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**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

**A** For the 2010 calendar year, or tax year beginning **JUL 1, 2010** and ending **JUN 30, 2011**

<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>MERCED HOUSING TEXAS</b>		<b>D</b> Employer identification number <b>74-2740889</b>	
	Doing Business As		<b>E</b> Telephone number <b>(210) 281-0234</b>	
	Number and street (or P O box if mail is not delivered to street address) Room/suite <b>212 WEST LAUREL STREET</b>			
	City or town, state or country, and ZIP + 4 <b>SAN ANTONIO, TX 78212</b>		<b>G</b> Gross receipts \$ <b>5,482,690.</b>	
<b>F</b> Name and address of principal officer: <b>SUSAN R SHEERAN SAME AS C ABOVE</b>		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) <b>H(c)</b> Group exemption number ▶ <b>0928</b>		
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c)( ) (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
<b>J</b> Website: ▶ <b>WWW.MERCEDHOUSINGTEXAS.ORG</b>				
<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			<b>L</b> Year of formation <b>1995</b>	
<b>M</b> State of legal domicile <b>TX</b>				

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>PROVIDING AFFORDABLE, SERVICE-ENRICHED HOUSING</b>	
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b> <b>12</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b> <b>12</b>
	<b>5</b> Total number of individuals employed in calendar year 2010 (Part V, line 2a)	<b>5</b> <b>16</b>
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b> <b>150</b>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b> <b>0.</b>
<b>7b</b> Net unrelated business taxable income from Form 990-B, line 34	<b>7b</b> <b>0.</b>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b> <b>709,525.</b> <b>Current Year</b> <b>283,810.</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	<b>6,492,034.</b> <b>5,013,727.</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>44,798.</b> <b>51,857.</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>23,989.</b> <b>7,047.</b>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>7,270,346.</b> <b>5,356,441.</b>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>0.</b> <b>0.</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	<b>0.</b> <b>0.</b>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>519,148.</b> <b>501,822.</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	<b>0.</b> <b>0.</b>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>7,188.</b>	
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	<b>7,460,569.</b> <b>4,775,811.</b>
<b>18</b> Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>7,979,717.</b> <b>5,277,633.</b>	
<b>19</b> Revenue less expenses Subtract line 18 from line 12	<b>-709,371.</b> <b>78,808.</b>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Current Year</b> <b>40,515,492.</b> <b>End of Year</b> <b>25,586,629.</b>
	<b>21</b> Total liabilities (Part X, line 26)	<b>40,057,333.</b> <b>23,344,044.</b>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	<b>458,159.</b> <b>2,242,585.</b>

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

<b>Sign Here</b>	Signature of officer: <b>Susan R. Sheeran</b>		Date: <b>3/21/12</b>		
	Type or print name and title: <b>SUSAN R SHEERAN, PRESIDENT</b>				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name: <b>Joy Reiner</b>	Preparer's signature: <i>Joy Reiner</i>	Date: <b>3/21/12</b>	Check if self-employed: <input type="checkbox"/>	PTIN: _____
	Firm's name: <b>BDO USA LLP</b>	Firm's EIN: _____		Phone no: <b>210-342-8000</b>	
Firm's address: <b>40 NE LOOP 410, SUITE 200 SAN ANTONIO, TX 78216-5876</b>					

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

SCANNED APR 17 2012

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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

X

1 Briefly describe the organization's mission
PROVIDING AFFORDABLE, SERVICE-ENRICHED HOUSING

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No X

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No X

If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code ) (Expenses \$ 4,463,874. including grants of \$ ) (Revenue \$ 5,013,727. )
MULTIFAMILY HOUSING PROGRAM: MERCED PROVIDES QUALITY, AFFORDABLE, SERVICE-ENRICHED MUTIFAMILY HOUSING TO LOW INCOME FAMILIES IN TEXAS. THROUGH ITS SUBSIDIARIES, MERCED HOUSING TEXAS OWNS AND OPERATES 4 APARTMENT COMMUNITIES IN SAN ANTONIO, TEXAS AND 1 IN CONROE, TEXAS. THROUGH PARTNERSHIPS WITH PRIVATE DEVELOPERS, MERCED DEVELOPED 7 PROPERTIES OF LIHTC MULTIFAMILY HOUSING IN SAN ANTONIO, GOLIAD, CORPUS CHRISTI, KARNES CITY, AND FORT WORTH.

