



Housing Authority of the County of Tulare Fiscal Year 2013

Moving to Work

Submitted Sep 26, 2013



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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 2012-2013 fiscal year (July 1, 2012 to June 30, 2013). 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.

Section II: General Operating Information

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 06/30/2013				
Complex	Location	No. of Units	Leased	Vacant
30-1A	Cutler	24	22	2
30-1B	Cutler	6	6	0
30-2	London	20	20	0
30-3	Cutler	25	25	0
30-4	Goshen	20	19	1
30-5	Dinuba	80	80	0
30-7	Woodlake	25	25	0
30-8	Traver	10	10	0
30-10	Tulare	75	73	2
30-11	Woodlake	5	5	0
30-12	Tulare	50	50	0
30-15	Visalia	36	35	1
30-16	Visalia	74	74	0
30-17	Porterville	65	62	3
30-19	Visalia	69	69	0
30-20	Tulare	50	49	1
30-21	Tulare	30	30	0
30-24	Porterville	46	44	2
Total MTW Public Housing Units		710	698	12

Section 8 Housing Choice Voucher Program (HCV): As of June 30, 2013, HATC had a total of 2,841 MTW vouchers allocated with 2,890 leased, making our lease-up percentage 101.72%. 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. However, with recent funding cutbacks, we have now started to decrease our overleasing in the 2013/2014 fiscal year. The 2009/2010 MTW Plan provides for implementation of a project-based component of the Housing Voucher Program. The project

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construction was finally completed in July of 2011, and all 30 project-based vouchers are now under lease.

Non-MTW Vouchers: HATC was allocated 35 VASH vouchers for its veteran population in order for them to obtain affordable housing. As of June 30, 2013, thirty-two (32) of those slots have been utilized. HATC continues working with the Department of Veteran Affairs. So far, with a higher than average turnover of tenants and waiting for more client referrals from the VA who are able to locate and qualify for housing in Tulare County, we still have been unable to achieve full lease-up of these vouchers, although we have achieved a lease up of 34 of the 35 with one veteran out looking with a voucher. Our VA representative has worked extremely hard to both bring in new referrals and retain current tenants. We now have 32 contracts under lease and one additional veteran with a voucher looking for a unit. We believe that our leasing rate will always vary due to the extremely volatile nature of the clients served.

The contracts for the last four Moderate Rehabilitation Program units were terminated by the end of 2011 and we received four replacement Housing Choice Vouchers. These vouchers are included as part of our MTW voucher count. Our agency had been managing Enhanced Vouchers since 2002, and we carefully manage any new additions to this category. We currently only have four Enhanced Vouchers as we give eligible tenants a choice to either keep their Enhanced status and regulations intact, to take their voucher and move, or to change over to our MTW flat subsidy model. Most families take the option to switch to the flat subsidy.

Table 2 shows the breakdown of Housing Voucher Units:

Table 2

HUD FUNDING		
SECTION 8 HCV as of 06/30/2013		
Type	Allocated	Leased
MTW Housing Choice Voucher	2,841	2,890
VASH Housing Choice Voucher	35	32
Total Section 8 Units	2,876	2,922

Multifamily Housing (HUD) and other Housing: HATC manages by contract two multifamily complexes and one other complex with State funding both owned by separate non-profit boards. One complex, La Serena, provides affordable housing for low-income families, Santa Fe Plaza, provides affordable housing for qualified seniors and East Tulare Cottages is run jointly with the Tulare County mental health department.

Table 3 provides information on these three projects:

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Table 3

HUD MULTIFAMILY and OTHER 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
TMHSA East Tulare Cottages	Visalia	1979/2009	22

Other Housing Stock (Non-HUD): HATC owns/manages several other properties throughout the county 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

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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	1980-2008/2011	20
Parkside Court	Woodlake	2007	24
Total Tax Credit Housing Units			347

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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
Village Grove	Farmersville	1984-2009	48	USDA/CTCAC/BOND
Lindsay Senior Apartments	Lindsay	2011	72	USDA/CTCAC
Poplar Grove	Poplar Grove	2003	50	USDA/CTCAC
Lotas & Newcomb	Porterville	2013	11	MTW ⁸
Sultana Acres	Sultana	1992	36	RHCP/CTCAC
North E Street	Tulare	1963/1980	1	HATC Non-Profit
Oakwood	Tulare	2009	20	MTW/Tulare RDA ¹
Tulare NSP	Tulare	2011	5	Tulare RDA/NSP/MTW
Tule Vista	Tulare	2011	57	USDA/CTCAC/BD/Tul RDA/MTW ⁴
West Trail	Tulare	2011	49	USDA/CTCAC
Blain Units	Tulare/Porterville	1984-2001	14	HATC Non-Profit
County Center	Visalia	1974/2010	1	HATC Non-Profit
East Kaweah Ave	Visalia	2013	8	MTW/RDA/HOME ⁵
Encina Triplex	Visalia	1945/2008	3	Visalia RDA
Millcreek Parkway	Visalia	2008	70	MTW/Visalia RDA ²
Myrtle Court	Visalia	1998/2008	36	HATC Non-Profit
North Jacob	Visalia	1958/1993	1	HATC Non-Profit
Robinwood Court	Visalia	2007	10	HOME/Visalia RDA
South Crenshaw	Visalia	1983/1995	1	HATC Non-Profit
Tracy Court	Visalia	2010	3	HATC Non-Profit
Transitional Living Center	Visalia	1966/2005	32	Visalia RDA
West Oriole	Visalia	2010	8	MTW/Visalia RDA ³
Total Mixed Funding Units			632	

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Table 8

FUTURE HOUSING STOCK FUNDING SOURCES				
Complex	Location	Estimated Completion	No. of Units	Funding Sources
Ashland Apartments	Lindsay	2014	10	HOME/RDA Successor Agency ⁹
Sequoia Villas	Lindsay	2014	19	TCAC/MTW/RDA Successor Agency ⁷
Aspen Court	Tulare	2013	47	RDA/HATC/MTW/TCAC ⁶
Bardsley & Morrison	Tulare	2014	64	TCAC/RDA
Goshen & Lovers Lane	Visalia	2013	TBD	CTCAC
Newcomb Court	Porterville	2015	81	CTCAC/MTW ¹⁰
Visalia Garden Apartments	Visalia	2014	48	MTW ¹¹
Total Future Housing Units			269	

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¹ 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.

² 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.

³ 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 fourplex. After acquisition, the fourplexes were financed by our local banking partner, Valley Business Bank, in the amount of \$250,000 per fourplex at 5% 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.

⁴ 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 home-ownership 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.

⁵ Kaweah Management Company bought two triplexes in the City of Visalia on East Kaweah Avenue for \$240,000 (about the value of the lots) with the idea of a major renovation project. The City of Visalia Redevelopment Agency committed \$480,000 of Low-Mod Redevelopment funds to reimburse Kaweah Management Company for the purchase price 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. The project construction was completed and units were available to rent as of December 2012. The units were fully occupied by the end of January 2013. The project was fully leased as of June 30, 2013..

⁶ The Aspens project is a 47-unit project utilizing multiple layers of financing, including two million dollars of MTW funding as a project-residual-receipts loan. The project will be built on 13 individual lots, all in an excellent location utilizing the full cul-de-sac of the street. The project will include 16 two-bedroom units and 31 three-bedroom units, along with a community center that will be approximately 2,000 square feet in size.

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⁷ The Sequoia Villas project has been awarded tax-credits and is now under construction. The project will be utilizing MTW funding of approximately \$500,000 along with the 17-lot subdivision and two new homes that were transferred to HATC as the successor agency for the City of Lindsay Redevelopment Agency. This project may also be using the MTW program for the project-based vouchers at 50% of the units as allowed with MTW.

⁸ The Lotus & Newcomb property is an existing apartment complex that came up for sale as part of an estate sale. The property consists of four buildings: the estate owner's principal residence (three bedrooms and two baths 1,800 sq. ft.); the detached garage that has been converted into two studio apartments, approximately 300 sq ft each (we count this as two buildings); then there are two fourplex buildings, eight units total that are 870 sq. ft. with two bedrooms and one bath. We successfully negotiated with the estate trustee and court to purchase this property with MTW funds for \$562,500 plus closing costs.

⁹ The Ashland Apartments is 10 units comprised of two five-plex buildings. Constructed in 1986 as part of the State Home programs, the 10 units were owned by the City of Lindsay Redevelopment Agency. With the termination of redevelopment agencies in the State of California, the City of Lindsay decided to not create a successor agency to handle the limited number of projects for the Redevelopment Agency. As the law was implemented, the City of Lindsay offered the project to the Housing Authority. After review and inspection, the Housing Authority agreed to assume ownership of the project subject to the existing debt from the State HOME Program.

Unfortunately, the project had fallen into quite a state of disrepair and only four of the units were occupied at the time of final transfer to the Housing Authority. The Housing Authority has set aside \$350,000 of MTW funds to do the necessary unit repairs and upgrades to bring the project up to code and make all 10 of the units habitable again.

¹⁰ The proposed project, Newcomb Court Apartments, is an 81-unit, new-construction, rental project situated near the southwest corner of Henderson Avenue and Newcomb Street in the City of Porterville, Tulare County. With a mix of 16 one-bedroom units (approximately 700 sq. ft.), 40 two-bedroom units (approximately 900 sq. ft.) and 24 three-bedroom units (approximately 1,100 sq. ft.), the proposed project will target families earning up to 60% of the area median income for Tulare County. The project is the first component of a larger master plan which includes commercial and retail space, as well as market rate apartments.

¹¹ Visalia Gardens is a HUD-mortgaged project which has only two years left on the HUD loan. The owner put the project on the market to sell. HATC saw a chance to keep a low-income project affordable and used MTW reserves of \$600,000 to option the property. The first payment was made in 2012, and a second is to be made in 2013, with the project deeded to HATC at the end of the HUD loan. 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.

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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 150 new families in our Public-Housing units. At the end of the fiscal year, HATC had 698 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 2013, fifty-two (52) families vacated because they reached their five-year time limit.

Housing Choice Vouchers: HATC has a total of 2,841 MTW Voucher allocations. Of this amount, 2890 slots are in use, making the utilization rate 101.72%. This is due to authorization to lease 150 additional MTW Vouchers using Section 8 Program Reserves. Throughout FY 2013, HATC leased a total of 34,605 MTW unit months. Our agency housed 516 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 32 VASH slots have been leased, with a total of 407 unit months leased. HATC continues working with the Department of Veteran Affairs. So far, although we have achieved a lease up of 34 of the 35 with one veteran out looking with a voucher, with a higher-than-average turnover of tenants and waiting for more client referrals from the VA who are able to locate and qualify for housing in Tulare County, we still have been unable to achieve full lease-up of these Vouchers. We believe we that our leasing rate will always vary due to the extremely volatile nature of the clients served. The VASH program is not part of the MTW Demonstration Program.

HATC has felt some effect of the housing-market crisis during FY 2013. We did see a leveling out of rental prices, and with many single-family homes now available for rent, it has kept rental prices down.

There were a total of 207 families that timed-out of the HCV program.

HATC currently has 30 project-based Vouchers. These project-based, Section 8 Vouchers were used at a new complex, Tule Vista, which was completed in 2011.

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 30 years. Before the MTW Demonstration Program, it took an applicant, on average, five years to reach the top of the Section 8 waiting list. For the past few years that time dipped to 4 years or less. However, at the present time, the average time on the Section 8 waiting list is again up to five 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 than they would otherwise be.

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/handicapped, 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 five years.

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

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Table 9

Public Housing Waiting List Characteristics			
Race/Ethnicity	Hispanic	Non-Hispanic	Total
Asian	5	54	59
Black	20	364	384
White	7,287	2,932	10,219
American Indian	1	8	9
Hawaiian/Other Pacific Islander	1	17	18
Grand Total	7,314	3,375	10,689
Household Size	Elderly/Disabled	Family	Total
Households	2,339	8,350	10,689
Sex of Head of Household	Female	Male	Total
Households	8,531	2,158	10,689

Table 10

Section 8 HCV Waiting List Characteristics			
Race/Ethnicity	Hispanic	Non-Hispanic	Total
American Indian	1	11	12
Asian	10	113	123
Black	34	480	514
Hawaiian/Other Pacific Islander	2	21	23
White	10,708	3,834	14,542
Grand Total	10,755	4,459	15,214
Household Type	Elderly/Disabled	Family	Total
Households	3,509	11,705	15,214
Sex of Head of Household	Female	Male	Total
Households	11,934	3,280	15,214

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 subsidies 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 a 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 improved, but still remains high. 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 five 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 activities for FY 2013 on which to report.

Section VI: Ongoing MTW Activities

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.

Section VI: Ongoing MTW Activities

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 assess 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 activity 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

Section VI: Ongoing MTW Activities

the beginning of the MTW program in May of 1999, and all able-bodied participants who 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	\$82,134 the Cost of one Eligibility Clerk II	\$30,772	No

Activity Impacts and Outcomes:

While we did not achieve our benchmark of saving the entire cost of one eligibility worker, we feel that a savings of \$30,772 is still significant, especially with reduced administrative fees. It was our hope to save the cost of one eligibility worker. 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 have adjusted our expectations downward in the current year's plan.

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.

Section VI: Ongoing MTW Activities

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- \$18,581 FC-\$16,371	14% increase for Tulare county participants. \$ 21,182 7% increase for Fresno county participants -\$17,517	TC - \$23,129 24.5% FC- \$17,336 6%	Yes

Activity Impacts and Outcomes:

Tulare County participants had greater than expected increases while Fresno participant increases were less than expected. 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 176 hardship requests. Participants are allowed to request more than one hardship so the total number includes second- and third-time requests. During FY 2013, we had a total of 39 requests. These requests solicited different types of actions, such as requesting to be converted to the income-based

Section VI: Ongoing MTW Activities

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 39 requests, no action was taken on two families; 24 families were given extensions; 13 families were denied. Of the families given extensions, five were referred to CSET, which is a local agency that also tries to promote self-sufficiency by offering services, such as job training and job placement.

For the Hardship Committee decision statistics, please refer to our web site 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 2009/10 plan year, but no further changes have been made.

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.

Section VI: Ongoing MTW Activities

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 2009/10 plan year, but no further changes have been made.

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.	53	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 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:

Section VI: Ongoing MTW Activities

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 later converted and participants in Fresno County where traditional HUD regulations are in place.	Average beginning income amounts for each group TC- \$14,982 FC - \$16,649	10% increase for Tulare county participants. 6% increase for Fresno county participants TC- \$16,480 FC- \$17,648	Actual Average Incomes at the end of the Fiscal year TC- \$20211- 34.9% FC - \$17336- 4.1%	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:

Fresno participants have less than expected increases while Tulare County participants had greater than expected increases. We believe this is directly due to our 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.

Section VI: Ongoing MTW Activities

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, was built in conjunction with the City of Tulare Redevelopment Agency. There have been no changes to this activity since the 2012 report.

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 to 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. We have not done any other projects which required Project Based Section 8.

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	Thirty (30)	Yes

Activity Impacts and Outcomes and Achievement of Benchmark:

The second benchmark was achieved. The project was completed in 2011 and all project-based vouchers have been leased. 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.

Section VI: Ongoing MTW Activities

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)	Ten (10)	19	Yes

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 was achieved during the 2012/2013 fiscal year. We were able to complete our East Kaweah complex with eight units with MTW funds, and purchase an existing complex on Lotas and Newcomb in Porterville of 11 units, also with help of MTW funds (See Appendix D). Additional projects are in the works, but were not completed as of June 30, 2013. The additional units created with this funding will be reported in the 2014 report.

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. HATC acknowledges that it must comply with PIH Notice 2011-45 for the development of affordable units with MTW funds.

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, 2013, the only significant variation of budget to actual expenses occurred within the Capital Fund and investment income. The fiscal-year-end June 30, 2013 actual show we received funds for both 2012 & 2013 Capital Fund. Investment income increase is due to divesting of the bonds at its prime value.

Table 19

CONSOLIDATED SOURCES AND USES OF MTW FUNDS FISCAL YEAR 2013

<u>REVENUE (SOURCES)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>VARIANCE %</u>
HCV Program HAP	\$ 15,411,552.00	\$ 14,724,439.95	\$ (687,112.05)	-4%
HCV Program Admin Fee	1,998,000.00	1,677,599.14	(320,400.86)	-16%
Dwelling Rent Income	2,989,022.00	3,084,530.95	95,508.95	3%
Public Housing Capital Fund	1,125,167.00	1,622,088.33	496,921.33	44%
Public Housing Operating Fund	1,496,556.00	1,081,797.32	(414,758.68)	-28%
Miscellaneous Income	31,344.00	28,103.04	(3,240.96)	-10%
Investment Income	480,557.00	1,462,313.66	981,756.66	204%
TOTAL REVENUE	\$ 23,532,198.00	\$ 23,680,872.39	\$ 148,674.39	1%
 <u>EXPENSES (USES)</u>				
Administration & General Expense	2,582,069	2,790,710	208,641.10	8%
Utilities	532,464	661,406	128,941.59	24%
Operation & Maintenance	1,673,033	1,670,642	(2,390.98)	0%
Housing Assistance Payment	14,847,881	14,745,185	(102,695.99)	-1%
TOTAL EXPENSE	\$ 19,635,447.00	\$ 19,867,942.72	\$ 232,495.72	1%
 OPERATING INCOME/LOSS	 3,896,751	 3,812,930	 (83,821.33)	 -2%
Reserve Draw down (unrestricted)	-	-	-	-
NET INCOME/LOSS	\$ 3,896,751.00	\$ 3,812,929.67	\$ (83,821.33)	-2%

VASH program is reported under the Non-MTW tab.

