

**HOUSING AUTHORITY OF THE
COUNTY OF SALT LAKE**

FINANCIAL STATEMENTS

For the Year Ended June 30, 2015



ADAMS & PETERSEN, CPAs LLC
C E R T I F I E D P U B L I C A C C O U N T A N T S

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Housing Authority of the County of Salt Lake
Salt Lake City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the County of Salt Lake (the Authority), which comprise the Statement of Net Position as of June 30, 2015, and the related statements of Revenues, Expenses and Changes in Net Position and Cash Flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the County of Salt Lake as of June 30, 2015, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the management's discussion and analysis on pages 4 through 14 and the schedules of proportionate share of net pension liability and defined benefit pension contributions pages 34 and 35 be presented to supplement the financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management regarding the methods of preparing the information and comparing the information to consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance of the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis as required by the *Consolidated Audit Guide for Audits of HUD Programs* issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General, and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2015, on our consideration of the Housing Authority of the County of Salt Lake's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the County of Salt Lake's internal control over financial reporting and compliance.

Adams & Petersen, CPAs LLC
November 24, 2015

HOUSING AUTHORITY OF THE COUNTY OF SALT LAKE MANAGEMENT'S DISCUSSION AND ANALYSIS

The Housing Authority of the County of Salt Lake's ("the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent years' challenges), and (d) identify individual program issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements (beginning on page 15).

FINANCIAL HIGHLIGHTS

- The Authority's net position decreased by \$800,000 from \$15.9 to \$15.1 million during 2015. \$600,000 of the decrease is due to a newly required pension liability accrual. Since the Authority engages only in business-type activities, the decrease is all in the category of business-type net position. Its unrestricted net position increased by \$800,000 during 2015 from \$4.2 million to \$5.0 million.
- Revenue increased by \$1.0 million from \$29.8 million in 2014 to \$30.8 million in 2015, an increase of 3%.
- The total expenses of all Authority programs increased from \$31.1 million in 2014 to \$31.6 million in 2015, an increase of \$500,000 or 2%. A new pension reporting requirement accounts for \$600,000 in expenses in both 2014 and 2015.

USING THIS ANNUAL REPORT

The Report includes three major sections, the “Management’s Discussion and Analysis (MD&A)”, “Basic Financial Statements”, and “Other Required Supplementary Information”:

MD&A

~ Management Discussion
and Analysis - pgs. 4-14

Basic Financial Statements

~ Authority-wide Financial Statements – pgs. 15-19
~ Notes to Financial Statements – pgs. 20-31

Other Supplementary Information

~ Required Supplementary Information pgs. 32-35
(other than MD&A)
Supplementary Information pgs. 36-42

The primary focus of the Authority’s financial statement is on both the Authority as a whole (Authority-wide) and the major individual programs. Both perspectives (authority-wide and major program) allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority’s accountability.

Authority-Wide Financial Statements

The Authority-wide financial statements (see pgs. 15-19) are designed to be corporate-like in that all business type activities are consolidated into columns which add to a total for the entire Authority.

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equal Net Position, formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as “Current” (convertible into cash within one year), and “Non-current”.

The focus of the Statement of Net Position (the “Unrestricted Net Position”) is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position (formerly equity) are reported in three broad categories:

Net Invested in Capital Assets: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that do not meet the definition of “Net Invested in Capital Assets, or “Restricted Net Position”.

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Program Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Program Net Position is the “Change in Net Position”, which is similar to Net Income or Loss.

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financing activities.

Program Financial Statements

The Authority consists of exclusively Enterprise Funds which utilizes the full accrual basis of accounting and is similar to accounting utilized by private sector accounting. To more accurately report the financials and not misrepresent reported units as funds under governmental accounting, the Authority designates reported units as programs. The Department of Housing and Urban Development requires many of the programs maintained by the Authority. Others are segregated to enhance accountability and control.

The Authority's Programs

Business Type Programs

Low Income Public Housing – Under the Low Income Public Housing Program, the Authority rents units that it owns to low-income households. The Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, which 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 Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's Public Housing properties. The Housing Authority's financials for the Public Housing program are reported and managed under five different Asset Management Projects.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD, which provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

Central Office Cost Center – Used to account for management, accounting, human resource and other centralized functions. This program is also used as a cash flow program primarily to facilitate cash balances, investments, and accounts receivable, accounts payable, and payroll processes.

Community Development Block Grant Program - Community Development for Sandy, and Salt Lake County public housing communities that is intended to increase residents' access to services.

Business Activities – Represents non-HUD resources developed from a variety of activities.

HOME Investment Partnerships Program – Grants funded by Salt Lake County providing transitional housing to very low income families of Salt Lake County that have been involved with the criminal justice system.

Component Units - Other organizations for which the nature and significance of their relationship with the primary organization are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Other Non-major Programs – In addition to the major programs above, the Authority also maintains the following non-major programs. Non-major programs are defined as programs that have assets, liabilities, revenues, or expenses of 5% or less of the Authority's total assets, liabilities, revenues or expenses:

Resident Opportunities and Self-Sufficiency Program (ROSS) – A program for public housing residents that provides supportive services, resident empowerment activities, and assistance in becoming economically self-sufficient.