4b (Code: ) (Expenses \$ 178,748. including grants of \$ ) (Revenue \$ )
RESIDENT SERVICES PROGRAM: COORDINATES COMMUNITY SERVICES AND SUPPORTIVE PROGRAMS FOR RESIDENTS AT AFFORDABLE MULTI-FAMILY PROPERTIES. IN FY 2010-11, MERCED SERVED OVER 4,500 FAMILIES. RESIDENTS RECEIVED SOME OR ALL OF THE FOLLOWING SERVICES: FOOD AND CLOTHING DISTRIBUTION, FINANCIAL LITERACY TRAINING, AFTER-SCHOOL AND SUMMER PROGRAMS FOR CHILDREN, OPPORTUNITES FOR GED OR ESL CLASSES, HEALTH FAIRS, HEALTH SCREENINGS, COMMUNITY-BUILDING ACTIVITIES AND REFERRALS TO COMMUNITY SERVICES.

4c (Code: ) (Expenses \$ 26,282. including grants of \$ ) (Revenue \$ )
SINGLE-FAMILY PROGRAM: ACQUIRES AND REHABILITATES HOMES WITHIN SAN ANTONIO'S LOOP 410 FOR SALE TO LOW- TO MIDDLE-INCOME INDIVIDUALS AND FAMILIES. IN 2010-11 MERCED SOLD 1 HOME.

4d Other program services. (Describe in Schedule O.)
(Expenses \$ 316,858. including grants of \$ ) (Revenue \$ )

4e Total program service expenses 4,985,762.

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	X	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach its audited financial statements to this return? <b>Note.</b> Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)		X

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		X
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		X
25a <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions).		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	X	
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?		X
a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
36 <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	X	

**Note.** All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Table with columns for question ID, description, and Yes/No responses. Includes questions 1a through 14b regarding IRS filings and tax compliance.

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O See instructions

Check if Schedule O contains a response to any question in this Part VI

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year		
<b>1b</b>	Enter the number of voting members included in line 1a, above, who are independent		
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b>	Does the organization have members or stockholders?		X
<b>7a</b>	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
<b>7b</b>	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>8a</b>	The governing body?	X	
<b>8b</b>	Each committee with authority to act on behalf of the governing body?	X	
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code)

		Yes	No
<b>10a</b>	Does the organization have local chapters, branches, or affiliates?		X
<b>10b</b>	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
<b>11a</b>	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
<b>11b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b>	Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>12b</b>	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>12c</b>	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
<b>13</b>	Does the organization have a written whistleblower policy?	X	
<b>14</b>	Does the organization have a written document retention and destruction policy?	X	
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>15a</b>	The organization's CEO, Executive Director, or top management official	X	
<b>15b</b>	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)	X	
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	X	
<b>16b</b>	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		X

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed **NONE**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
 Own website  Another's website  Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **THE ORGANIZATION - (210)281-0234**  
**212 WEST LAUREL STREET, SAN ANTONIO, TX 78212**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee"
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
JENNIFER I Blich, ESQ CHAIR	1.00	X		X			0.	0.	0.	
SISTER IMELDA GONZALEZ, CDP TREASURER	1.00	X		X			0.	0.	0.	
REBECCA ROWLAND SANCHEZ, JD DIRECTOR	1.00	X					0.	0.	0.	
SISTER SUSAN MIKA, OSB DIRECTOR	1.00	X					0.	0.	0.	
LARRY G HUFFORD, PH D DIRECTOR	1.00	X					0.	0.	0.	
SISTER GABRIELLA LOHAN, SHSP DIRECTOR	1.00	X					0.	0.	0.	
ANTHONY WARREN DIRECTOR	1.00	X					0.	0.	0.	
ROGER GARCIA DIRECTOR	1.00	X					0.	0.	0.	
BARBARA ALVAREZ DIRECTOR	1.00	X					0.	0.	0.	
ESTHER NG DIRECTOR	1.00	X					0.	0.	0.	
SISTER JEAN THOMAS DWYER, DC DIRECTOR	1.00	X					0.	0.	0.	
SISTER CARMEN SANCHEZ, MCDP DIRECTOR	1.00	X					0.	0.	0.	
SUSAN R SHEERAN PRESIDENT	40.00			X			78,541.	0.	2,084.	
KRISTIN L EVANS VICE PRESIDENT/SEC	40.00			X			55,224.	0.	6,754.	