Section VII: Sources and Uses of Funds

Table 20

CONSOLIDATED SOURCES AND USES OF USDA FUNDS FISCAL YEAR 2012/2013

<u>REVENUE (SOURCES)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>VARIANCE %</u>
RENTAL INCOME	\$ 1,869,723.00	\$ 1,825,679.10	\$ (44,043.90)	-2%
INTEREST INCOME	2,074.00	6,163.62	4,089.62	197%
MISCELLANEOUS	18,767.00	69,584.99	50,817.99	271%
TOTAL REVENUE	\$ 1,890,564.00	\$ 1,901,427.71	\$ 10,863.71	1%
<u>EXPENSES (USES)</u>				
ADMINISTRATIVE & GENERAL EXPENSES	683,625.00	643,269.67	(40,355.33)	-6%
UTILITIES	254,062.00	250,411.03	(3,650.97)	-1%
OPERATIONS & MAINTENANCE	791,734.00	610,095.07	(181,638.93)	-23%
TOTAL EXPENSE	\$ 1,729,421.00	\$ 1,503,775.77	\$ (225,645.23)	-13%
OPERATING INCOME/LOSS	161,143.00	397,651.94	236,508.94	147%
TRANSFER TO RESERVES	155,844.00	140,844.00	(15,000.00)	-10%
NET INCOME/LOSS	\$ 5,299.00	\$ 256,807.94	\$ 251,508.94	4746%

Section VII: Sources and Uses of Funds

Table 21

CONSOLIDATED SOURCES AND USES OF STATE & LOCAL FUNDS FISCAL YEAR 2012/2013

<u>REVENUE (SOURCES)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>VARIANCE %</u>
GRANTS	12,483.00	12,676.30	193.30	2%
RENTAL INCOME	55,465.00	45,961.61	(9,503.39)	-17%
INTEREST INCOME	430.00	340.63	(89.37)	-21%
MISCELLANEOUS	75.00	-	(75.00)	-100%
TOTAL REVENUE	68,453.00	58,978.54	(9,667.76)	-14%
<u>EXPENSES (USES)</u>				
ADMINISTRATIVE & GENERAL EXPENSES	19,880.00	24,614.58	4,734.58	24%
UTILITIES	8,867.00	9,429.02	562.02	6%
OPERATIONS & MAINTENANCE	35,463.00	34,000.26	(1,462.74)	-4%
TOTAL EXPENSE	64,210.00	68,043.86	3,833.86	6%
OPERATING INCOME/LOSS	4,243.00	(9,065.32)	(13,308.32)	-314%
TRANSFER TO RESERVES	2,316.00	2,548.08	232.08	10%
NET INCOME/LOSS	1,927.00	(11,613.40)	(13,540.40)	-703%

Section VII: Sources and Uses of Funds

Table 22

CONSOLIDATED SOURCES AND USES OF CENTRAL OFFICE COST CENTER FUNDS FISCAL YEAR 2012/2013

<u>REVENUE (SOURCES)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>VARIANCE %</u>
RENTAL INCOME	231,843.42	153,657.09	(78,186.33)	-34%
INTEREST INCOME	106.38	-	(106.38)	-100%
INVESTMENT INCOME	100,000.00	85,798.43	(14,201.57)	-14%
MISCELLANEOUS	1,167,470.73	1,492,655.42	325,184.69	28%
TOTAL REVENUE	1,499,420.53	1,732,110.94	232,690.41	16%
<u>EXPENSES (USES)</u>				
ADMINISTRATIVE & GENERAL EXPENSES	450,000.00	264,925.68	(185,074.32)	-41%
UTILITIES	14,000.00	28,121.93	14,121.93	101%
OPERATIONS & MAINTENANCE	620,000.00	1,002,684.99	382,684.99	62%
TOTAL EXPENSE	1,084,000.00	1,295,732.60	211,732.60	20%
OPERATING INCOME/LOSS	415,420.53	436,378.34	20,957.81	5%
TRANSFER TO RESERVES	17,676.00	-	(17,676.00)	-100%
DEPRECIATION	105,000.00	-	(105,000.00)	-100%
NET INCOME/LOSS	292,744.53	436,378.34	143,633.81	49%

Section VII: Sources and Uses of Funds

Table 23

CONSOLIDATED SOURCES AND USES OF NON-MTW FUNDS FISCAL YEAR 2012

<u>REVENUE (SOURCES)</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RENTAL INCOME	5,524,318.00	6,162,816.04
VASH VOUCHER PROGRAM HAP	131,460.00	127,369.00
VASH VOUCHER PROGRAM ADMIN FEE	19,740.00	17,618.34
MISCELLANEOUS INCOME	39,053.00	240,792.02
INVESTMENT/INTEREST INCOME (1)	20,213.00	161,410.86
TOTAL REVENUE	5,734,784.00	6,710,006.26
<u>EXPENSES (USES)</u>		
ADMINISTRATIVE & GENERAL EXPENSES	510,731.00	409,484.42
UTILITIES	475,392.75	177,999.43
OPERATIONS & MAINTENANCE	1,424,768.38	599,452.59
VASH HOUSING ASSISTANCE PAYMENT	120,460.00	128,683.00
TOTAL EXPENSE	2,531,352.13	1,315,619.44
OPERATING INCOME/LOSS	3,203,431.87	5,394,386.82
TRANSFER TO RESERVES	363,591.00	377,715.08
DEPRECIATION	970,321.00	3,587,599.49
NET INCOME/LOSS	3,203,431.87	4,060,474.82

1) Investments Income are investment and interest gains.

Single-Fund Flexibility - The Housing Authority was able to utilize the single-fund flexibility to pay for administrative fees that would not have been provided for the units that were intentionally over leased for the year and to pay administrative fees at the approved rate for the year. Additionally, we were able to do repair items in our Public Housing Program that would not otherwise be allowed as operating-expense eligible, but would only be Capital Fund-eligible, so the flexibility was beneficial in that regard.

The MTW reserves as of the end of June 30, 2013, were approximately 20 million dollars. The Housing Authority has committed to making loan advances as residual-receipts notes to our potential tax-credit projects, if necessary and beneficial, outright capital transfers to be used as matching funds to leverage other investment dollars, utilize the reserves to make acquisitions of distressed properties and add them to our housing stock which expands our voucher-eligible housing for the county.

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.

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.

Appendix A: Board Resolution Adopting 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

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RESOLUTION NO. 2013-11

-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 September 18, 2013, 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, 2012, 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

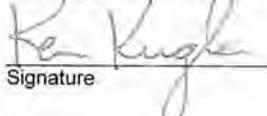
PHA Number/HA

KEN KUGLER

Executive Director

Name of Authorized Official

Title


Signature

September 18, 2013

Date

Appendix A: Board Resolution Adopting Report

4. This Resolution shall take effect immediately upon adoption.

The foregoing resolution was adopted upon a motion presented by Commissioner Hess, and seconded by Commissioner Kilgore, at a regular meeting of the Board of Commissioners held on the 18th day of September 2013. Motion carried by the following vote:

AYES: Saltzman, Romero, Hess, Kilgore

NAYES: None

ABSTAIN: None

ABSENT: Snyder, Ybarra, Rodrigues

HOUSING AUTHORITY OF THE
COUNTY OF TULARE



STEVEN B. SALTZMAN, Chairperson

MW/Resolutions/2013-11

Appendix B: Capital Fund and Budget

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

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

Part I: Summary		Grant Type and Number Capital Fund Program Grant No: CA39P03050113 Replacement Housing Factor Grant No: Date of CFPP:		FFY of Grant: 2013 FFY of Grant Approval:	
PHA Name: Tulare County Housing Authority (CA030)		Reserve for Disasters/Emergencies <input type="checkbox"/> Original Annual Statement and Evaluation Report for Period Ending: <input type="checkbox"/> Performance and Evaluation Report for Period Ending:		<input type="checkbox"/> Revised Annual Statement (revision no:) <input type="checkbox"/> Final Performance and Evaluation Report	
Line	Summary by Development Account	Original	Obligated	Total Estimated Cost Revised ²	Total Actual Cost ¹ Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³	226,057			
3	1408 Management Improvements	0			
4	1410 Administration (may not exceed 10% of line 21)	113,028			
5	1411 Audit	2,500			
6	1415 Liquidated Damages				
7	1430 Fees and Costs	1,388			
8	1440 Site Acquisition				
9	1450 Site Improvement	132,932			
10	1460 Dwelling Structures	565,378			
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures	89,000			
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.

Appendix B: Capital Fund and Budget

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

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

Part I: Summary		FFY of Grant: 2013 FFY of Grant Approval:	
PHA Name: Tulare County Housing Authority (CA(030))	Grant Type and Number: Capital Fund Program Grant No: CA3903050113 Replacement Housing Factor Grant No: Date of CFFP:		
Type of Grant <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Performance and Evaluation Report for Period Ending:		<input type="checkbox"/> Revised Annual Statement (revision no:) <input type="checkbox"/> Final Performance and Evaluation Report	
Line	Summary by Development Account	Total Estimated Cost	Total Actual Cost ¹
		Original	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)	1,130,283	
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		Signature of Public Housing Director	
Date		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 CFFP Grants for operations.
⁴ RHF funds shall be included here.

Appendix B: Capital Fund and Budget

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

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

Part II: Supporting Pages		Federal FFY of Grant: 2013	
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Grant Type and Number Capital Fund Program Grant No. CA39P03050113 CFPP (Yes/ No): Replacement Housing Factor Grant No:
		Quantity	Total Estimated Cost
		Original	Revised ¹
		Funds Obligated ²	Funds Expended ²
		Total Actual Cost	
		Status of Work	
HA-WIDE	OPERATIONS	1406	226,057
HA-WIDE	ADMINISTRATION	1410	113,028
HA-WIDE	AUDIT	1411	2,500
HA-WIDE	FEES & COSTS	1430	1,388
HA-WIDE	SITE IMPROVEMENTS	1450	132,932
HA-WIDE	DWELLING STRUCTURES	1460	565,378
HA-WIDE	NON DWELLING STRUCTURES	1470	89,000
	TOTAL		1,130,283

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.

Appendix B: Capital Fund and Budget

Capital Fund Program—Five-Year Action Plan

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Expires 4/30/20011

Part I: Summary					
PHA Name/Number Housing Authority of the County of Tulare, CA030		Locality (City/County & State) Visalia, CA		<input checked="" type="checkbox"/> Original 5-Year Plan	<input type="checkbox"/> Revision No:
Development Number and Name	Work Statement for Year 1 FFY 2013	Work Statement for Year 2 FFY 2014	Work Statement for Year 3 FFY 2015	Work Statement for Year 4 FFY 2016	Work Statement for Year 5 FFY 2017
A.					
B.	Physical Improvements Subtotal	543,170	690,226	550,000	620,000
C.	Management Improvements	144,214	16,531	77,848	80,000
D.	PHA-Wide Non-dwelling Structures and Equipment	170,873	150,500	230,409	158,257
E.	Administration	127,226	127,226	127,226	127,226
F.	Other- fees & costs	32,326	32,326	32,326	32,326
G.	Operations	254,452	254,452	254,452	254,452
H.	Demolition				
I.	Development				
J.	Capital Fund Financing – Debt Service				
K.	Total CFP Funds				
L.	Total Non-CFP Funds				
M.	Grand Total	1,272,261	1,272,261	1,272,261	1,272,261

Appendix B: Capital Fund and Budget

	A	B	C	D	E	F	G	H	I	J	K	L
1			Housing Authority of the County of Tulare									
2			Site Budgets									
3			July 1, 2012 to June 30, 2013									
4	updated 9/4/13											
5	Prepared by: Rosaline Child											
6			CA030 000805 P		CA030 000810 P		CA030 000815 P		CA030 000817 P			
7			Totals, Low-Rent		DUNUBA		TULARE		VISALIA		PVILLE	
8	Family / Elderly		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
9	Scattered Site?											
10	Age											
11	Recently Renovated?											
12	Units		710	710	195	195	205	205	199	199	111	111
13	Unit months available		8520	8520	2340	2340	2480	2480	2388	2388	1332	1332
14	Average Bedroom Size											
15	% Occupancy		67%	98%	66%	97%	69%	99%	65%	98%	65%	98%
16	Unit Months Occupancy		5686	8354	1551	2274	1705	2429	1561	2352	869	1299
17	Unit Months Mod Vacancies		0									
18												
19	REVENUE											
20												
21	Dwelling Rentals		\$2,983,957	\$3,084,531	\$862,340	\$789,754	\$863,037	\$827,818	\$784,538	\$866,167	\$464,044	\$500,894
22	Non-Dwelling Rentals		\$5,065	\$4,062	\$5,065	\$4,062	\$0	\$0	\$0	\$0	\$0	\$0
31	Interest Income		\$433,152	\$765,605	\$116,951	\$187,315	\$125,814	\$228,868	\$121,283	\$221,748	\$89,304	\$127,676
33	Operating Subsidy		\$1,143,021	\$414,424	\$313,828	\$113,821	\$330,027	\$119,658	\$320,388	\$118,155	\$178,698	\$84,790
34	Other Income		\$28,144	\$24,043	\$4,398	\$0	\$8,060	\$9,273	\$9,399	\$7,710	\$6,289	\$7,000
35	Total Revenue		\$4,593,339	\$4,292,665	\$1,302,684	\$1,094,952	\$1,326,738	\$1,265,415	\$1,249,584	\$1,211,778	\$718,335	\$700,620
36												
37	EXPENSES											
38												
39	Administrative Salaries		\$516,198	\$518,638	\$132,131	\$136,814	\$157,879	\$155,347	\$140,255	\$142,499	\$86,131	\$84,178
40	Benefits		\$203,650	\$193,708	\$50,669	\$52,568	\$63,778	\$54,882	\$55,682	\$56,245	\$33,520	\$30,011
41	Legal		\$26,986	\$19,074	\$3,141	\$2,845	\$7,871	\$4,486	\$13,669	\$9,213	\$2,305	\$2,730
42	Staff Training		\$6,500	\$4,568	\$1,755	\$1,510	\$1,885	\$1,030	\$1,820	\$1,058	\$1,040	\$970
43	Travel		\$7,500	\$7,500	\$2,025	\$2,025	\$2,175	\$2,175	\$2,100	\$2,100	\$1,200	\$1,200
44	Audit		\$6,842	\$5,854	\$1,847	\$1,567	\$1,984	\$1,701	\$1,916	\$1,685	\$1,095	\$901
49	Office Rent		\$36,678	\$36,678	\$8,040	\$8,040	\$6,264	\$6,264	\$13,398	\$13,398	\$8,976	\$8,976
50	Administrative Other		\$52,689	\$102,028	\$12,498	\$12,468	\$11,032	\$31,069	\$19,387	\$40,464	\$9,782	\$18,088
51	Total Administrative		\$857,051	\$888,046	\$212,108	\$217,437	\$252,669	\$256,803	\$246,227	\$266,682	\$144,048	\$147,054
52												
59	Gas		\$7,189	\$5,495	\$1,904	\$1,888	\$1,497	\$1,438	\$2,693	\$1,283	\$1,105	\$888
60	Electric		\$58,770	\$57,581	\$9,801	\$9,808	\$23,054	\$22,391	\$18,342	\$17,484	\$7,773	\$8,900
61	Water		\$207,470	\$213,010	\$82,265	\$89,188	\$31,943	\$38,328	\$69,317	\$82,945	\$23,945	\$22,549
62	Sewer		\$235,785	\$276,350	\$68,678	\$64,059	\$65,434	\$95,619	\$64,056	\$78,816	\$37,617	\$36,856
64	Total Utilities		\$509,214	\$552,436	\$162,448	\$143,941	\$121,928	\$157,774	\$154,306	\$181,528	\$70,440	\$69,193
65												
66	Maintenance Salaries		\$438,591	\$472,278	\$84,855	\$118,316	\$157,235	\$146,644	\$127,729	\$133,967	\$59,972	\$73,351
67	Benefits		\$221,989	\$234,192	\$49,584	\$51,896	\$82,105	\$77,191	\$58,820	\$68,545	\$30,460	\$36,760
68	Maintenance Materials		\$257,433	\$381,798	\$73,513	\$90,940	\$78,722	\$133,822	\$75,437	\$97,003	\$29,761	\$60,033
69	Maintenance Contracts		\$275,534	\$598,652	\$116,812	\$97,918	\$70,054	\$202,428	\$48,379	\$201,190	\$42,289	\$95,118
70	Maintenance Fees HVAC/Plumb		\$15,722	\$15,201	\$4,245	\$1,801	\$4,558	\$6,303	\$4,402	\$4,836	\$2,516	\$2,261
71	Maintenance Serv Grounds Cont		\$138,228	\$185,769	\$0	\$19,638	\$48,000	\$68,733	\$59,688	\$52,742	\$30,540	\$24,657
72	Trash Removal		\$180,875	\$71,993	\$60,808	\$8,528	\$48,365	\$29,850	\$51,161	\$22,906	\$20,511	\$10,709
73	Total Maintenance		\$1,529,352	\$1,937,884	\$399,617	\$388,837	\$489,070	\$664,969	\$424,818	\$581,183	\$215,049	\$302,889
74												
81	Insurance		\$58,954	\$56,237	\$15,632	\$13,215	\$16,485	\$17,599	\$15,959	\$16,571	\$8,898	\$8,852
82	P/L/O/T		\$85,070	\$86,025	\$24,108	\$21,413	\$23,960	\$25,634	\$23,300	\$24,521	\$13,704	\$14,457
83	Bad Debt Expense		\$15,860	\$13,773	\$4,282	\$89	\$4,599	\$3,849	\$4,441	\$6,054	\$2,538	\$3,781
86	Total General Expenses		\$157,884	\$156,035	\$44,020	\$34,717	\$45,024	\$47,092	\$43,700	\$47,146	\$25,140	\$27,090
87												
88	Total Expenses, excl Asset Management		\$3,053,501	\$3,534,401	\$816,191	\$784,932	\$908,691	\$1,126,718	\$870,941	\$1,078,525	\$455,678	\$546,226
89												
90												
91												
92	Asset Management		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93												
94	Total Expenses		\$3,053,501	\$3,534,401	\$816,191	\$784,932	\$908,691	\$1,126,718	\$870,941	\$1,078,525	\$455,678	\$546,226
95												
96												
97												
98	Cash Flow from Operations		\$1,539,838	\$758,264	\$484,489	\$310,020	\$419,047	\$158,697	\$374,645	\$135,253	\$262,657	\$154,394
99												

**HOUSING AUTHORITY OF THE COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011**

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KELLER & ASSOCIATES, LLP

18645 Sherman Way, Suite 110

Reseda, CA 91335

818.383.3079

www.kellerllp.com

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 years ended June 30, 2012 and 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.

