY 2011. We still saw a decrease in rental prices which permitted our clients to find and rent units in better neighborhoods. However, additional participating landlords of the HCV program also lost their properties due to foreclosures, causing their tenants to be displaced. Many staff hours were expended in an effort to recertify all HCV participants negatively impacted by the foreclosure problem.

There were a total of 297 families that timed out of the HCV program.

HATC currently has no project-based vouchers; however, as part of the 2010/2011 Agency Plan, HATC requested to utilize its Section 8 reserve account in an effort to help additional families by allocating 30 slots of project-based Section 8. We plan to use these project-based, Section 8 vouchers at a new complex, Tule Vista, which is in the process of being constructed.

C. Waiting-List Information

Summary: HATC maintains open waiting lists for Section 8 and Public Housing. These waiting lists have not been closed in the last 20 years. Before the MTW Demonstration Program, it took an applicant, on average, five years to reach the top of the Section 8 waiting list. At the present, the average time on the Section 8 waiting list is four years. We do not anticipate having to close any of our waiting lists in the future and mass purges have not been necessary. We will not be changing or adding any types of waiting lists for either Public Housing or Section 8 during the coming year.

HATC is convinced the main factor in being able to keep our waiting lists open is the MTW Demonstration Program that creates additional turnover. This provides a fairer method of distributing housing subsidies and serves to keep waiting lists shorter in duration.

Public Housing: Tulare County has four geographical areas that have their own Public Housing waiting lists. An applicant can apply for any or all of the waiting lists. HATC first and foremost gives a

preference on all waiting lists to Tulare County residents. The other three preferences are elderly, disabled/handicap and families with working income. As a result of these preferences, waiting-list time for Public Housing applicants varies. Applicants who do not fall within any of the preferences will remain at the bottom of the waiting list until all applicants receiving preferences are updated.

Housing Choice Vouchers: HATC maintains one Section 8 HCV waiting list for Tulare County. HATC provides a local-residency preference. Except for Tulare County residency, status on the wait list is determined strictly by the time and date of the application. Once applicants reach the top of the waiting list, they are contacted and if they respond, they are scheduled for an eligibility interview in one of our four area offices. The average wait time for the Section 8 waiting list is approximately four years.

The Waiting-List Characteristics are shown in tables 9 and 10:

Table 9

Public Housing Waiting List Characteristics			
Race/Ethnicity	**Hispanic**	**Non-Hispanic**	**Total**
Asian	7	41	48
Black	15	322	337
White	5,639	2,423	8,062
American Indian	1	8	9
Hawaiian/Other Pacific Islander	1	20	21
Grand Total	**5,663**	**2,814**	**8,477**
Household Size	**Elderly/Disabled**	**Family**	**Total**
Households	1,847	6,630	8,477
Sex of Head of Household	**Female**	**Male**	**Total**
Households	6,741	1,736	8,477

Table 10

Section 8 HCV Waiting List Characteristics			
Race/Ethnicity	**Hispanic**	**Non-Hispanic**	**Total**
American Indian	-	12	12
Asian	12	107	119
Black	25	431	456
Hawaiian/Other Pacific Islander	2	26	28
White	8,775	3,275	12,050
Grand Total	**8,814**	**3,851**	**12,665**
Household Size	**Elderly/Disabled**	**Family**	**Total**
Households	2,827	9,838	12,665
Sex of Head of Household	**Female**	**Male**	**Total**
Households	9,979	2,686	12,665

Section III: Non-MTW Related Housing Authority Information

This section is not applicable to HATC. We have no Non-MTW Related Housing Authority Information to report.

Section IV: Long Term MTW Goals

Since its inception, the HATC MTW program has emphasized simplicity and incentives to become self-sufficient. The original program design included fixed rents and subsides and time limits which accomplished both goals. The fixed rents and subsidies were an incentive toward self-sufficiency, but also greatly streamlined the rent-calculation process of the traditional HUD programs. The time limits which took effect in 2004 were an incentive toward self-sufficiency in that families realized that these programs were not intended to be "lifetime" programs; and, therefore, families needed to take advantage of the time allotted to them. Additional benefits proved to be cost savings to the agency and a much greater stabilization of the budgeting process. Without extremely complicated rent calculations, including utility and income allowances, the programs became much more simple and easier for tenants and landlords to understand. Landlords appreciated that the family's share of rent was stabilized and not subject to change on a monthly basis. The eligibility process became streamlined and much more pleasant for both staff and clients.

Over the years that the agency has been operating under the MTW rules, we have continued to seek ways to simplify programs without jeopardizing program integrity. We have discarded various ideas due to the belief that they might cause unfortunate, unintended consequences. We have made changes so that families who were originally grandfathered in under traditional regulations were transitioned to the MTW rules; income and deductions even for the elderly and disabled families on an income-based rent were simplified; and when the agency found project-basing some of their Section 8 allocation became beneficial, that process was also simplified to cut both staffing and implementation times.

During that time little has actually changed with respect to the demographics of Tulare County. Unemployment has always been high, so the downturn in the economy has not had a great effect. Many of our MTW families are finding jobs and increasing their incomes. Rents have stayed relatively stable due to more single-family homes currently for rent. The one big change is that buying housing for "graduates" of the MTW program is now more affordable, and with the fixed subsidies, families with growing incomes have been able to fix their credit rating and are in a better position to qualify to buy a home after their time limit is up.

We feel that our MTW model has served our Agency, our clients and our communities well. There is a sense of fairness to the program in that our waiting list has stayed open and families know that, while it might take four years to get the assistance, they actually will get to the top of the waiting list if they are patient. Families and landlords can more easily understand the process involved. Our goal is to demonstrate that the MTW model can and does work, essentially because "one size does not fit all." We are well aware that what works in Tulare County would not necessarily translate everywhere in this state or country, and local control to design a program to meet local needs and conditions can truly innovate assistance for families.

Our hope is that we can continue to benefit our families, and find additional ways to simplify these programs that make sense and possibly save additional money.

Section V: Proposed Activities

HATC did not propose any new FY 2011 activities and, therefore, there is nothing on which to report.

Table 11

Ongoing MTW Activities Approved by HUD			
Activity Number	**Activity Name**	**Year Identified/ Year Implemented**	**Authorizations**
One	Administrative Cost Savings and Self-Sufficiency	1999/ 1999 and 2008/2009	Attachment C: Section C.11, Section D.2, Section 2 (b), and Section F
Two	Increase Housing Choices	2008-2009/ 2008	Attachment C: Section D.2 (a)
Three	Encourage Self-Sufficiency in Pre-1999 Families	2009-2010/ 2009	Attachment C: Section C.11 and Section D.2
Four	Project-Based Section 8	2008-2009/ TBD	Attachment C: Section D.1 (e) and Section D.7
Five	Development of Additional Affordable Housing	2009-2010/ 2009	Attachment C: Section B.1 (b) and Section B.2 & Attachment D

Activity One – Administrative Cost Savings and Self-Sufficiency: From the beginning of the MTW Demonstration Program, HATC has participated in activities which help reduce administrative errors, increase efficiency and potentially reduce staffing in an effort to achieve greater cost effectiveness in federal expenditures. Those activities are:

1. Fixed-proration amounts for mixed-family households with ineligible alien-status family members (for five-year-program participants); identified 2008 and implemented 2009.

2. Phasing out the Family Self-Sufficiency Program (FSS); identified and implemented 1999.

3. Requiring Section 8 landlords to use the HUD model lease; identified and implemented 1999.

4. Changing the definition of income to include all income into the home of all MTW families (2008/2009 Plan). Elimination of UAP payments by the establishment of a $0 minimum rent. (2008/2009 Plan); identified 2008 and implemented 2009.

5. Allowing qualified participants to select a flat or fixed-medical deduction instead of going through the extensive medical-expense-verification process; identified in 2008 and implemented 2009.

6. Converting all able bodied families who entered our program after May 1999 to MTW programs with fixed rents/subsidies and time limits; planned in 2008 and implemented 2009.

HATC implemented a fixed-proration amount for mixed families with ineligible alien-status members. Families on the time-limit assistance were the only participants who benefited from a fixed proration; now all elderly and disabled families are able to benefit from the fixed-proration amount as well. The prior way to asses a proration was unclear with amounts varying from household to household. In an effort to be consistent with all assistance recipients, the fixed proration was extended to all households. Public-Housing occupants pay an additional twenty-five dollars in rent per ineligible family member per month while on Section 8. Twenty-five dollars is deducted from the family's subsidy per ineligible family member per month.

HATC phased out the FSS program as of October 2002, as authorized in the first MTW Contract Amendment. The contracts that were in place for the FSS program have expired with a majority of former FSS program participants selecting to participate in the MTW Demonstration Program and, therefore, this item has no impact on this report.

HATC continues to require landlords to use the HUD model lease in an effort to conserve time. Before initiating this activity, the amount of time it took to scrutinize each landlord's individual lease agreement took varying amounts of times. There has been additional time savings because the term specified on the HUD model lease is a one-year term, making lease terms and time limits easy to calculate, as opposed to some month-to-month leases that landlords sometimes submitted. Please refer to Table 12 regarding baseline and benchmark for administrative cost and time savings related to not having to review non-standard leases

By changing the definition of income to include "all income into the home of all MTW families," HATC believes it has eliminated the unnecessary process of verifying excluded income. Having to send traditional third-party verifications to verify excluded income (such as school grants, foster care, adoption assistance, etc.) and additionally track those verifications, was an extremely time-consuming process (EIV does not reflect those sources of income). So in essence, that process was eliminated by modifying the definition of income.

Eliminating UAP and establishing a minimum $0 rent has done away with a complicated process that created an extra amount of work to reimburse a particular client often minimal amounts of money. While the amount of UAP payment recipients were few, the process of establishing a UAP, obtaining utility verification from the tenant, issuing a monthly check payment for that client and finally mailing that check, was time consuming and costly. This process has now been eliminated.

The establishment of a fixed or flat-medical deduction benefits HATC and the client. Various verifications are sent in order to establish qualifying medical deductions. As is the case when verifying excluded income, creating, mailing and tracking the numerous amounts of verifications to give a medical deduction is extremely time consuming, and because of the meticulous detail of medical information, calculating the appropriate medical deduction can be difficult and often error ridden. Qualifying participants are allowed to select a flat, annual, medical deduction of $500. However, those participants who feel their annual expenses would exceed the flat amount and would like to go through the traditional verification process are still allowed to do so. Please see Table 12 regarding baseline and benchmark for administrative cost and time savings.

Converting all able-bodied families to the MTW demonstration program has been one of the ultimate time-saving activities in which HATC has been able to participate. Our agency converted its entire welfare-to-work program, able-bodied participants, all able-bodied families on the program before the

beginning of the MTW program in May of 1999, and all able-bodied participants that ported into Tulare County, along with all able-bodied families who entered the Section 8 Program after May of 1999. By allowing only elderly and disabled families to participate in the traditional Section 8 program without fixed subsidies or time limits, the number of interims and retroactive rents have decreased the level of time that staff needs to dedicate to these activities.

Table 12

Activity One: Administrative Cost Savings				
Measurement	**Baseline**	**Benchmark**	**Outcome**	**Achieved Benchmark?**
Comparison of Traditional HUD Regulations in an HATC New Construction Project vs Streamlines Operations under the HATC MTW Program.	La Serena based on Traditional Section 8 Regulations **No Cost Savings**	$77,017 the Cost of one Eligibility Clerk II	$44,207	NO

Activity Impacts and Outcomes:

While we did not achieve our benchmark of saving the entire cost of one eligibility worker, we feel that savings of $44,207, or 57%, of that cost is still significant. Even though we knew there would be significant measurable savings, we can only estimate in our plan the number of redeterminations, retro-rent calculations and families with medical allowances during a given year under traditional regulations; and, therefore, the amount of savings we will achieve. We will adjust our expectations downward in the future.

Also, from the onset of the Tulare County MTW program in 1999, families were being encouraged to become self-sufficient. This objective was to be accomplished through:

1. Fixed rents on the Public Housing Program for non-elderly or disabled families
2 Fixed subsidies on the Section 8 Program for non-elderly or disabled families
3. A five-year time limit on assistance for non-elderly or disabled families.

All these activities were planned and implemented in 1999.

HATC has collected and stored information for all MTW participants since the onset of the program. We store information, such as income from their annual or interim reexaminations. This data has been used to assess and determine important aspects of our agency, like rental amounts and rental subsidies. HATC's baseline is the July 1, 2010 average gross-income comparison with Fresno Housing Authorities participants. Its benchmark will be the comparison of gross-income increases/decreases between Tulare and Fresno Counties.

HATC began receiving the baseline data from the Fresno Housing Authorities in October of 2009. Our agency receives this information on a quarterly basis.

Table 13

Activity One: Encourage Self-Sufficiency in MTW Families				
Measurement	**Baseline**	**Benchmark**	**Outcome**	**Achieved Benchmark?**
Income comparison between HATC MTW families and participants in Fresno County where traditional HUD regulations are in place.	Average beginning income amounts for each group TC- $17,911 FC-$16,524	14% increase for Tulare county participants. $ 20,419 7% increase for Fresno county participants -$17681	TC -$22,013 23% FC- $18743 13%	Yes

Activity Impacts and Outcomes:

While Fresno participants had greater-than-expected increases, so did the HATC participants, which far outstripped the Fresno gains. We believe the greater-income increases can be directly tied to the changes to the authorizations.

MTW Hardship Policy: The following is HATC's hardship policy.

The Housing Authority recognizes that substantial, unforeseen hardships may arise, such that families cannot pay their full rent. In such cases, the families may apply to the Housing Authority for relief. Relief may consist of deferral of a portion of the rent. The Housing Authority shall consider such a request, taking into consideration other local resources available to the family. Such requests must be in writing, stating the reason for the hardship, and the expected duration. Consideration will be given for hardship when a family has suffered a catastrophic change, which caused the death, illness or long-term disability of an adult family member, which resulted in the loss of income to the family. These families will be referred to CSET for an assessment of options and links to other community resources for recovery. A contract will be signed with the family stipulating the change to their Moving-to-Work assistance and the steps the family will take to work toward self-sufficiency. The contract will specify the amount by which the family's public-housing-program rent will be decreased, and for what duration. The amount by which the rent will be changed will be determined by Housing Authority staff on a case-by-case basis. If all possible wage earner(s) for a family become(s) permanently disabled, the family will be changed to a traditional income-based program with no time limit.

In cases where a CSET evaluation is not possible or productive, and where there are still possible wage earners, the hardship request will be presented to a Hardship Committee made up of community citizens who have sufficient knowledge of the MTW program to make informed decisions as to the disposition of rental assistance for such families. Decisions of the Hardship Committee will be final.

This policy is not intended to apply to seasonal-income fluctuations, nor minor or temporary reductions of income.

Since the commencement of the MTW Demonstration Program, HATC has had a total of 122 hardship requests. Participants are allowed to request more than one hardship so the total number includes second- and third-time requests. During FY 2011, we had a total of 30 requests. These requests solicited different types of actions, such as requesting to be converted to the income-based

program or requesting additional time on the program. Families that submitted these requests had medical problems or they felt that they did not have enough income to pay the total contract rent.

Of the thirty requests, three families were converted to our income-based program without a time limit, 11 families were given a one-year extension, 10 families were denied, five were referred to CSET, and the committee would not allow one family with no reasonable prospect of becoming self-sufficient to change to the MTW Program just so they could have a lower rent. CSET is a local agency that also tries to promote self-sufficiency by offering services, such as job training and job placement.

For a complete list of all hardship decisions, please refer to our website at www.hatc.net.

Revisions to Benchmarks/Metric and Data Collection Methodology:

Changes were made to the Benchmarks/Metrics and Data Collection Methodology in the 2009/2010 plan year, but no further changes were made in the 2010/2011 year. An explanation of the changes which were made is stated in the HATC 2010 report.

Revisions to MTW Authorizations:

No changes to MTW authorizations were necessary.

HATC is authorized to make these changes according to the MTW Agreement, Attachment C, Section C (11) Rent Policies for Public Housing and Section D(2) Rent Policies for Section 8 Section 2(b), Determining the Content of Rental Agreements and Section F . It was necessary to waive regulations for this activity in order to allow establishing rents which are not based on 30% of income, and allowing the imposition of time limits on assistance rather than only terminating families when their Total Tenant Payment equals or exceeds the contract rent for Section 8 or allowing Public-Housing families to stay indefinitely paying a flat-rent amount. Further, waivers were needed to require owners to use the Section 8 model lease rather than being allowed to use a lease of their own; allowing a simplified, prorated-rent calculation for mixed families; allowing changes to the programs definition of income; allowing the termination of the FSS Program, and allowing a change to the calculation of medical deductions.

Activity Two – Increasing Housing Choices: In the 2008/2009 Plan, HATC discussed the necessity of increasing housing choices for program participants. We believed one of the methods to increase housing choices was to eliminate the 40% rule for families on the income-based program since the rule had already been waived for all program participants on the five-year program. This new change has allowed elderly/disabled-program participants to choose units where the rent would exceed 40% of their income, thus allowing greater housing choices. This activity commenced as of January 1, 2009.

Revision to Benchmarks:

Changes were made to the Benchmarks/Metrics and Data Collection Methodology in the 2009/2010 plan year, but no further changes were made this past year. An explanation of the changes to this benchmark is contained in the HATC 2010 report.

Table 14

Activity Two: Increasing Housing Choices				
Measurement	**Baseline**	**Benchmark**	**Outcome**	**Achieved Benchmark?**
Number of elderly/disabled participants paying over 40% of their income prior to waiver versus number of families paying over 40% of their income after waiver.	Zero non-MTW families over 40% of their income towards rent.	40 non-MTW families paying over 40% of income towards rent.	123	Yes

Activity Impacts and Outcomes:

The benchmarks were achieved because additional families were able to choose units they would not have been allowed to rent without MTW waivers of the 40% rule. This increased their housing choices.

Revisions to Methodology:

No revisions to methodology were required

Revisions to MTW Authorizations:

No revisions to MTW authorizations were required.

This initiative is authorized by our MTW Agreement, Attachment C, Section D(2)a. Waivers to the regulations now allowing families to pay more than 40% of their income on the Section 8 Program were necessary to permit this activity for families moving and starting a new contract.

Activity Three – Encourage Self-Sufficiency and Transition of Pre-1999 Families to MTW: From inception of the MTW program in May, 1999, HATC has worked to encourage all of its MTW program participants to become self-sufficient. HATC did not, however, require that able-bodied families participate in the MTW program at that time. Those families were allowed to choose whether they wanted to participate in the MTW Program, or remain in the mainstream program.

The MTW Demonstration Program was designed to motivate able-bodied families to work, seek work, participate in job training and go back to school. We promoted those activities at the onset of the program by establishing the following:

1. Establishing fixed rents for our non-elderly and non-disabled-Public-Housing participants.

2. Establishing fixed subsidies for our non-elderly and non-disabled-HCV participants.

3. Imposing a five-year time limit on assistance for all non-elderly and non-disabled families for HCV and Public Housing.

In 2009, HATC reviewed its MTW Program policies with an eye to requiring pre-1999, able-bodied families who had not chosen to convert to MTW to do so. At the time, there were only 99 families remaining who had not voluntarily converted to MTW. In discussions with the HATC Board of Commissioners, it was felt that these families also needed to be encouraged to be self-sufficient; and, therefore, after a public hearing, HATC included in their 2009-2010 Plan a requirement that all pre-1999, able-bodied families convert to the MTW program under the same conditions as post-1999 families, meaning flat rents and time limits would be imposed.

HATC has collected and stored income data on all MTW participants since the onset of the program from annual or interim reexaminations. This data has been used to assess and determine important aspects like rental amounts and rental subsidies.

This activity was implemented at the end of 2009, and families have not begun to time out at this point, so no hardship requests have been received.

Revisions to Benchmarks/Metrics:

The benchmarks and metrics have not changed; we are simply comparing incomes for HATC families with a different group of families on traditional HUD regulations.

Revisions to Methodology:

Since we no longer have income-based-rent payers in our public-housing and voucher programs, we turned to our neighbors to the north, Fresno County for comparison data. Please refer to table 15 below:

Table 15

Activity Three: Encourage Self-Sufficiency in Pre-1999 Families				
Measurement	**Baseline**	**Benchmark**	**Outcome**	**Achieved Benchmark?**
Income comparison between Pre 1999 HATC MTW families who were converted later and participants in Fresno County where traditional HUD regulations are in place.	Average beginning income amounts for each group TC- $14423 FC- $16,790	11% increase for Tulare county participants. 7% increase for Fresno county participants TC- $16,010 FC-$17,965	Actual Average Incomes at the end of the Fiscal year TC- $17,218- 19% FC - $19,068- 14%	Yes

The data provided by the Housing Authorities of the City and County of Fresno is ideal because Fresno County is very similar to Tulare County demographically. Resident profiles and economic opportunities for both agencies have shown to be comparable. The Housing Authorities of the City and County of Fresno do not participate in the MTW demonstration program; therefore, HATC

hypothesized that HATC-program participants will see a greater increase in income due to their inclusion in the MTW program.

Activity Impacts and Outcomes:

While the Fresno participants had greater income increases than anticipated, the HATC tenants still had greater gains in income, which we believe can be directly tied to the MTW changes.

Revisions to MTW Authorizations:

There have been no revisions to MTW authorizations used for this activity.