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
<b>1b Sub-total</b>							133,765.	0.	8,838.	
<b>c Total from continuation sheets to Part VII, Section A</b>							0.	0.	0.	
<b>d Total (add lines 1b and 1c)</b>							133,765.	0.	8,838.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **0**

	Yes	No
3 Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		X

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
ARTEMIO PEREZ, T&J BUILDERS 920 S WALNUT, PEARSALL, TX 78061	REPAIRS & IMPROVEMENTS	243,093.
R&R PAINTING, ROBERT RODRIGUEZ 650 PILGRIM DR, SAN ANTONIO, TX 78213	REPAIRS & IMPROVEMENTS	108,380.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **2**

**Part VIII Statement of Revenue**

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
<b>Contributions, gifts, grants and other similar amounts</b>	<b>1 a</b> Federated campaigns	<b>1a</b>						
	<b>b</b> Membership dues	<b>1b</b>						
	<b>c</b> Fundraising events	<b>1c</b>						
	<b>d</b> Related organizations	<b>1d</b>						
	<b>e</b> Government grants (contributions)	<b>1e</b>	120,000.					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	163,810.					
	<b>g</b> Noncash contributions included in lines 1a-1f \$							
	<b>h Total.</b> Add lines 1a-1f			283,810.				
<b>Program Service Revenue</b>	<b>2 a</b> RENTAL PROPERTIES	Business Code	532000	4,341,272.	4,341,272.			
	<b>b</b> ASSET MANAGEMENT FEES		531310	672,455.	672,455.			
	<b>c</b>							
	<b>d</b>							
	<b>e</b>							
	<b>f</b> All other program service revenue							
	<b>g Total.</b> Add lines 2a-2f			5,013,727.				
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts)			51,857.			51,857.	
	<b>4</b> Income from investment of tax-exempt bond proceeds							
	<b>5</b> Royalties							
	<b>6 a</b> Gross Rents	(i) Real	(ii) Personal					
		<b>b</b> Less rental expenses						
		<b>c</b> Rental income or (loss)						
		<b>d</b> Net rental income or (loss)						
	<b>7 a</b> Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
		<b>b</b> Less cost or other basis and sales expenses						
		<b>c</b> Gain or (loss)						
		<b>d</b> Net gain or (loss)						
	<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	<b>a</b>						
		<b>b</b> Less direct expenses						
		<b>c</b> Net income or (loss) from fundraising events						
	<b>9 a</b> Gross income from gaming activities. See Part IV, line 19	<b>a</b>						
<b>b</b> Less direct expenses								
<b>c</b> Net income or (loss) from gaming activities								
<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>a</b>		110,158.					
	<b>b</b> Less cost of goods sold	<b>b</b>	126,249.					
	<b>c</b> Net income or (loss) from sales of inventory			-16,091.	-16,091.			
<b>Miscellaneous Revenue</b>			Business Code					
<b>11 a</b> DE-CONSOLID'N OF AVION			531390	23,138.			23,138.	
	<b>b</b>							
	<b>c</b>							
	<b>d</b> All other revenue							
	<b>e Total.</b> Add lines 11a-11d				23,138.			
<b>12 Total revenue.</b> See instructions				5,356,441.	4,997,636.	0.	74,995.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns  
 All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	144,781.	91,872.	52,909.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	288,226.	189,899.	98,327.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	3,008.		3,008.	
9 Other employee benefits	33,372.	15,562.	17,810.	
10 Payroll taxes	32,435.	21,367.	11,068.	
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	39,249.	34,746.	4,503.	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other	123,726.	110,880.	12,846.	
12 Advertising and promotion				
13 Office expenses	24,283.	10,923.	6,421.	6,939.
14 Information technology	10,768.	5,947.	4,821.	
15 Royalties				
16 Occupancy	18,046.	12,613.	5,433.	
17 Travel	4,097.	3,778.	70.	249.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	26,478.	13,858.	12,620.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	618,284.	610,555.	7,729.	