We conducted our audits 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 audits provide 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, 2012 and 2011, and the respective changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis on pages 3 through 14 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 15, 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
October 15, 2012

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, 2012. Readers are encouraged to consider the information presented here in conjunction with the accompanying basic financial statements included in this report.

The Management'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 Management's 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 \$708,528 during 2012, resulting in net assets of \$114,214,684. Net assets are sub-categorized into capital net assets, \$60,889,098, restricted net assets, zero and unrestricted net assets (liquid), \$53,325,586.
- The total revenues decreased by \$2,405,491 during 2012, and ended at \$27,862,661. The decrease in revenues was due primarily to an overall decrease in operating and voucher subsidy funding.

	<u>2012</u>	<u>2011</u>
<u>Revenues by program</u>		
Operating subsidy	\$ 18,386,212	\$ 21,042,169
Capital Grants	1,505,553	1,408,965
Rental income, net of bad debts	5,198,863	5,234,906
Investment income	1,170,747	1,095,845
Government grants	22,520	40,528
Debt forgiveness	88,407	88,407
Miscellaneous income	<u>1,490,359</u>	<u>1,357,332</u>
Total Revenues	\$ <u>27,862,661</u>	\$ <u>30,268,152</u>

- Total spending for all Housing Authority programs was approximately \$23 million for the year. Approximately \$6.4 million of rental and investment income were generated to cover part of the total expenses, and government grants and subsidies covered the balance. Approximately 64 percent of our FY 2012 spending was for housing assistance payments.

Management's Discussion and Analysis (continued)

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.

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.

Management's Discussion and Analysis (continued)

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 (53.3%) 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.

Table 1
Statement of Net Assets

		2012		2011
Current Assets	\$	47,928,937	\$	50,291,830
Capital Assets, net of depreciation		60,889,098		59,464,579
Non-Current Assets		10,406,458		9,451,656
Total Assets	\$	119,224,493	\$	119,208,065
Current Liabilities	\$	1,300,528	\$	1,435,221
Non-Current Liabilities		3,709,281		4,266,688
Total Liabilities	\$	5,009,809	\$	5,701,909
 Net Assets:				
Invested in Capital Assets, Net of Related Debt	\$	60,889,098	\$	59,464,579
Restricted Net Assets		-		196,687
Unrestricted Net Assets		53,325,586		53,844,890
Total Net Assets	\$	114,214,684	\$	113,506,156

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

- Capital assets increased by approximately \$1.425 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.

Appendix C: Financial Statements

Management's Discussion and Analysis (continued)

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

- Cash decreased approximately \$6.841 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, as well as funding the following projects:
 - Bardsley & Morrison - \$539,445 (HCV)
 - E. Kaweah Street Triplex - \$250,000 (HCV)
 - Mill Creek Parkway - \$790,000 (HCV - project built in 2008 with 70 units)
 - Visalia Garden Elwin - \$1,750,000 (HCV)
 - Loverslane Goshen - \$730,600 (Low Rent - project expected to be completed in 2013)
 - Myrtle Court - \$261,507 (Low Rent - built in 1998, acquired in 2008 with 32 units)
- Receivables decreased approximately \$223 thousand due primarily to payment of approximately \$174 thousand of interest receivable, as well as payments of other various receivables.
- Investments increased approximately \$4.667 million due to the reinvestment of funds above as well as increases in market rate of returns.

Table 2
Statement of Revenues, Expenses, and Changes in Net Assets

	2012	2011
Operating Revenue:		
Rental Income	\$ 5,198,863	\$ 5,234,906
Grants and Subsidy	19,891,765	22,451,134
Other Revenue	1,490,359	1,357,332
Total Operating Revenue	26,580,987	29,043,372
Operating Expenses:		
Housing Assistance Payments	14,719,095	13,474,956
Administrative Services	708,561	694,451
Personnel Services	4,121,711	4,212,006
Contractual Services	1,448,159	1,587,878
Utilities	668,635	662,129
Materials and Supplies	551,273	562,849
Insurance	228,083	246,622
Miscellaneous	113,293	157,922
Depreciation	416,290	422,935
Total Operating Expenses	22,975,100	22,021,748
Operating Income (Loss)	3,605,887	7,021,624

Appendix C: Financial Statements

Management's Discussion and Analysis (continued)

Table 2
Statement of Revenues, Expenses, and Changes in Net Assets (continued)

Nonoperating Revenues (Expenses)		
Interest Revenue	1,170,747	1,095,845
Government grants	22,520	40,528
Debt Forgiveness	88,407	88,407
Casualty losses	118	(3,633)
Interest Expense	(8,890)	(16,608)
Total Nonoperating Revenues (Expenses)	1,272,902	1,204,539
Change in Net Assets	4,878,789	8,226,163
Net Assets at Beginning of Year	113,506,156	105,436,226
Prior Period Adjustment	-	(156,233)
Equity transfers	(4,170,261)	-
Net Assets at End of Year	\$ 114,214,684	\$ 113,506,156

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.

Management's Discussion and Analysis (continued)

The Authority's Funds (continued)

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 2,841 units. During 2012, the *Mod-Rehabilitation Program* representing 5 rental units were absorbed by the *Housing Choice Voucher Program* at the direction of HUD.

Operating subsidies and capital fund grants for the previous 5 years are as follows:

Year	Conventional Public Housing Operating Subsidy	Conventional Public Housing Capital Fund Program	Housing Choice Voucher Program
2012	\$ 1,236,722	\$ 1,172,049	\$ 16,604,742
2011	1,405,695	1,272,261	18,478,346
2010	1,392,526	1,531,227	18,312,828
2009	1,265,536	1,430,908	17,720,605
2008	584,689	1,550,704	18,916,636

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. Effective for the year ending June 30, 2012, the VASH program is reported within the Housing Choice Vouchers program (CFDA 14.871).

Management's Discussion and Analysis (continued)

Moving to Work - Moving to Work ("MTW") is a demonstration program for public housing authorities (PHAs) that provides them the opportunity to design and test innovative, locally-designed strategies that use Federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing choices for low-income families. MTW gives PHAs, exemptions from many existing public housing and voucher rules and more flexibility with how they use their Federal funds. A portion of the MTW funds generated by the Authority, more specifically, as to its Housing Choice Vouchers program and its Low-rent program, were distributed to the following projects:

- Bardsley & Morrison - \$539,445 (HCV)
- E. Kaweah Street Triplex - \$250,000 (HCV)
- Mill Creek Parkway - \$790,000 (HCV)
- Visalia Garden Elowin - \$1,750,000 (HCV)
- Loverslane Goshen - \$730,600 (Low Rent)
- Myrtle Court - \$261,507 (Low Rent)

These funds were made to assist in the overall financing of the project and to accomplish the ultimate goal and outcome of the MTW program as detailed above.

MTW Program activities current being undertaken by project are as follows:

Oakwood Apartments 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.

Millcreek Parkway The Housing Authority used MTW reserve money to refinance the existing \$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.

West Oriole This project was the purchase of two foreclosed 4-plexes in the City of Visalia Redevelopment Target Area. The Housing Authority board approved for funding to come from MTW program reserves in the amount of \$365,000 per 4-Plex. After acquisition the 4-plexes were financed by our local banking partner Valley Business Bank in the amount of \$250,000 per 4-plex at 5% for 25 years. The balance of the acquisition was made with additional MTW Funds.

Management's Discussion and Analysis (continued)

Tulare NSP The City of Tulare will be receiving money from the NSP program and has asked the Housing Authority to participate by taking over the units once they are ready for occupancy. There will be funding for 5 units, and the City of Tulare and the Housing Authority have identified 3 units in the designated area which have suitable purchase prices and affordable rehabilitation requirements. In addition there are 2 vacant lots in the same area which are available for purchase at a reasonable price. However, the City of Tulare does not have their NSP funding available at this time. The Housing Authority will use MTW reserve money of approximately \$250,000 as a loan to purchase the three units and the two lots so that they will be available at current prices when the NSP funding is available, at which time the City of Tulare will pay back the Housing Authority loan from reserves.

Tule Vista This project will be financed by multiple sources. One source will be the utilization of 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 State of California to have approval to convert to home-ownership at the end of 15 years. Once the units are sold the sale proceeds will be repaid back to the Housing Authority.

Morrison & Bardsley This project represents a property near the new high school in the City of Tulare has become available. This is an area in which the City of Tulare has been interested in developing new affordable housing. The Housing Authority has the property in escrow and will be using MTW reserves of \$539,445 to purchase the property for a development planned to be available in 2014.

Visalia Gardens This project is a HUD 202 project which has only two more years on the HUD loan. The owner put the project on the market for sale. The Housing Authority saw a chance to keep a low-income project affordable, and will use MTW reserves of \$600,000 to option the property. The first payment will be made in 2012, and a second in 2013 with the project deeded to the Housing Authority at the end of the HUD loan.

Aspen Court This project also referred to as the Aspens project is a 47- unit project utilizing multiple layers of financing, including two million dollars of MTW funding as a project residual receipts loan. The project will be built on 13 individual lots, all in excellent locations utilizing the full cul-de-sac of the street. The project will include 16 two-bedroom units and 31 three-bedroom units, along with a community center that will be approximately 2,000 square feet in size.

Appendix C: Financial Statements

Management's Discussion and Analysis (continued)

E Kaweah Kaweah Management Company, the non-profit managed by the Housing Authority, bought two triplexes in the City of Visalia on East Kaweah Avenue, for \$240,000 (about the value of the lots), with the idea of a major renovation project. The City of Visalia Redevelopment Agency committed \$480,000 of Low-Mod Redevelopment funds to reimburse Kaweah Management Company, for the purchase price of \$240,000 and another \$240,000 for the renovation. After much review, it was determined that it is cheaper to tear down the triplexes and reconstruct two fourplexes on the site and meet all the City of Visalia new planning and design ideas. As of June 30, 2012, the project construction is approximately 50% complete with an anticipated October 15, 2012 date of final completion.

Sequoia Villas This project has been submitted for tax-credit approval and as of this time we have not been notified of the project being awarded an allocation of low-income tax credits. The project will be utilizing MTW funding of approximately \$500,000 along with the 17-lot subdivision and two new homes that were transferred to the Housing Authority as the successor agency to the former City of Lindsay Redevelopment Agency. This project may also be using the MTW Program for the project-based vouchers at 50% of the umbits as allowed with MTW.

Capital Assets and Debt Administration

Capital Assets

As of year-end, the Authority had \$60,889,098 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (additions, deductions and depreciations) of \$1,424,519 from the end of last year.

Table 3

Capital Assets at Year-End (Net of Depreciation)

	2012	2011
Land	\$ 4,182,397	\$ 4,182,397
Buildings	38,332,899	38,332,899
Equipment – Dwelling	281,210	318,665
Equipment – Administrative	24,951	21,951
Leasehold Improvements	<u>45,930,815</u>	<u>44,178,682</u>
Subtotal	88,752,272	87,034,594
Less: Accumulated Depreciation	<u>(27,863,174)</u>	<u>(27,570,015)</u>
Capital Assets, Net of Accumulated Depreciation	<u>\$ 60,889,098</u>	<u>\$ 59,464,579</u>

Management's Discussion and Analysis (continued)

Table 4
Changes in Capital Assets

	2012	2011
Beginning Balance	\$ 59,464,579	\$ 58,229,175
Additions	1,891,869	1,658,339
Retirements, at cost	(174,191)	-
Previous Depreciation on Retired Assets	123,131	-
Depreciation	(416,290)	(422,935)
Ending Balance	\$ 60,889,098	\$ 59,464,579

Debt Outstanding

As of year-end, the Authority had \$3,592,611 in debt outstanding (bonds, notes, etc.) compared to \$4,136,738 last year, a \$544,127 decrease.

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 grants. 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. See above section for detail on how funding was distributed.

On May 30, 2008 together with the former 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 were fully completed, it is in its final phase of development of the additional nine new units, and the project came online at the end of 2011. Court & Paradise is a 15 year tax credit project partnered with Alliant Capital.

Management's Discussion and Analysis (continued)

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

The Authority has recently completed rehabilitation and redevelopment of the following:

- Euclid Court Apartments a 57 unit project located in Dinuba;
- Lindsay Senior Apartments a 72 unit project located in Lindsay;
- Palomar Senior Apartments a 40 unit project located in Farmersville;
- Tulare NSP Units representing an 8 unit project located in Tulare;
- Tule Vista Bungalows a 57 unit project located in Tulare; and
- West Trail Apartments a 57 unit project located in Tulare.

Projects currently under development are as follows:

- Ashland Apartments a 10 unit project located in Lindsay;
- The Aspen Court a 47 unit project located in Tulare;
- Bardsley and Morrison a 64 unit project located in Tulare;
- East Kaweah Apartments an 8 unit project located in Visalia;
- Goshen and Loverslane number of units yet to be determine located in Visalia; and
- Sequoia Village a 19 unit project located in Lindsay.

With the flexibility of MTW funds, the Authority has assisted as much as possible, as to the funding of the projects above, representing projects recently completed, as well as future development projects.

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

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.

Management's Discussion and Analysis (continued)

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

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.