These items are permissible according to the MTW Agreement, Attachment C, Section C(11) for public housing and Section D(2) for Section 8. It was necessary to waive regulations for this activity in order to allow establishing rents which are not based on 30% of income, and allowing the imposition of time limits on assistance rather than only terminating families when their Total Tenant Payment equals or exceeds the contract rent for Section 8 or allowing Public Housing families to stay indefinitely paying a flat-rent amount.

Activity Four – Project-Based Section 8: In our 2009-2010 MTW Plan, HATC discussed building of 30 single-family units in the city of Tulare that would allow HATC to participate in the Project-Based HCV program for the first time. This complex, Tule Vista, is being built in conjunction with the City of Tulare Redevelopment Agency.

Table 16

Activity Four: Project Based Section 8				
Measurement	**Baseline**	**Benchmark**	**Outcome**	**Achieved Benchmark?**
Normal Project Based Section 8 Proposal Preparation and review versus a streamlined process without a RFP or competition.	Time and cost of normal Project Based Section 8 proposal preparation and review: Fifty (50) hours at a cost of $4,238.	Time and cost of streamlined process expected tp be used without RFP or competition: Fifteen (15) hours at a cost of $1270.	Ten (10) hours used at a cost of $847.	Yes

Activity Impacts and Outcomes and Achievement of Benchmark:

The first benchmark was achieved as HATC was able to save time and money by streamlining the process for using project-based vouchers on this project without the usual RFP and proposal evaluations.

Table 17

Activity Four: Project Based Section 8 (Increase Housing Choices)				
Measurement	**Baseline**	**Benchmark**	**Outcome**	**Achieved Benchmark?**
Allowable number of Project Based Section 8 vouchers versus number allowed in the previous MTW plan	Allowable number of units for Project Based Section 8: 25% of a 57 unit project- Fourteen units (14)	Thirty (30) units with Project Based Section 8	Zero (0)	No, project is not constructed yet

Activity Impacts and Outcomes and Achievement of Benchmark:

The second benchmark is on hold as Tule Vista was stalled in construction because of financing issues, but finally broke ground in October 2010. It is projected to begin lease-up by July 2011. We will be able to evaluate the second benchmark of this activity when the project is completed.

There have been no revisions to Benchmark/Metrics or Data Collection Methodology.

Revisions to MTW Authorizations:

There have been no revisions to MTW authorizations for this activity. HATC is authorized to undertake such an initiative by its Moving to Work Agreement, Attachment C, Section D (1)(e) and D (7). These sections allow HATC to use an alternate process for selecting projects in which to use project-based vouchers, and how many units would be allowed to be project based in this complex. Please see Tables 16 and 17.

Activity Five – Development of Additional Affordable Housing: In its 2009/2010 MTW Plan, HATC proposed to partner with non-profit agencies in order to develop additional affordable housing choices using Section 8 and Public Housing funds. Please see Table 18 below for baseline and benchmark.

Table 18

Activity Five: Development of Additional Affordable Housing				
Measurement	**Baseline**	**Benchmark**	**Outcome**	**Achieved Benchmark?**
Additional number of housing units built as a result of funding flexibility.	Zero (0)	Twenty (20)	None	No

Revisions to Benchmarks/Metrics or Data Collection Methodology:

There have been no revisions to baselines/metrics or data collection methods for this activity.

Activity Impacts and Outcomes and Achievement of Benchmark:

The benchmark for this activity were not achieved during the 2010/2011 fiscal year because any additional affordable housing to be created using MTW money is still in development. Additional projects are in the works, but were not completed as of June 30, 2011.

Revisions to MTW Authorizations:

This activity is authorized by Attachment C, Sections B 1 b and 2 allowing for combining of funding and partnerships with non-profit agencies. Also, contributions of MTW funds to these projects are authorized through the 'Broader Uses of Funds' authority in HATC's Attachment D of the Standard MTW Agreement.

These waivers are necessary to use Section 8 and Public housing funding for non–Section 8 and 9 of the 1937 Housing Act activities

Section VII: Sources and Uses of Funds

For the Fiscal Year ended June 30, 2011 the only significant variation of budget to actual expenses occurred within the Capital Fund. Capital funds were materially under expended in the year end June 30, 2010 due to the ARRA funds being expended on the public-housing units. The fiscal-year-end-June 30, 2011 actuals show we received funds for both 2010 & 2011 Capital Fund.

MTW and Single Fund Flexibility:

The Housing Authority is using the single fund flexibility that is incorporated in our MTW program to allow us to work on creating additional housing units throughout the county. With this flexibility we can combine program reserve funds to layer in other outside financing sources that would not be approved and available to us without our participation.

Table 19

CONSOLIDATED SOURCES AND USES OF MTW FUNDS
FISCAL YEAR 2011

REVENUE (SOURCES)	BUDGET	ACTUAL	VARIANCE	VARIANCE %
HCV Program HAP (1)	$ 16,388,679.00	$ 13,413,917.93	$ (2,974,761.07)	-18%
HCV Program Admin Fee (1)	1,981,827.00	1,968,154.42	(13,672.58)	-1%
Dwelling Rent Income	2,975,639.00	2,977,105.00	1,466.00	0%
Public Housing Capital Fund (2)	1,667,282.00	2,186,134.77	518,852.77	31%
Public Housing Operating Fund (3)	1,111,368.00	1,592,136.00	480,768.00	43%
Miscellaneous Income (4)	34,301.25	34,410.81	109.56	0%
Investment Income (5)	273,992.00	960,893.24	686,901.24	251%
TOTAL REVENUE	$ 24,433,088.25	$ 23,132,752.17	$ (1,300,336.08)	-5%
EXPENSES (USES)				
Administration & General Expense	2,583,999	2,774,994	190,994.99	7%
Utilities	532,018	533,569	1,550.75	0%
Operation & Maintenance	1,869,834	2,357,566	487,731.84	26%
Housing Assistance Payment	15,078,320	13,403,838	(1,674,482.01)	-11%
TOTAL EXPENSE	$ 20,064,170.84	$ 19,069,966.41	$ (994,204.43)	-5%
OPERATING INCOME/LOSS	4,368,917	4,062,786	(306,131.65)	-7%
Reserve Draw down (unrestricted)	-	-	-	-
NET INCOME/LOSS	$ 4,368,917.41	$ 4,062,785.76	$ (306,131.65)	-7%

1) Hap Revenue received was much higher than what was estimated, as Admin fees is driven by HAP income, it shows correlated increase.

2) Capital funds were requisitioned after the expenses had been incurred. Of the $2.1 mil, $1.4 mil was prior years cap fund requisition shortfall, $730K current Capital funds requisition received. AARA & VASH Funds were excluded from above, , these two funds were reported under the Non-MTW Sources & Uses table.

3) Total operating funds of $1.5mil., of which $217,175 was a prior year requisition received in current fiscal year.

4) Miscellaneous Income of $34,410 consists of tenants' maintenance charges, pet fees and legal fees

5) Investments Income are investment and interest gains. Due to down turn of the economy, projection on investment returns were done more conservatively. The actual gains on investments were higher than projected.

Table 20

CONSOLIDATED SOURCES AND USES OF USDA FUNDS
FISCAL YEAR 2011

REVENUE (SOURCES)	BUDGET	ACTUAL	VARIANCE	VARIANCE %
RENTAL INCOME	$ 1,851,965.00	$ 1,859,432.76	$ 7,467.76	0%
INTEREST INCOME	5,478.00	5,734.59	256.59	5%
MISCELLANEOUS	16,705.00	16,941.41	236.41	1%
TOTAL REVENUE	$ 1,874,148.00	$ 1,882,108.76	$ 7,960.76	0%
EXPENSES (USES)				
ADMINISTRATIVE & GENERAL EXPENSES	651,429.00	611,864.87	(39,564.13)	-6%
UTILITIES	252,568.00	240,196.90	(12,371.10)	-5%
OPERATIONS & MAINTENANCE	801,180.00	709,311.50	(91,868.50)	-11%
TOTAL EXPENSE	$ 1,705,177.00	$ 1,561,373.27	$ (143,803.73)	-8%
OPERATING INCOME/LOSS	168,971.00	320,735.49	151,764.49	90%
TRANSFER TO RESERVES	140,844.00	140,847.01	3.01	0%
DEPRECIATION	-	99,033.49	99,033.49	0%
NET INCOME/LOSS	$ 28,127.00	$ 80,854.99	$ 52,727.99	187%

Table 21

CONSOLIDATED SOURCES AND USES OF STATE & LOCAL FUNDS
FISCAL YEAR 2011

REVENUE (SOURCES)	BUDGET	ACTUAL	VARIANCE	VARIANCE %
GRANTS	48,089.75	36,243.00	(11,846.75)	-25%
RENTAL INCOME	122,372.75	112,384.91	(9,987.84)	-8%
INTEREST INCOME	720.00	659.02	(60.98)	-8%
MISCELLANEOUS	1,771.00	1,780.75	9.75	1%
TOTAL REVENUE	172,953.50	151,067.68	(21,885.82)	-13%
EXPENSES (USES)				
ADMINISTRATIVE & GENERAL EXPENSES	76,896.75	75,300.02	(1,596.73)	-2%
UTILITIES	22,006.75	24,157.82	2,151.07	10%
OPERATIONS & MAINTENANCE	62,810.50	54,101.89	(8,708.61)	-14%
TOTAL EXPENSE	161,714.00	153,559.73	(8,154.27)	-5%
OPERATING INCOME/LOSS	11,239.50	(2,492.05)	(13,731.55)	-122%
TRANSFER TO RESERVES	6,388.00	37,638.00	31,250.00	489%
NET INCOME/LOSS	4,851.50	(40,130.05)	(44,981.55)	-927%

* The overage in reserves is the result of the required reserve deposits attributable to Parkwood Manor, a program managed by HATC for 3 months in 2010 (now reassigned to the owner). In addition, due to the late processing of the budget by the State, the plan was not properly adjusted and further increased the variance as to this particular item.

Table 22

CONSOLIDATED SOURCES AND USES OF CENTRAL OFFICE COST CENTER FUNDS FISCAL YEAR 2011				
REVENUE (SOURCES)	**BUDGET**	**ACTUAL**	**VARIANCE**	**VARIANCE %**
RENTAL INCOME	220,500.00	231,843.42	11,343.42	5%
INTEREST INCOME	100.00	0.40	(99.60)	-100%
INVESTMENT INCOME	100,000.00	113,744.93	13,744.93	14%
MISCELLANEOUS	1,300,000.00	1,378,198.22	78,198.22	6%
TOTAL REVENUE	1,620,600.00	1,723,786.97	103,186.97	6%
EXPENSES (USES)				
ADMINISTRATIVE & GENERAL EXPENSES	300,000.00	253,388.00	(46,612.00)	-16%
UTILITIES	14,000.00	15,586.00	1,586.00	11%
OPERATIONS & MAINTENANCE	800,000.00	852,859.00	52,859.00	7%
TOTAL EXPENSE	1,114,000.00	1,121,833.00	7,833.00	1%
OPERATING INCOME/LOSS	506,600.00	601,953.97	95,353.97	19%
DEPRECIATION	105,000.00	99,920.00	(5,080.00)	-5%
NET INCOME/LOSS	401,600.00	502,033.97	100,433.97	25%

Table 23

CONSOLIDATED SOURCES AND USES OF NON-MTW FUNDS FISCAL YEAR 2010/2011			
REVENUE (SOURCES)		BUDGET	ACTUAL
RENTAL INCOME			3,976,100.54
VASH VOUCHER PROGRAM HAP		168,681.00	71,118.00
VASH VOUCHER PROGRAM ADMIN FEE		27,300.00	9,998.39
ARRA GRANT (2)		1,962,885.00	506,680.65
MISCELLANEOUS INCOME			9,677.17
INVESTMENT/INTEREST INCOME (1)			142,806.22
	TOTAL REVENUE	2,158,866.00	4,716,380.97
EXPENSES (USES)			
ADMINISTRATIVE & GENERAL EXPENSES			446,512.59
UTILITIES			509,796.58
OPERATIONS & MAINTENANCE			2,809,465.23
ARRA EXPENSES			506,680.65
HOUSING ASSISTANCE PAYMENT		27,300.00	71,118.00
	TOTAL EXPENSE	27,300.00	4,343,573.05
OPERATING INCOME/LOSS		2,131,566.00	372,807.92
TRANSFER TO RESERVES		-	190,254.62
DEPRECIATION		-	2,125,297.90
	NET INCOME/LOSS	2,131,566.00	(1,942,744.60)
1) Investments Income are investment and interest gains.			
2) ARRA Grant was final draw drown for the 2010 grant. There was no new Grant for 2011.			

Section VIII: Administrative

Deficiencies have not been cited or observed in any of our monitoring visits, physical inspections or other oversight visits during the report year.

As part of the administrative procedures of the MTW Plan, HATC did not do any specific evaluations or assessments with regards to the MTW Demonstration Program.

In the past there has been considerable discussion regarding reports and plans submitted by this agency to HUD, and changes HUD has requested. We would like to thank Alison Smith for her very concrete help during her site visit to clarify for us the changes we should make in order to more completely comply with the Attachment B reporting requirements. As a result, we have made a concerted effort to exactly follow the required format in its entirety. We are hopeful that the process will go more smoothly in the future, especially the upcoming format change, and will only require minor “tweaking.”

All Capital Fund activities were included in the MTW Block Grant.

The agency certification, that the agency has met all three of the statutory requirements, is included as Appendix A of this report.

BEFORE THE BOARD OF COMMISSIONERS
OF THE
HOUSING AUTHORITY OF THE COUNTY OF TULARE
STATE OF CALIFORNIA

-oOo-

IN THE MATTER OF APPROVING CERTIFICATIONS OF COMPLIANCE FOR THE ANNUAL MOVING TO WORK REPORT	)))))	**RESOLUTION NO. 2012-04**

-oOo-

At a duly constituted meeting of the Board of Commissioners of the Housing Authority of the County of Tulare, a public body corporate and politic (the "Housing Authority"), held on May 16, 2012, the following resolution was adopted:

The Executive Director is authorized to act on behalf of the Board of Commissioners for the "Housing Authority", to approve the submission of the Annual Moving to Work Report for the PHA fiscal year beginning July 1, 2010, hereinafter referred to as "the Report", of which this document will be made a part and to make the following certifications to the Department of Housing and Urban Development (HUD) in connection with the submission of the Report:

1. "The Housing Authority" has met the statutory requirement to house at least 75 percent of the families assisted by the agency who have income in the "very low" category;
2. "The Housing Authority" has met the statutory requirement to continue to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined;
3. "The Housing Authority" has met the statutory requirement to maintain a comparable mix of families (by family size) as would have been served had the amounts not been used under the MTW demonstration Program.

Housing Authority of the County of Tulare	CA030
PHA Name	PHA Number/HA
KEN KUGLER	Executive Director
Name of Authorized Official	Title
Ken Kugler	May 16, 2012
Signature	Date

4. This Resolution shall take effect immediately upon adoption.

The foregoing resolution was adopted upon a motion presented by Commissioner Romero, and seconded by Commissioner Ybarra, at a regular meeting of the Board of Commissioners held on the 16th day of May 2012. Motion carried by the following vote:

AYES:	Saltzman, Romero, Snyder, Ybarra, Hess, Shaw, Rodrigues
NAYES:	None
ABSTAIN:	None
ABSENT:	None
ABSENT:	None

HOUSING AUTHORITY OF THE

COUNTY OF TULARE

STEVEN B. SALTZMAN, Chairperson

MW/Resolutions/2012-04

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

Part I: Summary

PHA Name: Tulare County Housing Authority (CA030)	Grant Type and Number Capital Fund Program Grant No: CA39P03050111 Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant: 2011 FFY of Grant Approval:

Type of Grant
☒ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement (revision no:)
☐ Performance and Evaluation Report for Period Ending: ☐ Final Performance and Evaluation Report

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised[2]	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) [3]	254,453			
3	1408 Management Improvements	2,400			
4	1410 Administration (may not exceed 10% of line 21)	127,142			
5	1411 Audit	3,000			
6	1415 Liquidated Damages				
7	1430 Fees and Costs	19,326			
8	1440 Site Acquisition				
9	1450 Site Improvement	222,000			
10	1460 Dwelling Structures	576,690			
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures	67,250			
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities [4]				

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

Page1

form **HUD-50075.1** (4/2008)

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

Part I: Summary

PHA Name: Tulare County Housing Authority (CA030)	Grant Type and Number Capital Fund Program Grant No: CA39P03050111 Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant:2011 FFY of Grant Approval:

Type of Grant

☒ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**

☐ **Performance and Evaluation Report for Period Ending:** ☐ **Final Performance and Evaluation Report**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised [2]	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	1,272,261			
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

Signature of Executive Director	Date	Signature of Public Housing Director	Date

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

Page2

form **HUD-50075.1** (4/2008)

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

Part II: Supporting Pages

PHA Name: Tulare County Housing Authority (CA030)	**Grant Type and Number** Capital Fund Program Grant No: CA39P03050111 CFFP (Yes/ No): Replacement Housing Factor Grant No:	**Federal FFY of Grant: 2011**

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	
HA-WIDE	OPERATIONS	1406		254,453				
HA-WIDE	MANAGEMENT IMPROVEMENTS	1408		2,400				
HA-WIDE	ADMINISTRATION	1410		127,142				
HA-WIDE	AUDIT	1411		3,000				
HA-WIDE	FEES & COSTS	1430		19,326				
HA-WIDE	SITE IMPROVEMENTS	1450		222,000				
HA-WIDE	DWELLING STRUCTURES	1460		371,690				
HA-WIDE	NON-DWELLING STRUCTURES	1470		272,250				
	TOTAL			1,272,261				

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Page3

form **HUD-50075.1** (4/2008)

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

Part II: Supporting Pages

PHA Name:	**Grant Type and Number** Capital Fund Program Grant No: CFFP (Yes/ No): Replacement Housing Factor Grant No:	**Federal FFY of Grant:**

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Page4

form **HUD-50075.1** (4/2008)

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

Part III: Implementation Schedule for Capital Fund Financing Program

PHA Name:					**Federal FFY of Grant:**
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates [1]
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	

[1] Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Page5

form **HUD-50075.1** (4/2008)

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
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[1] Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Page6

form **HUD-50075.1** (4/2008)

Appendix B: Capital Fund and Budget

	A	B	C	D	E	F	G	H	I	J	K
1	Housing Authority of the County of Tulare										
2	Public Housing Site Budgets										
3	July 1, 2009 to June 30, 2010										
4		Totals		AMP 805 DINUBA		AMP 812 TULARE		AMP 815 VISALIA		AMP 817 P'VILLE	
5		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
6	Family / Elderly			Family		Family		Family		Family	
7	Scattered Site?										
8	Age										
9	Recently Renovated?										
10	Units	710		195		205		199		111	
11	Unit months available	8,520		2,340		2,460		2,388		1,332	
12	Average Bedroom Size										
13	% Occupancy	67%		66%		69%		65%		65%	
14	Unit Months Occupancy	5,686.0		1,551.0		1,705.0		1,561.0		869.0	
15	Unit Months Mod Vacancies										
16	REVENUE										
17	Dwelling Rentals	$2,974,162	$2,983,275	$803,024	$765,848	$862,507	$897,069	$832,765	$830,984	$475,866	$489,374
18	Non-dwelling Rentals	2,982	2,460	805	748	865	681	835	662	477	369
19	Transfer from Capital Fund (1406)	-	128,799	-	39,162	-	35,681	-	34,636	-	19,320
20	Investment Income	314,000	768,549	84,780	226,057	91,060	215,721	87,920	209,337	50,240	117,434
21	Other Income	374,865	1,456,563	102,956	378,942	108,236	343,877	105,068	435,759	58,606	297,986
22	Total Revenue	$3,666,009	$5,339,646	$991,565	$1,410,757	$1,062,668	$1,493,029	$1,026,588	$1,511,378	$585,189	$924,482
23	EXPENSES										
24	Administrative Salaries	$ 416,517	$ 448,208	$ 115,547	$ 119,668	$ 125,422	$ 126,135	$ 103,879	$ 130,586	$ 71,668	$ 71,819
25	Benefits	166,589	163,515	47,689	39,982	48,956	47,289	41,845	52,653	28,100	23,591
26	Legal	13,888	13,724	3,750	1,294	4,028	3,807	3,889	7,705	2,221	917
27	Staff Training	10,000	1,369	2,700	396	2,900	426	2,800	20	1,600	527
28	Travel	10,224	5,991	2,760	1,530	2,965	1,782	2,863	1,765	1,636	914
29	Audit	6,220	2,583	1,680	627	1,802	774	1,743	750	995	432
30	Administrative Other	106,500	114,980	29,232	21,005	30,757	25,950	29,857	46,571	16,654	21,454
31	Total Administrative	$1,360,654	$750,370	$203,359	$184,503	$216,830	$206,163	$186,876	$240,050	$122,874	$119,654
32	Gas	4,516	5,882	1,219	1,411	1,310	1,646	1,264	1,823	723	1,002
33	Electric	53,676	46,882	14,493	8,260	15,566	18,761	15,029	14,737	8,588	5,123
34	Water	206,524	195,576	55,761	67,454	59,892	34,314	57,827	70,091	33,044	23,718
35	Sewer	221,435	228,797	59,787	54,218	64,216	78,284	62,002	60,321	35,430	35,974
36	Total Utilities	$486,151	$477,137	$131,260	$131,343	$140,984	$133,005	$136,122	$146,972	$77,785	$65,817
37	Maintenance Salaries	358,783	424,909	94,588	91,107	99,049	134,775	114,114	142,194	51,032	56,833
38	Benefits	207,905	225,315	54,434	55,220	58,318	65,538	65,258	71,858	29,895	32,698
39	Maintenance Materials	423,272	397,944	105,818	82,508	105,818	116,109	105,818	147,008	105,818	52,319
40	Maintenance Contracts	586,006	690,345	158,222	123,092	169,942	234,571	164,082	234,172	93,760	98,510
41	HUD Cap - soft cost	-	128,799	-	39,162	-	35,681	-	34,636	-	19,320
42	Total Maintenance	$1,575,965	$1,867,311	$413,062	$391,089	$433,126	$586,674	$449,273	$629,869	$280,505	$259,679
43	Insurance	56,914	56,953	15,632	13,827	16,433	17,065	15,952	16,533	8,898	9,528
44	PILOT	79,832	82,202	22,661	20,242	21,759	23,524	22,193	24,119	13,219	14,318
45	Bad Debt Expense	25,475	18,378	6,878	1	7,388	1,101	7,133	13,945	4,076	3,331
46	Total General Expenses	$162,221	$157,533	$45,171	$34,069	$45,580	$41,691	$45,278	$54,596	$26,193	$27,177
47	Total Expenses	$2,954,276	$3,252,351	$792,851	$741,004	$836,519	$967,532	$817,549	$1,071,487	$507,356	$472,328
48	Cash Flow from Operations	$711,733	$2,087,295	$198,713	$669,753	$226,148	$525,497	$209,039	$439,890	$77,832	$452,155

HOUSING AUTHORITY OF THE COUNTY OF TULARE

FINANCIAL STATEMENTS SUPPLEMENTAL SCHEDULES AND INDEPENDENT AUDITORS' REPORT

JUNE 30, 2011 AND 2010

HOUSING AUTHORITY OF THE COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

Table of Contents

	Page Number
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Entity – Wide Financial Statements	
Statements of Net Assets	11
Statements of Revenues, Expenses and Changes in Fund Net Assets	14
Statements of Cash Flows	15
Notes to Financial Statements	16
Supplementary Information	
Housing Authority of the county of Tulare - Financial Data Schedule	25
USDA Form RD 3560-7 and USDA Form RD 3560-10	49
Reconciliation of Comprehensive Grant and Capital Funds	65
Overall Compliance, Internal controls and Federal Awards Section	
Report on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	67
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance With OMB Circular A-133	69
Schedule of Expenditures of Federal Awards	71
Schedule of Findings and Questioned Costs	72

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Independent Auditors' Report

Board of Commissioners
Housing Authority of the County of Tulare
Visalia, California

We have audited the accompanying basic financial statements of the Housing Authority of the County of Tulare (the "Housing Authority"), as of and for the year ended June 30, 2011. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Housing Authority of the County of Tulare as of June 30, 2010, were audited by other auditor's whose report dated January 19, 2011, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority, as of June 30, 2011, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis on pages 3 through 10 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information, and accordingly, express no opinion on it.