23 Insurance	17,796.	2,711.	15,085.	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a MULTIFAMILY SEE SCH O	3,611,890.	3,611,890.		
b PROGRAM ACTIVITY	277,701.	247,701.	30,000.	
c BUSINESS/STAFF DEV	2,782.	1,460.	1,322.	
d DUES AND SUBSCRIPTIONS	497.		497.	
e WORKER'S COMPENSATION	214.		214.	
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	5,277,633.	4,985,762.	284,683.	7,188.
26 Joint costs Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing	164,486.	<b>1</b>	359,443.
	<b>2</b> Savings and temporary cash investments	1,648,357.	<b>2</b>	1,426,513.
	<b>3</b> Pledges and grants receivable, net		<b>3</b>	
	<b>4</b> Accounts receivable, net	141,029.	<b>4</b>	47,642.
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		<b>5</b>	
	<b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		<b>6</b>	
	<b>7</b> Notes and loans receivable, net	408,083.	<b>7</b>	423,783.
	<b>8</b> Inventories for sale or use	157,197.	<b>8</b>	146,061.
	<b>9</b> Prepaid expenses and deferred charges	125,274.	<b>9</b>	99,928.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	<b>10a</b> 25,608,124.		
	<b>b</b> Less, accumulated depreciation	<b>10b</b> 5,084,943.	<b>10c</b>	20,523,181.
	<b>11</b> Investments - publicly traded securities		<b>11</b>	
	<b>12</b> Investments - other securities. See Part IV, line 11		<b>12</b>	
	<b>13</b> Investments - program-related. See Part IV, line 11		<b>13</b>	
	<b>14</b> Intangible assets		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11	6,262,545.	<b>15</b>	2,560,078.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34)	40,515,492.	<b>16</b>	25,586,629.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses	1,606,524.	<b>17</b>	183,322.
	<b>18</b> Grants payable		<b>18</b>	
	<b>19</b> Deferred revenue	76,127.	<b>19</b>	20,622.
	<b>20</b> Tax-exempt bond liabilities	21,968,000.	<b>20</b>	7,368,000.
	<b>21</b> Escrow or custodial account liability Complete Part IV of Schedule D		<b>21</b>	
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties	16,286,306.	<b>23</b>	15,672,008.
	<b>24</b> Unsecured notes and loans payable to unrelated third parties		<b>24</b>	
	<b>25</b> Other liabilities Complete Part X of Schedule D	120,376.	<b>25</b>	100,092.
	<b>26 Total liabilities.</b> Add lines 17 through 25	40,057,333.	<b>26</b>	23,344,044.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets	48,028.	<b>27</b>	2,192,799.
	<b>28</b> Temporarily restricted net assets	410,131.	<b>28</b>	49,786.
	<b>29</b> Permanently restricted net assets		<b>29</b>	
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds		<b>32</b>	
	<b>33</b> Total net assets or fund balances	458,159.	<b>33</b>	2,242,585.
	<b>34</b> Total liabilities and net assets/fund balances	40,515,492.	<b>34</b>	25,586,629.

Form 990 (2010)

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	5,356,441.
2	Total expenses (must equal Part IX, column (A), line 25)	2	5,277,633.
3	Revenue less expenses. Subtract line 2 from line 1	3	78,808.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	458,159.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	1,705,618.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	2,242,585.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
2b	Were the organization's financial statements audited by an independent accountant?	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	X	
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	X	

Form 990 (2010)



**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 through 3						
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
<b>6 Public support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
<b>7</b> Amounts from line 4						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>11 Total support.</b> Add lines 7 through 10						