Appendix C: Financial Statements

**HOUSING AUTHORITY OF THE COUNTY OF TULARE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2012 AND 2011**

ASSETS

CURRENT ASSETS	<u>2012</u>	<u>2011</u>
<u>Cash</u>		
Cash - unrestricted	\$ 8,023,184	\$ 14,895,064
Cash - restricted - modernization & development	2,837,501	2,720,395
Cash - other restricted	216,849	299,403
Cash - tenant security	<u>381,756</u>	<u>385,525</u>
Total cash	11,459,290	18,300,387
<u>Receivables</u>		
Accounts receivable - other government	953	23,551
Accounts receivable - miscellaneous	2,807,180	2,816,115
Accounts receivable - tenant dwelling rents	10,970	34,367
Allowance for doubtful accounts - tenant dwelling rents	(3,070)	(8,573)
Accrued interest receivable	<u>660,446</u>	<u>834,120</u>
Total receivables	3,476,479	3,699,580
<u>Other current assets</u>		
Investments - Unrestricted	151,659	988,534
Investments - Restricted	32,205,540	26,701,826
Prepaid Expenses and Other Assets	150,203	152,072
Inventories	<u>485,766</u>	<u>449,431</u>
Total other current assets	32,993,168	28,291,863
 TOTAL CURRENT ASSETS	 \$ <u>47,928,937</u>	 \$ <u>50,291,830</u>

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

Appendix C: Financial Statements

HOUSING AUTHORITY OF THE COUNTY OF TULARE STATEMENTS OF FINANCIAL POSITION (CONTINUED) JUNE 30, 2012 AND 2011

ASSETS (CONTINUED)

NONCURRENT ASSETS	<u>2012</u>	<u>2011</u>
<u>Fixed assets</u>		
Land	\$ 4,182,397	\$ 4,182,397
Buildings	38,332,899	38,332,899
Furniture, equipment and machinery dwellings	281,210	318,665
Furniture, equipment and machinery administration	24,951	21,951
Leasehold improvements	45,930,815	44,178,682
Accumulated depreciation	<u>(27,863,174)</u>	<u>(27,570,015)</u>
Net fixed assets	60,889,098	59,464,579
<u>Other noncurrent assets</u>		
Notes, loans and mortgages receivable	<u>10,406,458</u>	<u>9,451,656</u>
Total other noncurrent assets	<u>10,406,458</u>	<u>9,451,656</u>
TOTAL NONCURRENT ASSETS	<u>71,295,556</u>	<u>68,916,235</u>
TOTAL ASSETS	<u>\$ 119,224,493</u>	<u>\$ 119,208,065</u>

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

Appendix C: Financial Statements

HOUSING AUTHORITY OF THE COUNTY OF TULARE STATEMENTS OF FINANCIAL POSITION (CONTINUED) JUNE 30, 2012 AND 2011

LIABILITIES AND NET ASSETS

LIABILITIES	<u>2012</u>	<u>2011</u>
<u>Current liabilities</u>		
Accounts payable, < 90 days	\$ 325,027	\$ 276,201
Accrued compensated absences - current portion	205,078	218,351
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	394,828	380,942
Deferred revenue	102,252	103,840
Current portion of long-term debt - capital projects/mortgage revenue bonds	88,407	88,407
Other current liabilities	56,541	155,958
Accrued liabilities - other	116,519	161,765
Total current liabilities	1,300,528	1,435,221
<u>Noncurrent liabilities</u>		
Long-term debt, net of current portion - capital projects/mortgage revenue bonds	3,504,204	4,048,331
Accrued compensated absences - noncurrent	205,077	218,357
Total noncurrent liabilities	3,709,281	4,266,688
TOTAL LIABILITIES	5,009,809	5,701,909
EQUITY		
Invested in capital assets, net of related debt	60,889,098	59,464,579
RESERVED FUND BALANCES		
Restricted net assets	-	196,687
Unrestricted net assets	53,325,586	53,844,890
TOTAL EQUITY/NET ASSETS	114,214,684	113,506,156
TOTAL LIABILITIES AND NET ASSETS	\$ 119,224,493	\$ 119,208,065

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

Appendix C: Financial Statements

HOUSING AUTHORITY OF THE COUNTY OF TULARE STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>Revenues</u>		
Operating subsidy	\$ 18,386,212	\$ 21,042,169
Capital grants	1,505,553	1,408,965
Rental income, net of bad debts	5,198,863	5,234,906
Investment income	1,170,747	1,095,845
Government grants	22,520	40,528
Debt forgiveness	88,407	88,407
Miscellaneous income	1,490,359	1,357,332
Total revenues	27,862,661	30,268,152
<u>Expenses</u>		
Administrative services	708,561	694,451
Casualty losses - non capitalized	(118)	3,633
Contractual services	1,448,159	1,587,878
Depreciation and amortization	416,290	422,935
Housing assistance payments	14,719,095	13,474,956
Insurance expenses	228,083	246,622
Interest expenses	8,890	16,608
Materials and supplies	551,273	562,849
Miscellaneous expenses	113,293	157,922
Personnel services	4,121,711	4,212,006
Utilities	668,635	662,129
Total expenses	22,983,872	22,041,989
Net income	4,878,789	8,226,163
CHANGES IN NET ASSETS	4,878,789	8,226,163
NET ASSETS AT BEGINNING OF YEAR	113,506,156	105,436,226
EQUITY TRANSFERS	(4,170,261)	(156,233)
NET ASSETS AT END OF YEAR	\$ 114,214,684	\$ 113,506,156

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

Appendix C: Financial Statements

HOUSING AUTHORITY OF THE COUNTY OF TULARE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>Cash flows from operating activities</u>		
Tenant revenues	\$ 5,421,964	\$ 4,930,879
Non-tenant revenues	22,663,798	25,033,246
Operating and maintenance expenses	(22,750,021)	(22,180,267)
Net cash provided by operating activities	<u>5,335,741</u>	<u>7,783,858</u>
<u>Cash flows from investing activities</u>		
Purchase of property and equipment	(1,891,869)	(1,658,339)
Retirement of fixed assets	51,060	-
Net activity of investments	(4,666,839)	(4,825,013)
Net cash used in investing activities	<u>(6,507,648)</u>	<u>(6,483,352)</u>
<u>Cash flows from financing activities</u>		
Increase in notes, loans and mortgages receivable	(954,802)	(3,758,458)
(Payment of) proceeds from notes payable	(544,127)	956,260
Unrestricted net asset distributions	(4,170,261)	-
Net cash used in financing activities	<u>(5,669,190)</u>	<u>(2,802,198)</u>
Net decrease in cash and cash equivalents	(6,841,097)	(1,501,692)
Cash and cash equivalents at the beginning of the period	<u>18,300,387</u>	<u>19,802,079</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ <u>11,459,290</u>	\$ <u>18,300,387</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 4,878,789	\$ 8,226,163
Adjustment to reconcile net assets to net cash provided by operating activities:		
Depreciation and amortization	416,290	422,935
Equity transfers	-	(156,233)
Decrease (increase) in operating assets:		
Accounts receivables	223,101	(304,027)
Inventories	(36,335)	(67,781)
Prepaid expenses and deferred charges	1,869	41,734
Increase (decrease) in operating liabilities:		
Accounts payable and other accrued expenses	(161,859)	(358,510)
Tenant security deposits payables	13,886	(20,423)
Net cash provided by operating activities	<u>\$ 5,335,741</u>	<u>\$ 7,783,858</u>

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

HOUSING AUTHORITY OF THE COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

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 administered 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, 2012 and 2011, respectively. Transactions related to the Comprehensive Grant Program are included in Conventional Housing Program.

HOUSING AUTHORITY OF THE COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

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 2,841 units under annual contributions contract number MRWCA030 was received.

Mod – Rehabilitation

The *Mod-Rehabilitation Fund* accounts for 5 rental units were absorbed into Housing Choice Vouchers at the direction of HUD during 2012.

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 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.

HOUSING AUTHORITY OF THE COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

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. All 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.

Appendix C: Financial Statements

HOUSING AUTHORITY OF THE COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

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

Subsequent Events

Management has evaluated subsequent events through October 15, 2012, the date on which the financial statements were available to be issued and determined 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:

		2012		2011
Operating and reserves – various banks	\$	11,313,182	\$	18,257,075
Petty Cash on Hand		1,950		1,950
Restricted Cash - Local Agency Investment Fund		144,158		41,362
	\$	11,459,290	\$	18,300,387

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

Investments are comprised of the following:

		2012		2011
Investment - Stifel, Nicolaus & Company, Inc.	\$	32,213,041	\$	27,690,360
	\$	32,213,041	\$	27,690,360

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.

Appendix C: Financial Statements

HOUSING AUTHORITY OF THE COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

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

At June 30, 2012 and 2011, the Authority's deposits with various financial institutions have a carrying amount and bank value of \$11,313,182 and \$18,257,075, respectively. Of the Authority's total bank balance, \$11,313,182 and \$18,257,075, 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 statutes. 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:

	<u>2012</u>	<u>2011</u>
Cash	\$ 11,459,290	\$ 18,300,387
Investments - Restricted	151,659	988,534
Investments - Unrestricted	<u>32,205,540</u>	<u>26,701,826</u>
Total Cash	<u>\$ 43,816,489</u>	<u>\$ 45,990,747</u>

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.

Appendix C: Financial Statements

HOUSING AUTHORITY OF THE COUNTY OF TULARE NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2012 AND 2011

3. Land, Structures and Equipment (continued)

Land, structures, and equipment consist of the following at June 30, 2012 and 2011:

	July 1, 2011	Additions	Retirements	June 30, 2012
Land	\$ 4,182,397	\$ -	\$ -	4,182,397
Buildings	38,332,899	-	-	38,332,899
Equipment – Dwelling	318,665	-	(37,455)	281,210
Equipment - Admin	21,951	3,000	-	24,951
Leasehold Impr.	44,178,682	1,888,869	(136,736)	45,930,815
Subtotal	<u>87,034,594</u>	<u>1,891,869</u>	<u>(174,191)</u>	<u>88,752,272</u>
Less: Accumulated Depreciation	<u>(27,570,015)</u>	<u>(416,290)</u>	<u>123,131</u>	<u>(27,863,174)</u>
Net	<u>\$ 59,464,579</u>	<u>\$ 1,338,843</u>	<u>\$ 85,676</u>	<u>60,889,098</u>

	July 1, 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	<u>85,376,255</u>	<u>3,853,670</u>	<u>-</u>	<u>87,034,594</u>
Less: Accumulated Depreciation	<u>(27,147,080)</u>	<u>(422,935)</u>	<u>-</u>	<u>(27,570,015)</u>
Net	<u>\$ 58,229,175</u>	<u>\$ 1,235,394</u>	<u>\$ -</u>	<u>\$ 59,464,579</u>

Appendix C: Financial Statements

HOUSING AUTHORITY OF THE COUNTY OF TULARE NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2012 AND 2011

4. Long Term Debt

The notes payable consist of the following at June 30, 2012 and 2011:

	2012	2011
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.	\$ 1,368,597	\$ 1,441,231
3.5% note payable to California Housing Finance Agency. No payment due for 10 years.	1,500,000	1,500,000
Various non-interest bearing notes with no stated rates of interest, payment schedules or due dates.	642,714	1,114,207
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	3,592,611	4,136,738
Less: Current portion	88,407	88,407
Long-term debt	\$ 3,504,204	\$ 4,048,331

Estimated future principal maturities are as follows:

Fiscal Year Ended June 30,	Amount
2013	\$ 88,407
2014	88,407
2015	88,407
2016	88,407
2017	88,407
Thereafter	3,150,576
	\$ 3,592,611

Appendix C: Financial Statements

HOUSING AUTHORITY OF THE COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

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 retirees participated in the plan as of June 30, 2012 and 2011, 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 2012 and 2011, the cost of postemployment benefits was \$52,308 and \$45,919, 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 \$366,581 was estimated using a 4.0% 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, 2012 and 2011:

	2012	2011
Actuarial accrued liability (AAL)	\$ 3,121,561	\$ 2,863,817
Actuarial value of assets at beginning of year	-	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 3,121,561</u>	<u>\$ 2,863,817</u>
Remaining amortization period	27	28
Normal cost	\$ 177,393	\$ 170,570
Amortization of UAAL	189,188	181,912
Annual required contribution (ARC)	<u>\$ 366,581</u>	<u>\$ 352,482</u>

Appendix C: Financial Statements

HOUSING AUTHORITY OF THE COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

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

	2012	2011
Annual required contribution (ARC)	\$ 366,581	\$ 352,482
Interest on net OPEB obligation	19,838	19,642
Adjustment to ARC	(27,449)	(27,726)
Annual OPEB cost	\$ 358,970	\$ 344,398
Projected net retiree claim costs	(52,308)	(45,919)
Increase in net OPEB obligation	\$ 306,662	\$ 298,479
Net OPEB obligation - beginning of year	\$ 734,967	\$ 436,488
Net OPEB obligation - end of year	\$ 1,041,629	\$ 734,967

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.

Appendix C: Financial Statements

**HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA
JUNE 30, 2012**

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.
111	Cash - unrestricted	3,035,266	-	3,147,447	1,368,285	442,934	29,252	-
112	Cash - restricted - modernization and development	1,854,874	-	-	-	929,118	53,509	-
113	Cash - restricted	-	-	-	216,849	-	-	-
114	Cash - tenant security	240,648	-	-	-	135,510	5,598	-
100	Total cash	5,130,788	-	3,147,447	1,585,134	1,507,562	88,359	-
Receivables								
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	-	-	-	-	-	-	-
124	Accounts receivable - other government	-	-	-	-	953	-	-
125	Accounts receivable - miscellaneous	-	-	2,784,916	-	22,264	-	-
126	Accounts receivable - tenant dwelling rents	5,484	-	4,278	-	1,157	51	-
126.1	Allowance for doubtful accounts - tenant dwelling rents	(3,070)	-	-	-	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-
129	Accrued interest receivable	155,874	-	348,523	156,049	-	-	-
120	Total receivables	158,288	-	3,137,717	156,049	24,374	51	-
Other current assets								
131	Investments - Unrestricted	41,573	-	6,716	103,370	-	-	-
132	Investments - Restricted	14,747,911	-	2,003,217	15,454,412	-	-	-
142	Prepaid Expenses and Other Assets	31,758	-	85,566	8,370	20,692	3,617	-
143	Inventories	-	-	485,766	-	-	-	-
144	Inter-program - due from	-	-	-	-	-	-	-
	Total other current assets	14,821,242	-	2,581,265	15,566,352	20,692	3,617	-
150	TOTAL CURRENT ASSETS	\$ 20,110,318	\$ -	\$ 8,866,429	\$ 17,307,535	\$ 1,552,628	\$ 92,027	\$ -

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

Appendix C: Financial Statements

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)
JUNE 30, 2012

ASSETS

Line Item #		Total
CURRENT ASSETS		
Cash		
111	Cash - unrestricted	\$ 8,023,184
112	Cash - restricted - modernization and development	2,837,501
113	Cash - restricted	216,849
114	Cash - tenant security	381,756
100	Total cash	11,459,290
Receivables		
121	Accounts receivable - PHA projects	-
122	Accounts receivable - HUD other projects	-
124	Accounts receivable - other government	953
125	Accounts receivable - miscellaneous	2,807,180
126	Accounts receivable - tenant dwelling rents	10,970
126.1	Allowance for doubtful accounts - tenant dwelling rents	(3,070)
126.2	Allowance for doubtful accounts - other	-
129	Accrued interest receivable	660,446
120	Total receivables	3,476,479
Other current assets		
131	Investments - Unrestricted	151,659
132	Investments - Restricted	32,205,540
142	Prepaid Expenses and Other Assets	150,203
143	Inventories	485,766
144	Inter-program - due from	-
	Total other current assets	32,993,168
150	TOTAL CURRENT ASSETS	\$ 47,928,937

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

Appendix C: Financial Statements

**HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)
JUNE 30, 2012**

		ASSETS						
Line Item #		Low Rent	Section 8 Programs	Business Activities	Housing Choice Vouchers	Rural Rental Housing Loans	State and Local	Lower Income Section 8 Mod. Rehab.
NONCURRENT ASSETS								
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	-	-
164	Furniture, equipment and machinery administration	-	-	-	-	24,951	-	-
165	Leasehold improvements	34,639,786	-	5,489,863	185,337	5,548,901	66,928	-
166	Accumulated depreciation	(24,801,248)	-	(2,385,272)	(167,856)	(490,900)	(17,898)	-
167	Construction in progress	-	-	-	-	-	-	-
160	Net fixed assets	36,982,175	-	5,459,106	17,481	18,381,306	49,030	-
Other noncurrent assets								
171	Notes, loans and mortgages receivable	924,651	-	6,152,362	3,329,445	-	-	-
174	Other assets	-	-	-	-	-	-	-
	Total other noncurrent assets	924,651	-	6,152,362	3,329,445	-	-	-
180	TOTAL NONCURRENT ASSETS	37,906,826	-	11,611,468	3,346,926	18,381,306	49,030	-
190	TOTAL ASSETS	58,017,144	-	20,477,897	20,654,461	19,933,934	141,057	-

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

Appendix C: Financial Statements

HOUSING AUTHORITY OF THE COUNTY OF TULARE
 FINANCIAL DATA (CONTINUED)
 JUNE 30, 2012

ASSETS

Line Item #	NONCURRENT ASSETS	Total
	<u>Fixed assets</u>	
161	Land	\$ 4,182,397
162	Buildings	38,332,899
163	Furniture, equipment and machinery dwellings	281,210
164	Furniture, equipment and machinery administration	24,951
165	Leasehold improvements	45,930,815
166	Accumulated depreciation	(27,863,174)
167	Construction in progress	-
160	Net fixed assets	<u>60,889,098</u>
	<u>Other noncurrent assets</u>	
171	Notes, loans and mortgages receivable	10,406,458
174	Other assets	-
	Total other noncurrent assets	<u>10,406,458</u>
180	TOTAL NONCURRENT ASSETS	<u>71,295,556</u>
190	TOTAL ASSETS	<u>\$ 119,224,493</u>

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, 2011**

ASSETS

Line Item #	CURRENT ASSETS	Section 8 Programs	Business Activities	Housing Choice Vouchers	Rural Rental Housing Loans	State and Local	Lower Income Section 8 Mod. Rehab.
	\$	8,037,796	5,880	3,794,901	2,735,473	246,695	61,256
111	Cash - unrestricted						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	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			
120	Total receivables	588,273		2,913,221	24,315	33,678	17,082
	Other current assets						
131	Investments - Unrestricted		185,952				
132	Investments - Restricted	32,638		769,944			
142	Prepaid Expenses and Other Assets	10,873,473		14,293,757			
143	Inventories	31,728		8,149	19,539	8,486	25
144	Inter-program - due from			449,431			
	Total other current assets	10,937,839		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	\$ 30,170

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

Appendix C: Financial Statements

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

ASSETS

Line Item #	CURRENT ASSETS	Veterans Affairs 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.

Appendix C: Financial Statements

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

ASSETS										
Line Item #	Low Rent	Section 8 Programs	Business Activities	Housing Choice Vouchers	Rural Rental Housing Loans	State and Local	Lower Income Section 8 Mod. Rehab.			
NONCURRENT ASSETS										
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.

Appendix C: Financial Statements

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

ASSETS

Line Item #	NONCURRENT ASSETS	Veterans Affairs 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.