1

In accordance with *Government Auditing Standards*, we have also issued a report dated January 9, 2012 on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Housing Authority taken as a whole. The accompanying schedule of expenditures of federal awards required by the *U.S. Office of Management and Budget Circular* A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the financial data schedule required by the Department of Housing and Urban Development listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Reseda, California
January 9, 2012

2

Management's Discussion and Analysis

This discussion and analysis of the Housing Authority of the County of Tulare (Housing Authority) financial performance provides an overview of the Housing Authority's financial activity for the fiscal year ended June 30, 2011. Readers are encouraged to consider the information presented here in conjunction with the accompanying basic financial statements included in this report.

The Mangement's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Managements' Discussion and Analysis – for State and local Governments, issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

- The Authority's net assets increased by $8,069,930 during 2011, resulting in net assets of $113,506,156. Net assets are sub-categorized into capital net assets, $59,464,579, restricted net assets, $196,687 and unrestricted net assets (liquid), $53,844,890.
- The total revenues increased by $181,096 during 2011, and ended at $28,907,066. The increase in revenues was due to an increase in voucher subsidy, interest rates and capital funding.
- Total spending for all Housing Authority programs was approximately $22 million for the year. Approximately $6.3 million of rental and investment income were generated to cover part of the total expenses, and government grants and subsidies covered the balance. Approximately 61 percent of our FY 2011 spending was for housing assistance payments.

Overview of the Financial Statements

The Authority's financial statements consist of two parts – Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements include the Entity wide financial statements and notes to the financial statements.

- The Authority-wide financial statements provide information about the Authority's overall financial position and results of operations. These statements, which are presented on the accrual basis, consist of the Statement of Net Assets, the Statement of Revenues, Expenses, and changes in Fund Net Assets, and the Statement of Cash Flows.
- The basic financial statements also include a "Notes to Financial Statements" section that provides additional information that is essential to a full understanding of the data provided in the Entity-wide statements.

The remainder of the overview section of Management's Discussion and Analysis explains the structure and contents of each of these statements.

3

Management's Discussion and Analysis (continued)

Overview of the Financial Statements (continued)

The *Statement of Net Assets* presents information on the Housing Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Housing Authority is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Assets* presents information showing how the Housing Authority's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The *Statement of Cash Flows* presents the change in the Housing Authority's cash and cash equivalents during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The *Statement of Cash Flows* presents the change in the Housing Authority's cash and cash equivalents during the most recent fiscal year.

The notes to basic financial statements provide additional information that is essential to a full understanding to the data provided in the fund financial statements.

Financial Analysis

As we noted earlier, the Housing Authority uses funds to help it control and manage money for particular purposes. The following analysis focuses on the net assets (Table 1) and the changes in net assets (Table 2) of the Housing Authority as a whole. The largest portion of the Housing Authority's net assets (52.4%) reflects its investment in capital assets (e.g. land, development costs, and construction in progress, structures, equipment and vehicles) net of related depreciation. The Housing Authority uses these capital assets to provide services to program participants, consequently these assets are not available for future spending.

4

Management's Discussion and Analysis (continued)

Table 1

Statement of Net Assets

	2011	2010
Current Assets	$ 50,291,830	$ 46,638,435
Capital Assets, net of depreciation	59,464,579	58,229,175
Non-Current Assets	9,451,656	5,693,198
Total Assets	$ 119,208,065	$ 110,560,808
Current Liabilities	$ 1,435,221	$ 1,803,294
Non-Current Liabilities	4,266,688	3,321,288
Total Liabilities	$ 5,701,909	$ 5,124,582
Net Assets:		
Invested in Capital Assets, Net of Related Debt	$ 59,464,579	$ 58,229,175
Restricted Net Assets	196,687	15,189,719
Unrestricted Net Assets	53,844,890	32,017,332
Total Net Assets	$ 113,506,156	$ 105,436,226

Major Factors Affecting the Statement of Revenue, Expenses, and Changes in Net Assets

- Capital assets increased by approximately $1.235 million (net of accumulated depreciation and dispositions). The increase in net capital assets was due to the ongoing activity of the capital fund programs and purchase of properties to be developed.

- Cash decreased approximately $15.502 million due primarily to the transfer of cash into investments, as a result of reinvesting in the recovering economy and related market return on investments. Receivables increased approximately $300 thousand due to payment of approximately $140 thousand of HUD receivable and reimbursement of $440 thousand advances from Kaweah Management Company for the purchase of W. Oriole, S. County and Oakwood Properties. Investments increased approximately $18.825 million due to the reinvestment of funds above as well as increases in market rates.

5

Management's Discussion and Analysis (continued)

Table 2

Statement of Revenues, Expenses, and Changes in Net Assets

	2011	2010
Operating Revenue:		
Rental Income	$ 5,234,906	$ 5,437,813
Grants and Subsidy	21,090,048	19,700,033
Other Revenue	1,357,332	1,743,436
Total Operating Revenue	27,682,286	26,881,282
Operating Expenses:		
Housing Assistance Payments	13,474,956	13,402,752
Administrative Services	694,451	738,944
Personnel Services	4,212,006	4,009,834
Contractual Services	1,587,878	1,450,376
Utilities	662,129	648,580
Materials and Supplies	562,849	664,280
Insurance	246,622	270,238
Miscellaneous	157,922	204,366
Depreciation	422,935	202,819
Total Operating Expenses	22,021,748	21,592,188
Operating Income (Loss)	5,660,538	5,289,094
Nonoperating Revenues (Expenses)		
Interest Revenue	1,095,845	1,627,086
Government grants	40,528	129,195
Debt Forgiveness	88,407	88,407
Casualty losses	(3,633)	-
Interest Expense	(16,608)	(22,177)
Capital Contributions	1,361,086	1,601,290
Total Nonoperating Revenues (Expenses)	2,565,625	3,423,801
Change in Net Assets	8,226,163	8,712,894
Net Assets at Beginning of Year	105,436,226	96,425,326
Prior Period Adjustment	(156,233)	298,006
Net Assets at End of Year	$ 113,506,156	$ 105,436,226

6

Management's Discussion and Analysis (continued)

The Authority's Funds

This section of the report will offer explanations for each fund's separate activities. Although financial reporting is combined into one fund, the Authority maintains several funds internally for fiscal and compliance purposes. Each fund's activity only reflects revenue and grant funds received and costs associated with operating specific programs or properties, subject to the Authority's rules and policies that govern housing services, as well as capital assets for each program or property. The internal funds are described below.

Business Type Fund – Named the Relinquished Fund, this fund operates as the property management "division" of the Authority. Its main sources of income are management, maintenance and rental fees to other programs. The Fund represents non-HUD resources developed from a variety of activities. Other non-program business operations are accounted herein.

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents 710 units that it owns to low-income households. The Conventional Public Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the:

Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's property, and the

Housing Choice Voucher Program Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords who own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administrated under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income if they are not in the Moving to Work Program. HUD allows the Authority to lease 2,836 units.

Farm-Worker Apartments – The Authority owns, manages, and operates 445 units of permanent housing for farm-worker families. These units went under major rehabilitation in 2004, 2005, and 2006. Eligibility is based upon income from farm work.

VASH – The Authority administers vouchers on behalf of qualified recipients as to 35 units qualifying for Housing Choice Vouchers under the VASH Program. The HUD-VASH program provides rental assistance under a supportive housing program for homeless veterans. This program combines Housing Choice Voucher rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs (VA) at its medical centers and in the community.

7

Management's Discussion and Analysis (continued)

Capital Assets and Debt Administration

Capital Assets

As of year-end, the Authority had $59,464,579 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (additions, deductions and depreciations) of $1,235,404 from the end of last year.

Table 3

Capital Assets at Year-End (Net of Depreciation)

	2011	2010
Land	$ 4,182,397	$ 4,182,397
Buildings	38,332,899	38,332,899
Equipment – Dwelling	318,665	318,665
Equipment – Administrative	21,951	21,951
Leasehold Improvements	44,178,682	42,520,343
Subtotal	87,034,594	85,376,255
Less: Accumulated Depreciation	(27,570,015)	(27,147,080)
Capital Assets, Net of Accumulated Depreciation	$ 59,464,579	$ 58,229,175

Table 4

Changes in Capital Assets

	2011	2010
Beginning Balance	$ 58,229,175	$ 54,676,372
Additions	1,658,339	3,853,670
Retirements, at cost	-	(148,925)
Previous Depreciation on Retired Assets	-	50,877
Depreciation	(422,935)	(202,819)
Ending Balance	$ 59,464,579	$ 58,229,175

Debt Outstanding

As of year-end, the Authority had $4,136,738 in debt outstanding (bonds, notes, etc.) compared to $3,180,478 last year, a $956,260 increase.

8

Management's Discussion and Analysis (continued)

Economic Factors and Next Year's Budget and Rates

The Housing Authority (Authority) is committed in its efforts of providing affordable housing to the residents of Tulare County. As we look to the future, the Authority, working with Kaweah Management Company (KMC), as well as other potential non-profit entities, is in the process of acquiring existing multi-family projects or vacant land properties for new developments.

As a Moving-To-Work (MTW) agency, the Authority is authorize to consolidate MTW revenues (Public Housing Operating Subsidy, Capital Grant and Housing Choice Voucher funds) into block grant. This gives the agency the flexibility to apply federal funds in ways that best address local needs and the leverage to increase local low-income housing units and expand housing choice for low income residents and participants.

On May 30, 2008 together with The Visalia Redevelopment Agency (VRDA), and KMC, with the financing to be provided by the Authority, has purchased a piece of property on Court and Paradise Street in Visalia. As of June 30th 2011, the 11 rehab components are fully completed, it is in its final phase of development of the additional nine new units, and the project is estimated to come online at the end of 2011. Court & Paradise is a 15 year tax credit project partnered with Alliant LLC.

The Authority has completed rehabilitation and redevelopment of Oakwood and Vetter Street ,20 units project in Visalia; 32-unit project, Myrtle Court in Visalia; 73-unit project, Lindsay Senior Apartments in Lindsay; 48-unit project, Village Grove Senior Apartments; 16-unit project, Gateway II in Farmersville; 49-unit project, Tulare Irrigation District in Tulare; 40-unit project, Palomar Senior Apartments in Farmersville; two new fourplexes on West Oriole and 57 unit project, Euclid Village in Dinuba.

Projects currently under developments are: 47-unit project, The Aspen Court; 64-unit, Bardsley and Morrison in Tulare and 49-unit in Exeter; 8-unit project, East Kaweah in Visalia. With the flexibility of MTW funds, the Authority had acquired a piece of land on Goshen and Loversiane for future development.

Significant economic factors affecting the Authority are as follows:

- The Authority is reliant on federal funding from the U. S. Department of Housing and Urban Development (HUD), and the U. S. Department of Agriculture (USDA); and state funding from the California Office of Housing & Community Development.
- Future congressional funding appropriation.
- The Authority unrestricted Net Assets may be used to fund any shortfalls rising from the possible economic down turns thus reducing subsidies and grants.
- The state of the economy, after the current recession.
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary rental trends, which can affect vacancy levels
- Inflationary pressure on utility rates, supplies and other costs

9

Management's Discussion and Analysis (continued)

Economic Factors and Next Year's Budget and Rates (continued)

Rental rates had been level through the 1990's. Since the year 2000, rents have increased at a faster rate than historical averages. This is due to a shortage of affordable housing units in the area. Most of our properties are operated on an annual budget basis, therefore, we do not benefit proportionately from the higher rents, except vacancy levels will remain low; i.e., more rent income reduces subsidy levels. Since we do not own market units, higher rents will not increase our bottom line.

To afford the debt service for improvements at the Farm Labor units, the Authority will pursue rent increases, which can be subsidized by rental assistance from federal funds. The debt related to office improvements will be paid from office lease charges to the Authority programs.

Expansion of the Authority's rental unit's base would allow for increased profits.

Contacting the Authority's Financial Management

This financial report is designed to provide our citizens, residents, customers and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority's Executive Director, at 5140 W. Cypress Avenue, Visalia, CA 93277, or by telephone at (559) 627-3700, extension 114.

HOUSING AUTHORITY OF THE COUNTY OF TULARE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2011 AND 2010

ASSETS

CURRENT ASSETS	2011	2010
Cash		
Cash - unrestricted	$ 14,895,064	$ 22,739,943
Cash - restricted - modernization & development	2,720,395	-
Cash - other restricted	299,403	10,652,541
Cash - tenant security	385,525	409,595
Total cash	18,300,387	33,802,079
Receivables		
Accounts receivable - HUD other projects	-	142,119
Accounts receivable - other government	23,551	18,080
Accounts receivable - miscellaneous	2,816,115	2,450,746
Accounts receivable - tenant dwelling rents	34,367	25,126
Allowance for doubtful accounts - tenant dwelling rents	(8,573)	(3,070)
Accrued interest receivable	834,120	762,552
Total receivables	3,699,580	3,395,553
Other current assets		
Investments - Unrestricted	988,534	4,814,977
Investments - Restricted	26,701,826	4,050,370
Prepaid Expenses and Other Assets	152,072	193,806
Inventories	449,431	381,650
Total other current assets	28,291,863	9,440,803
TOTAL CURRENT ASSETS	$ 50,291,830	$ 46,638,435

The accompanying notes are an integral part of the financial statements.

11

HOUSING AUTHORITY OF THE COUNTY OF TULARE
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2011 AND 2010

ASSETS (CONTINUED)

NONCURRENT ASSETS	2011	2010
Fixed assets		
Land	$ 4,182,397	$ 4,182,397
Buildings	38,332,899	38,332,899
Furniture, equipment and machinery dwellings	318,665	318,665
Furniture, equipment and machinery administration	21,951	21,951
Leasehold improvements	44,178,682	42,520,343
Accumulated depreciation	(27,570,015)	(27,147,080)
Net fixed assets	59,464,579	58,229,175
Other noncurrent assets		
Notes, loans and mortgages receivable	9,451,656	5,693,198
Total other noncurrent assets	9,451,656	5,693,198
TOTAL NONCURRENT ASSETS	68,916,235	63,922,373
TOTAL ASSETS	$ 119,208,065	$ 110,560,808

The accompanying notes are an integral part of the financial statements.

12

HOUSING AUTHORITY OF THE COUNTY OF TULARE
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2011 AND 2010

LIABILITIES AND NET ASSETS

	2011	2010
LIABILITIES		
Current liabilities		
Accounts payable, < 90 days	$ 276,201	$ 195,435
Accrued wages payable	-	1,165
Accrued compensated absences - current portion	218,351	229,224
Accrued interest payable	6,976	6,976
Accounts payable - HUD PHA programs	4,900	4,900
Accounts payable - other government	37,881	-
Tenant security deposits payable	380,942	401,365
Deferred revenue	103,840	104,316
Current portion of long-term debt - capital projects/mortgage revenue bonds	88,407	88,407
Other current liabilities	155,958	233,757
Accrued liabilities - other	161,765	537,749
Total current liabilities	1,435,221	1,803,294
Noncurrent liabilities		
Long-term debt, net of current portion - capital projects/mortgage revenue bonds	4,048,331	3,092,071
Accrued compensated absences - noncurrent	218,357	229,217
Total noncurrent liabilities	4,266,688	3,321,288
TOTAL LIABILITIES	5,701,909	5,124,582
EQUITY		
Invested in capital assets, net of related debt	59,464,579	58,229,175
RESERVED FUND BALANCES		
Restricted net assets	196,687	15,189,719
Unrestricted net assets	53,844,890	32,017,332
TOTAL EQUITY/NET ASSETS	113,506,156	105,436,226
TOTAL LIABILITIES AND NET ASSETS	$ 119,208,065	$ 110,560,808

The accompanying notes are an integral part of the financial statements.

13

HOUSING AUTHORITY OF THE COUNTY OF TULARE
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Revenues		
Operating subsidy	$ 21,090,048	$ 19,700,033
Rental income, net of bad debts	5,234,906	5,437,813
Investment income	1,095,845	1,627,086
Government grants	40,528	129,195
Debt forgiveness	88,407	88,407
Miscellaneous income	1,357,332	1,743,436
Total revenues	28,907,066	28,725,970
Expenses		
Administrative services	694,451	738,944
Casualty losses - non capitalized	3,633	-
Contractual services	1,587,878	1,450,376
Depreciation and amortization	422,935	202,819
Housing assistance payments	13,474,956	13,402,752
Insurance expenses	246,622	270,238
Interest expenses	16,608	22,177
Materials and supplies	562,849	664,280
Miscellaneous expenses	157,922	204,366
Personnel services	4,212,006	4,009,834
Utilities	662,129	648,580
Total expenses	22,041,989	21,614,366
Net income before contributions and transfers	6,865,077	7,111,604
Contributions and transfers		
Capital contributions	1,361,086	1,601,290
Net income from contributions and transfers	1,361,086	1,601,290
CHANGES IN NET ASSETS	8,226,163	8,712,894
NET ASSETS AT BEGINNING OF YEAR	105,436,226	96,425,326
EQUITY TRANSFERS	(156,233)	298,006
NET ASSETS AT END OF YEAR	$ 113,506,156	$ 105,436,226

The accompanying notes are an integral part of the financial statements.

14

HOUSING AUTHORITY OF THE COUNTY OF TULARE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Cash flows from operating activities		
Tenant revenues	$ 4,930,879	$ 4,098,054
Non-tenant revenues	25,033,246	24,889,447
Operating and maintenance expenses	(22,180,267)	(21,101,362)
Net cash provided by operating activities	7,783,858	7,886,139
Cash flows from investing activities		
Purchase of property and equipment	(1,658,339)	(3,853,670)
Proceeds from sale of fixed assets	-	98,048
Net activity of investments	(18,825,013)	(1,371,628)
Net cash used in investing activities	(20,483,352)	(5,127,250)
Cash flows from financing activities		
Increase in notes, loans and mortgages receivable	(3,758,458)	-
Proceeds from notes payable	956,260	500,000
Repayment of notes payable	-	(74,214)
Net cash (used in) provided by financing activities	(2,802,198)	425,786
Net (decrease) increase in cash and cash equivalents	(15,501,692)	3,184,675
Cash and cash equivalents at the beginning of the period	33,802,079	30,617,404
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 18,300,387	$ 33,802,079
Cash flows from operating activities		
Change in net assets	$ 8,226,163	$ 8,712,894
Adjustment to reconcile net assets to net cash provided by operating activities:		
Depreciation and amortization	422,935	202,819
Equity transfers	(156,233)	298,006
Decrease (increase) in operating assets:		
Accounts receivables	(304,027)	(1,339,759)
Inventories	(67,781)	(258,374)
Prepaid expenses and deferred charges	41,734	(18,161)
Increase (decrease) in operating liabilities:		
Accounts payable and other accrued expenses	(358,510)	282,075
Tenant security deposits payables	(20,423)	6,639
Net cash provided by operating activities	$ 7,783,858	$ 7,886,139

The accompanying notes are an integral part of the financial statements.