**12** Gross receipts from related activities, etc. (see instructions) 12

**13 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

**Section C. Computation of Public Support Percentage**

**14** Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f)) 14 %

**15** Public support percentage from 2009 Schedule A, Part II, line 14 15 %

**16a 33 1/3% support test - 2010.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization

**b 33 1/3% support test - 2009.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization

**17a 10% -facts-and-circumstances test - 2010.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization

**b 10% -facts-and-circumstances test - 2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization

**18 Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	479,823.	866,653.	604,559.	709,525.	283,810.	2944370.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	6757537.	7553727.	7073761.	6609084.	5123885.	33117994.
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	7237360.	8420380.	7678320.	7318609.	5407695.	36062364.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0.
c Add lines 7a and 7b						0.
8 Public support (Subtract line 7c from line 6)						36062364.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6	7237360.	8420380.	7678320.	7318609.	5407695.	36062364.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	159,295.	175,346.	47,998.	44,798.	51,857.	479,294.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	159,295.	175,346.	47,998.	44,798.	51,857.	479,294.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)				2,126.	23,138.	25,264.
13 Total support (Add lines 9, 10c, 11, and 12)	7396655.	8595726.	7726318.	7365533.	5482690.	36566922.

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	15	98.62 %
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	98.61 %

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2010 (line 10c, column (f) divided by line 13, column (f))	17	1.31 %
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	1.38 %

19a 33 1/3% support tests - 2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**SCHEDULE D**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11, or 12.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

**2010**

Open to Public  
Inspection

Name of the organization **MERCED HOUSING TEXAS** Employer identification number **74-2740889**

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education)  Preservation of an historically important land area

Protection of natural habitat  Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?  Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?  Yes  No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
- b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items
- (i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_
- (ii) Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:
- a Revenues included in Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_
- b Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
1c Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f Ending balance	

2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No

b If "Yes," explain the arrangement in Part XIV

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment  \_\_\_\_\_ %
- b Permanent endowment  \_\_\_\_\_ %
- c Term endowment  \_\_\_\_\_ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		3,577,928.		3,577,928.
b Buildings		21,803,320.	4,922,026.	16,881,294.
c Leasehold improvements		3,625.	3,625.	0.
d Equipment		114,123.	100,312.	13,811.
e Other		109,128.	58,980.	50,148.
<b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				20,523,181.

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation. Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
<b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 12) ▶		

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
<b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 13) ▶		

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) TENANT SECURITY DEPOSITS	104,509.
(2) ACCRUED INTEREST RECEIVABLE	45,980.
(3) FUNDED RESERVES (BOND RELATED)	988,657.
(4) DEFERRED FINANCING COSTS (NET OF AMORTIZATION)	1,420,312.
(5) UTILITY DEPOSITS AND OTHER	620.
(6)	
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 15) ▶	2,560,078.

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) SECURITY DEPOSIT LIABILITY	100,092.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶	100,092.

2. FIN 48 (ASC 740) Footnote: In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740)

**Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	5,356,441.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	5,277,633.
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	78,808.
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	1,705,618.
9	Total adjustments (net). Add lines 4 through 8	9	1,705,618.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	1,784,426.

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	5,356,441.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	5,356,441.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	5,356,441.

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	5,277,633.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	5,277,633.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	5,277,633.

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART XI, LINE 8 - OTHER ADJUSTMENTS:**

ELIMINATION OF MERCED-SUNCREST, LLC (AVION) ON

DE-CONSOLIDATION

1,705,618.

**SCHEDULE K  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information on Tax-Exempt Bonds**  
 ▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part V.  
 ▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047  
**2010**  
 Open to Public Inspection

Name of the organization: **MERCED HOUSING TEXAS**  
 Employer identification number: **74-2740889**

**Part I Bond Issues** SEE PART V FOR COLUMN (F) CONTINUATIONS

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Deceased (h) On behalf of issuer		(i) Pooled financing			
						Yes	No	Yes	No	Yes	No
A MONTGOMERY COUNTY HFC	76-0338693613907BU7	06/01/11	6,605,000.	REMARKETING OF ORIGINAL BONDS IS			X			X	
B											
C											
D											

**Part II Proceeds**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired								
2 Amount of bonds legally defeased								
3 Total proceeds of issue		6,605,000.						
4 Gross proceeds in reserve funds		238,819.						
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds		209,368.						
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds		58,169.						
11 Other spent proceeds								
12 Other unspent proceeds		28,718.						
13 Year of substantial completion		2011						
14 Were the bonds issued as part of a current refunding issue?	X							
15 Were the bonds issued as part of an advance refunding issue?		X						
16 Has the final allocation of proceeds been made?		X						
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