Appendix C: Financial Statements

**HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA
JUNE 30, 2012**

LIABILITIES AND NET ASSETS (DEFICIT)

Line Item #	Low Rent	Section 8 Programs	Business Activities	Housing Choice Vouchers	Rural Rental Housing Loans	State and Local	Lower Income Section 8 Mod. Rehab.
LIABILITIES							
Current liabilities							
312	\$ 214,734	\$ -	\$ 38,173	\$ 19,978	\$ 50,958	\$ 1,184	\$ -
321	-	-	-	-	-	-	-
322	70,045	-	29,737	65,526	38,545	1,225	-
325	-	-	-	-	6,976	-	-
331	4,900	-	-	-	-	-	-
333	-	-	-	-	-	-	-
341	240,491	-	14,205	-	135,167	4,965	-
342	-	-	102,252	-	-	-	-
343	-	-	2,400	-	86,007	-	-
345	13,458	-	-	-	8,000	35,083	-
346	86,583	-	6,657	4,098	17,638	1,543	-
347	-	-	-	-	-	-	-
310	630,211	-	193,424	89,602	343,291	44,000	-
Noncurrent liabilities							
351	-	-	2,135,607	-	1,368,597	-	-
353	-	-	-	-	-	-	-
354	70,045	-	29,737	65,526	38,545	1,224	-
350	70,045	-	2,165,344	65,526	1,407,142	1,224	-
300	700,256	-	2,358,768	155,128	1,750,433	45,224	-
EQUITY							
508.1	36,982,175	-	5,459,106	17,481	18,381,306	49,030	-
RESERVED FUND BALANCES							
511.1	-	-	-	-	-	-	-
512.1	20,334,713	-	12,660,023	20,481,852	(197,805)	46,803	-
513	57,316,888	-	18,119,129	20,499,333	18,183,501	95,833	-
600	\$ 58,017,144	\$ -	\$ 20,477,897	\$ 20,654,461	\$ 19,933,934	\$ 141,057	\$ -

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

Appendix C: Financial Statements

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)
JUNE 30, 2012

LIABILITIES AND NET ASSETS (DEFICIT)

Line Item #	Description	Veterans Affairs Supportive Housing	Total
LIABILITIES			
Current liabilities			
312	Accounts payable, < 90 days	-	\$ 325,027
321	Accrued wages payable	-	-
322	Accrued compensated absences - current portion	-	205,078
325	Accrued interest payable	-	6,976
331	Accounts payable - HUD PHA programs	-	4,900
333	Accounts payable - other government	-	-
341	Tenant security deposits payable	-	394,828
342	Deferred revenue	-	102,252
343	Current portion of long-term debt - capital projects/mortgage revenue bonds	-	88,407
345	Other current liabilities	-	56,541
346	Accrued liabilities - other	-	116,519
347	Inter-program - due to	-	-
310	Total current liabilities	-	1,300,528
Noncurrent liabilities			
351	Long-term debt, net of current portion - capital projects/mortgage revenue bonds	-	3,504,204
353	Noncurrent liabilities - other	-	-
354	Accrued compensated absences - noncurrent	-	205,077
350	Total noncurrent liabilities	-	3,709,281
300	TOTAL LIABILITIES	-	5,009,809
EQUITY			
508.1	Invested in capital assets, net of related debt	-	60,889,098
RESERVED FUND BALANCES			
511.1	Restricted net assets	-	-
512.1	Unrestricted net assets	-	53,325,586
513	TOTAL EQUITY/NET ASSETS	-	114,214,684
600	TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	\$ -	\$ 119,224,493

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, 2011**

LIABILITIES AND NET ASSETS (DEFICIT)

Line Item #	Low Rent	Section 8 Programs	Business Activities	Housing Choice Vouchers	Rural Rental Housing Loans	State and Local	Lower Income Section 8 Mod. Rehab.
LIABILITIES							
Current liabilities							
312	\$ 198,829	\$ -	27,470	6,956	39,144	\$ 3,771	\$ 31
321	-	-	-	-	-	-	-
322	75,566	-	37,783	66,175	37,510	1,317	-
325	-	-	-	-	6,976	-	-
331	4,900	-	-	-	-	-	-
333	-	-	-	-	-	37,881	-
341	234,113	-	13,105	-	130,391	3,333	-
342	-	-	102,252	-	-	1,588	-
343	-	-	2,400	-	86,007	-	-
345	10,405	-	-	-	8,000	121,638	15,915
346	107,022	-	9,372	20,752	24,024	595	-
347	-	-	-	-	-	-	-
310	630,835	-	192,382	93,883	332,052	170,123	15,946
Noncurrent liabilities							
351	-	-	2,607,100	-	1,441,231	-	-
353	-	-	-	-	-	-	-
354	75,569	-	37,784	66,176	37,511	1,317	-
350	75,569	-	2,644,884	66,176	1,478,742	1,317	-
300	706,404	-	2,837,266	160,059	1,810,794	171,440	15,946
EQUITY							
508.1	35,425,195	-	5,446,025	30,981	18,462,229	100,149	-
RESERVED FUND BALANCES							
511.1	-	-	-	-	-	-	-
512.1	22,644,242	5,880	11,917,423	19,872,991	(597,943)	(11,927)	14,224
513	58,069,437	5,880	17,363,448	19,903,972	17,864,286	88,222	14,224
600	\$ 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.

Appendix C: Financial Statements

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

LIABILITIES AND NET ASSETS (DEFICIT)

Line Item #	Veterans Affairs Supportive Housing	Total
LIABILITIES		
Current liabilities		
312	\$ -	\$ 276,201
321	-	-
322	-	-
325	-	218,351
331	-	6,976
333	-	4,900
341	-	37,881
342	-	380,942
343	-	103,840
345	-	88,407
346	-	155,958
347	-	161,765
310	-	-
	-	1,435,221
Noncurrent liabilities		
351	-	4,048,331
353	-	-
354	-	218,357
350	-	4,266,688
300	-	5,701,909
EQUITY		
508.1	-	59,464,579
RESERVED FUND BALANCES		
511.1	196,687	196,687
512.1	-	53,844,890
513	196,687	113,506,156
600	\$ 196,687	\$ 119,208,065

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, 2012**

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.
70300	Net tenant rental revenue	3,012,748	-	-	231,716	-	-	1,882,614	48,110	-
70400	Tenant revenue - other	26,234	-	-	7,980	-	-	16,634	-	-
70500	Total tenant revenue	3,038,982	-	-	239,696	-	-	1,899,248	48,110	-
70600	HUD PHA operating grants	295,093	1,279,691	-	-	-	16,604,742	-	-	-
70610	Capital grants	-	-	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-	22,520	-
71100	Investment income - unrestricted	72,032	-	-	182,483	444,139	-	2,796	93	-
71400	Fraud recovery	-	-	-	-	-	-	-	-	-
71500	Other revenue	172	-	-	1,483,915	6,234	-	-	38	-
72000	Investment income - restricted	463,937	-	-	1	654	-	4,324	288	-
70000	Total revenues	3,870,216	1,279,691	-	1,906,095	451,027	16,604,742	1,906,368	71,049	-
EXPENSES										
Operating expenses										
Administrative:										
91100	Administrative salaries	629,005	-	-	676	994,813	-	165,553	4,740	-
91200	Auditing fees	4,543	-	-	2,350	8,341	-	2,679	948	-
91300	Management fees	-	-	-	-	19,541	-	209,799	11,721	-
91310	Bookkeeping fees	-	-	-	-	-	-	-	-	-
91400	Advertising and marketing	-	-	-	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	144,928	-	-	208,874	381,988	-	174,319	1,983	-
91600	Office expenses	38,390	-	-	-	114,352	-	12,852	1,466	-
91700	Legal expenses	13,957	-	-	1,914	17,935	-	3,394	53	-
91800	Travel	4,522	-	-	4,059	7,752	-	2,279	91	-
91900	Other administrative expenses	63,218	-	-	24,422	107,038	-	30,945	-	-
Tenant services:										
92100	Tenant services - salaries	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	-	-
Utilities:										
Water										
93100	Water	201,956	-	-	8,931	1,575	-	16,635	7,121	-
93200	Electricity	50,492	-	-	150	19,027	-	44,489	1,437	-
93300	Gas	6,600	-	-	27	1,751	-	3,362	31	-
93600	Sewer	265,394	-	-	10,396	773	-	28,488	-	-
93800	Other utilities expenses	-	-	-	-	-	-	-	-	-
		\$	-	-	-	-	-	-	-	-

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

Appendix C: Financial Statements

HOUSING AUTHORITY OF THE COUNTY OF TULARE FINANCIAL DATA (CONTINUED)

(14, NSH)
JUNE 30, 2012

Line Item #	REVENUES	(14, CFP)		(14, NSH)		Non MTW Total
		Public Housing Capital Fund	Public Housing Capital Fund MTW	Supportive Housing	Combined Total	
70300	Net tenant rental revenue	-	-	-	5,175,188	5,175,188
70400	Tenant revenue - other	-	-	-	50,848	50,848
70500	Total tenant revenue	-	-	-	5,226,036	5,226,036
70600	HUD PHA operating grants	-	295,093	-	18,474,619	18,779,526
70610	Capital grants	-	1,505,553	-	1,505,553	295,093
70800	Other government grants	-	-	-	22,520	22,520
71100	Investment income - unrestricted	-	-	-	701,543	701,543
71400	Fraud recovery	-	-	-	-	-
71500	Other revenue	-	-	-	1,490,359	1,490,359
72000	Investment income - restricted	-	-	-	469,204	469,204
70000	Total revenues	-	1,800,646	-	27,889,834	19,685,079

EXPENSES

Operating expenses

91100	Administrative:	-	-	-	-	-
91200	Administrative salaries	-	-	-	1,794,787	1,794,787
91300	Auditing fees	-	-	-	18,861	18,861
91310	Management fees	-	-	-	241,061	241,061
91400	Bookkeeping fees	-	-	-	-	-
91400	Advertising and marketing	-	-	-	-	-
91500	Employee benefit contributions - administrative	-	-	-	912,092	912,092
91600	Office expenses	-	-	-	167,060	167,060
91700	Legal expenses	-	-	-	37,253	37,253
91800	Travel	-	-	-	18,703	18,703
91900	Other administrative expenses	-	-	-	225,623	225,623
92100	Tenant services - salaries	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-
93100	Utilities:	-	-	-	-	-
93100	Water	-	-	-	236,218	236,218
93200	Electricity	-	-	-	115,595	115,595
93300	Gas	-	-	-	11,771	11,771
93600	Sewer	-	-	-	305,051	305,051
93800	Other utilities expenses	-	-	-	-	-

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

Appendix C: Financial Statements

HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)
JUNE 30, 2012

Line Item #	Low Rent	(14. OPS) Low Rent MTW	Section 8 Programs	Business Activities	Housing Choice Vouchers	(14. HCVC) Housing Choice Vouchers MTW	Rural Rental Housing Loans	State and Local	Lower Income Section 8 Mod. Rehab.
EXPENSES (CONTINUED)									
Operating expenses (continued)									
Ordinary maintenance and operations:									
94100	\$ 462,322	\$ -	\$ -	\$ 438,869	\$ -	\$ -	\$ 274,519	\$ 6,310	\$ -
94200	273,108	-	-	130,705	20,192	-	125,511	1,757	-
94300	748,019	-	-	144,085	203,491	-	342,088	10,476	-
94500	-	-	-	-	-	-	-	2,434	-
95200	230,378	-	-	-	-	-	-	-	-
95300	-	-	-	-	-	-	-	-	-
General expenses:									
96110	57,481	-	-	11,971	16,065	-	30,879	-	-
96120	-	-	-	-	-	-	-	894	-
96130	43,572	-	-	35,227	10,976	-	20,473	545	-
96140	-	-	-	-	-	-	-	-	-
96200	-	-	-	48,050	-	-	-	-	-
96210	(9,612)	-	-	(16,093)	(1,110)	-	-	(185)	-
96300	85,467	-	-	205	-	-	-	6,571	-
96400	24,604	-	-	4	-	-	1,473	1,092	-
96700	-	-	-	-	-	-	8,890	-	-
96800	-	-	-	-	-	-	-	-	-
96900	3,338,344	-	-	1,054,822	1,924,500	-	1,498,627	59,485	-
97000	551,872	1,279,691	-	851,273	(1,473,473)	16,604,742	407,741	11,564	-
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES:									
Other expenses:									
97100	-	-	-	-	-	-	-	-	-
97200	-	-	-	(420)	-	-	302	-	-
97300	-	-	-	-	14,719,095	-	-	-	-
97350	-	-	-	-	-	-	-	-	-
97400	212,456	-	-	96,132	13,500	-	94,142	60	-
90000	3,550,800	-	-	1,150,534	16,657,095	-	1,593,071	59,545	-
10010	4,880,983	-	-	-	16,604,742	-	-	-	-
10020	(1,800,646)	(1,279,691)	-	-	-	(16,604,742)	-	-	-
10100	3,080,337	(1,279,691)	-	-	16,604,742	(16,604,742)	-	-	-
10000	\$ 3,399,753	\$ -	\$ -	\$ 755,561	\$ 398,674	\$ -	\$ 313,297	\$ 11,504	\$ -

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

Appendix C: Financial Statements

**HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)**

(14, NSH)
JUNE 30, 2012

Line Item #	Public Housing Capital Fund	Public Housing Capital Fund MTW	Veterans Affairs Supportive Housing	Combined Total	(14,881) MTW	Non MTW Total
EXPENSES (CONTINUED)						
Operating expenses (continued)						
94100	-	-	-	1,182,020	-	1,182,020
94200	-	-	-	551,273	-	551,273
94300	-	-	-	1,448,159	-	1,448,159
94500	-	-	-	232,812	-	232,812
95200	-	-	-	-	-	-
95300	-	-	-	-	-	-
General expenses:						
96110	-	-	-	116,396	-	116,396
96120	-	-	-	894	-	894
96130	-	-	-	110,793	-	110,793
96140	-	-	-	-	-	-
96200	-	-	-	48,050	-	48,050
96210	-	-	-	(27,000)	-	(27,000)
96300	-	-	-	92,243	-	92,243
96400	-	-	-	27,173	-	27,173
96700	-	-	-	8,890	-	8,890
96800	-	-	-	-	-	-
96900	-	-	-	7,875,778	-	7,875,778
97000	-	1,800,646	-	20,014,056	19,685,079	328,977
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES						
Other expenses:						
97100	-	-	-	-	-	-
97200	-	-	-	(118)	-	(118)
97300	-	-	-	14,719,095	-	14,719,095
97350	-	-	-	-	-	-
97400	-	-	-	416,290	-	416,290
90000	-	-	-	23,011,045	-	23,011,045
10010	-	-	-	21,485,725	-	21,485,725
10020	-	(1,800,646)	-	(21,485,725)	(19,685,079)	(1,800,646)
10100	-	(1,800,646)	-	-	(19,685,079)	19,685,079
10000	-	-	-	4,878,789	-	4,878,789

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, 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.
70300	Net tenant rental revenue	2,977,105	-	-	231,843	-	-	1,859,433	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	-	1,955	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	-	1,805	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	199,491	-	-	7,883	1,574	-	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.