15

HOUSING AUTHORITY OF THE COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

1. **Organization and Summary of Significant Accounting Policies**

The Housing Authority of the County of Tulare (the "Authority") is a municipal corporation located in Visalia, California and was established under Section 3420 of the California Health and Safety Code as a local agency within the Ralph M. Brown Act of 1937. Public Housing Authorities were authorized by the Federal Housing Act of 1937. Under that authority, the Tulare County Housing Authority was incorporated in December 18, 1945 to provide and promote safe and sanitary housing for low-income persons residing in Tulare County.

A seven member board of Commissioners appointed by the Tulare County Board of Supervisors governs the Authority. The Executive Director is appointed by the Board and is responsible for the daily functions of the Authority.

Financial Reporting Entity

The Authority's financial statements include the accounts of all the Authority's operations. The criteria for including organizations as component units within the Authority's reporting entity, as set forth in Section 2100 of Government Accounting Standards Board's (GASB's) Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The Authority holds the corporate powers of the organization
- The Authority is able to impose its will on the organization
- The organization has the potential to impose a financial benefit / burden on the Authority
- There is a fiscal dependency by the organization on the Authority

Based on the foregoing criteria, no entities were identified as component units of the Authority.

Programs Administered by the Authority

The Authority administers annual contribution contracts to provide low-income housing with primary financial support from the U.S. Department of Housing and Urban Development (HUD). Contract administrated by the Authority are as follows:

Conventional Housing

The Conventional *Housing Program* is used to account for the operations of the Authority's own rental housing units subsidized by HUD through annual contributions contract SF190. The program has 710 dwelling units under management as of June 30, 2011 and 2010, respectively. Transactions related to the Comprehensive Grant Program are included in Conventional Housing Program.

16

HOUSING AUTHORITY OF THE COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

1. **Organization and Summary of Significant Accounting Policies** (continued)

Programs Administered by the Authority (continued)

Housing Choice Vouchers Program

This fund is used to account for the operations of the *Housing Choice Vouchers Program*. During the fiscal year, funding for 2,836 units under annual contributions contract number MRWCA030 was received.

Mod – Rehabilitation

The *Mod-Rehabilitation Fund* accounts for 5 rental units.

Administration

The *Administration Fund* serves as an operating fund for all programs. It pays all normal operating expenses which are reimbursed and receives advances from all programs. This fund also accounts for 17 rental units owned by the Authority, 445 units for USDA, 75 units for Parkwood Manor, and 12 units for Clark Court.

Basis of Accounting

The Authority's financial statements are presented on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The Authority applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations, and the Accounting Principles Board (APB) of the Committee on Accounting Procedure issues on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

All activities of the Authority are accounted for within proprietary (enterprise) funds. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

17

HOUSING AUTHORITY OF THE COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

1. **Organization and Summary of Significant Accounting Policies** (continued)

Basis of Accounting (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are rents collected from tenants and subsidies provided by federal agencies. The Authority also recognized as operating revenue and expenses the portion of interest on bonds and notes related to housing developments of the Authority and its partnerships. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, depreciation on capital assets and amortization of bond discounts. Al revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the balance sheet. Net assets (i.e., total assets net of total liabilities) are segregated into invested in capital assets, net of related debt, restricted and unrestricted components. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resource first, and then unrestricted resources as they are needed.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reporting amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reported period. Actual results may differ from such estimates.

Income Tax Status

The Authority is exempt from federal income taxes by the Internal Revenue Service and from the California Franchise Taxes by the California Franchise Tax Board.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

18

HOUSING AUTHORITY OF THE COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

1. **Organization and Summary of Significant Accounting Policies** (continued)

Subsequent Events

Management has evaluated subsequent events through January 9, 2012, the date on which the financial statements were available to be issued and there were no subsequent events requiring disclosure.

2. **Cash and Cash Equivalents and Investments**

Cash and cash equivalents consists of amounts deposited in checking accounts.

The Authority maintains a cash pool that is available for use by all funds.

Cash deposits are comprised of the following:

		2011		2010
Operating and reserves – various banks	$	18,257,075	$	23,099,686
Petty Cash on Hand		1,950		1,950
Restricted Cash - Local Agency Investment Fund		41,362		150,098
Investment - Stifel, Nicolaus & Company, Inc.		-		10,550,345
	$	18,300,387	$	33,802,079

Investments are carried at cost, which approximates fair market value.

Investments are comprised of the following:

		2011		2010
Investment - Stifel, Nicolaus & Company, Inc.	$	27,690,360	$	8,865,347
	$	27,690,360	$	8,865,347

The Authority's deposits are categorized to give an indication of the level of risk assumed by the Authority at year-end. Category 1 includes insured deposits that are insured or collateralized with securities held by the Authority or its agent in the Authority's name. Category 2 includes uninsured deposits collateralized by securities held by the pledging financial institution's trust department or agent in the authority's name. Category 3 includes uninsured and uncollateralized deposits including any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not the Authority's name. Uninsured and collateralized deposits are classified into these three categories depending on who holds the collateral security and how they are held.

19

HOUSING AUTHORITY OF THE COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

2. **Cash and Cash Equivalents and Investments** (continued)

At June 20, 2011 and 2010, the Authority's deposits with various financial institutions have a carrying amount and bank value of $18,257,075 and $15,904,421, respectively. Of the Authority's total bank balance, $18,257,075 and $15,904,421, respectively, was covered by Federal Depository Insurance and classified as Category 1.

The Authority's cash management practices are governed by HUD requirements and State of California statues. These requirements authorize the Authority to invest in banker's acceptances, time certificates of deposit, repurchase agreements, certain commercial paper, obligations of the United States and its agencies and instrumentalities allowed for the California State Treasurer's Local Investment Pool.

Regulations require that amounts on deposit with financial institutions be collateralized at a rate 100% of amounts in excess of deposit insurance coverage.

The Authority maintains cash balances in excess of the federally insured amount of $250,000 at various financial institutions. These balances are fully collateralized, with securities pledged and held by the bank, as required by the U.S. Department of Housing and Urban Development.

Balances are presented on the Statement of Net Assets as follows:

		2011		2010
Cash	$	18,300,387	$	33,802,079
Investments - Restricted		988,534		4,050,370
Investments - Unrestricted		26,701,826		4,814,977
Total Cash	$	45,990,747	$	42,667,426

3. **Land, Structures and Equipment**

Land, structures and equipment are recorded at cost. Non-expendable assets are capitalized and depreciated from the respective place-in-service date. Depreciation is computed on the straight-line method based on the estimated useful lives of the individual assets: 15-40 years for buildings and improvements and 5-10 years for equipment. Maintenance and repairs are charged to expense when incurred.

20

HOUSING AUTHORITY OF THE COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

3. **Land, Structures and Equipment** (continued)

Land, structures, and equipment consist of the following at June 30, 2011 and 2010:

	June 30, 2010	Additions	Retirements	June 30, 2011
Land	$ 4,182,397	$ -	$ -	4,182,397
Buildings	38,332,899	-	-	38,332,899
Equipment – Dwelling	318,665	-	-	318,665
Equipment - Admin	21,951	-	-	21,951
Leasehold Impr.	42,520,353	1,658,329	-	44,178,682
Subtotal	85,376,255	1,658,329	-	87,034,594
Less: Accumulated Depreciation	(27,147,080)	(422,935)	-	(27,570,015)
Net	$ 58,229,175	$ 1,235,394	$ -	59,464,569

	June 30, 2009	Additions	Retirements	June 30, 2010
Land	$ 4,182,397	$ -	$ -	$ 4,182,397
Buildings	38,332,899	-	-	38,332,899
Equipment – Dwelling	318,665	-	-	318,665
Equipment - Admin	21,951	-	-	21,951
Leasehold Impr.	38,815,598	3,853,670	(148,925)	42,520,343
Subtotal	81,671,510	3,853,670	(148,925)	85,376,255
Less: Accumulated Depreciation	(26,995,138)	(202,819)	50,877	(27,147,080)
Net	$ 54,676,372	$ 3,650,851	$ (98,048)	$ 58,229,175

21

HOUSING AUTHORITY OF THE COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

4. **Long Term Debt**

The notes payable consist of the following at June 30, 2011 and 2010:

	2011	2010
1% Mortgages payable to the United States Department of Agriculture, payable in annual installments of $86,007 retiring at various dates, no amortization schedules available.	$ 1,599,178	$ 1,599,178
3.5% note payable to California Housing Finance Agency. No payment due for 10 years.	1,500,000	1,500,000
Non-interest bearing note to the City of Visalia, California. Payable in monthly installments of $200, secured by real property.	33,800	33,800
Non-interest bearing note to the City of Visalia, California. No stated rate of interest, payment schedules or due dates.	47,500	47,500
Total Long-term debt	4,136,738	3,180,478
Less: Current portion	88,407	88,407
Long-term debt	$ 4,048,331	$ 3,092,071

Estimated future principal maturities are as follows:

Fiscal Year Ended June 30,	Amount
2012	$ 88,407
2013	88,407
2014	88,407
2015	88,407
2016	88,407
Thereafter	3,694,703
	$ 4,136,738

22

HOUSING AUTHORITY OF THE COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

5. **Employee's Pension Plan**

The Housing Authority of the County of Tulare is the administrator of a single-employer pension plan established May 1, 1980, to provide retirement benefits for its employees. The employees of the Housing Authority are considered to be employed by the Administrative Fund of the Authority. Employee cost, including pension cost, is allocated to various funds and programs in accordance with the regular cost allocation methods used to pro-rate salaries. Separate audited financial statements of the pension plan are issued annual for its fiscal year ended December 31. A complete description of the plan and the pension benefit obligation are included in that report.

6. **Post Employment Benefits**

In addition to the pension benefits described in note 5, the Authority provides health plan coverage for retirees through a variety of health plans. The Authority contributes $250 per employee toward the monthly premium. Post-employment benefits include medical benefits only.

A total of 7 and 6 retirees participated in the plan as of June 30, 2011 and 2010, respectively. The cost of postemployment health care is recognized each month as premiums are paid on a pay-as-you-go basis. For the years ending 2011 and 2010, the cost of postemployment benefits was $45,919 and $39,530, respectively.

An actuarial report was prepared during the previous year to estimate the annual required contribution (ARC) for the funding and accrual of postemployment benefits under GASB 43 and 45. Per the actuarial report, the annual required contribution of $352,482 was estimated using a 4.5% discount rate.

Actuarial assumptions were based upon CalPERS demographic (employee turnover, mortality and retirement rates) assumptions, based on 1997-2002 experience study. Unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payrolls on a closed basis over 30 years. The actuarial accrued liability was based on the entry age normal cost method with costs spread as a level of percentage of pay.

In addition, actuarial valuations included the following information at June 30, 2011 and 2010:

		2011		2010
Actuarial accrued liability (AAL)	$	2,863,817	$	2,622,217
Actuarial value of assets at beginning of year		-		-
Unfunded actuarial accrued liability (UAAL)	$	2,863,817	$	2,622,217
Remaining amortization period		28		29
Normal cost	$	170,570	$	164,010
Amortization of UAAL		181,912		163,665
Annual required contribution (ARC)	$	352,482	$	327,675

23

HOUSING AUTHORITY OF THE COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

6. **Post Employment Benefits** (continued)

	2011	2010
Annual required contribution (ARC)	$ 352,482	$ 327,675
Interest on net OPEB obligation	19,642	6,794
Adjustment to ARC	(27,726)	(9,423)
Annual OPEB cost	$ 344,398	$ 325,046
Projected net retiree claim costs	(45,919)	(39,530)
Increase in net OPEB obligation	$ 298,479	$ 285,516
Net OPEB obligation - beginning of year	$ 436,488	$ 150,972
Net OPEB obligation - end of year	$ 734,967	$ 436,488

7. **Commitments and Contingencies**

In connection with various Federal and State grant programs, the Authority is obligated to administer the programs in accordance with regulatory restrictions, and is subject to audit by grantor agencies. In cases of noncompliance, the agencies involved may require the Authority to refund program monies. The amount of expenditures which may be disallowed, if any, by the grantor cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

The Authority is contingently liable in connection with claims and contracts arising in the normal course of its activities. The Authority management is of the opinion that the outcome of such matters will not have a material effect on the basic financial statements.

The possibility exists that HUD contributions may decrease in the future. In the event that such contributions were significantly decreased, the Authority would need to seek other funding sources to maintain operations at current level.

8. **Moving to Work Demonstration Program**

The Authority has been operating under a Moving to Work Demonstration Program Contract (MTW) with the Department of Housing and Urban Development for the Section 8 and Conventional Public Housing Programs since May of 1999.

The MTW Program was implemented in order to pursue the following objectives:

- Cost savings by streamlining HUD processes, applying risk-based inspections and rent simplification.
- Self sufficiency through earned income exclusions and self sufficiency requirements.
- Housing choices increased by foreclosure prevention and homeownership programs, increasing the percentage of project-based vouchers and developing mixed-income and tax credit properties.

24

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA
JUNE 30, 2011

ASSETS

Line Item #	CURRENT ASSETS	Low Rent	Section 8 Programs	Business Activities	Housing Choice Vouchers	Rural Rental Housing Loans	State and Local	Lower Income Section 8 Mod. Rehab.
Cash								
111	Cash - unrestricted	$ 8,037,796	$ 5,880	$ 3,794,901	$ 2,735,473	$ 246,695	$ 61,256	$ 13,063
112	Cash - restricted - modernization and development	1,879,948	-	-	-	789,955	50,492	-
113	Cash - restricted	-	-	-	102,716	-	-	-
114	Cash - tenant security	234,472	-	13,105	-	132,347	5,601	-
100	Total cash	10,152,216	5,880	3,808,006	2,838,189	1,168,997	117,349	13,063
Receivables								
121	Accounts receivable - PHA projects	-						
122	Accounts receivable - HUD other projects	-	-	-	-	-	-	-
124	Accounts receivable - other government	-	-	-	-	-	6,469	17,082
125	Accounts receivable - miscellaneous	486,946	-	2,280,925	-	22,184	26,060	-
126	Accounts receivable - tenant dwelling rents	25,901	-	5,186	-	2,131	1,149	-
126.1	Allowance for doubtful accounts - tenant dwelling rents	(8,573)	-	-	-	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-
129	Accrued interest receivable	83,999	-	627,110	123,011	-	-	-
120	Total receivables	588,273	-	2,913,221	123,011	24,315	33,678	17,082
Other current assets								
131	Investments - Unrestricted	32,638	-	185,952	769,944	-	-	-
132	Investments - Restricted	10,873,473	-	1,534,596	14,293,757	-	-	-
142	Prepaid Expenses and Other Assets	31,728	-	84,145	8,149	19,539	8,486	25
143	Inventories	-	-	449,431	-	-	-	-
144	Inter-program - due from	-	-	-	-	-	-	-
	Total other current assets	10,937,839	-	2,254,124	15,071,850	19,539	8,486	25
150	**TOTAL CURRENT ASSETS**	$ 21,678,328	$ 5,880	$ 8,975,351	$ 18,033,050	$ 1,212,851	$ 159,513	$ 30,170

The accompanying notes are an integral part of the financial statements.

25

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)
JUNE 30, 2011

ASSETS

Line Item #	CURRENT ASSETS	Veterans Affiars Supportive Housing	Total
Cash			
111	Cash - unrestricted	$ -	$ 14,895,064
112	Cash - restricted - modernization and development	-	2,720,395
113	Cash - restricted	196,687	299,403
114	Cash - tenant security	-	385,525
100	Total cash	196,687	18,300,387
Receivables			
121	Accounts receivable - PHA projects	-	-
122	Accounts receivable - HUD other projects	-	-
124	Accounts receivable - other government	-	23,551
125	Accounts receivable - miscellaneous	-	2,816,115
126	Accounts receivable - tenant dwelling rents	-	34,367
126.1	Allowance for doubtful accounts - tenant dwelling rents	-	(8,573)
126.2	Allowance for doubtful accounts - other	-	-
129	Accrued interest receivable	-	834,120
120	Total receivables	-	3,699,580
Other current assets			
131	Investments - Unrestricted	-	988,534
132	Investments - Restricted	-	26,701,826
142	Prepaid Expenses and Other Assets	-	152,072
143	Inventories	-	449,431
144	Inter-program - due from	-	-
	Total other current assets	-	28,291,863
150	**TOTAL CURRENT ASSETS**	$ 196,687	$ 50,291,830

The accompanying notes are an integral part of the financial statements.

26

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)
JUNE 30, 2011

ASSETS

Line Item #	NONCURRENT ASSETS	Low Rent	Section 8 Programs	Business Activities	Housing Choice Vouchers	Rural Rental Housing Loans	State and Local	Lower Income Section 8 Mod. Rehab.
	Fixed assets							
161	Land	$ 4,182,397	$ -	$ -	$ -	$ -	$ -	$ -
162	Buildings	22,961,240	-	2,354,515	-	13,017,144	-	-
163	Furniture, equipment and machinery dwellings	-	-	-	-	281,210	37,455	-
164	Furniture, equipment and machinery administration	-	-	-	-	21,951	-	-
165	Leasehold improvements	32,870,350	-	5,380,650	185,337	5,538,681	203,664	
166	Accumulated depreciation	(24,588,792)	-	(2,289,140)	(154,356)	(396,757)	(140,970)	-
167	Construction in progress	-	-	-	-	-	-	-
160	Net fixed assets	35,425,195	-	5,446,025	30,981	18,462,229	100,149	-
	Other noncurrent assets							
171	Notes, loans and mortgages receivable	1,672,318	-	5,779,338	2,000,000	-	-	-
174	Other assets	-	-	-	-	-	-	-
	Total other noncurrent assets	1,672,318	-	5,779,338	2,000,000	-	-	-
180	**TOTAL NONCURRENT ASSETS**	37,097,513	-	11,225,363	2,030,981	18,462,229	100,149	-
190	**TOTAL ASSETS**	$ 58,775,841	$ 5,880	$ 20,200,714	$ 20,064,031	$ 19,675,080	$ 259,662	$ 30,170

The accompanying notes are an integral part of the financial statements.

27

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)
JUNE 30, 2011

ASSETS

Line Item #	NONCURRENT ASSETS	Veterans Affiars Supportive Housing	Total
	Fixed assets		
161	Land	$ -	$ 4,182,397
162	Buildings	-	38,332,899
163	Furniture, equipment and machinery dwellings	-	318,665
164	Furniture, equipment and machinery administration	-	21,951
165	Leasehold improvements	-	44,178,682
166	Accumulated depreciation	-	(27,570,015)
167	Construction in progress	-	-
160	Net fixed assets	-	59,464,579
	Other noncurrent assets		
171	Notes, loans and mortgages receivable	-	9,451,656
174	Other assets	-	-
	Total other noncurrent assets	-	9,451,656
180	**TOTAL NONCURRENT ASSETS**	-	68,916,235
190	**TOTAL ASSETS**	$ 196,687	$ 119,208,065

The accompanying notes are an integral part of the financial statements.

28

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA
JUNE 30, 2010

ASSETS

Line Item #	CURRENT ASSETS	Low Rent	Section 8 Programs	Business Activities	Housing Choice Vouchers	Rural Rental Housing Loans	State and Local	Lower Income Section 8 Mod. Rehab.
	Cash							
111	Cash - unrestricted	$ 11,216,611	$ 5,850	$ 4,767,300	$ 1,227,188	$ 851,800	$ 129,616	$ 4,400
113	Cash - restricted	-	-	-	15,189,719	-	-	-
114	Cash - tenant security	229,320	-	16,968	-	127,452	35,855	-
100	Total cash	11,445,931	5,850	4,784,268	16,416,907	979,252	165,471	4,400
	Receivables							
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	128,798	-	-	-	-	-	13,321
124	Accounts receivable - other government	-	-	-	-	-	2,060	16,020
125	Accounts receivable - miscellaneous	200,990	-	2,084,176	-	22,342	143,238	-
126	Accounts receivable - tenant dwelling rents	17,795	-	4,714	-	2,617	-	-
126.1	Allowance for doubtful accounts - tenant dwelling rents	(3,070)	-	-	-	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-
129	Accrued interest receivable	109,604	-	597,791	55,157	-	-	-
120	Total receivables	454,117	-	2,686,681	55,157	24,959	145,298	29,341
	Other current assets							
131	Investments - Unrestricted	3,557,230	-	1,257,747	-	-	-	-
132	Investments - Restricted	4,050,370	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	32,491	-	81,258	9,986	20,346	16,432	33,293
143	Inventories	-	-	381,650	-	-	-	-
144	Inter-program - due from	-	-	-	-	-	-	-
	Total other current assets	7,640,091	-	1,720,655	9,986	20,346	16,432	33,293
150	**TOTAL CURRENT ASSETS**	$ 19,540,139	$ 5,850	$ 9,191,604	$ 16,482,050	$ 1,024,557	$ 327,201	$ 67,034

The accompanying notes are an integral part of the financial statements.