**Part III Private Business Use**

1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?									
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X							

**Part III Private Business Use (Continued)**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property?		X						
<b>b</b> Are there any research agreements that may result in private business use of bond-financed property?		X						
<b>c</b> Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?								
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		%		%		%		%
<b>5</b> Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government		%		%		%		%
<b>6</b> Total of lines 4 and 5		%		%		%		%
<b>7</b> Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

**Part IV Arbitrage**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
<b>2</b> Is the bond issue a variable rate issue?		X						
<b>3a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
<b>b</b> Name of provider								
<b>c</b> Term of hedge								
<b>d</b> Was the hedge superintergrated?								
<b>e</b> Was the hedge terminated?								
<b>4a</b> Were gross proceeds invested in a GIC?		X						
<b>b</b> Name of provider								
<b>c</b> Term of GIC								
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
<b>5</b> Were any gross proceeds invested beyond an available temporary period?		X						
<b>6</b> Did the bond issue qualify for an exception to rebate?	X							

**Part V Supplemental Information.** Complete this part to provide additional information for responses to questions on Schedule K.

SCHEDULE K, PART I, BOND ISSUES:  
 (A) ISSUER NAME: MONTGOMERY COUNTY HFC  
 (F) DESCRIPTION OF PURPOSE:  
 REMARKETING OF ORIGINAL BONDS ISSUED TO PROVIDE FINANCING AND RENOVATION

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

**2010**  
Open to Public  
Inspection

Name of the organization

MERCED HOUSING TEXAS

Employer identification number

74-2740889

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

OWNER OCCUPIED REPAIR PROGRAM: PROVIDES HEALTH- AND SAFETY-RELATED  
REPAIRS TO HOMES OF SENIOR AND DISABLED HOMEOWNERS WHO CAN NO LONGER  
AFFORD TO KEEP THEIR HOMES SAFE, SANITARY OR STRUCTURALLY SOUND. THE  
PROGRAM TARGETS INDIVIDUALS AND FAMILIES WHOSE INCOME IS LESS THAN 30%  
OF THE AREA MEDIAN FAMILY INCOME. IN 2010-11, MERCED PROVIDED REPAIRS  
TO 45 HOMES.

EXPENSES \$ 316,858. INCLUDING GRANTS OF \$ 0. REVENUE \$ 0.

FORM 990, PART VI, SECTION B, LINE 11: THE FINANCE COMMITTEE REVIEWS THE  
FORM 990 PRIOR TO FILING.

FORM 990, PART VI, SECTION B, LINE 12C: AN INTERESTED PERSON MUST DISCLOSE  
THE EXISTENCE OF THE A FINANCIAL INTEREST AND BE GIVEN THE OPPORTUNITY TO  
DISCLOSE ALL MATERIAL FACTS TO THE DIRECTORS AND MEMBERS OF COMMITTEES WITH  
GOVERNING BOARD DELEGATED POWERS CONSIDERING THE PROPOSED TRANSACTION OR  
ARRANGEMENT. A DISCUSSION AND VOTE IS PERFORMED BY THE REMAINING GOVERNING  
BOARD OR COMMITTEE MEMBERS.

IF APPROPRIATE, A DISINTERESTED PERSON OR COMMITTEE IS APPOINTED TO  
INVESTIGATE ALTERNATIVES TO THE PROPOSED TRANSACTION OR ARRANGEMENT. AFTER  
EXERCISING DUE DILIGENCE, THE GOVERNING BOARD OR COMMITTEE SHALL DETERMINE  
WHETHER A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT FROM A PERSON OR  
ENTITY THAT WOULD NOT GIVE RISE TO A CONFLICT OF INTEREST. IF ONE IS NOT  
REASONABLY POSSIBLE, THE GOVERNING BOARD OR COMITTEE SHALL DETERMINE BY  
MAJORITY VOTE IF THE TRANSACTION OR ARRANGEMENT IS IN MERCED'S BEST

Name of the organization MERCED HOUSING TEXAS	Employer identification number 74-2740889
--	--

INTEREST, FOR ITS OWN BENEFIT, AND WHETHER IT IS FAIR AND REASONABLE.