Appendix C: Financial Statements

HOUSING AUTHORITY OF THE COUNTY OF TULARE FINANCIAL DATA (CONTINUED)

(14, YSH)
JUNE 30, 2011

Line Item #	REVENUES	Public Housing Capital Fund MTW	(14, CFP) Public Housing Capital Fund MTW	Veterans Affairs Supportive Housing	Combined Total	(14, 881) MTW	Non MTW Total
		\$	-	-	\$ 5,180,765	-	\$ 5,180,765
70300	Net tenant rental revenue	-	-	-	60,933	-	60,933
70400	Tenant revenue - other	-	-	-	5,241,698	-	5,241,698
70500	Total tenant revenue	-	-	81,116	21,130,576	20,233,969	896,607
70600	HUD PHA operating grants	-	163,487	-	1,408,965	1,408,965	-
70610	Capital grants	-	1,408,965	-	40,528	-	40,528
70800	Other government grants	-	-	-	718,080	-	718,080
70800	Other government grants	-	-	-	-	-	-
71100	Investment income - unrestricted	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	1,357,332	-	1,357,332
71500	Other revenue	-	-	-	377,765	-	377,765
72000	Investment income - restricted	-	-	-	-	-	-
70000	Total revenues	-	1,572,432	81,116	30,274,944	21,642,934	8,632,010
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
91900	Other administrative expenses	-	-	-	184,487	-	184,487
Tenant services:							
92100	Tenant services - salaries	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-
Utilities:							
Water							
93100	Water	-	-	-	240,213	-	240,213
Electricity							
93200	Electricity	-	-	-	123,732	-	123,732
Gas							
93300	Gas	-	-	-	11,581	-	11,581
Sewer							
93600	Sewer	-	-	-	286,603	-	286,603
Other utilities expenses							
93800	Other utilities expenses	-	-	-	-	-	-
		\$	-	-	-	-	-

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

Appendix C: Financial Statements

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

Line Item #	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.
EXPENSES (CONTINUED)									
Operating expenses (continued)									
Ordinary maintenance and operations:									
94100	\$ 442,915	\$ -	\$ -	\$ 518,201	\$ -	\$ -	\$ 255,109	\$ 14,529	\$ -
94200	274,654	-	-	114,918	18,595	-	148,659	6,019	4
94300	884,411	-	-	91,373	176,708	-	404,254	30,959	173
94500	180,707	-	-	-	-	-	-	6,228	-
95200	-	-	-	-	-	-	-	-	-
95300	-	-	-	-	-	-	-	-	-
General expenses:									
96110	56,916	-	-	9,784	16,030	-	33,063	-	100
96120	-	-	-	-	-	-	-	4,483	-
96130	47,266	-	-	44,064	11,051	-	22,380	1,470	15
96140	-	-	-	-	-	-	-	-	-
96200	-	-	-	64,625	-	-	-	-	-
96210	(5,975)	-	-	4,261	916	-	-	(370)	-
96300	83,454	-	-	-	-	-	-	11,011	-
96400	5,926	-	-	-	-	-	769	97	-
96700	-	-	-	-	-	-	16,608	-	-
96800	-	-	-	-	-	-	-	-	-
96900	3,446,880	-	-	1,118,200	1,873,217	-	1,561,373	145,964	2,623
97000	790,450	1,592,136	1,745	605,586	(1,344,747)	18,478,346	320,736	5,105	24,762
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES									
Other expenses:									
97100	-	-	-	-	-	-	-	-	-
97200	-	-	-	3,633	-	-	-	-	-
97300	-	-	-	-	13,380,789	-	-	-	23,049
97350	-	-	-	-	-	-	-	-	-
97400	201,233	-	-	99,920	14,750	-	99,034	7,998	-
90000	3,648,113	-	-	1,221,753	15,267,756	-	1,660,407	153,962	25,672
10010	4,737,040	-	-	-	18,291,657	-	-	-	-
10020	(1,572,452)	(1,592,136)	-	-	-	(18,478,346)	-	-	-
10100	3,164,588	(1,592,136)	-	-	18,291,657	(18,478,346)	-	-	-
10000	3,753,805	-	1,745	502,033	3,551,371	-	221,702	(2,893)	1,713

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

Appendix C: Financial Statements

**HOUSING AUTHORITY OF THE COUNTY OF TULARE
FINANCIAL DATA (CONTINUED)**

JUNE 30, 2011

(14. NSH)

Line Item #	Public Housing Capital Fund	Public Housing Capital Fund MTW	Veterans Affairs Supportive Housing	Combined Total	(14.881) MTW	Non MTW Total
EXPENSES (CONTINUED)						
Operating expenses (continued)						
Ordinary maintenance and operations:						
94100	-	-	-	1,230,754	-	1,230,754
94200	-	-	-	562,849	-	562,849
94300	-	-	-	1,587,878	-	1,587,878
94500	-	-	-	186,935	-	186,935
95200	-	-	-	-	-	-
95300	-	-	-	-	-	-
General expenses:						
96110	-	-	-	115,893	-	115,893
96120	-	-	-	4,483	-	4,483
96130	-	-	-	126,246	-	126,246
96140	-	-	-	-	-	-
96200	-	-	-	64,625	-	64,625
96210	-	-	-	(1,168)	-	(1,168)
96300	-	-	-	94,465	-	94,465
96400	-	-	-	6,792	-	6,792
96700	-	-	-	16,608	-	16,608
96800	-	-	-	-	-	-
96900	-	-	-	8,147,257	-	8,147,257
97000	-	1,572,452	81,116	22,127,687	21,642,934	484,753
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES						
Other expenses:						
97100	-	-	-	-	-	-
97200	-	-	-	3,633	-	3,633
97300	-	-	71,118	13,474,956	-	13,474,956
97350	-	-	-	-	-	-
97400	-	-	-	422,935	-	422,935
90000	-	-	71,118	22,048,781	-	22,048,781
10010	-	506,681	186,689	23,722,067	-	23,722,067
10020	(506,681)	(1,572,452)	-	(23,722,067)	(21,642,934)	(2,079,133)
10100	(506,681)	(1,065,771)	186,689	-	(21,642,934)	21,642,934
10000	(506,681)	506,681	196,687	8,226,163	-	8,226,163

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, 2012

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 Med. Rehab.
11020	Debt principal payment enterprise funds	\$ -	\$ -	\$ 2,400	\$ -	\$ 86,007	\$ -	\$ -
11030	Beginning equity	\$ 58,069,437	\$ 5,880	\$ 17,363,448	\$ 19,903,972	\$ 17,864,286	\$ 88,222	\$ 14,224
11040	Prior period adjustments, equity transfers and correction of errors	\$ (4,152,302)	\$ (5,880)	\$ 120	\$ 196,687	\$ 5,918	\$ (3,893)	\$ (14,224)
11170	Administrative fee equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180	Housing assistance payments equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11190	Unit months available	\$ 8,520	\$ -	\$ 216	\$ 36,312	\$ 5,340	\$ -	\$ -
11210	Number of unit months leased	\$ 8,333	\$ -	\$ 208	\$ 36,188	\$ 5,232	\$ -	\$ -
11270	Excess cash	\$ 2,578,660	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620	Building purchases	\$ 1,779,436	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

Appendix C: Financial Statements

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

Line Item #	MEMO ACCOUNT INFORMATION	Veterans Affairs Supportive Housing	Total
11020	Debt principal payment enterprise funds	\$ 88,407	
11030	Beginning equity	196,687	113,506,156
11040	Prior period adjustments, equity transfers and correction of errors	(196,687)	(4,170,261)
11170	Administrative fee equity	-	
11180	Housing assistance payments equity	\$ -	-
11190	Unit months available		50,388
11210	Number of unit months leased		49,961
11270	Excess cash	\$ 2,578,660	
11620	Building purchases	\$ 1,779,436	

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, 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 Med. Rehab.
11020	Debt principal payment enterprise funds	\$ -	\$ -	2,400	\$ -	86,007	\$ -	\$ -
11030	Beginning equity	53,979,762	4,135	17,243,061	16,352,601	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.

Appendix C: Financial Statements

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.

Appendix C: Financial Statements

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

Position 3
**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		
	BEGINNING DATES>	CURRENT YEAR	PRIOR YEAR	COMMENTS
	ENDING DATES>	7/1/2011	7/1/2010	
		6/30/2012	6/30/2011	
ASSETS				
CURRENT ASSETS				
1. GENERAL OPERATING ACCOUNT.....		\$ 114,339	\$ 66,901	
2. R.E. TAX & INSURANCE ACCOUNT.....				
3. RESERVE ACCOUNT.....		282,665	265,448	
4. SECURITY DEPOSIT ACCOUNT.....		18,755	18,164	
5. OTHER CASH (Identify).....		14		LAIF TFLC PORTION
6. OTHER (Identify).....				
7. TOTAL ACCOUNTS RECEIVABLE (Attach list).....		1,267	645	
ACCTS RCVBL 0-30 DAYS	\$1,267			
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		1,658	1,484	
11. _____				
12. TOTAL CURRENT ASSETS (Add 1 thru 11)		418,698	352,642	
FIXED ASSETS				
13. LAND.....		4,386	4,386	
14. BUILDINGS		2,647,211	2,647,211	
15. LESS: ACCUMULATED DEPRECIATION.....		(168,691)	(102,290)	
16. FURNITURE & EQUIPMENT.....		17,104	17,104	
17. LESS: ACCUMULATED DEPRECIATION.....		0	0	
18. SITE AND OFF-SITE IMPROVEMENTS		0	0	
19. TOTAL FIXED ASSETS (Add 13 thru 18)		2,500,010	2,566,411	
OTHER ASSETS				
20. INTANGIBLE ASSETS NET OF ACCUMULATED AMORT.		0	0	
21. TOTAL ASSETS (Add 12, 19 and 20)		2,918,708	2,919,053	
LIABILITIES AND OWNERS EQUITY				
CURRENT LIABILITIES				
22. TOTAL ACCOUNTS PAYABLE (Attach list).....		4,929	4,707	
ACCTS PAYABLE 0-30 DAYS	\$4,929			
ACCTS PAYABLE 30-60 DAYS	\$0			
ACCTS PAYABLE 60-90 DAYS	\$0			
ACCTS PAYABLE OVER 90 DAYS	\$0			
23. NOTES PAYABLE (Attach list).....		7,111	10,410	
24. OTHER CURRENT LIABILITIES				
25. SECURITY DEPOSITS.....		18,603	17,598	
26. TOTAL CURRENT LIABILITIES (Add 22 thru 25)		\$ 30,643	\$ 32,715	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person may not be 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.

Appendix C: Financial Statements

LONG-TERM LIABILITIES

27. NOTES PAYABLE RURAL DEVELOPMENT.....	\$ 1,676,070	\$ 700,207	
28. OTHER (<i>identify</i>).....	3,078	8,789	
29. TOTAL LONG-TERM LIABILITIES (<i>Add 26 and 27</i>).....	1,679,148	708,996	
30. TOTAL LIABILITIES (<i>Add 25 and 28</i>).....	1,709,791	741,711	
31. OWNER'S EQUITY (Net Worth) (<i>21 minus 29</i>).....	1,208,917	2,177,342	
32. TOTAL LIABILITIES AND OWNER'S EQUITY <i>(Add 29 and 30)</i>	\$ 2,918,708	\$ 2,919,053	

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.

8/10/2012
(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.

Appendix C: Financial Statements

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

Position 3
**MULTIPLE FAMILY HOUSING PROJECT BUDGET/
UTILITY ALLOWANCE**

FORM APPROVED
OMB NO. 0575-0189

PROJECT NAME Sonora Apartments		BORROWER NAME Housing Authority of the County of Tulare		BORROWER ID AND PROJECT NO.	
Loan/Transfer Amount \$		Note Rate Payment \$		IC Payment \$	
Reporting Period <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly	Budget Type <input type="checkbox"/> Initial <input checked="" type="checkbox"/> Regular Report <input type="checkbox"/> Rent Change <input type="checkbox"/> SNR <input type="checkbox"/> Other Servicing	Project Rental Type <input checked="" type="checkbox"/> Family <input type="checkbox"/> Elderly <input type="checkbox"/> Congregate <input type="checkbox"/> Group Home <input type="checkbox"/> Mixed <input type="checkbox"/> LH	Profit Type <input type="checkbox"/> Full Profit <input checked="" type="checkbox"/> Limited Profit <input type="checkbox"/> Non-Profit	The following utilities are metered: <input checked="" type="checkbox"/> Electricity <input type="checkbox"/> Gas <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Sewer <input type="checkbox"/> Trash <input type="checkbox"/> Other	
				<input type="checkbox"/> I hereby request units of RA. Current number of RA units Borrower Accounting Method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual	

PART I-CASH FLOW STATEMENT

	CURRENT BUDGET 7/1/2011 6/30/2012	ACTUAL 7/1/2011 6/30/2012	PROPOSED BUDGET	COMMENTS or (YTD)
BEGINNING DATES> ENDING DATES>				
OPERATIONAL CASH SOURCES				
1. RENTAL INCOME.....	272,580	233,526		
2. RHS RENTAL ASSISTANCE RECEIVED.....		32,781		
3. APPLICATION FEES RECEIVED.....				
4. LAUNDRY AND VENDING.....				
5. INTEREST INCOME.....	1,900	486		INT GEN ACCT
6. TENANT CHARGES.....	1,553	850		
7. OTHER - PROJECT SOURCES.....				
8. LESS (Vacancy and Contingency Allowance).....	(5,521)			
9. LESS (Agency Approved Incentive Allowance).....				
10. SUB-TOTAL ((1 thru 7) - (8 & 9)).....	270,512	267,643	0	
NON-OPERATIONAL CASH SOURCES				
11. CASH - NON PROJECT.....		0		
12. AUTHORIZED LOAN (Non-RHS).....				
13. TRANSFER FROM RESERVE.....	11,900	3,150		
14. SUB-TOTAL (11 thru 13).....	11,900	3,150	0	
15. TOTAL CASH SOURCES (10 + 14).....	282,412	270,793	0	
OPERATIONAL CASH USES				
16. TOTAL O&M EXPENSES (From Part II).....	204,979	175,745	0	
17. RHS DEBT PAYMENT.....	25,630	25,477		
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	20,381		
23. LONG-TERM IMPROVEMENTS.....				
24. RETURN TO OWNER/NP ASSET MANAGEMENT FEE.....				
25. SUB-TOTAL (16 thru 23).....	249,609	221,603	0	
NON-OPERATIONAL CASH USES				
26. AUTHORIZED DEBT PAYMENT (Non-RHS).....	0	0		
27. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6).....	11,900	3,150	0	
28. MISCELLANEOUS.....	18,903	0		prior yr adj.
29. SUB-TOTAL (25 thru 27).....	30,803	3,150	0	
30. TOTAL CASH USES (24+28).....	280,412	224,753	0	
31. NET CASH (DEFICIT) (15-29).....	2,000	46,040	0	
CASH BALANCE				
32. BEGINNING CASH BALANCE.....	23,112	25,112		
33. ACCRUAL TO CASH ADJUSTMENT.....				
34. ENDING CASH BALANCE (30 + 31 + 32).....	25,112	71,152	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.

Appendix C: Financial Statements

PART II-OPERATING AND MAINTENANCE EXPENSE SCHEDULE				
	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
1. MAINTENANCE AND REPAIRS PAYROLL.....	20,367	20,954		
2. MAINTENANCE AND REPAIRS SUPPLY.....	14,100	9,159		
3. MAINTENANCE AND REPAIRS CONTRACT.....	14,500	10,807		
4. PAINTING.....	3,000	3,000		
5. SNOW REMOVAL.....				
6. ELEVATOR MAINTENANCE/CONTRACT.....				
7. GROUNDS.....	14,832	14,536		
8. SERVICES.....	0	0		
9. ANNUAL CAPITAL BUDGET (From Part I--Operating)	24,656	5,480		
10. OTHER OPERATING EXPENSES (Itemize)				
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10)	91,455	63,936	0	0
12. ELECTRICITY <input type="checkbox"/> if master metered	3,780	3,471		
13. WATER <input type="checkbox"/> check box on	6,619	5,882		
14. SEWER <input type="checkbox"/> front	19,171	20,192		
15. FUEL (Oil/Coal/Gas)	625	517		
16. GARBAGE & TRASH REMOVAL.....	10,974	10,799		
17. OTHER UTILITIES.....				
18. SUB-TOTAL UTILITIES (12 thru 17)	41,169	40,861	0	0
19. SITE MANAGEMENT PAYROLL.....	17,672	17,672		
20. MANAGEMENT FEE.....	28,326	28,326		
21. PROJECT AUDITING EXPENSE.....	304	387		
22. PROJECT BOOKKEEPING/ACCOUNTING.....				
23. LEGAL EXPENSES.....	900	291		
24. ADVERTISING.....	600	372		
25. TELEPHONE & ANSWERING SERVICE.....		237		
26. OFFICE SUPPLIES.....	2,596	2,473		
27. OFFICE FURNITURE AND EQUIPMENT.....				
28. TRAINING EXPENSE.....	350	165		
29. HEALTH INS. & OTHER EMP. BENEFITS.....	14,454	14,735		
30. PAYROLL TAXES.....	792	792		
31. WORKER'S COMPENSATION.....	2,036	1,722		
32. OTHER ADMINISTRATIVE EXPENSES (Itemize)	1,000	976		Collection Losses
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32)	69,030	68,148	0	0
34. REAL ESTATE TAXES.....				
35. SPECIAL ASSESSMENTS.....				
36. OTHER TAXES, LICENSES AND PERMITS.....				
37. PROPERTY & LIABILITY INSURANCE.....	3,325	2,799		
38. FIDELITY COVERAGE INSURANCE.....				
39. OTHER INSURANCE.....				
40. SUB-TOTAL TAXES & INSURANCE (34 thru 39)	3,325	2,799	0	0
41. TOTAL O&M EXPENSES (1) + (8 + 33 + 40)	204,979	175,744	0	0

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

Appendix C: Financial Statements

PART III-ACCOUNT BUDGETING/STATUS				
	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
RESERVE ACCOUNT:				
1. BEGINNING BALANCE.....	263,359	265,434		
2. TRANSFER TO RESERVE.....	19,000	20,381		DEP + INT
TRANSFER FROM RESERVE.....				
3. OPERATING DEFICIT.....				
4. ANNUAL CAPITAL BUDGET (Part V - Reserve)	11,900	3,150		
5. BUILDING & EQUIPMENT REPAIR.....				
6. OTHER NON-OPERATING EXPENSES.....				
7. TOTAL (3 thru 6)	11,900	3,150	0	
8. ENDING BALANCE [(1 + 2) - 7]	270,459	282,665	0	
GENERAL OPERATING ACCOUNT:*				
BEGINNING BALANCE.....		66,901		7/1/2011
ENDING BALANCE.....		114,339		6/30/2012
REAL ESTATE AND INSURANCE ESCROW ACCOUNT:*				
BEGINNING BALANCE.....				
ENDING BALANCE.....				
TENANT SECURITY DEPOSIT ACCOUNT:*				
BEGINNING BALANCE.....		18,164		7/1/2011
ENDING BALANCE.....		18,755		6/30/2012
<i>(*Complete upon submission of actual expenses.)</i>				
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.