29

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)
JUNE 30, 2010

ASSETS

Line Item #	CURRENT ASSETS	Total
Cash		
111	Cash - unrestricted	$ 18,202,765
113	Cash - restricted	15,189,719
114	Cash - tenant security	409,595
100	Total cash	33,802,079
Receivables		
121	Accounts receivable - PHA projects	-
122	Accounts receivable - HUD other projects	142,119
124	Accounts receivable - other government	18,080
125	Accounts receivable - miscellaneous	2,450,746
126	Accounts receivable - tenant dwelling rents	25,126
126.1	Allowance for doubtful accounts - tenant dwelling rents	(5,070)
126.2	Allowance for doubtful accounts - other	-
129	Accrued interest receivable	762,552
120	Total receivables	3,395,553
Other current assets		
131	Investments - Unrestricted	4,814,977
132	Investments - Restricted	4,050,370
142	Prepaid Expenses and Other Assets	193,806
143	Inventories	381,650
144	Inter-program - due from	-
	Total other current assets	9,440,803
150	**TOTAL CURRENT ASSETS**	$ 46,638,435

The accompanying notes are an integral part of the financial statements.

30

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)
JUNE 30, 2010

ASSETS

Line Item #	NONCURRENT ASSETS	Low Rent	Section 8 Programs	Business Activities	Housing Choice Vouchers	Rural Rental Housing Loans	State and Local	Lower Income Section 8 Mod. Rehab.
	Fixed assets							
161	Land	$ 4,182,397	$ -	$ -	$ -	$ -	$ -	$ -
162	Buildings	22,961,240	-	2,354,515	-	13,017,144	-	-
163	Furniture, equipment and machinery dwellings	-	-	-	-	281,210	37,455	-
164	Furniture, equipment and machinery administration	-	-	-	-	21,951		-
165	Leasehold improvements	31,461,385	-	5,202,313	185,337	5,467,644	203,664	-
166	Accumulated depreciation	(24,387,559)	-	(2,189,220)	(139,606)	(297,723)	(132,972)	-
167	Construction in progress	-	-	-		-	-	-
160	Net fixed assets	34,217,463	-	5,367,608	45,731	18,490,226	108,147	-
	Other noncurrent assets							
171	Notes, loans and mortgages receivable	950,000	-	4,743,198	-	-	-	-
174	Other assets	-	-	-	-	-	-	-
	Total other noncurrent assets	950,000	-	4,743,198	-	-	-	-
180	**TOTAL NONCURRENT ASSETS**	35,167,463	-	10,110,806	45,731	18,490,226	108,147	-
190	**TOTAL ASSETS**	$ 54,707,602	$ 5,850	$ 19,302,410	$ 16,527,781	$ 19,514,783	$ 435,348	$ 67,034

The accompanying notes are an integral part of the financial statements.

31

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)
JUNE 30, 2010

ASSETS

Line Item #	NONCURRENT ASSETS	Total
	Fixed assets	
161	Land	$ 4,182,397
162	Buildings	38,332,899
163	Furniture, equipment and machinery dwellings	318,665
164	Furniture, equipment and machinery administration	21,951
165	Leasehold improvements	42,520,343
166	Accumulated depreciation	(27,147,080)
167	Construction in progress	-
160	Net fixed assets	58,229,175
	Other noncurrent assets	
171	Notes, loans and mortgages receivable	5,693,198
174	Other assets	-
	Total other noncurrent assets	5,693,198
180	**TOTAL NONCURRENT ASSETS**	63,922,373
190	**TOTAL ASSETS**	$ 110,560,808

The accompanying notes are an integral part of the financial statements.

32

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA
JUNE 30, 2011

LIABILITIES AND NET ASSETS (DEFICIT)

Line Item #	LIABILITIES	Low Rent	Section 8 Programs	Business Activities	Housing Choice Vouchers	Rural Rental Housing Loans	State and Local	Lower Income Section 8 Mod. Rehab.
	Current liabilities							
312	Accounts payable, < 90 days	$ 198,829	$ -	$ 27,470	$ 6,956	$ 29,144	$ 3,771	$ 31
321	Accrued wages payable	-	-	-	-	-	-	-
322	Accrued compensated absences - current portion	75,566	-	37,783	66,175	37,510	1,317	-
325	Accrued interest payable	-	-	-	-	6,976	-	-
331	Accounts payable - HUD PHA programs	4,900	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	37,881	-
341	Tenant security deposits payable	234,113	-	13,105	-	130,391	3,333	-
342	Deferred revenue	-	-	102,252	-	-	1,588	-
343	Current portion of long-term debt - capital projects/mortgage revenue bonds	-	-	2,400	-	86,007	-	-
345	Other current liabilities	10,405	-	-	-	8,000	121,638	15,915
346	Accrued liabilities - other	107,022	-	9,372	20,752	24,024	595	-
347	Inter-program - due to	-	-	-	-	-	-	-
310	Total current liabilities	630,835	-	192,382	93,883	332,052	170,123	15,946
	Noncurrent liabilities							
351	Long-term debt, net of current portion - capital projects/mortgage revenue bonds	-	-	2,607,100	-	1,441,231	-	-
353	Noncurrent liabilities - other	-	-	-	-	-	-	-
354	Accrued compensated absences - noncurrent	75,569	-	37,784	66,176	37,511	1,317	-
350	Total noncurrent liabilities	75,569	-	2,644,884	66,176	1,478,742	1,317	-
300	**TOTAL LIABILITIES**	706,404	-	2,837,266	160,059	1,810,794	171,440	15,946
	EQUITY							
508.1	Invested in capital assets, net of related debt	35,425,195	-	5,446,025	30,981	18,462,229	100,149	-
	RESERVED FUND BALANCES							
511.1	Restricted net assets	-	-	-	-	-	-	-
512.1	Unrestricted net assets	22,644,242	5,880	11,917,423	19,872,991	(597,943)	(11,927)	14,224
513	**TOTAL EQUITY/NET ASSETS**	58,069,437	5,880	17,363,448	19,903,972	17,864,286	88,222	14,224
600	**TOTAL LIABILITIES AND NET ASSETS (DEFICIT)**	$ 58,775,841	$ 5,880	$ 20,200,714	$ 20,064,031	$ 19,675,080	$ 259,662	$ 30,170

The accompanying notes are an integral part of the financial statements.

33

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)
JUNE 30, 2011

LIABILITIES AND NET ASSETS (DEFICIT)

Line Item #	LIABILITIES	Veterans Affiars Supportive Housing	Total
	Current liabilities		
312	Accounts payable, < 90 days	$ -	$ 276,201
321	Accrued wages payable	-	-
322	Accrued compensated absences - current portion	-	218,351
325	Accrued interest payable	-	6,976
331	Accounts payable - HUD PHA programs	-	4,900
333	Accounts payable - other government	-	37,881
341	Tenant security deposits payable	-	380,942
342	Deferred revenue	-	103,840
343	Current portion of long-term debt - capital projects/mortgage revenue bonds	-	88,407
345	Other current liabilities	-	155,958
346	Accrued liabilities - other	-	161,765
347	Inter-program - due to	-	-
310	Total current liabilities	-	1,435,221
	Noncurrent liabilities		
351	Long-term debt, net of current portion - capital projects/mortgage revenue bonds	-	4,048,331
353	Noncurrent liabilities - other	-	-
354	Accrued compensated absences - noncurrent	-	218,357
350	Total noncurrent liabilities	-	4,266,688
300	**TOTAL LIABILITIES**	-	5,701,909
	EQUITY		
508.1	Invested in capital assets, net of related debt	-	59,464,579
	RESERVED FUND BALANCES		
511.1	Restricted net assets	196,687	196,687
512.1	Unrestricted net assets	-	53,844,890
513	**TOTAL EQUITY/NET ASSETS**	196,687	113,506,156
600	**TOTAL LIABILITIES AND NET ASSETS (DEFICIT)**	$ 196,687	$ 119,208,065

The accompanying notes are an integral part of the financial statements.

34

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA
JUNE 30, 2010

LIABILITIES AND NET ASSETS (DEFICIT)

Line Item #	LIABILITIES	Low Rent	Section 8 Programs	Business Activities	Housing Choice Vouchers	Rural Rental Housing Loans	State and Local	Lower Income Section 8 Mod. Rehab.
	Current liabilities							
312	Accounts payable, < 90 days	$ 150,766	$ -	$ 7,954	$ 4,994	$ 27,020	$ 4,539	$ 162
321	Accrued wages payable	-	-	1,165	-	-	-	-
322	Accrued compensated absences - current portion	72,688	858	35,653	63,456	46,935	9,422	212
325	Accrued interest payable	-	-	-	-	6,976	-	-
331	Accounts payable - HUD PHA programs	4,900	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-	-
341	Tenant security deposits payable	221,581	-	16,968	-	127,261	35,555	-
342	Deferred revenue	-	-	102,252	-	-	2,064	-
343	Current portion of long-term debt - capital projects/mortgage revenue bonds	-	-	2,400	-	86,007	-	-
345	Other current liabilities	12,395	-	-	-	8,000	202,616	10,746
346	Accrued liabilities - other	192,825	-	278,404	43,275	21,834	1,411	
347	Inter-program - due to	-	-	-	-	-	-	-
310	Total current liabilities	655,155	858	444,796	111,725	324,033	255,607	11,120
	Noncurrent liabilities							
351	Long-term debt, net of current portion - capital projects/mortgage revenue bonds	-	-	1,578,900	-	1,513,171	-	-
353	Noncurrent liabilities - other	-	-	-	-	-	-	-
354	Accrued compensated absences - noncurrent	72,685	857	35,653	63,455	46,935	9,421	211
350	Total noncurrent liabilities	72,685	857	1,614,553	63,455	1,560,106	9,421	211
300	**TOTAL LIABILITIES**	727,840	1,715	2,059,349	175,180	1,884,139	265,028	11,331
	EQUITY							
508.1	Invested in capital assets, net of related debt	34,217,463	-	5,367,608	45,731	18,490,226	108,147	-
	RESERVED FUND BALANCES							
511.1	Restricted net assets	-	-	-	15,189,719	-	-	-
512.1	Unrestricted net assets	19,762,299	4,135	11,875,453	1,117,151	(859,582)	62,173	55,703
513	**TOTAL EQUITY/NET ASSETS**	53,979,762	4,135	17,243,061	16,352,601	17,630,644	170,320	55,703
600	**TOTAL LIABILITIES AND NET ASSETS (DEFICIT)**	$ 54,707,602	$ 5,850	$ 19,302,410	$ 16,527,781	$ 19,514,783	$ 435,348	$ 67,034

The accompanying notes are an integral part of the financial statements.

35

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)
JUNE 30, 2010

LIABILITIES AND NET ASSETS (DEFICIT)

Line Item #	LIABILITIES	Total
	Current liabilities	
312	Accounts payable, < 90 days	$ 195,435
321	Accrued wages payable	1,165
322	Accrued compensated absences - current portion	229,224
325	Accrued interest payable	6,976
331	Accounts payable - HUD PHA programs	4,900
333	Accounts payable - other government	-
341	Tenant security deposits payable	401,365
342	Deferred revenue	104,316
343	Current portion of long-term debt - capital projects/mortgage revenue bonds	88,407
345	Other current liabilities	233,757
346	Accrued liabilities - other	537,749
347	Inter-program - due to	-
310	Total current liabilities	1,803,294
	Noncurrent liabilities	
351	Long-term debt, net of current portion - capital projects/mortgage revenue bonds	3,092,071
353	Noncurrent liabilities - other	-
354	Accrued compensated absences - noncurrent	229,217
350	Total noncurrent liabilities	3,321,288
300	**TOTAL LIABILITIES**	5,124,582
	EQUITY	
508.1	Invested in capital assets, net of related debt	58,229,175
	RESERVED FUND BALANCES	
511.1	Restricted net assets	15,189,719
512.1	Unrestricted net assets	32,017,332
513	**TOTAL EQUITY/NET ASSETS**	105,436,226
600	**TOTAL LIABILITIES AND NET ASSETS (DEFICIT)**	$ 110,560,808

The accompanying notes are an integral part of the financial statements.

36

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA
JUNE 30, 2011

Line Item #	REVENUES	Low Rent	(14.OPS) Low Rent MTW	Section 8 Programs	Business Activities	Housing Choice Vouchers	(14.HCV) Housing Choice Vouchers MTW	Rural Rental Housing Loans	State and Local	Lower Income Section 8 Mod. Rehab.
Revenues										
70300	Net tenant rental revenue	$ 2,977,105	$ -	$ -	$ 231,843	$ -	$ -	$ 1,859,423	$ 112,384	$ -
70400	Tenant revenue - other	34,411	-	-	7,800	-	-	16,941	1,781	-
70500	Total tenant revenue	3,011,516	-	-	239,643	-	-	1,876,374	114,165	-
70600	HUD PHA operating grants	792,442	1,592,136	-	-	-	18,478,346	-	-	23,049
70610	Capital grants	-	-	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-	36,243	4,285
71100	Investment income - unrestricted	60,260	-	29	128,527	526,950	-	1,555	308	51
71400	Fraud recovery	-	-	-	-	-	-	-	-	-
71500	Other revenue	-	-	1,716	1,355,616	-	-	-	-	-
72000	Investment income - restricted	373,112	-	-	-	520	-	3,780	353	-
70000	Total revenues	4,237,330	1,592,136	1,745	1,723,786	527,470	18,478,346	1,882,109	151,069	27,385
	EXPENSES									
Operating expenses										
	Administrative:									
91100	Administrative salaries	642,634	-	-	633	974,195	-	161,399	19,118	1,226
91200	Auditing fees	2,285	-	-	4,321	9,990	-	1,716	1,009	170
91300	Management fees	-	-	-	-	14,093	-	212,612	20,825	-
91310	Bookkeeping fees	-	-	-	-	-	-	-	-	-
91400	Advertising and marketing	-	-	-	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	200,687	-	-	231,638	389,350	-	165,731	7,035	671
91600	Office expenses	37,542	-	-	-	114,792	-	12,795	2,424	120
91700	Legal expenses	27,441	-	-	1,049	20,939	-	3,857	1,843	29
91800	Travel	5,521	-	-	4,191	8,464	-	1,806	127	4
91900	Other administrative expenses	52,025	-	-	11,556	92,029	-	28,798	-	79
	Tenant services:									
92100	Tenant services - salaries	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	-	-
	Utilities:									
93100	Water	196,491	-	-	7,883	1,534	-	16,347	14,916	2
93200	Electricity	52,882	-	-	61	21,159	-	45,621	3,982	27
93300	Gas	6,267	-	-	91	1,455	-	3,507	259	2
93600	Sewer	249,831	-	-	9,551	877	-	26,343	-	1
93800	Other utilities expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of the financial statements.

37

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)
JUNE 30, 2011

Line Item #	REVENUES	Public Housing Capital Fund	(14.CFP) Public Housing Capital Fund MTW	(14.VSH) Veterans Affairs Supportive Housing	Combined Total	(14.881) MTW	Non MTW Total
Revenues							
70300	Net tenant rental revenue	$ -	$ -	$ -	$ 5,180,765	$ -	$ 5,180,765
70400	Tenant revenue - other	-	-	-	60,933	-	60,933
70500	Total tenant revenue	-	-	-	5,241,698	-	5,241,698
70600	HUD PHA operating grants	-	163,487	81,116	21,130,576	20,315,085	815,491
70610	Capital grants	-	1,408,965	-	1,408,965	1,408,965	-
70800	Other government grants	-	-	-	40,528	-	40,528
71100	Investment income - unrestricted	-	-	-	718,080	-	718,080
71400	Fraud recovery	-	-	-	-	-	-
71500	Other revenue	-	-	-	1,357,332	-	1,357,332
72000	Investment income - restricted	-	-	-	377,765	-	377,765
70000	Total revenues	-	1,572,452	81,116	30,274,944	21,724,050	8,550,894
	EXPENSES						
Operating expenses							
	Administrative:						
91100	Administrative salaries	-	-	-	1,799,205	-	1,799,205
91200	Auditing fees	-	-	-	19,491	-	19,491
91300	Management fees	-	-	-	247,530	-	247,530
91310	Bookkeeping fees	-	-	-	-	-	-
91400	Advertising and marketing	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	-	-	-	995,112	-	995,112
91600	Office expenses	-	-	-	167,673	-	167,673
91700	Legal expenses	-	-	-	55,158	-	55,158
91800	Travel	-	-	-	20,112	-	20,112
91500	Other administrative expenses	-	-	-	184,487	-	184,487
	Tenant services:						
92100	Tenant services - salaries	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-
	Utilities:						
93100	Water	-	-	-	240,213	-	240,213
93200	Electricity	-	-	-	125,752	-	125,752
93300	Gas	-	-	-	11,581	-	11,581
93600	Sewer	-	-	-	286,603	-	286,603
93800	Other utilities expenses	$ -	$ -	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of the financial statements.

38

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)
JUNE 30, 2011

Line Item #	EXPENSES (CONTINUED)	Low Rent	(14.OPS) Low Rent MTW	Section 8 Programs	Business Activities	Housing Choice Vouchers	(14.HCV) Housing Choice Vouchers MTW	Rural Rental Housing Loans	State and Local	Lower Income Section 8 Mod. Rehab.
	Operating expenses (continued)									
	Ordinary maintenance and operations:									
94100	Ordinary maintenance and operations - labor	$ 442,915	$ -	$ -	$ 518,201	$ -	$ -	$ 255,109	$ 14,529	$ -
94200	Ordinary maintenance and operations - materials and other	274,654	-	-	114,918	18,595	-	148,659	6,019	4
94300	Ordinary maintenance and operations - contract costs	884,411	-	-	91,373	176,708	-	404,254	30,959	175
94500	Employee benefit contributions - ordinary maintenance and operations	180,707	-	-	-	-	-	-	6,228	-
95200	Protective services - other contract costs	-	-	-	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-	-	-	-
	General expenses:									
96110	Property insurance	56,916	-	-	9,784	16,030	-	33,063	-	100
96120	Liability insurance	-	-	-	-	-	-	-	4,683	-
96130	Workers compensation insurance	47,266	-	-	44,064	11,053	-	22,380	1,470	15
96140	All other insurance	-	-	-	-	-	-	-	-	-
96200	Other general expenses	-	-	-	64,625	-	-	-	-	-
96210	Compensated absences	(5,975)	-	-	4,261	916	-	-	(370)	-
96300	Payment in lieu of taxes	83,454	-	-	-	-	-	-	17,011	-
96400	Bad debts - tenants rent	5,926	-	-	-	-	-	769	99	-
96700	Interest expense	-	-	-	-	-	-	16,608	-	-
96800	Severance expense	-	-	-	-	-	-	-	-	-
96900	Total operating expenses	3,446,880	-	-	1,118,200	1,872,217	-	1,561,373	145,964	2,623
97000	**EXCESS OPERATING REVENUE OVER OPERATING EXPENSES**	790,450	1,592,136	1,745	605,586	(1,344,747)	18,478,346	320,736	5,105	24,762
	Other expenses:									
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-
97200	Casualty losses - non capitalized	-	-	-	3,633	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	13,380,789	-	-	-	23,049
97350	HAP portability-in	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	201,233	-	-	99,920	14,750	-	99,034	7,998	-
90000	Total expenses	3,648,113	-	-	1,221,753	15,267,756	-	1,660,407	153,962	25,672
10010	Operating transfers in	3,164,588	-	-	-	18,478,346	-	-	-	-
10020	Operating transfers out	-	(1,592,136)	-	-	-	(18,478,346)	-	-	-
10100	Total other financing sources (uses)	3,164,588	(1,592,136)	-	-	18,478,346	(18,478,346)	-	-	-
10000	**EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER (UNDER) EXPENSES**	$ 3,753,805	$ -	$ 1,745	$ 501,033	$ 3,738,060	$ -	$ 221,702	$ (2,893)	$ 1,713

The accompanying notes are an integral part of the financial statements.

39

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)
JUNE 30, 2011

Line Item #	EXPENSES (CONTINUED)	Public Housing Capital Fund	(14.CFP) Public Housing Capital Fund MTW	(14.VSH) Veterans Affairs Supportive Housing	Combined Total	(14.881) MTW	Non MTW Total
	Operating expenses (continued)						
	Ordinary maintenance and operations:						
94100	Ordinary maintenance and operations - labor	$ -	$ -	$ -	1,230,754	$ -	$ 1,230,754
94200	Ordinary maintenance and operations - materials and other	-	-	-	562,849	-	562,849
94300	Ordinary maintenance and operations - contract costs	-	-	-	1,587,878	-	1,587,878
94500	Employee benefit contributions - ordinary maintenance and operations	-	-	-	186,935	-	186,935
95200	Protective services - other contract costs	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-
	General expenses:						
96110	Property insurance	-	-	-	115,893	-	115,893
96120	Liability insurance	-	-	-	4,483	-	4,483
96130	Workers compensation insurance	-	-	-	126,246	-	126,246
96140	All other insurance	-	-	-	-	-	-
96200	Other general expenses	-	-	-	64,625	-	64,625
96210	Compensated absences	-	-	-	(1,168)	-	(1,168)
96300	Payment in lieu of taxes	-	-	-	94,465	-	94,465
96400	Bad debts - tenants rent	-	-	-	6,792	-	6,792
96700	Interest expense	-	-	-	16,608	-	16,608
96800	Severance expense	-	-	-	-	-	-
96900	Total operating expenses	-	-	-	8,147,257	-	8,147,257
97000	**EXCESS OPERATING REVENUE OVER OPERATING EXPENSES**	-	1,572,452	81,116	22,127,687	21,724,050	403,637
	Other expenses:						
97100	Extraordinary maintenance	-	-	-	-	-	-
97200	Casualty losses - non capitalized	-	-	-	3,633	-	3,633
97300	Housing assistance payments	-	-	71,118	13,474,956	-	13,474,956
97350	HAP portability-in	-	-	-	-	-	-
97400	Depreciation expense	-	-	-	422,935	-	422,935
90000	Total expenses	-	-	71,118	22,048,781	-	22,048,781
10010	Operating transfers in	-	-	-	21,642,934	-	21,642,934
10020	Operating transfers out	-	(1,572,452)	-	(21,642,934)	-	(21,642,934)
10100	Total other financing sources (uses)	-	(1,572,452)	-	-	-	-
10000	**EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER (UNDER) EXPENSES**	$ -	$ -	$ 9,998	$ 8,226,163	$ 21,724,050	$ (13,497,887)

The accompanying notes are an integral part of the financial statements.