FORM 990, PART VI, SECTION B, LINE 15: THE NOMINATION AND EVALUATION COMMITTEE OF THE BOARD OF DIRECTORS OF MERCED HOUSING TEXAS REVIEWS, ON AN ANNUAL BASIS, THE RESPONSIBILITIES, PERFORMANCE, AND COMPENSATION OF THE ORGANIZATION'S PRESIDENT. THIS REVIEW PROCESS HAPPENS IN CONJUNCTION WITH THE FINANCE COMMITTEE'S REVIEW AND APPROVAL OF THE ORGANIZATION'S ANNUAL BUDGET AND IS DOCUMENTED BY THE CHAIR OF THE NOMINATION AND EVALUATION COMMITTEE. MERCED HOUSING TEXAS PARTICIPATES, ON AN ONGOING BASIS, IN NOT-FOR-PROFIT ORGANIZATION WAGE AND BENEFITS SURVEYS TO COMPARE THE ORGANIZATION'S PAY STRUCTURE WITH THAT OF OTHER SIMILAR NOT-FOR-PROFIT ORGANIZATIONS. MOST RECENTLY, MERCED PARTICIPATED IN THE "2011 SAN ANTONIO NOT-FOR-PROFIT WAGE AND BENEFIT SURVEY," CONDUCTED BY WERLING ASSOCIATES, INC. THE LAST REVIEW OF THE PRESIDENT BY THE BOARD OF DIRECTORS OCCURRED IN AUGUST 2011.

FORM 990, PART VI, SECTION C, LINE 19: THE GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, FINANCIAL STATEMENTS, AND FORM 990 ARE AVAILABLE UPON REQUEST. THE FORM 990 IS ALSO AVAILABLE ON WWW.GUIDESTAR.ORG.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:  
 ELIMINATION OF MERCED-SUNCREST, LLC (AVION) ON  
 DE-CONSOLIDATION 1,705,618.

FORM 990, PART IX, LINE 24A

MULTIFAMILY PROGRAM DETAIL

PROPERTY MANAGEMENT FEE	165,433
-------------------------	---------

PROPERTY STAFFING	640,788
-------------------	---------

032212  
01-24-11

Name of the organization MERCED HOUSING TEXAS	Employer identification number 74-2740889
--	--

ADVERTISING AND MARKETING	57,401
LEASING OFFICE EXPENSE	112,030
UTILITIES	386,452
OPERATING AND MAINTENANCE	380,498
INSURANCE AND TAXES	192,514
INTEREST EXPENSE	1,425,596
AUDIT & LEGAL FEES	1,808
ROUTINE REPLACEMENTS	249,370
<hr/>	
MULTIFAMILY PROGRAM TOTAL	3,611,890
<hr/> <hr/>	

FORM 990, PART XI, LINE 5

PRIOR PERIOD ADJUSTMENT

MERCED-SUNCREST, LLC (AVION) WAS PLACED IN RECEIVERSHIP IN MARCH 2011  
AND WAS SOLD AT FORECLOSURE IN SEPTEMBER 2011. MERCED RETAINED NO  
LIABILITIES AS A RESULT OF THE FORECLOSURE AND SALE OF THE PROPERTY.







**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

**a** Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity

**b** Gift, grant, or capital contribution to other organization(s)

**c** Gift, grant, or capital contribution from other organization(s)

**d** Loans or loan guarantees to or for other organization(s)

**e** Loans or loan guarantees by other organization(s)

**f** Sale of assets to other organization(s)

**g** Purchase of assets from other organization(s)

**h** Exchange of assets

**i** Lease of facilities, equipment, or other assets to other organization(s)

**j** Lease of facilities, equipment, or other assets from other organization(s)

**k** Performance of services or membership or fundraising solicitations for other organization(s)

**l** Performance of services or membership or fundraising solicitations by other organization(s)

**m** Sharing of facilities, equipment, mailing lists, or other assets

**n** Sharing of paid employees

**o** Reimbursement paid to other organization for expenses

**p** Reimbursement paid by other organization for expenses

**q** Other transfer of cash or property to other organization(s)

**r** Other transfer of cash or property from other organization(s)

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved	Yes	No
(1)						
(2)						
(3)						
(4)						
(5)						
(6)						



**Part VII** Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

Lined area for supplemental information.