Appendix C: Financial Statements

PART IV-RENT SCHEDULE AND UTILITY ALLOWANCE

A. CURRENT APPROVED RENTS/UTILITY ALLOWANCE

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE			UTILITY ALLOWANCE
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD	
2	M	18	\$ 420			\$ 90,720			\$ 55
3	M	29	\$ 455			\$ 158,340			\$ 60
4	M	4	\$ 490			\$ 23,520			\$ 80
3	MGR Unit	1	0			0			0
CURRENT RENT TOTALS:						\$ 272,580	\$ -		
						BASIC	NOTE	HUD	

B. PROPOSED RENTS - Effective Date: 7/1/2011

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	29	\$ 455			\$ 158,340		
4	M	4	\$ 490			\$ 23,520		
1	MGR Unit	1	0			0		
CURRENT RENT TOTALS:						\$ 272,580		
						BASIC	NOTE	HUD

C. PROPOSED UTILITY ALLOWANCE - Effective Date: 7/1/2011

MONTHLY DOLLAR ALLOWANCES									
BR SIZE	UNIT TYPE	NUMBER	ELECTRIC	GAS	WATER	SEWER	TRASH	OTHER	TOTAL
2	M	18	\$ 30	\$ 25					\$ 55
3	M	28	\$ 32	\$ 28					\$ 60
4	M	4	\$ 48	\$ 32					\$ 80

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

Appendix C: Financial Statements

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.....				\$ 2,700	\$ 228		1.00
Refrigerator.....				\$ 2,670	\$ 692		1.00
Range Hood.....				\$ 400			
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.....		\$ 2,200					
Air Conditioning.....							
Other, Coolers.....		\$ 1,200					
Plumbing:							
Water Heater.....				\$ 400			
Bath Sinks.....							
Kitchen Sinks.....							
Faucets.....				\$ 1,200			
Toilets.....				\$ 400			
Other.....							
Major Electrical:							
List.....							
Other.....							
Structures:							
Windows.....							
Screens.....							
Walls.....							
Roofing.....							
Siding.....							
Exterior Painting.....							
Interior Painting.....				\$ 10,786	\$ 4,560		
Paving:							
Asphalt.....							
Concrete.....		\$ 3,500					
Seal & Stripe.....							
Other.....							
Landscape & Grounds:							
Landscaping.....							
Lawn Equipment.....							
Fencing.....							
Recreation Area.....							
Signs.....							
Other Tree Trimming.....		\$ 5,000	\$ 3,150				
Accessibility Features:							
List.....							
Other.....							
Automation Equipment:							
Site Management.....							
Common Area.....							
Other.....							
Other:							
List.....							
List.....							
List.....							
TOTAL CAPITAL EXPENSES:		\$ 11,900	\$ 3,150	\$ 24,656	\$ 5,480	\$ -	\$ 2

Form ED 3560-7 Page 2

Appendix C: Financial Statements

PART VI - SIGNATURES, DATES AND COMMENTS

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.

8/10/2012

(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.

Appendix C: Financial Statements

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

Position 3
**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		
	BEGINNING DATES>	CURRENT YEAR 7/1/2011	PRIOR YEAR 7/1/2010	COMMENTS
	ENDING DATES>	6/30/2012	6/30/2011	
ASSETS				
CURRENT ASSETS				
1. GENERAL OPERATING ACCOUNT.....		\$ 328,595	\$ 179,644	
2. R.E. TAX & INSURANCE ACCOUNT.....				
3. RESERVE ACCOUNT.....		646,400	524,468	
4. SECURITY DEPOSIT ACCOUNT.....		116,755	114,183	
5. OTHER CASH (<i>identify</i>).....		0	150	petty cash
6. OTHER (<i>identify</i>).....		39	39	LAIF RR
7. TOTAL ACCOUNTS RECEIVABLE (<i>Attach list</i>).....		1,196,544	20,103	SERNA REC & A/R
ACCTS RCVBL 0-30 DAYS	\$1,196,544			
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 (<i>specify</i>).....				
10. PREPAYMENTS.....		19,034	18,055	
11.				
12. TOTAL CURRENT ASSETS (Add 1 thru 11)		2,307,367	856,642	
FIXED ASSETS				
13. LAND.....		0	0	
14. BUILDINGS.....		16,203,505	16,190,285	
15. LESS: ACCUMULATED DEPRECIATION.....		(306,509)	(278,767)	
16. FURNITURE & EQUIPMENT.....		0	0	
17. LESS: ACCUMULATED DEPRECIATION.....		0	0	
18. <u>SITE AND OFF-SITE IMPROVEMENTS</u>		0	0	
19. TOTAL FIXED ASSETS (Add 13 thru 18)		15,896,996	15,911,518	
OTHER ASSETS				
20. <u>INTANGIBLE ASSETS NET OF ACCUMULATED AMORT.</u>		0	0	
21. TOTAL ASSETS (Add 12, 19 and 20)		18,204,363	16,768,160	
LIABILITIES AND OWNERS EQUITY				
CURRENT LIABILITIES				
22. TOTAL ACCOUNTS PAYABLE (<i>Attach list</i>).....		46,029	37,382	
ACCTS PAYABLE 0-30 DAYS	\$46,029			
ACCTS PAYABLE 30-60 DAYS	\$0			
ACCTS PAYABLE 60-90 DAYS	\$0			
ACCTS PAYABLE OVER 90 DAYS	\$0			
23. NOTES PAYABLE (<i>Attach list</i>).....		0	0	
24. OTHER CURRENT LIABILITIES.....				
25. SECURITY DEPOSITS.....		116,341	112,571	
26. TOTAL CURRENT LIABILITIES (Add 22 thru 25)		\$ 162,370	\$ 149,953	

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.

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Appendix C: Financial Statements

LONG-TERM LIABILITIES

27. NOTES PAYABLE RURAL DEVELOPMENT.....	\$	792,510	\$	700,207
28. OTHER (Identify).....		90,173		8,789
29. TOTAL LONG-TERM LIABILITIES (Add 26 and 27).....		882,683		708,996
30. TOTAL LIABILITIES (Add 25 and 28).....		1,045,053		858,949
31. OWNER'S EQUITY (Net Worth) (21 minus 29).....		17,159,310		15,909,211
32. TOTAL LIABILITIES AND OWNER'S EQUITY (Add 29 and 30)	\$	18,204,363	\$	16,768,160

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.

8/21/2012
(Date)

(Signature of Borrower or Borrower's Representative)

Controller
(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.

Appendix C: Financial Statements

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

Position 3
**MULTIPLE FAMILY HOUSING PROJECT BUDGET/
UTILITY ALLOWANCE**

FORM APPROVED
OMB NO. 0575-0189

PROJECT NAME Linnell/Woodville/Visalia/Terra Bella		BORROWER NAME Housing Authority of the County of Tulare		BORROWER ID AND PROJECT NO.	
Loan/Transfer Amount \$		Note Rate Payment \$		IC Payment \$	
Reporting Period <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly	Budget Type <input type="checkbox"/> Initial <input checked="" type="checkbox"/> Regular Report <input type="checkbox"/> Rent Change <input type="checkbox"/> SNR <input type="checkbox"/> Other Servicing	Project Rental Type <input checked="" type="checkbox"/> Family <input type="checkbox"/> Elderly <input type="checkbox"/> Congregate <input type="checkbox"/> Group Home <input type="checkbox"/> Mixed <input type="checkbox"/> LH	Profit Type <input type="checkbox"/> Full Profit <input checked="" type="checkbox"/> Limited Profit <input type="checkbox"/> Non-Profit	The following utilities are master metered. <input checked="" type="checkbox"/> Electricity <input type="checkbox"/> Gas <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Sewer <input type="checkbox"/> Trash <input type="checkbox"/> Other	
					<input type="checkbox"/> I hereby request units of RA. Current number 23 of RA units Borrower Accounting Method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual

PART I-CASH FLOW STATEMENT

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
BEGINNING DATES> ENDING DATES>	7/1/2011 6/30/2012	7/1/2011 6/30/2012		
OPERATIONAL CASH SOURCES				
1. RENTAL INCOME.....	1,635,300	1,593,564		
2. RHS RENTAL ASSISTANCE RECEIVED.....		22,743		
3. APPLICATION FEES RECEIVED.....				
4. LAUNDRY AND VENDING.....				
5. INTEREST INCOME.....	3,700	1,647		
6. TENANT CHARGES.....	7,500	6,634		
7. OTHER - PROJECT SOURCES.....	9,780	9,150		
8. LESS (Vacancy and Contingency Allowance).....	(32,706)			
9. LESS (Agency Approved Incentive Allowance).....				
10. SUB-TOTAL [(1 thru 7) - (8 & 9)].....	1,623,574	1,633,738	0	
NON-OPERATIONAL CASH SOURCES				
11. CASH - NON PROJECT.....				
12. AUTHORIZED LOAN (Non-RHS).....				
13. TRANSFER FROM RESERVE.....	219,600	2,855		
14. SUB-TOTAL (11 thru 13).....	219,600	2,855	0	
15. TOTAL CASH SOURCES (10 + 14).....	1,843,174	1,636,593	0	
OPERATIONAL CASH USES				
16. TOTAL O&M EXPENSES (From Part II).....	1,438,750	1,302,368	0	
17. RHS DEBT PAYMENT.....	61,584	55,895		
18. RHS PAYMENT (Overage).....				
19. RHS PAYMENT (Late Fee).....				
20. REDUCTION IN PRIOR YEAR PAYABLES.....		0		prior year adjustment
21. TENANT UTILITY PAYMENTS.....				
22. TRANSFER TO RESERVE.....	121,844	124,787		
23. LONG-TERM IMPROVEMENTS.....	0			
24. RETURN TO OWNER/NP ASSET MANAGEMENT FEE.....	0	0		
25. SUB-TOTAL (16 thru 23).....	1,622,178	1,483,050	0	
NON-OPERATIONAL CASH USES				
26. AUTHORIZED DEBT PAYMENT (Non-RHS).....	0	0		
27. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6).....	219,600	2,855	0	
28. MISCELLANEOUS.....		0		
29. SUB-TOTAL (25 thru 27).....	219,600	2,855	0	
30. TOTAL CASH USES (24+28).....	1,841,778	1,485,905	0	
31. NET CASH (DEFICIT) (15-29).....	1,396	150,688	0	
CASH BALANCE				
32. BEGINNING CASH BALANCE.....	100,708	177,757		
33. ACCRUAL TO CASH ADJUSTMENT.....				
34. ENDING CASH BALANCE (30 + 31 + 32).....	102,104	328,445	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.

Appendix C: Financial Statements

PART II-OPERATING AND MAINTENANCE EXPENSE SCHEDULE				
	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
1. MAINTENANCE AND REPAIRS PAYROLL.....	126,598	126,783		
2. MAINTENANCE AND REPAIRS SUPPLY.....	122,769	97,712		
3. MAINTENANCE AND REPAIRS CONTRACT.....	54,818	53,962		
4. PAINTING.....	3,000	3,000		
5. SNOW REMOVAL.....				
6. ELEVATOR MAINTENANCE/CONTRACT.....				
7. GROUNDS.....	126,598	126,783		Bridge St Lawn Control
8. SERVICES.....	13,252	10,426		Pest/Water Testing
9. ANNUAL CAPITAL BUDGET (From Part V- Operating)	164,250	88,236		
10. OTHER OPERATING EXPENSES (Items 9)	9,259	3,279		Security
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10)	620,544	510,181	0	0
12. ELECTRICITY (if master metered)	48,426	41,018		Elec/Gas Comb in Error
13. WATER (check box on front)	11,128	10,753		
14. SEWER.....	8,749	8,297		
15. FUEL (Oil/Coal/Gas)	0	2,845		See budg for elec-err
16. GARBAGE & TRASH REMOVAL.....	142,196	144,348		
17. OTHER UTILITIES.....				
18. SUB-TOTAL UTILITIES (12 thru 17)	210,499	207,261	0	0
19. SITE MANAGEMENT PAYROLL.....	148,264	147,881		
20. MANAGEMENT FEE.....	181,472	181,473		
21. PROJECT AUDITING EXPENSE.....	3,025	2,292		
22. PROJECT BOOKKEEPING/ACCOUNTING.....				
23. LEGAL EXPENSES.....	3,000	3,103		
24. ADVERTISING.....	1,325	2,045		
25. TELEPHONE & ANSWERING SERVICE.....				
26. OFFICE SUPPLIES.....	39,348	38,329		
27. OFFICE FURNITURE AND EQUIPMENT.....				
28. TRAINING EXPENSE.....	2,916	2,114		
29. HEALTH INS. & OTHER EMP. BENEFITS.....	167,138	158,792		
30. PAYROLL TAXES.....				
31. WORKER'S COMPENSATION.....	25,861	13,174		Includes PYA -5577.61
32. OTHER ADMINISTRATIVE EXPENSES (Items 31)	500	799		collection losses
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32)	572,849	550,002	0	0
34. REAL ESTATE TAXES.....				
35. SPECIAL ASSESSMENTS.....				
36. OTHER TAXES, LICENSES AND PERMITS.....	5,518	6,844		SWRC Permits
37. PROPERTY & LIABILITY INSURANCE.....	29,340	28,080		
38. FIDELITY COVERAGE INSURANCE.....				
39. OTHER INSURANCE.....				
40. SUB-TOTAL TAXES & INSURANCE (34 thru 39)	34,858	34,924	0	0
41. TOTAL O&M EXPENSES (11 + 18 + 33 + 40)	1,438,750	1,302,368	0	0

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

Appendix C: Financial Statements

PART III-ACCOUNT BUDGETING/STATUS				
	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
RESERVE ACCOUNT:				
1. BEGINNING BALANCE.....	523,620	524,467		
2. TRANSFER TO RESERVE.....	121,844	124,787		Inc Int 2943
TRANSFER FROM RESERVE.....				
3. OPERATING DEFICIT.....				
4. ANNUAL CAPITAL BUDGET (Part V - Reserve)	219,600	2,855		
5. BUILDING & EQUIPMENT REPAIR.....				
6. OTHER NON-OPERATING EXPENSES.....				
7. TOTAL (3 thru 6)	219,600	2,855	0	
8. ENDING BALANCE [(1 + 2) - 7]	425,864	646,399	0	
GENERAL OPERATING ACCOUNT:*				
BEGINNING BALANCE.....		179,644		7/1/2011
ENDING BALANCE.....		328,445		6/30/2012
REAL ESTATE AND INSURANCE ESCROW ACCOUNT:*				
BEGINNING BALANCE.....				
ENDING BALANCE.....				
TENANT SECURITY DEPOSIT ACCOUNT:*				
BEGINNING BALANCE.....		114,183		7/1/2011
ENDING BALANCE.....		114,755		6/30/2012
<i>(*Complete upon submission of actual expenses.)</i>				
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.