Appendix C: Financial Statements

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA
JUNE 30, 2010

Line Item #	REVENUES	Low Rent	Section 8 Programs	Business Activities	Housing Choice Vouchers	Rural Rental Housing Loans	State and Local	Lower Income Section 8 Mod. Rehab.
	Revenues							
70300	Net tenant rental revenue	$ 2,983,275	$ -	$ 234,172	$ -	$ 1,859,440	$ 308,427	$ -
70400	Tenant revenue - other	39,446	-	7,620	-	28,861	4,999	-
70500	Total tenant revenue	3,022,721	-	241,792	-	1,888,301	313,426	-
70600	HUD PHA operating grants	1,207,202	-	-	18,312,828	-	-	51,204
70610	Capital grants	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	126,006	3,189
71100	Investment income - unrestricted	124,396	231	179,572	625,826	6,383	736	102
71400	Fraud recovery	-	-	-	-	-	-	-
71500	Other revenue	-	-	1,743,436	-	-	-	-
72000	Investment income - restricted	644,151	-	79	34,589	9,390	1,626	-
70000	Total revenues	4,998,470	231	2,164,884	18,973,243	1,904,074	441,794	54,495
	EXPENSES							
	Operating expenses							
	Administrative:							
91100	Administrative salaries	544,808	-	-	928,733	152,576	55,858	1,814
91200	Auditing fees	2,583	-	4,368	13,686	3,192	1,636	160
91300	Management fees	-	-	-	13,275	209,798	48,135	-
91310	Bookkeeping fees	-	-	-	-	-	-	-
91400	Advertising and marketing	-	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	334,942	-	228,554	366,292	165,813	19,679	892
91600	Office expenses	36,678	-	-	116,592	15,164	3,992	120
91700	Legal expenses	13,721	-	-	15,524	4,503	3,377	21
91800	Travel	7,359	-	4,155	13,634	2,929	730	15
91900	Other administrative expenses	56,940	-	13,206	104,305	31,045	-	103
	Tenant services:							
92100	Tenant services - salaries	-	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-
	Utilities:							
93100	Water	195,576	-	8,747	1,574	15,138	36,111	2
93200	Electricity	46,882	-	233	20,083	45,266	6,891	28
93300	Gas	5,881	-	-	1,734	4,091	811	3
93600	Sewer	228,797	-	6,699	604	23,428	-	1
93800	Other utilities expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of the financial statements.

41

Appendix C: Financial Statements

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)
JUNE 30, 2010

Line Item #	REVENUES	Public Housing Capital Fund	Total
	Revenues		
70300	Net tenant rental revenue	$ -	$ 5,385,314
70400	Tenant revenue - other	-	80,926
70500	Total tenant revenue	-	5,466,240
70600	HUD PHA operating grants	128,799	19,700,033
70610	Capital grants	1,689,697	1,689,697
70800	Other government grants	-	129,195
71100	Investment income - unrestricted	-	937,251
71400	Fraud recovery	-	-
71500	Other revenue	-	1,743,436
72000	Investment income - restricted	-	689,835
70000	Total revenues	1,818,496	30,355,687
	EXPENSES		
	Operating expenses		
	Administrative:		
91100	Administrative salaries	-	1,683,789
91200	Auditing fees	-	25,625
91300	Management fees	-	271,208
91310	Bookkeeping fees	-	-
91400	Advertising and marketing	-	-
91500	Employee benefit contributions - administrative	-	1,116,672
91600	Office expenses	-	170,546
91700	Legal expenses	-	27,146
91800	Travel	-	28,820
91900	Other administrative expenses	-	205,599
	Tenant services:		
92100	Tenant services - salaries	-	-
92300	Employee benefit contributions - tenant services	-	-
	Utilities:		
93100	Water	-	257,148
93200	Electricity	-	119,383
93300	Gas	-	12,520
93600	Sewer	-	259,529
93800	Other utilities expenses	$ -	$ -

The accompanying notes are an integral part of the financial statements.

42

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)
JUNE 30, 2010

Line Item #	EXPENSES (CONTINUED)	Low Rent	Section 8 Programs	Business Activities	Housing Choice Vouchers	Rural Rental Housing Loans	State and Local	Lower Income Section 8 Mod. Rehab.
	Operating expenses (continued):							
	Ordinary maintenance and operations:							
94100	Ordinary maintenance and operations - labor	$ 424,908	$ -	$ 503,617	$ -	$ 227,641	$ 37,524	$ -
94200	Ordinary maintenance and operations - materials and other	397,943	-	90,981	21,186	136,414	17,745	11
94300	Ordinary maintenance and operations - contract costs	722,542	-	105,808	169,994	365,821	86,083	128
94500	Employee benefit contributions - ordinary maintenance and operations	-	-	-	-	-	15,883	-
95200	Protective services - other contract costs	-	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-	-
	General expenses:							
96110	Property insurance	56,952	-	8,964	21,701	35,730	-	101
96120	Liability insurance	-	-	-	-	-	8,007	-
96130	Workers compensation insurance	44,492	-	43,925	10,686	35,881	3,776	23
96140	All other insurance	-	-	-	-	-	-	-
96200	Other general expenses	-	-	51,387	-	-	-	-
96210	Compensated absences	9,395	-	8,557	3,707	-	2,908	-
96300	Payment in lieu of taxes	82,382	-	-	-	-	46,030	-
96400	Bad debts - tenants rent	18,377	-	2,892	-	830	6,328	-
96700	Interest expense	-	-	-	-	22,177	-	-
96800	Severance expense	-	-	-	-	-	-	-
96900	Total operating expenses	3,237,158	-	1,082,093	1,823,810	1,495,437	401,304	3,420
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	1,767,312	231	1,082,791	17,149,433	408,637	40,490	51,675
	Other expenses:							
97100	Extraordinary maintenance	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	15,377,789	-	-	24,963
97350	HAP portability-in	-	-	-	-	-	-	-
97400	Depreciation expense	21,179	-	105,345	29,427	37,995	8,875	-
90000	Total expenses	3,252,337	-	1,187,438	15,231,026	1,533,432	410,177	28,383
10010	Operating transfers in	4,715,395	-	-	18,312,828	-	-	-
10020	Operating transfers out	(2,896,899)	-	-	(18,312,828)	-	-	-
10100	Total other financing sources (uses)	1,818,496	-	-	-	-	-	-
10000	EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER (UNDER) EXPENSES	$ 3,564,629	$ 231	$ 977,446	$ 3,742,217	$ 370,642	$ 31,617	$ 26,112

The accompanying notes are an integral part of the financial statements.

43

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)
JUNE 30, 2010

Line Item #	EXPENSES (CONTINUED)	MTW Demonstration Program for Capital Fund	Total
	Operating expenses (continued)		
	Ordinary maintenance and operations:		
94100	Ordinary maintenance and operations - labor	$ -	$ 1,193,490
94200	Ordinary maintenance and operations - materials and other	-	664,280
94300	Ordinary maintenance and operations - contract costs	-	1,450,376
94500	Employee benefit contributions - ordinary maintenance and operations	-	15,883
95200	Protective services - other contract costs	-	-
95300	Protective services - other	-	-
	General expenses:		
96110	Property insurance	-	123,648
96120	Liability insurance	-	8,007
96130	Workers compensation insurance	-	138,783
96140	All other insurance	-	-
96200	Other general expenses	-	51,387
96210	Compensated absences	-	24,567
96300	Payment in lieu of taxes	-	128,412
96400	Bad debts - tenants rent	-	28,427
96700	Interest expese	-	22,177
96800	Severance expense	-	-
96900	Total operating expenses	-	8,037,222
97000	**EXCESS OPERATING REVENUE OVER OPERATING EXPENSES**	1,818,496	22,318,465
	Other expenses:		
97100	Extraordinary maintenance	-	-
97300	Housing assistance payments	-	13,402,752
97350	HAP portability-in	-	-
97400	Depreciation expense	-	202,819
90000	Total expenses	-	21,642,793
10010	Operating transfers in	-	23,028,223
10020	Operating transfers out	(1,818,496)	(23,028,223)
10100	Total other financing sources (uses)	(1,818,496)	-
10000	**EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER (UNDER) EXPENSES**	$ -	$ 8,712,894

The accompanying notes are an integral part of the financial statements.

44

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA
JUNE 30, 2011

Line Item #	MEMO ACCOUNT INFORMATION	Low Rent	Section 8 Programs	Business Activities	Housing Choice Vouchers	Rural Rental Housing Loans	State and Local	Lower Income Section 8 Mod. Rehab.
11020	Debt principal payment enterprise funds	$ -	$ -	$ 2,400	$ -	$ 86,007	$ -	$ -
11030	Beginning equity	53,979,762	4,135	17,243,061	16,352,603	17,630,644	170,320	55,703
11040	Prior period adjustments, equity transfers and correction of errors	335,870	-	(381,646)	-	11,940	(79,205)	(43,192)
11170	Administrative fee equity	-	-	-	1,752,246	-	-	-
11180	Housing assistance payments equity	$ -	$ -	$ -	$ 18,348,413	$ -	$ -	$ -
11190	Unit months available	8,520	-	216	36,264	5,340	-	-
11210	Number of unit months leased	8,381	-	208	35,268	5,232	-	-
11270	Excess cash	$ 18,996,164	$ -	$ -	$ -	$ -	$ -	$ -
11620	Building purchases	$ 20,405,129	$ -	$ -	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of the financial statements.

45

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)
JUNE 30, 2011

Line Item #	MEMO ACCOUNT INFORMATION		Total
11020	Debt principal payment enterprise funds	$	88,407
11030	Beginning equity		105,436,226
11040	Prior period adjustments, equity transfers and correction of errors		(156,233)
11170	Administrative fee equity		1,752,246
11180	Housing assistance payments equity	$	18,348,413
11190	Unit months available		50,340
11210	Number of unit months leased		49,089
11270	Excess cash	$	18,996,164
11620	Building purchases	$	20,405,129

The accompanying notes are an integral part of the financial statements.

46

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA
JUNE 30, 2010

Line Item #	MEMO ACCOUNT INFORMATION	Low Rent	Section 8 Programs	Business Activities	Housing Choice Vouchers	Rural Rental Housing Loans	State and Local	Lower Income Section 8 Mod. Rehab.
11020	Debt principal payment enterprise funds	$ -	$ -	$ 2,400	$ -	$ 86,007	$ -	$ -
11030	Beginning equity	50,185,579	40,277	16,254,301	12,538,231	17,246,719	130,672	29,547
11040	Prior period adjustments, equity transfers and correction of errors	229,554	(36,373)	11,314	72,153	13,283	8,031	44
11170	Administrative fee equity	-	-	-	1,162,882	-	-	-
11180	Housing assistance payments equity	$ -	$ -	$ -	$ 15,189,719	$ -	$ -	$ -
11190	Unit months available	8,520	-	216	34,032	5,340	1,044	60
11210	Number of unit months leased	8,463	-	208	33,529	5,232	1,026	60
11270	Excess cash	$ 14,543,595	$ -	$ -	$ -	$ -	$ -	$ -
11650	Leasehold improvement purchases	$ 1,689,697	$ -	$ -	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of the financial statements.

47

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)
JUNE 30, 2010

Line Item #	MEMO ACCOUNT INFORMATION	Public Housing Capital Fund	Total
11020	Debt principal payment enterprise funds	$ -	$ 88,407
11030	Beginning equity	-	96,425,326
11040	Prior period adjustments, equity transfers and correction of errors	-	298,006
11170	Administrative fee equity	-	1,162,882
11180	Housing assistance payments equity	$ -	$ 15,189,719
11190	Unit months available	-	49,212
11210	Number of unit months leased	-	48,518
11270	Excess cash	$ -	14,543,595
11650	Leasehold improvement purchases	$ -	1,689,697

The accompanying notes are an integral part of the financial statements.

48

Position 3

Form RD 3560-10
(Rev. 02-05)

MULTI-FAMILY HOUSING
BORROWER BALANCE SHEET
PART I - BALANCE SHEET

FORM APPROVED
OMB NO. 0575-0189

PROJECT NAME	BORROWER NAME	BORROWER ID AND PROJECT NO.
Sonora Apartments	Housing Authority of the County of Tulare	94-600765 03-4

ASSETS	BEGINNING DATES> / ENDING DATES>	CURRENT YEAR 7/1/2010 6/30/2011	PRIOR YEAR 7/1/2009 6/30/2010	COMMENTS
CURRENT ASSETS				
1. GENERAL OPERATING ACCOUNT		$ 66,901	$ 47,904	
2. R.E. TAX & INSURANCE ACCOUNT				
3. RESERVE ACCOUNT		265,448	320,182	
4. SECURITY DEPOSIT ACCOUNT		18,164	16,828	
5. OTHER CASH *(identify)*				
6. OTHER *(identify)*				
7. TOTAL ACCOUNTS RECEIVABLE *(Attach list)*		645	2,626	
ACCTS RCVBL 0-30 DAYS	$645			
ACCTS RCVBL 30-60 DAYS	$0			
ACCTS RCVBL 60-90 DAYS	$0			
ACCTS RCVBL OVER 90 DAYS	$0		0	
8. LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS				
9. INVENTORIES *(supplies)*				
10. PREPAYMENTS		1,484	2,208	
11.				
12. **TOTAL CURRENT ASSETS** *(Add 1 thru 11)*		352,642	389,748	
FIXED ASSETS				
13. LAND		4,386	4,386	
14. BUILDINGS		2,647,211	2,561,974	
15. LESS: ACCUMULATED DEPRECIATION		(102,290)	0	
16. FURNITURE & EQUIPMENT		17,104	17,104	
17. LESS: ACCUMULATED DEPRECIATION		0	(35,889)	
18. SITE AND OFF-SITE IMPROVEMENTS		0	0	
19. **TOTAL FIXED ASSETS** *(Add 13 thru 18)*		2,566,411	2,547,575	
OTHER ASSETS				
20. INTANGIBLE ASSETS NET OF ACCUMULATED AMORT.		0	0	
21. **TOTAL ASSETS** *(Add 12, 19 and 20)*		2,919,053	2,937,323	
LIABILITIES AND OWNERS EQUITY				
CURRENT LIABILITIES				
22. TOTAL ACCOUNTS PAYABLE *(Attach list)*		4,707	4,140	
ACCTS PAYABLE 0-30 DAYS	$4,707			
ACCTS PAYABLE 30-60 DAYS	$0			
ACCTS PAYABLE 60-90 DAYS	$0			
ACCTS PAYABLE OVER 90 DAYS	$0			
23. NOTES PAYABLE *(Attach list)*		10,410	10,153	
24. OTHER CURRENT LIABILITIES				
25. SECURITY DEPOSITS		17,598	16,366	
26. **TOTAL CURRENT LIABILITIES** *(Add 22 thru 25)*		$ 32,715	$ 30,659	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The accompanying notes are an integral part of these financial statements.

49

LONG-TERM LIABILITIES

27. NOTES PAYABLE RURAL DEVELOPMENT	$ 681,101	$ 700,207	
28. OTHER *(identify)*	7,541	8,789	
29. **TOTAL LONG-TERM LIABILITIES** *(Add 26 and 27)*	688,642	708,996	
30. **TOTAL LIABILITIES** *(Add 25 and 29)*	721,357	739,655	
31. OWNER'S EQUITY (Net Worth) *(21 minus 30)*	2,197,696	2,197,668	
32. **TOTAL LIABILITIES AND OWNER'S EQUITY** *(Add 29 and 30)*	$ 2,919,053	$ 2,937,323	

Warning: Section 1001 of Title 18, Unites States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fruudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both.

I HAVE READ THE ABOVE WARNING STATEMENT AND I HEREBY CERTIFY THAT THE FORGOING INFORMATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

8/26/2011
(Date)

(Signature of Borrower or Borrower's Representative)

Accountant
(Title)

PART II - THIRD PARTY VERIFICATION OF REVIEW

I/We have reviewed the borrower's records. The accompanying balance sheet, and statement of actual budget and income on Form RD 3560-7, is a fair representation of the borrower's records.

I/We certify that no identity of interest exists between me/us and any individual or organization doing business with the project or borrower.

(Date)

(Signature)

(Name and Title)

(Address)

In lieu of the above verification and signature, a review completed, dated and signed by a person or firm qualified by license or certification is attached.

The accompanying notes are an integral part of these financial statements.

50

Position 3

Form RD 3560-7
(Rev. 05-06)

MULTIPLE FAMILY HOUSING PROJECT BUDGET/ UTILITY ALLOWANCE

FORM APPROVED
OMB NO. 0575-0189

PROJECT NAME	BORROWER NAME	BORROWER ID AND PROJECT NO.
Sonora Apartments	Housing Authority of the County of Tulare	
Loan/Transfer Amount $	Note Rate Payment $	IC Payment $

Reporting Period	Budget Type	Project Rental Type	Profit Type	The following utilities are meter metered.	I hereby request units of RA. Current number of RA units
✔ Annual Quarterly Monthly	Initial ✔ Regular Report Rent Change SNR Other Servicing	✔ Family Elderly Congregate Group Home Mixed LH	Full Profit ✔ Limited Profit Non-Profit	✔ Electricity Gas ✔ Water ✔ Sewer Trash Other	Borrower Accounting Method Cash ✔ Accrual

PART I-CASH FLOW STATEMENT

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
BEGINNING DATES>	7/1/2010	7/1/2010		
ENDING DATES>	6/30/2011	6/30/2011		
OPERATIONAL CASH SOURCES				
1. RENTAL INCOME	278,040	234,022		Manually Entered
2. RHS RENTAL ASSISTANCE RECEIVED		31,034		
3. APPLICATION FEES RECEIVED				
4. LAUNDRY AND VENDING				
5. INTEREST INCOME	1,974	313		
6. TENANT CHARGES	1,665	1,113		
7. OTHER - PROJECT SOURCES				
8. LESS *(Vacancy and Contingency Allowance)*	5,561			
9. LESS *(Agency Approved Incentive Allowance)*				
10. SUB-TOTAL *(11 thru 7) - (8 & 9)*	276,118	266,482	0	
NON-OPERATIONAL CASH SOURCES				
11. CASH - NON PROJECT		9,908		INSUR CLAIM
12. AUTHORIZED LOAN *(Non-RHS)*				
13. TRANSFER FROM RESERVE	5,000	83,645		
14. SUB TOTAL *(11 thru 13)*	5,000	93,553	0	
15. TOTAL CASH SOURCES *(10 + 14)*	281,118	360,035	0	
OPERATIONAL CASH USES				
16. TOTAL O&M EXPENSES *(From Part II)*	206,178	197,400	0	
17. RHS DEBT PAYMENT	26,416	26,036		
18. RHS PAYMENT *(Overage)*				
19. RHS PAYMENT *(Late Fee)*				
20. REDUCTION IN PRIOR YEAR PAYABLES				
21. TENANT UTILITY PAYMENTS				
22. TRANSFER TO RESERVE	19,000	28,911		
23. LONG-TERM IMPROVEMENTS				
24. RETURN TO OWNER/NP ASSET MANAGEMENT FEE				
25. SUB-TOTAL *(16 thru 23)*	251,594	252,347	0	
NON-OPERATIONAL CASH USES				
26. AUTHORIZED DEBT PAYMENT (Non-RHS)	0	0		
27. ANNUAL CAPITAL BUDGET *(From Part III, Lines 4-6)*	5,000	83,645	0	
28. MISCELLANEOUS	22,524	5,625		prior yr adj.
29. SUB-TOTAL *(25 thru 27)*	27,524	89,270	0	
30. TOTAL CASH USES *(24+28)*	279,118	341,617	0	
31. NET CASH (DEFICIT) *(15-29)*	2,000	18,418	0	
CASH BALANCE				
32. BEGINNING CASH BALANCE	23,112	47,904		
33. ACCRUAL TO CASH ADJUSTMENT				
34. ENDING CASH BALANCE *(30 + 31 + 32)*	25,112	66,322	0	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 2 1/2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The accompanying notes are an integral part of these financial statements.

