

March 18, 2008

Board of Commissioners
Housing Authority of the County of Marin
Marin County Civic Center
San Rafael, California 94903

SUBJECT: Audits for the Marin County Housing Authority federally funded and state funded projects for the Fiscal Year Ended December 31, 2006

RECOMMENDATION: Accept the audits for the Housing Authority, for the Fairfax Vest Pocket Enterprise Fund and the Isabel Cook Enterprise Fund, all for the Fiscal Year Ended December 31, 2006.

SUMMARY: Attached please find the independent auditor's reports prepared by Harn & Dolan, certified public accountants, relative to the examination of the Housing Authority's books, records and general purpose financial statements for the fiscal year ended December 31, 2006. Included are 1) the Basic Financial Statements of the Housing Authority, 2) the Financial Statements for the Fairfax Vest Pocket Enterprise Fund and 3) the Financial Statements for the Isabel Cook Enterprise Fund.

- 1) Basic Financial Statements of the Housing Authority. These financial statements are primarily for the various federally-funded Section 8 and public housing programs. As you will note on the last page (page 51) *Schedule of Findings and Recommendations*, the auditors have expressed an "unqualified (clean) opinion" on the Authority's financial position and results of its operations and have made no findings. In its management letter, the auditor describes 2 areas where internal controls and operating procedures need to be strengthened. These areas are within our two state funded projects, Isabel Cook and Fairfax Vest Pocket.
- 2) Fairfax Vest Pocket Enterprise Fund. The Housing Authority acquired the 18-family Fairfax Vest Pocket project in 1998 from Innovative Housing by assuming the outstanding state and county loans on the project. The auditor has made a finding for Fairfax Vest Pocket regarding the timeliness of unit inspections.
- 3) Isabel Cook Enterprise Fund. The 18-unit Isabel Cook project in San Anselmo was built with a loan from the state's Department of Housing and Community Development. The auditor has made a finding regarding better controls for unit inspections and recertification for correct rent calculation.

In all cases staff agrees with the auditor's recommendations and has developed a work plan to correct the findings/recommendations. Staff responses are found after the audit findings for the two state funds and for the Basic Financial Statements of the Housing Authority, staff responses are found after the applicable comment in the auditor's management letter.

FISCAL IMPACT: None. Funds are budgeted for this process each year.

Barbara Collins
Executive Director

Attachments