Appendix C: Financial Statements

PART IV RENT SCHEDULE AND UTILITY ALLOWANCE												
A. CURRENT APPROVED RENTS/UTILITY ALLOWANCE												
UNIT DESCRIPTION				RENTAL RATES			POTENTIAL INCOME FROM EACH RATE			UTILITY ALLOWANCE		
BR. SIZE	UNIT TYPE	NUMBER	BASIC	NOTE	RATE	HUD	BASIC	NOTE	RATE		HUD	
2	LB+S	48	\$308		\$308		\$173,376		\$173,376		\$50	
2	LB+T	1	\$428		\$427		\$5,078		\$5,078		\$50	
3	LB+S	101	\$346		\$341		\$413,292		\$413,292		\$63	
3	LB+M	20	\$371		\$368		\$87,840		\$87,840		\$63	
3	LB+A	10	\$485		\$480		\$57,600		\$57,600		\$63	
3	LB+T	1	\$211		\$208		\$2,472		\$2,472		\$63	
4	LB+H	10	\$388		\$380		\$45,720		\$45,720		\$70	
2	WVL+S	37	\$301		\$301		\$1,33,644		\$1,33,644		\$50	
3	WVL+T	1	\$211		\$208		\$2,472		\$2,472		\$63	
3	WVL+S	100	\$346		\$341		\$409,200		\$409,200		\$63	
3	WVL+M	23	\$371		\$368		\$101,016		\$101,016		\$63	
4	WVL+H	12	\$366		\$360		\$54,664		\$54,664		\$70	
2	TB+H	8	\$331		\$328		\$31,296		\$31,296		\$56	
3	TB+H	6	\$371		\$368		\$26,352		\$26,352		\$67	
2	VE+M	7	\$56		\$55		\$29,484		\$29,484		\$54	
3	VE+L	8	\$401		\$398		\$38,016		\$38,016		\$70	
CURRENT RENT TOTALS:							\$ 1,611,720	\$ 1,611,720				
							BASIC	NOTE	HUD			

B. PROPOSED RENTS - Effective Date: 7/1/2011											
UNIT DESCRIPTION				RENTAL RATES			POTENTIAL INCOME FROM EACH RATE				
BR. SIZE	UNIT TYPE	NUMBER	BASIC	NOTE	RATE	HUD	BASIC	NOTE	RATE	HUD	
2	LB+S	48	\$308		\$308		\$ 176,256		\$ 176,256		
2	LB+T	1	\$428		\$428		\$ 5,136		\$ 5,136		
3	LB+S	101	\$346		\$346		\$ 419,352		\$ 419,352		
3	LB+M	20	\$371		\$371		\$ 89,040		\$ 89,040		
3	LB+A	10	\$485		\$485		\$ 58,200		\$ 58,200		
3	LB+T	1	\$211		\$211		\$ 2,532		\$ 2,532		
4	LB+H	10	\$388		\$388		\$ 46,320		\$ 46,320		
2	WVL+S	37	\$301		\$301		\$ 135,864		\$ 135,864		
3	WVL+T	1	\$211		\$211		\$ 2,532		\$ 2,532		
3	WVL+S	100	\$346		\$346		\$ 415,200		\$ 415,200		
3	WVL+M	23	\$371		\$371		\$ 102,396		\$ 102,396		
4	WVL+H	12	\$366		\$366		\$ 55,944		\$ 55,944		
2	TB+H	8	\$331		\$331		\$ 31,776		\$ 31,776		
3	TB+H	6	\$371		\$371		\$ 26,712		\$ 26,712		
2	VE+M	7	\$56		\$56		\$ 29,984		\$ 29,984		
3	VE+L	8	\$401		\$401		\$ 38,496		\$ 38,496		
CURRENT RENT TOTALS:							\$ 1,635,384	\$ 1,635,384			
							BASIC	NOTE	HUD		

C. PROPOSED UTILITY ALLOWANCE - Effective Date: 7/1/2011										
MONTHLY DOLLAR ALLOWANCES										
BR. SIZE	UNIT TYPE	NUMBER	ELECTRIC	GAS	WATER	SEWER	TRASH	OTHER	TOTAL	
2	LB+S	48	\$37	\$26					\$63	\$63
2	LB+T	1	\$37	\$26					\$63	\$63
3	LB+S	101	\$47	\$29					\$76	\$76
3	LB+M	20	\$47	\$29					\$76	\$76
3	LB+A	10	\$47	\$29					\$76	\$76
3	LB+T	1	\$47	\$29					\$76	\$76
4	LB+H	10	\$52	\$36					\$88	\$88
2	WVL+S	37	\$37	\$26					\$63	\$63
3	WVL+T	1	\$47	\$29					\$76	\$76
3	WVL+S	100	\$47	\$29					\$76	\$76
3	WVL+M	23	\$47	\$29					\$76	\$76
4	WVL+H	12	\$52	\$36					\$88	\$88
2	TB+H	8	\$20	\$36					\$56	\$56
3	TB+H	6	\$26	\$30					\$56	\$56
2	VE+M	7	\$39	\$28					\$67	\$67
3	VE+L	8	\$55	\$32					\$87	\$87

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

Appendix C: Financial Statements

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.....	33			\$ 20,000	\$ 33,317		
Cabinets:							
Kitchens.....	2			\$ 12,000	\$ 1,695		
Bathrooms.....							
Medicine Cabinets.....							
Kitchen Cab/Cairstops.....							
Doors:							
water heater doors.....				\$ 1,650			
sliding doors.....				\$ 10,000			
Other.....							
Window Coverings:							
List.....							
Other.....							
Heating & Air Conditioning:							
Heating.....							
Air Conditioning.....							
A/C Cooler.....				\$ 6,950			
Plumbing:							
Water Heater.....	4			\$ 10,000	\$ 1,735		
Bath Sinks.....							
Kitchen Sinks.....							
Faucets.....							
Toilets.....							
Other: clean sewer lines.....	1			\$ 11,300	\$ 5,650		
Major Electrical:							
List.....							
Other: Lighting.....							
Structures:							
Windows.....	3	\$ 131,600		\$ 900			
Screens.....							
Walls.....							
Roofing.....							
Siding.....				\$ 350			
Exterior Painting.....							
Interior Painting.....	30			\$ 32,300			
Paving:							
Asphalt.....							
Concrete.....				\$ 2,000			
Seal & Stripe.....		\$ 88,000					
Other.....							
Landscape & Grounds:							
Landscaping.....	3			\$ 1,900			
Lawn Equipment.....							
Fencing.....				\$ 600			
Recreation Area.....							
Signs.....							
Other: Tree Trimming.....				\$ 12,000	\$ 15,905		
Accessibility Features:							
List.....							
Other.....							
Automation Equipment:							
Site Management.....							
Common Area.....							
Other.....							
Other:							
Pump switch repairs.....				\$ 14,500			
Waste pond repair.....	1			\$ 3,000			
Pump house repair.....				\$ 7,000			
Clean pond #1 treatment.....				\$ 15,000			
Tools.....				\$ 2,800			
Repair Water Main Leak.....			\$ 2,855				
TOTAL CAPITAL EXPENSES:		\$ 219,600	\$ 2,855	\$ 164,250	\$ 58,302	\$ -	\$ -

Form ND 3560-7 Page 3

Appendix C: Financial Statements

PART VI - SIGNATURES, DATES AND COMMENTS

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.

9/20/2011

(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.

Appendix C: 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, 2012

Project Numbers	Funds Approved	Funds Advanced	Funds Expended	Excess (Deficiency)
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	\$ -
CA39-SO30-50109	\$ 1,962,885	\$ 1,962,885	\$ 1,962,885	\$ -
CA39-PO30-50110	\$ 1,531,227	\$ 603,454	\$ 1,458,839	\$ (855,385)
CA39-PO30-50111	\$ 1,272,261	\$ 870,195	\$ 1,272,261	\$ (402,066)
CA39-PO30-50112	\$ 1,172,049	\$ 757,287	\$ 757,287	\$ -

Appendix C: 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)



KELLER & ASSOCIATES, LLP

18645 Sherman Way, Suite 110

Reseda, CA 91335

818.383.3079

www.kellerllp.com

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, 2012, and have issued our report thereon dated October 15, 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 purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, 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
October 15, 2012



KELLER & ASSOCIATES, LLP

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Reseda, CA 91335

818.383.3079

www.kellerllp.com

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, 2012. 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, 2012.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE 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
October 15, 2012

Appendix C: Financial Statements

HOUSING AUTHORITY OF THE COUNTY OF TULARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Federal Expenditures 2012	Federal Expenditures 2011
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Low Rent Public Housing	14.OPS	\$ 1,574,784	\$ 2,384,578
Housing Choice Rental Voucher Program	14.HCV	16,604,742	18,559,462
Public Housing Capital Fund Program	14.CFP	1,800,646	1,572,452
Formula Capital Fund Stimulus Grant – ARRA Grant	14.885	-	506,681
HUD-Veterans Affairs Supportive Housing (HUD-VASH) Program	14.VSH	-	71,118
Section 8 Moderate Rehabilitation Program	14.856	-	23,049
Total HUD		<u>\$ 19,980,172</u>	<u>\$ 23,117,340</u>

HOUSING AUTHORITY OF THE COUNTY OF TULARE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

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

Appendix C: Financial Statements

HOUSING AUTHORITY OF THE COUNTY OF TULARE SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2012

SECTION 1 - 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:

<u>C DFA Number</u>	<u>Name of Federal Program</u>
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.

HOUSING AUTHORITY OF THE COUNTY OF TULARE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2012

SECTION I - SUMMARY OF AUDITORS' RESULTS (continued)

9. The Housing Authority of the County of Tulare was determined to be a low-risk auditee.

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs to be reported.

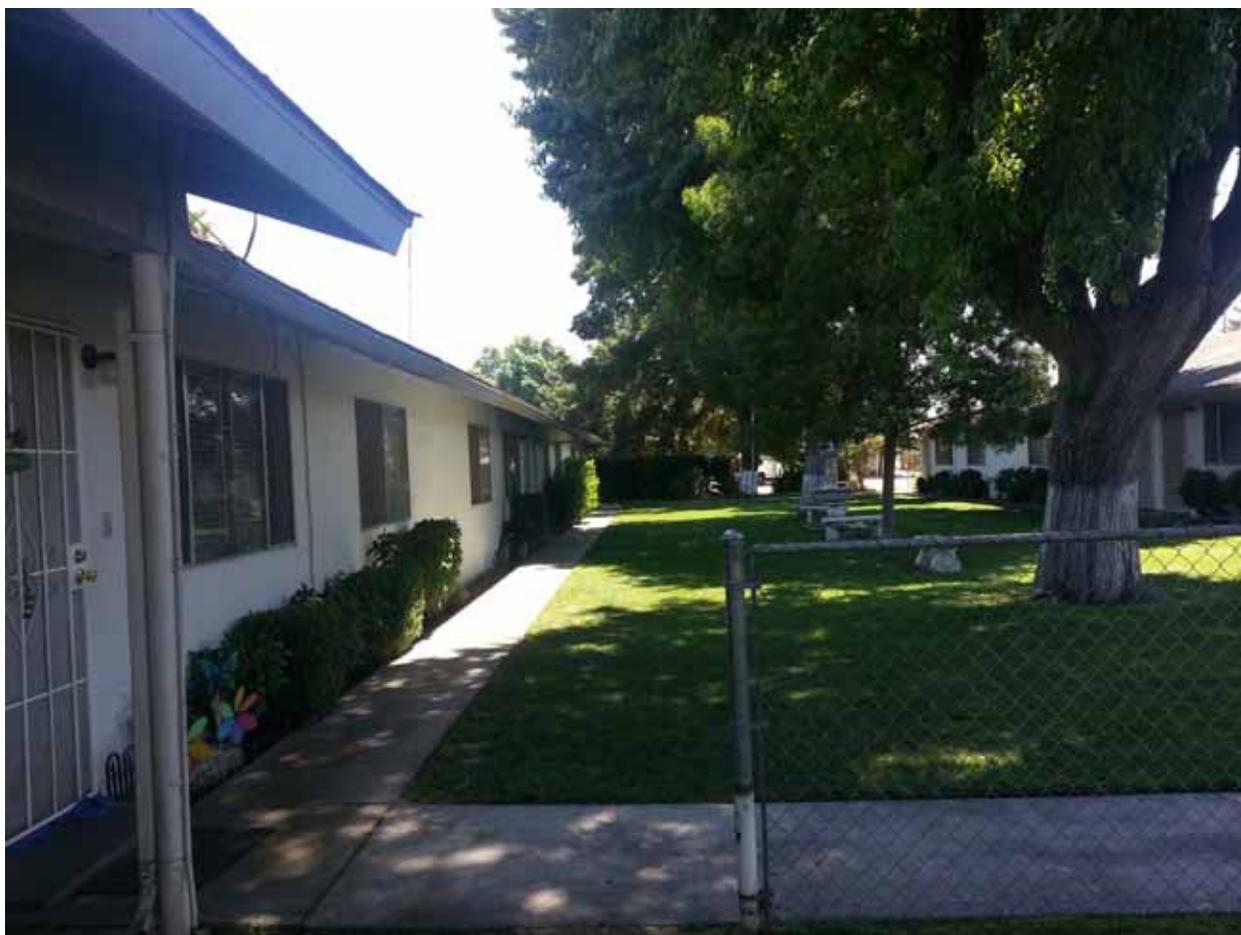
SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs to be reported.

New MTW Leveraging

Tulare County Housing Authority Current Projects Using MTW Leveraging

Lotas & Newcomb	11 Units
Ashland Apartments	10 Units
Sequoia Villas	19 Units
Aspen Court Apartments	47 Units
Newcomb Court	81 Units
Visalia Gardens	46 Units
East Kaweah	8 Units
Projected Total	222 Units



Lotas & Newcomb

The Lotas & Newcomb property is an existing apartment complex that came up for sale as part of an estate sale. The property consists of four buildings, the estate owner's principal residence, (three bedroom and two baths 1,800 sq. ft.); the detached garage that has been converted into two studio apartments, approximately 300 sq. ft. each (we count this as two buildings); then there are two fourplex buildings, eight units total that are 870 sq. ft. with two bedrooms and one bath. We successfully negotiated with the estate trustee and court to purchase this property with MTW funds for \$562,500 plus closing costs.



Ashland Apartments

The Ashland Apartments is 10 units comprised of two fiveplex buildings. Constructed in 1986 as part of the State HOME Program, the 10 units were owned by the City of Lindsay Redevelopment Agency. With the termination of redevelopment agencies in the State of California, the City of Lindsay decided to not create a successor agency to handle the limited number of projects for the Redevelopment Agency. As the law was implemented, the City of Lindsay offered the project to the Housing Authority. After review and inspection, the Housing Authority agreed to assume ownership of the project subject to the existing debt from the State HOME Program.



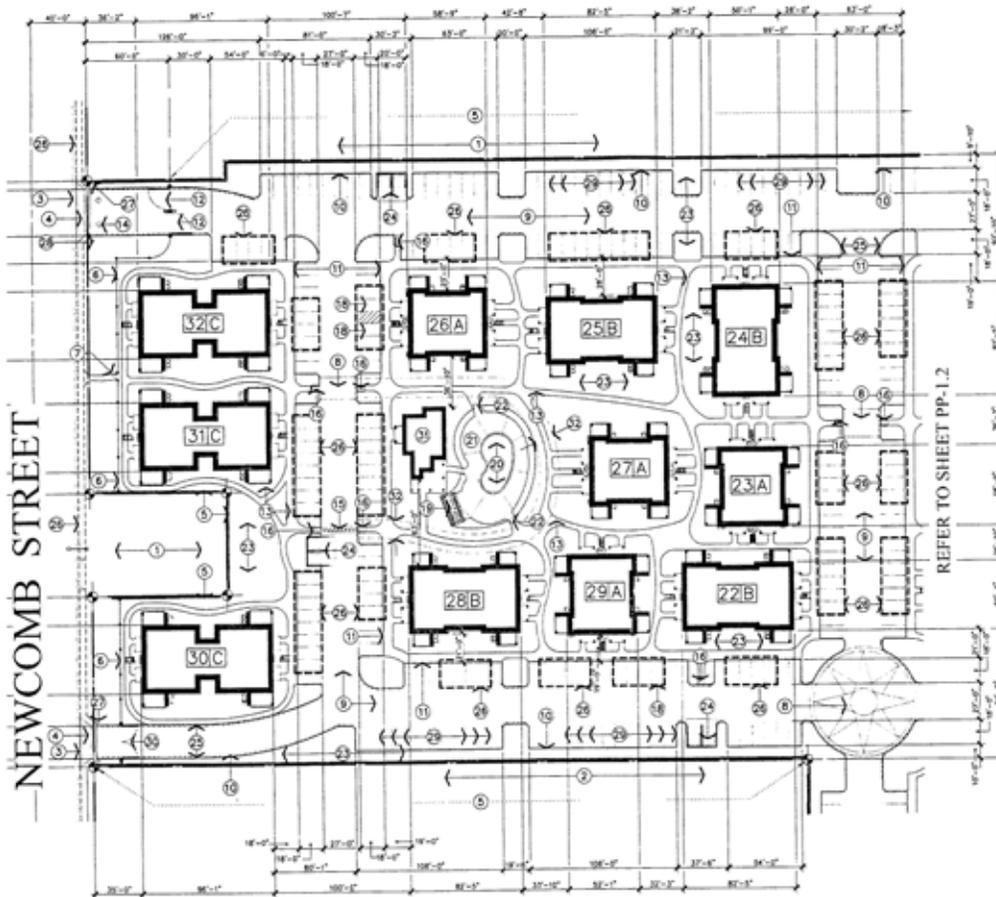
Sequoia Villas

The Sequoia Villas project has been awarded tax credits and is now under construction. The project will be utilizing MTW funding of approximately \$500,000 along with the 17-lot subdivision and two new homes that were transferred to HATC as the successor agency for the City of Lindsay Redevelopment Agency. This project may also be using the MTW program for the project-based vouchers at 50% of the units as allowed with MTW.



Aspen Court Apartments

The Aspens project is a 47-unit project utilizing multiple layers of financing, including two million dollars of MTW funding as a project residual receipts loan. The project will be built on 13 individual lots, all in an excellent location utilizing the full cul-de-sac of the street. The project will include 16 two-bedroom units and 31 three-bedroom units, along with a community center that will be approximately 2,000 square feet in size.



PARTIAL A
SITE PLAN



Newcomb Court

The proposed project, Newcomb Court Apartments, is an 81-unit, new-construction, rental project situated near the southwest corner of Henderson Avenue and Newcomb Street in the City of Porterville, Tulare County. With a mix of 16 one-bedroom units (approximately 700 sq. ft.), 40 two-bedroom units (approximately 900 sq. ft.) and 24 three-bedroom units (approximately 1,100 sq. ft.), the proposed project will target families earning up to 60% of the area median income for Tulare County. The project is the first component of a larger master plan which includes commercial and retail space, as well as market rate apartments.



Visalia Gardens

Visalia Gardens is a HUD-mortgaged project which has only two years left on the HUD loan. The owner put the project on the market to sell. HATC saw a chance to keep a low-income project affordable and used MTW reserves of \$600,000 to option the property. The first payment was made in 2012, and a second is to be made in 2013, with the project deeded to HATC at the end of the HUD loan. 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.



East Kaweah

Kaweah Management Company bought two triplexes in the City of Visalia on East Kaweah Avenue, for \$240,000 (about the value of the lots), with the idea of a major renovation project. The City of Visalia Redevelopment Agency committed \$480,000 of Low-Mod Redevelopment funds to reimburse Kaweah Management Company for the purchase price 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. The project construction was completed and units were available to rent as of December 2012. The units were fully occupied by the end of January 2013. The project was fully leased as of June 30, 2013