51

Form RD 3560-7 Page 1

PART II-OPERATING AND MAINTENANCE EXPENSE SCHEDULE

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
1. MAINTENANCE AND REPAIRS PAYROLL	18,498	19,003		
2. MAINTENANCE AND REPAIRS SUPPLY	16,679	16,929		
3. MAINTENANCE AND REPAIRS CONTRACT	18,882	15,730		
4. PAINTING	3,000	3,000		
5. SNOW REMOVAL				
6. ELEVATOR MAINTENANCE/CONTRACT				
7. GROUNDS	14,832	15,198		
8. SERVICES	0	1,673		Pest Control
9. ANNUAL CAPITAL BUDGET *(From Part V • Operating)*	26,480	17,046		
10. OTHER OPERATING EXPENSES *(Itemize)*				
11. SUB-TOTAL MAINT & OPERATING *(1 thru 10)*	98,371	88,579	0	0
12. ELECTRICITY *If master metered*	3,866	3,740		
13. WATER *check box on*	7,125	6,009		
14. SEWER *front*	16,989	18,272		
15. FUEL *(Oil/Coal/Gas)*	365	681		
16. GARBAGE & TRASH REMOVAL	9,976	10,462		
17. OTHER UTILITIES				
18. SUB-TOTAL UTILITIES *(12 thru 17)*	38,321	39,164	0	0
19. SITE MANAGEMENT PAYROLL	16,884	16,733		
20. MANAGEMENT FEE	28,326	28,326		
21. PROJECT AUDITING EXPENSE	304	200		
22. PROJECT BOOKKEEPING/ACCOUNTING				
23. LEGAL EXPENSES	855	642		
24. ADVERTISING	740	795		
25. TELEPHONE & ANSWERING SERVICE				
26. OFFICE SUPPLIES	2,996	2,929		
27. OFFICE FURNITURE AND EQUIPMENT				
28. TRAINING EXPENSE	350	137		
29. HEALTH INS. & OTHER EMP. BENEFITS	13,426	12,945		
30. PAYROLL TAXES				
31. WORKER'S COMPENSATION	2,180	1,791		
32. OTHER ADMINISTRATIVE EXPENSES *(Itemize)*	100	1,466		Collection Losses
33. SUB-TOTAL ADMINISTRATIVE *(19 thru 32)*	66,161	65,964	0	0
34. REAL ESTATE TAXES				
35. SPECIAL ASSESSMENTS				
36. OTHER TAXES, LICENSES AND PERMITS				
37. PROPERTY & LIABILITY INSURANCE	3,325	3,693		
38. FIDELITY COVERAGE INSURANCE				
39. OTHER INSURANCE				
40. SUB-TOTAL TAXES & INSURANCE *(34 thru 39)*	3,325	3,693	0	0
41. TOTAL O&M EXPENSES *(11 + 18 + 33 + 40)*	206,178	197,400	0	0

The accompanying notes are an integral part of these financial statements.

52

Form HO 3646-7 Page 2

PART III-ACCOUNT BUDGETING/STATUS

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
RESERVE ACCOUNT:				
1. BEGINNING BALANCE	263,359	320,167		
2. TRANSFER TO RESERVE	19,000	28,911		Int, Insur, Dep
TRANSFER FROM RESERVE				
3. OPERATING DEFICIT				
4. ANNUAL CAPITAL BUDGET *(Part V - Reserve)*	5,000	2,875		
5. BUILDING & EQUIPMENT REPAIR		80,770		
6. OTHER NON-OPERATING EXPENSES				
7. TOTAL *(3 thru 6)*	5,000	83,645	0	
8. ENDING BALANCE *(1 + 2) - 7)*	277,359	265,433	0	

GENERAL OPERATING ACCOUNT:*		
BEGINNING BALANCE	47,904	7/1/2010
ENDING BALANCE	66,901	6/30/2011
REAL ESTATE AND INSURANCE ESCROW ACCOUNT:*		
BEGINNING BALANCE		
ENDING BALANCE		
TENANT SECURITY DEPOSIT ACCOUNT:*		
BEGINNING BALANCE	16,828	7/1/2010
ENDING BALANCE	18,164	6/30/2011

*(*Complete upon submission of actual expenses.)*

NUMBER OF APPLICANTS ON THE WAITING LIST		RESERVE ACCT. REQ. BALANCE	
NUMBER OF APPLICANTS NEEDING RA		AMOUNT AHEAD/BEHIND	

The accompanying notes are an integral part of these financial statements.

53

Form RD 3560-7 Page 3

PART IV-RENT SCHEDULE AND UTILITY ALLOWANCE

A. CURRENT APPROVED RENTS/UTILITY ALLOWANCE

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE			
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD	UTILITY ALLOWANCE
2	M	18	$ 420			$ 90,720			$ 67
3	M	30	$ 455			$ 163,800			$ 71
4	M	4	$ 490			$ 23,520			$ 107
					CURRENT RENT TOTALS:	$ 278,040	$ -		
						BASIC	NOTE	HUD	

B. PROPOSED RENTS - Effective Date: 7/1/2010

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE		
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD
2	M	18	$ 420			$ 90,720		
3	M	30	$ 455			$ 163,800		
4	M	4	$ 490			$ 23,520		
					CURRENT RENT TOTALS:	$ 278,040		
						BASIC	NOTE	HUD

C. PROPOSED UTILITY ALLOWANCE - Effective Date: 7/1/2010

MONTHLY DOLLAR ALLOWANCES

BR SIZE	UNIT TYPE	NUMBER	ELECTRIC	GAS	WATER	SEWER	TRASH	OTHER	TOTAL
2	M	18	$ 20	$ 47					$ 67
3	M	30	$ 27	$ 44					$ 71
4	M	38	$ 41	$ 66					$ 107

The accompanying notes are an integral part of these financial statements.

54

Form RD 3560-7 Page 4

PART V - ANNUAL CAPITAL BUDGET

	Proposed Number of Units/Items	Proposed from Reserve	Actual from Reserve	Proposed from Operating	Actual from Operating	Actual Total Cost	Total Actual Units/Items
Appliances:							
Range				$ 2,850	$ 1,413		$ 3
Refrigerator				$ 2,760	$ 478		$ 1
Range Hood				$ 420			$ 3
Washers & Dryers							
Other							
Carpet & Vinyl:							
1 BR							
2 BR							
3 BR							
4 BR							
Other							
Cabinets:							
Kitchens							
Bathrooms							
Other							
Doors:							
Exterior							
Interior							
Other/Door Locks				$ 500			
Window Coverings:							
List							
Other: Drapes				$ 5,600			
Heating & Air Conditioning:							
Heating				$ 2,400	$ 842		$ 1
Air Conditioning							
Other: Coolers				$ 1,200	$ 297		$ 48
Plumbing:							
Water Heater							
Bath Sinks				$ 400			
Kitchen Sinks							
Faucets				$ 1,200			
Toilets				$ 400			
Other							
Major Electrical:							
List							
Other							
Structures:							
Windows							
Screens							
Walls							
Roofing							
Siding							
Exterior Painting							
Interior Painting				$ 8,750	$ 14,016		
Paving:							
Asphalt							
Concrete							
Seal & Stripe							
Other							
Landscape & Grounds:							
Landscaping							
Lawn Equipment							
Fencing							
Recreation Area							
Signs							
Other Tree Trimming		$ 5,000	$ 2,875				
Accessibility Features:							
List							
Other							
Automation Equipment:							
Site Management							
Common Area							
Other							
Other:							
List							
List							
List							
TOTAL CAPITAL EXPENSES:		$ 5,000	$ 2,875	$ 26,480	$ 17,046	$	$ 56

Form RD 3560-7 Page 5

55

PART VI - SIGNATURES, DATES AND COMMENTS

Warning:	**Section 1001 of Title 18, Unites States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both.**

I HAVE READ THE ABOVE WARNING STATEMENT AND I HEREBY CERTIFY THAT THE FORGOING INFORMATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

8/26/2011
(DATE)

(Signature of Borrower or Borrower's Representative)

ACCOUNTANT
(Title)

AGENCY APPROVAL *(Rural Development Approval Official)*:	DATE:

COMMENTS:

The accompanying notes are an integral part of these financial statements.

56

Form RD 3560-7 Page 6

Position 3

Form RD 3560-10
(Rev. 02-05)

MULTI-FAMILY HOUSING
BORROWER BALANCE SHEET
PART I - BALANCE SHEET

FORM APPROVED
OMB NO. 0575-0189

PROJECT NAME	BORROWER NAME	BORROWER ID AND PROJECT NO.
Linnell, Woodville, Terra Bella & Visalia Farm Centers	Housing Authority of the County of Tulare	946000765 046

ASSETS	BEGINNING DATES> / ENDING DATES>	CURRENT YEAR 7/1/2010 6/30/2011	PRIOR YEAR 7/1/2009 6/30/2010	COMMENTS
CURRENT ASSETS				
1. GENERAL OPERATING ACCOUNT		$ 179,644	$ 74,170	
2. R.E. TAX & INSURANCE ACCOUNT				
3. RESERVE ACCOUNT		524,468	409,395	
4. SECURITY DEPOSIT ACCOUNT		114,183	110,624	
5. OTHER CASH *(identify)*		150	150	petty cash
6. OTHER *(identify)*		39		LAIF RR
7. TOTAL ACCOUNTS RECEIVABLE *(Attach list)*		20,103	17,459	
ACCTS RCVBL 0-30 DAYS	$20,103			
ACCTS RCVBL 30-60 DAYS	$0			
ACCTS RCVBL 60-90 DAYS	$0			
ACCTS RCVBL OVER 90 DAYS	$0		0	
8. LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS				
9. INVENTORIES *(supplies)*				
10. PREPAYMENTS		18,055	18,138	
11.				
12. **TOTAL CURRENT ASSETS** *(Add 1 thru 11)*		856,642	629,936	
FIXED ASSETS				
13. LAND		0	0	
14. BUILDINGS		16,190,285	16,204,485	
15. LESS: ACCUMULATED DEPRECIATION		(278,767)	(261,834)	
16. FURNITURE & EQUIPMENT		0	0	
17. LESS: ACCUMULATED DEPRECIATION		0	0	
18. SITE AND OFF-SITE IMPROVEMENTS		0	0	
19. **TOTAL FIXED ASSETS** *(Add 13 thru 18)*		15,911,518	15,942,651	
OTHER ASSETS				
20. INTANGIBLE ASSETS NET OF ACCUMULATED AMORT.		0	0	
21. **TOTAL ASSETS** *(Add 12, 19 and 20)*		16,768,160	16,572,587	
LIABILITIES AND OWNERS EQUITY				
CURRENT LIABILITIES				
22. TOTAL ACCOUNTS PAYABLE *(Attach list)*		37,382	43,803	
ACCTS PAYABLE 0-30 DAYS	$37,382			
ACCTS PAYABLE 30-60 DAYS	$0			
ACCTS PAYABLE 60-90 DAYS	$0			
ACCTS PAYABLE OVER 90 DAYS	$0			
23. NOTES PAYABLE *(Attach list)*		0	0	
24. OTHER CURRENT LIABILITIES				
25. SECURITY DEPOSITS		112,571	110,895	
26. **TOTAL CURRENT LIABILITIES** *(Add 22 thru 25)*		$ 149,953	$ 154,698	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The accompanying notes are an integral part of these financial statements.

57

LONG-TERM LIABILITIES

27. NOTES PAYABLE RURAL DEVELOPMENT	$ 846,137	$ 898,971	
28. OTHER *(identify)*	89,780	85,941	
29. **TOTAL LONG-TERM LIABILITIES** *(Add 26 and 27)*	935,917	984,912	
30. **TOTAL LIABILITIES** *(Add 25 and 29)*	1,085,870	1,139,610	
31. OWNER'S EQUITY (Net Worth) *(21 minus 30)*	15,682,290	15,432,977	
32. **TOTAL LIABILITIES AND OWNER'S EQUITY** *(Add 30 and 30)*	$ 16,768,160	$ 16,572,587	

Warning: Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both.

I HAVE READ THE ABOVE WARNING STATEMENT AND I HEREBY CERTIFY THAT THE FORGOING INFORMATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

9/21/2011
(Date)

(Signature of Borrower or Borrower's Representative)

Accountant
(Title)

PART II - THIRD PARTY VERIFICATION OF REVIEW

I/We have reviewed the borrower's records. The accompanying balance sheet, and statement of actual budget and income on Form RD 3560-7, is a fair representation of the borrower's records.

I/We certify that no identity of interest exists between me/us and any individual or organization doing business with the project or borrower.

(Date)

(Signature)

(Name and Title)

(Address)

In lieu of the above verification and signature, a review completed, dated and signed by a person or firm qualified by license or certification is attached.

The accompanying notes are an integral part of these financial statements.

58

Position 3

Form RD 3560-7
(Rev. 05-06)

MULTIPLE FAMILY HOUSING PROJECT BUDGET/ UTILITY ALLOWANCE

FORM APPROVED
OMB NO. 0575-0189

PROJECT NAME	BORROWER NAME	BORROWER ID AND PROJECT NO.
Linnell/Woodville/Visalia/Terra Bella	Housing Authority of the County of Tulare	
Loan/Transfer Amount $	Note Rate Payment $	IC Payment $

Reporting Period	Budget Type	Project Rental Type	Profit Type	The following utilities are metered.	I hereby request
✔ Annual Quarterly Monthly	Initial ✔ Regular Report Rent Change SNR Other Servicing	✔ Family Elderly Congregate Group Home Mixed LH	Full Profit ✔ Limited Profit Non-Profit	✔ Electricity Gas ✔ Water ✔ Sewer Trash Other	units of RA. Current number 45 of RA units Borrower Accounting Method Cash ✔ Accrual

PART I-CASH FLOW STATEMENT

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
BEGINNING DATES>	7/1/2010	7/1/2010		
ENDING DATES>	6/30/2011	6/30/2011		
OPERATIONAL CASH SOURCES				
1 RENTAL INCOME	1,611,720	1,572,668		
2. RHS RENTAL ASSISTANCE RECEIVED		21,709		
3. APPLICATION FEES RECEIVED				
4. LAUNDRY AND VENDING				
5. INTEREST INCOME	3,504	998		
6. TENANT CHARGES	3,500	5,978		
7. OTHER - PROJECT SOURCES	9,540	9,852		
8. LESS *(Vacancy and Contingency Allowance)*	32,234			
9 LESS *(Agency Approved Incentive Allowance)*				
10. SUB-TOTAL *((1 thru 7) - (8 & 9))*	1,598,030	1,611,205	0	
NON-OPERATIONAL CASH SOURCES				
11. CASH - NON PROJECT				
12. AUTHORIZED LOAN *(Non-RHS)*				
13. TRANSFER FROM RESERVE	28,000	9,069		
14. SUB-TOTAL *(11 thru 13)*	28,000	9,069	0	
15. TOTAL CASH SOURCES *(10 + 14)*	1,626,030	1,620,274	0	
OPERATIONAL CASH USES				
16. TOTAL O&M EXPENSES *(From Part II)*	1,410,999	1,335,423	0	
17. RHS DEBT PAYMENT	61,584	61,584		
18. RHS PAYMENT *(Overage)*				
19. RHS PAYMENT *(Late Fee)*				
20. REDUCTION IN PRIOR YEAR PAYABLES		(22,015)		prior year adjustment
21. TENANT UTILITY PAYMENTS				
22. TRANSFER TO RESERVE	121,844	124,179		
23. LONG-TERM IMPROVEMENTS	0			
24. RETURN TO OWNER/NP ASSET MANAGEMENT FEE	0	0		
25. SUB-TOTAL *(16 thru 23)*	1,594,427	1,499,171	0	
NON-OPERATIONAL CASH USES				
26. AUTHORIZED DEBT PAYMENT (Non-RHS)	0	0		
27. ANNUAL CAPITAL BUDGET *(From Part III, Lines 4-6)*	28,000	9,069	0	
28. MISCELLANEOUS		0		
29. SUB-TOTAL *(25 thru 27)*	28,000	9,069	0	
30. TOTAL CASH USES *(24+28)*	1,622,427	1,508,240	0	
31. NET CASH (DEFICIT) *(15-29)*	3,603	112,034	0	
CASH BALANCE				
32. BEGINNING CASH BALANCE	55,643	74,170		
33. ACCRUAL TO CASH ADJUSTMENT				
34 ENDING CASH BALANCE *(30 + 31 + 32)*	59,246	186,204	0	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 2 1/2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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59

Form RD 3560-7 Page 1

PART II-OPERATING AND MAINTENANCE EXPENSE SCHEDULE

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
1. MAINTENANCE AND REPAIRS PAYROLL	102,968	118,053		
2. MAINTENANCE AND REPAIRS SUPPLY	138,391	104,324		
3. MAINTENANCE AND REPAIRS CONTRACT	47,523	71,790		
4. PAINTING	3,000	3,211		
5. SNOW REMOVAL				
6. ELEVATOR MAINTENANCE/CONTRACT				
7. GROUNDS	102,968	118,053		
8. SERVICES	10,700	10,832		Pest control
9. ANNUAL CAPITAL BUDGET *(From Part V - Operating)*	200,000	123,771		
10. OTHER OPERATING EXPENSES *(Itemize)*	9,259	2,800		Security
11. SUB-TOTAL MAINT. & OPERATING *(1 thru 10)*	614,809	552,834	0	0
12. ELECTRICITY *If master metered*	47,416	41,881		
13. WATER *check box on*	12,564	10,338		
14. SEWER *front*	7,546	8,071		
15. FUEL *(Oil/Coal/Gas)*	3,000	2,826		
16. GARBAGE & TRASH REMOVAL	143,721	138,168		
17. OTHER UTILITIES				
18. SUB-TOTAL UTILITIES *(12 thru 17)*	214,247	201,284	0	0
19. SITE MANAGEMENT PAYROLL	140,528	144,666		
20. MANAGEMENT FEE	181,472	184,286		
21. PROJECT AUDITING EXPENSE	2,750	1,516		
22. PROJECT BOOKKEEPING/ACCOUNTING				
23. LEGAL EXPENSES	3,000	3,215		
24. ADVERTISING	1,200	2,246		
25. TELEPHONE & ANSWERING SERVICE				
26. OFFICE SUPPLIES	36,640	36,046		
27. OFFICE FURNITURE AND EQUIPMENT				
28. TRAINING EXPENSE	3,442	1,668		
29. HEALTH INS. & OTHER EMP. BENEFITS	153,120	152,786		
30. PAYROLL TAXES				
31. WORKER'S COMPENSATION	24,328	20,589		
32. OTHER ADMINISTRATIVE EXPENSES *(Itemize)*	500	(697)		collection losses
33. SUB-TOTAL ADMINISTRATIVE *(19 thru 32)*	546,980	546,321	0	0
34. REAL ESTATE TAXES				
35. SPECIAL ASSESSMENTS				
36. OTHER TAXES, LICENSES AND PERMITS	5,518	5,613		
37. PROPERTY & LIABILITY INSURANCE	29,445	29,371		
38. FIDELITY COVERAGE INSURANCE				
39. OTHER INSURANCE				
40. SUB-TOTAL TAXES & INSURANCE *(34 thru 39)*	34,963	34,984	0	0
41. TOTAL O&M EXPENSES *(11 + 18 + 33 + 40)*	1,410,999	1,335,423	0	0

The accompanying notes are an integral part of these financial statements.

60

Form RD 3560-7 Page 2

PART III-ACCOUNT BUDGETING/STATUS

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
RESERVE ACCOUNT:				
1. BEGINNING BALANCE	407,949	409,357		
2. TRANSFER TO RESERVE	121,844	124,179		
TRANSFER FROM RESERVE				
3. OPERATING DEFICIT				
4. ANNUAL CAPITAL BUDGET *(Part V - Reserve)*	28,000	9,069		
5. BUILDING & EQUIPMENT REPAIR				
6. OTHER NON-OPERATING EXPENSES				
7. TOTAL *(3 thru 6)*	28,000	9,069	0	
8. ENDING BALANCE *(1 + 2) - 7)*	501,793	524,467	0	

GENERAL OPERATING ACCOUNT:*		
BEGINNING BALANCE	74,170	7/1/2010
ENDING BALANCE	179,644	6/30/2011
REAL ESTATE AND INSURANCE ESCROW ACCOUNT:*		
BEGINNING BALANCE		
ENDING BALANCE		
TENANT SECURITY DEPOSIT ACCOUNT:*		
BEGINNING BALANCE	110,624	7/1/2010
ENDING BALANCE	114,183	6/30/2011

*(*Complete upon submission of actual expenses.)*

NUMBER OF APPLICANTS ON THE WAITING LIST		RESERVE ACCT. REQ. BALANCE	
NUMBER OF APPLICANTS NEEDING RA		AMOUNT AHEAD/BEHIND	

The accompanying notes are an integral part of these financial statements.

61

Form RD 3560-7 Page 3

PART IV-RENT SCHEDULE AND UTILITY ALLOWANCE

A. CURRENT APPROVED RENTS/UTILITY ALLOWANCE

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE			
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD	UTILITY ALLOWANCE
2	S	85	$301	$301		$307,020	$307,020		$52
2	N	8	$326	$326		$31,296	$31,296		$59
3	S	201	$341	$341		$822,492	$822,492		$67
3	M	43	$366	$366		$188,856	$188,856		$67
3	N	6	$366	$366		$26,352	$26,352		$77
4	N	22	$381	$381		$100,584	$100,584		$90
2	S	1	$351	$351		$4,212	$4,212		$56
2	M	6	$351	$351		$25,272	$25,272		$56
3	L	8	$396	$396		$38,016	$38,016		$72
3	A	10	$480	$480		$57,600	$57,600		$67
2	T	1	$423	$423		$5,076	$5,076		$56
3	Z	2	$206	$206		$4,944	$4,944		$52
				CURRENT RENT TOTALS:		$ 1,611,720	$ 1,611,720		
						BASIC	NOTE	HUD	

C. PROPOSED UTILITY ALLOWANCE - Effective Date: 7/1/2010

MONTHLY DOLLAR ALLOWANCES

BR SIZE	UNIT TYPE	NUMBER	ELECTRIC	GAS	WATER	SEWER	TRASH	OTHER	TOTAL
2	S	85	$24	$26					$50
2	N	8	$25	$31					$56
3	S	201	$28	$35					$63
3	M	43	$28	$35					$63
3	N	6	$32	$35					$67
4	N	22	$31	$39					$70
2	S	1	$26	$28					$54
2	M	6	$26	$28					$54
3	L	8	$31	$39					$70
3	A	10	$28	$37					$65
2	T	1	$26	$29					$55
3	Z	2	$24	$26					$50

The accompanying notes are an integral part of these financial statements.

62

Form HUD 53601-2 Page 4

PART V - ANNUAL CAPITAL BUDGET

	Proposed Number of Units/Items	Proposed from Reserve	Actual from Reserve	Proposed from Operating	Actual from Operating	Actual Total Cost	Total Actual Units/Items
Appliances:							
Range							
Refrigerator							
Range Hood							
Washers & Dryers							
Other							
Carpet & Vinyl:							
1 BR							
2 BR							
3 BR							
4 BR							
Other: Flooring	12			$ 40,000	$ 19,197		
Cabinets:							
Kitchens							
Bathrooms							
Medicine Cabinets							
Kitchen Cab/Curtegs	13			$ 92,700	$ 7,725		
Doors:							
Exterior				$ 3,000			
Interior	80				$ 3,443		
Other							
Window Coverings:							
List							
Other							
Heating & Air Conditioning:							
Heating				$ 850			
Air Conditioning							
A/C Cooler				$ 700			
Plumbing:							
Water Heater	1						
Bath Sinks							
Kitchen Sinks							
Faucets							
Toilets							
Other: clean sewer lines	2			$ 9,600	$ 11,225		
Major Electrical:							
List							
Other: Lighting				$ 5,000			
Structures:							
Windows	10			$ 900			
Screens							
Walls							
Roofing				$ 5,500			
Siding				$ 350			
Exterior Painting	4			$ 8,000	$ 4,800		
Interior Painting	96			$ 10,000	$ 58,751		
Paving:							
Asphalt							
Concrete							
Seal & Stripe							
Other							
Landscape & Grounds:							
Landscaping	3			$ 3,200			
Lawn Equipment							
Fencing				$ 600			
Recreation Area							
Signs							
Other: Tree Trimming				$ 11,000	$ 13,548		
Accessibility Features:							
List							
Other							
Automation Equipment:							
Site Management							
Common Area							
Other							
Other:							
Waste pond repair				$ 2,000			
2 way radios	2			$ 600			
Tools				$ 6,000	$ 5,082		
Generator room-temf switch							
Water pump repair			$ 9,069				
TOTAL CAPITAL EXPENSES:		$ -	$ 9,069	$ 200,000	$ 123,771	$ -	$ -

Form RD 3560-7 Page 5

63

PART VI - SIGNATURES, DATES AND COMMENTS

Warning:	**Section 1001 of Title 18, Unites States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both.**

I HAVE READ THE ABOVE WARNING STATEMENT AND I HEREBY CERTIFY THAT THE FORGOING INFORMATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

9/20/2011
(DATE)

(Signature of Borrower or Borrower's Representative)

CONTROLLER
(Title)

AGENCY APPROVAL *(Rural Development Approval Official)*:	DATE:

COMMENTS:

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE COUNTY OF TULARE
ANNUAL CONTRIBUTION CONTRACTS WITH THE
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
RECONCILIATION OF COMPREHENSIVE GRANT AND CAPITAL FUNDS
ADVANCES WITH COSTS
OWNED HOUSING - SF- 190
JUNE 30, 2011

Project Numbers	Funds Approved	Funds Advanced	Funds Expended	Excess (Deficiency)
CA39-PO30-70293	$ 1,739,361	$ 1,739,361	$ 1,739,361	$ -
CA39-PO30-70394	$ 2,029,606	$ 2,029,606	$ 2,029,606	$ -
CA39-PO30-70495	$ 1,907,560	$ 1,907,560	$ 1,907,560	$ -
CA39-PO30-70596	$ 1,563,399	$ 1,563,399	$ 1,563,399	$ -
CA39-PO30-70697	$ 1,533,444	$ 1,533,444	$ 1,533,444	$ -
CA39-PO30-70798	$ 1,631,562	$ 1,631,562	$ 1,631,562	$ -
CA39-PO30-70899	$ 1,876,933	$ 1,876,933	$ 1,876,933	$ -
CA39-PO30-50100	$ 1,786,346	$ 1,776,346	$ 1,786,346	$ -
CA39-PO30-50101	$ 1,816,484	$ 1,816,484	$ 1,816,484	$ -
CA39-PO30-50102	$ 1,733,502	$ 1,733,502	$ 1,733,502	$ -
CA39-PO30-50103	$ 1,426,300	$ 1,426,300	$ 1,426,300	$ -
CA39-PO30-50203	$ 284,526	$ 284,526	$ 284,526	$ -
CA39-PO30-50104	$ 1,651,808	$ 1,651,808	$ 1,651,808	$ -
CA39-PO30-50105	$ 1,584,952	$ 1,584,952	$ 1,584,952	$ -
CA39-PO30-50106	$ 1,515,711	$ 1,515,711	$ 1,515,711	$ -
CA39-PO30-50107	$ 1,472,073	$ 1,472,073	$ 1,472,073	$ -
CA39-PO30-50108	$ 1,550,704	$ 1,550,704	$ 1,550,704	$ -
CA39-PO30-50109	$ 1,430,908	$ 1,153,827	$ 1,377,292	$ (223,465)
CA39-SO30-50109	$ 1,962,885	$ 1,962,885	$ 1,962,885	$ -
CA39-PO30-50110	$ 1,531,227	$ 603,454	$ 685,692	$ (82,238)

65

HOUSING AUTHORITY OF THE COUNTY OF TULARE
ANNUAL CONTRIBUTION CONTRACTS WITH THE
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
RECONCILIATION OF COMPREHENSIVE GRANT AND CAPITAL FUNDS
ADVANCES WITH COSTS
OWNED HOUSING - SF- 190
JUNE 30, 2010

Project Numbers	Funds Approved	Funds Advanced	Funds Expended	Excess (Deficiency)
CA39-PO30-70293	$ 1,739,361	$ 1,739,361	$ 1,739,361	$ -
CA39-PO30-70394	$ 2,029,606	$ 2,029,606	$ 2,029,606	$ -
CA39-PO30-70495	$ 1,907,560	$ 1,907,560	$ 1,907,560	$ -
CA39-PO30-70596	$ 1,563,399	$ 1,563,399	$ 1,563,399	$ -
CA39-PO30-70697	$ 1,533,444	$ 1,533,444	$ 1,533,444	$ -
CA39-PO30-70798	$ 1,631,562	$ 1,631,562	$ 1,631,562	$ -
CA39-PO30-70899	$ 1,876,933	$ 1,876,933	$ 1,876,933	$ -
CA39-PO30-50100	$ 1,786,346	$ 1,776,346	$ 1,786,346	$ -
CA39-PO30-50101	$ 1,816,484	$ 1,816,484	$ 1,816,484	$ -
CA39-PO30-50102	$ 1,733,502	$ 1,733,502	$ 1,733,502	$ -
CA39-PO30-50103	$ 1,426,300	$ 1,426,300	$ 1,426,300	$ -
CA39-PO30-50203	$ 284,526	$ 284,526	$ 284,526	$ -
CA39-PO30-50104	$ 1,651,808	$ 1,651,808	$ 1,651,808	$ -
CA39-PO30-50105	$ 1,584,952	$ 1,584,952	$ 1,584,952	$ -
CA39-PO30-50106	$ 1,515,711	$ 1,515,711	$ 1,515,711	$ -
CA39-PO30-50107	$ 1,472,073	$ 1,472,073	$ 1,472,073	$ -
CA39-PO30-50108	$ 1,550,704	$ 1,121,851	$ 1,459,449	$ (337,598)
CA39-PO30-50109	$ 1,430,908	$ -	$ 544,475	$ (544,475)
CA39-SO30-50109	$ 1,962,885	$ 1,456,204	$ 1,456,204	$ -

66

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Housing Authority of the County of Tulare
Visalia, California

We have audited the financial statements of the Housing Authority of the County of Tulare (the "Housing Authority"), as of and for the year ended June 30, 2011, and have issued our report thereon dated January 9, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *"Government Auditing Standards"*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

The management of the Housing Authority is responsible for establishing and maintaining effective internal control. In planning and performing our audit of the financial statements and compliance, we considered the Housing Authority's internal control over financial reporting and its internal control over compliance with requirements that could have a direct and material effect on an assisted program in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and on compliance and not for the purposed of expressing an opinion on the effectiveness to the Housing Authority's internal control. According, we do not express an opinion on the effectiveness of the Housing Authority's internal control over financial reporting and internal control over compliance.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect on a timely basis misstatements or noncompliance with applicable requirements of an assisted program. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles or to administer an assisted program such that it is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (CONTINUED)

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that (a) a material misstatement of the Housing Authority's financial statements or (b) material noncompliance with applicable requirements of an assisted program will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting and internal control over compliance was for the limited purpose described herein and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of commissioners, management, and federal and State regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

Reseda, California
January 9, 2012

68

K&A

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVERCOMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Commissioners
Housing Authority of the County of Tulare
Visalia, California

Compliance

We have audited the compliance of the Housing Authority of the County of Tulare (the "Housing Authority") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. The Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority's compliance with those requirements.

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVERCOMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (CONTINUED)

Internal Control Over Compliance

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weakness. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the management, the Board of Directors, and regulatory body and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Reseda, CA
January 9, 2012

70

HOUSING AUTHORITY OF THE COUNTY OF TULARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Federal Expenditures 2011	Federal Expenditures 2010
U.S. Department of Housing and Urban Development			
Direct Programs:			
Low Rent Public Housing	14.850	$ 2,384,578	$ 1,207,202
Housing Choice Rental Voucher Program	14.871	18,559,462	18,312,828
Public Housing Capital Fund Program	14.872	1,572,452	1,818,496
Formula Capital Fund Stimulus Grant – ARRA Grant	14.885	506,681	-
HUD-Veterans Affairs Supportive Housing (HUD-VASH) Program	14.VSH	71,118	1,818,496
Section 8 Moderate Rehabilitation Program	14.856	23,049	51,204
Total HUD		$ 23,117,340	$ 21,389,730

71

HOUSING AUTHORITY OF THE COUNTY OF TULARE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

There were no prior year findings to report the status of.

HOUSING AUTHORITY OF THE COUNTY OF TULARE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2011

SECTION I - SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the Housing Authority of the County of Tulare.

2. No instances of significant deficiencies were disclosed during the audit of the financial statements reported in the *Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.*

3. No instances of noncompliance material to the financial statements of the Housing Authority of the County of Tulare were disclosed during the audit.

4. No instances of significant deficiencies in internal control over major federal award programs were disclosed during the audit reported in the *Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.*

5. The auditors' report on compliance for the major federal awards programs for the Housing Authority of the County of Tulare expresses an unqualified opinion on all major federal programs.

6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.

7. The programs tested as major programs included:

CDFA Number	Name of Federal Program
14.850	Low Rent Public Housing
14.872	Public Housing Capital Fund Program
14.881	Moving to Work Demonstration Program - Housing Choice Vouchers
14.CFP	MTW Demonstration Program for Capital Fund
14.HCV	MTW Demonstration Program for HCV program
14.OPS	MTW Demonstration Program for Low Rent
14.885	Formula Capital Fund Stimulus Grant – ARRA Grant

8. The threshold for distinguishing Type A and B programs was $300,000.

73

HOUSING AUTHORITY OF THE COUNTY OF TULARE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2011

SECTION I - SUMMARY OF AUDITORS' RESULTS (continued)

9. The Housing Authority of the County of Tulare was determined to be a high-risk auditee due to the fact that it had received American Recovery and Reinvestment Act (ARRA) funds.

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs to be reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs to be reported.

74

Housing Authority of the County of Tulare

Innovations in PHA Project Development and MTW Leveraging of Funds for Acquisition and Rehabilitation

March 20, 2011

MTW Leveraging

- Tulare County Housing Authority Recent Projects
  Various Uses of Leveraging

• Myrtle Court Apartments	32 Units
• Court & Paradise Apartments	20 Units
• Village Grove Apartments	48 Units
• Oakwood Apartments	20 Units
• Gateway Village Apartments I & II	64 Units
• Parkside Court Apartments	24 Units
• Tule Vista Bungalows	57 Units
• TID Apartments	57 Units
• Dinuba Euclid Court Apartments	57 Units
• Lindsay Senior Apartments	70 Units
• Farmersville Senior Apartments	40 Units
• East Tulare Ave Cottages	12 Units
• Encina Triplex	3 Units
• East Kaweah Apartments	8 Units
• Oriole Street Fourplexes	8 Units
• 2934 So County Center	1 Unit
• Aspenwood & Beechwood Project	5 Units
• Exeter Village Apartments	48 Units
• Porterville Family Apartments	70 Units
• Projected Total	644 Units

Myrtle Court Project

Eight (8) Foreclosed fourplexes (32 units) all in the same cul-de-sac that has a total of 12 fourplexes. (All 2 & 1)

Acquisition & Financing plan (Leveraging)
City NSP I funds after acquisition & rehab by Kaweah Management Co. (a 501c3).
City pulled NSP I funds in favor of Homeownership program.
Financing was secured from HATC bank TARP funds at 4.75% fixed for 10 years 25 year amortization. Fourplexes appraised for $70,000 per unit and LTV of 70%.

Village Grove Apartments

48 Unit Senior USDA Project Acquisition & Rehab 4% Tax Credit

Financing By:
USDA Loan $1,000,000
Citicorp Loan $1,200,000
Kaweah Management Co. (a 501c3) GAP financing $700,000

Project was purchased from Regional Bank who had foreclosed on the project many years early and was holding the property until the end of the 15 TC compliance period. The project was purchased for $1,560,000 but that included $384,000 in replacement reserves and operating funds of $70,000. KaweahManagement Co. controls the project which kept the $454,000 of cash and we did about $1,070,000 of rehab work.

Oakwood Apartments

20 units
1, 2, 3 & 4 bedroom units

Financing Plan
Acquisition Project HATC & Kaweah Management Co. (a 501c3)
City Home funds $250,000 for rehab.

Project in foreclosure $950,000
City HOME funds $250,000
Total Costs $1,200,000 ($60,000 pu)

$950,000 was approved in MTW Plan for the project purchase and to provide the permanent financing. Project will pay 5% interest on loan. Project fully occupied at acquisition and during rehab.

Gateway Village I & II

64 units
2, 3, 4 bedroom units

Joint Venture with Private Developer & HATC & Kaweah Management Co. (a 501c3) 9% TCAC with USDA& Local City Providing additional financing of $200,000. HATC provided $200,000 GAP funds, developer fees earned by Kaweah Management Co. of approximately $600,000.

Kaweah Management Co. maintains ownership of project at end of TCAC compliance period and is MGP of all projects. HATC works with local cities to help with building and design issues and provides local ownership and management. HATC and Kaweah Management Co. get 30% of project developer fees.

Parkside Court Apartments

24 units
2, 3, 4 bedroom

First TCAC project to be built in this community.

9% TCAC & USDA 515 funds. Permanent financing Citibank.

Kaweah Management Co. (a 501c3) is managing general partner with HATC providing the management services.

HATC provided GAP financing for permits and fees and land developments. Fully repaid after completion. 30% developer fee earned.

Kaweah Management Co
West Oriole

2 Foreclosed Fourplexes
Two (2) bedroom (2) bath units at 1,185 sq ft with fireplaces.
Two (2) bedroom (1) bath units at 1,005 sq ft with fireplaces.

All units have attached garages and semi-private rear yards with a center courtyard. Master-planned community requires one management company for all units and one landscaper per CC&R's.

Properties were built and first sold in 2006 for $695,000. Owner had lost them in foreclosure but was trying to hold out in bankruptcy court. Contacted lender and bankruptcy court and bought both fourplexes all cash deal for $360,000 each. Just too good a deal to pass up.

Aspenwood & Beechwood Homes

Project is joint venture with City of Tulare Redevelopment Agency who had NSP I funds approved in application with the County of Tulare. They were struggling getting the project off the ground in time so we responded to their RFP.

Project is planned to purchase at least three existing foreclosures and build two brand new houses in qualifying census tracts to be used as long-term rentals.

Kaweah Management Co. (a 501c3) will be the property owner and funding was approved at $687,500 for the project. It does require Davis-Bacon Prevailing Wages so it adds some complexity to getting the rehab work done. HATC and Kaweah Management Co. front the purchase money and then are repaid with the NSP funds.

Tule Vista Project

Financing plan
This project was approved to be a 15-year rental project with the homes to be sold to qualifying families at the end of the 15-year, tax-credit compliance period. The HATC MTW loan of $3,900,000 will be repaid at the end of the 15-year period (when the homes are sold) with a "loan distribution" of an additional $1,755,000 for a total of $5,655,000. The City has committed up to $75,000 of deferred first-time homebuyer financing per unit and their loan and land is subordinate to the HATC. The average sale price per unit only needs to be approximately $142,500 in 15 years to cover the permanent debt and HATC portion. First project we know of to be approved like this in California. The long-term debt is from the New Issue Bond Program NIBP that was approved in 2009.

Tule Vista Sources & Uses

CONSTRUCTION PHASE

Sources of Funds			Uses of Funds		
Tax Credit Financing	$	800,752	Total Land Costs	$	385,000
HATC Loan	$	374,952	Total Acquisition Costs	$	-
Tulare RDA Loan	$	2,835,000	New Construction and/or Rehabilitation	$	11,222,177
Tulare RDA Land Loan	$	385,000	Construction Contingency	$	800,000
TCAC ARRA Loan	$	861,504	Financing Costs	$	665,781
Other	$	-	Architecture & Engineering	$	450,000
Deferred Costs	$	223,971	Other Soft Costs	$	1,077,520
Deferred Contractor Profit	$	-	Developer Fees	$	2,100,356
Deferred Developer Fee	$	2,100,356	Soft Cost Contingency	$	100,000
Construction Loan	$	9,443,270	Reserves	$	223,971
Total Source of Funds	$	17,024,805	Total Use of Funds	$	17,024,805

PERMANENT PHASE

Sources of Funds			Uses of Funds		
Tax Credit Financing	$	4,003,384	Total Land Costs	$	385,000
Permanent Loan	$	3,000,000	Total Acquisition Costs	$	-
HATC Loan	$	3,900,000	New Construction and/or Rehabilitation	$	11,222,177
Tulare RDA Loan	$	2,835,000	Construction Contingency	$	800,000
Tulare RDA Land Loan	$	385,000	Financing Costs	$	665,781
TCAC ARRA Loan	$	2,153,759	Architecture & Engineering	$	450,000
Other	$	-	Other Soft Costs	$	1,077,520
Other	$	-	Developer Fees	$	2,100,356
Other	$	-	Soft Cost Contingency	$	100,000
Deferred Developer Fee	$	750,000	Reserves	$	223,971
Total Source of Funds	$	17,027,143	Total Use of Funds	$	17,024,805

Dinuba Euclid Village

57 Units
2, 3, 4 Bedroom

HATC & Kaweah Management Co. (a 501c3) acquired land at a cost of $570,000 and took to joint venture developer partner to do TCAC application, etc.

Land costs plus interest to be repaid as part of the construction financing and Kaweah Management Co. will be MGP and earn 30% of the developer fee. The project broke ground and has the streets and pads developed at this time. This project has USDA financing of $1,000,000, USDA RA for 26 units HOME funds of $2,000,000 plus the TCAC credit equity. The unit design is pretty much the same as others with some minor site configuration changes due to two playgrounds for this project.

Lindsay Senior Apartments

72 1-bedroom 1 2-bedroom

Financing Plan

USDA 515 funds, Home funds, TCAC 9% approved, Kaweah Management Co. (a 501c3) Construction GAP Financing,

New project design for HATC. This is a two-story project with elevator designed 100% for seniors. We believe that the need in the community is extremely strong for this type of project, but it is a very low-income community. We don't have any units in this area and really felt we needed to make an entrance into this market. Groundbreaking should take place in 90 days.

East Tulare Ave Cottages

12 Units

Financing Plan
HATC and Dept. of Mental Health Services had been looking to work together again on another project for mentally disabled tenants. This project was across the street from a current site and offered many advantages because of proximity to current project.

Project was acquired for $795,000 and is to be paid for and funded with CaIHFA funding. The total approved by CaIHFA to cover acquisition, rehab and operating funds is $1,540,000. The interest rate is one-half of one percent. (.5% interest for 30 years). This is a very difficult process to get approved. DMHS paid for consultant.

Encina Triplex

Three 1- bedroom units in historic registered home in downtown Visalia.

Home was built in the 40's and was converted to a triplex in the 70's. Of course, the proper paperwork was not done by the owner, nor was the work to do the conversion approved by the City until after the completion. There were major structural issues with the work. This was a project for the developmentally disabled with the Central Valley Regional Center (CVRC).

The City of Visalia agreed to do the long-term financing of the project $325,000, CVRC paid for all the rehab work ($550,000), plus they secured another $250,000 from one of the tenant's trust accounts. Kaweah Management Co. (a 501c3) is the owner of the project.

East Kaweah Triplexes

Purchase of two foreclosed and condemned triplexes.

Kaweah Management Co. (a 501c3) & City Financing

Kaweah Management Co. bought both triplexes for $240,000 (about the value of the lots), with the idea of a major renovation project. City committed $480,000 of redevelopment funds to reimburse Kaweah Management Co. for purchase of $240,000 and another $240,000 for renovation. After much review, it has been determined that it is cheaper to tear down the triplexes and reconstruct two fourplexes on the site and meet all the new City planning and design ideas.