Shelter Plus Care Program and Continuum of Care Program – Grant programs funded by the Department of Housing and Urban Development that provide rental assistance for hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources outside the program.

Supportive Housing Program – A program designed to promote the development of supportive housing and supportive services to assist homeless families with authorized funding from the McKinney-Vento Act.

State Tenant-Based Rental Assistance Programs - Various grants funded by the State of Utah to provide transitional housing to very low income families and individuals of Salt Lake County.

Housing Opportunities for Persons with AIDS (HOPWA) – A grant program funded by the Department of Housing and Urban Development that provides rental assistance for low income persons medically diagnosed with HIV/AIDS and their families.

Criminal Justice Program – A program funded by the Salt Lake County Criminal Justice Department that provides short term housing for mental health court clients to help them transition back into the community.

Family Employment Housing Program - A program funded by Salt Lake County providing housing to low income families that have been refugees.

Housing Retention Program – A program funded by the Social Services Block Grant to help prevent participants of Public Housing or Housing Choice Vouchers from being evicted and becoming homeless.

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to prior years. The Authority is engaged only in Business-Type Activities.

TABLE 1
STATEMENT OF NET POSITION

	2015 (millions of dollars)	2014 (millions of dollars)
Unrestricted Current Assets	\$ 6.9	\$ 5.9
Restricted Current Assets	1.1	1.3
Capital Assets	18.3	18.9
Other Non-current Assets	1.6	2.4
Total Assets	<u>27.9</u>	<u>28.5</u>
Current Liabilities	1.6	2.0
Long-Term Liabilities	11.2	10.6
Total Liabilities	<u>12.8</u>	<u>12.6</u>
Net Position:		
Net Invested in Capital Assets	9.2	10.6
Restricted	0.9	1.1
Unrestricted	5.0	4.2
Total Net Position	<u>\$15.1</u>	<u>\$15.9</u>

For more detailed information see pages 15-19 for the Statement of Net Position.

Major Factors Affecting the Statement of Net Position

Unrestricted Current Assets continued to increase by \$1 million during 2015. Restricted Current Assets decreased by \$200,000 in 2015. Capital Assets decreased from \$18.9 million to \$18.3 million in 2015. Current Liabilities decreased in 2015 by \$400,000 because the Housing Authority owes less for the construction of Bud Bailey. Total Net Position decreased by \$800,000 in 2015 due partly to the change in Net Pension Liability of \$300,000. Net Invested in capital assets, decreased from \$10.6 million to \$9.2 million in 2015. For more detail see "Capital Assets and Debt Administration" on page 12. Unrestricted Net Position has increased by \$800,000 in 2015 to \$5.0 million or 33% of Total Net Position.

TABLE 2

CHANGE OF UNRESTRICTED NET POSITION

The following schedule presents details on the change in Unrestricted Net Position

	2015 (millions of dollars)	2014 (millions of dollars)
Beginning Balance - Unrestricted Net Position	\$ 4.2	\$3.0
Results of Operations affecting Unrestricted Net Position	0.0	0.8
Adjustments:		
Depreciation (1)	1.4	1.4
Adjusted Results from Operations	<u>1.4</u>	<u>2.2</u>
Net Capital Expenditures (2)	<u>(0.6)</u>	<u>(1.0)</u>
Ending Balance - Unrestricted Net Position	<u>\$ 5.0</u>	<u>\$4.2</u>

(1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net Position

(2) Capital Expenditures represent an outflow of unrestricted net Position, but are not treated as an expense against Results of Operations, and therefore must be deducted.

While the Results of Operations is a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer change in financial wellbeing.

TABLE 3**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in Business-Type Activities.

	2015 (millions of dollars)	2014 (millions of dollars)
Revenues		
Tenant Revenue Rents	\$ 2.8	\$ 2.7
Operating Subsidies and Grants	26.7	25.8
Other Revenues	1.3	1.3
Total Revenue	<u>30.8</u>	<u>29.8</u>
Expenses		
Administrative	4.6	4.2
Tenant Services	1.1	0.9
Utilities	0.5	0.5
Maintenance	1.8	1.7
General	0.3	0.3
Casualty Losses	0.0	0.1
Housing Assistance Payments	21.6	21.7
Depreciation	1.4	1.4
Interest Expense	0.3	0.3
Total Expenses	<u>31.6</u>	<u>31.1</u>
Net Increase/(Loss)	<u>\$ (0.8)</u>	<u>\$(1.3)</u>

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

Operating Subsidies and Grants increased in 2015 by \$900,000 due to funding increases of \$1 million in Housing Choice Vouchers and \$300,000 in the Housing Assistance Rental Program, a \$100,000 increase in Public Housing, and a decrease of \$300,000 in Temporary Assistance for Needy Families. Other Revenues stayed steady at \$1.3 million during 2014 and 2015. Tenant Revenue Rents continued to increase in 2015 by \$100,000.

Total housing assistance payments decreased by \$100,000 in 2015, with an increase of \$400,000 in the Housing Choice Voucher Program, but decreases of \$400,000 and \$300,000 in Temporary Assistance for Needy Families and the Housing Assistance Rental Program respectively. Administrative expenses

increased in 2015 by \$400,000 due to a one time pension liability accrual. The pension accrual also increased maintenance expense in 2015 by \$100,000, an increase from \$1.7 million in 2014 to \$1.8 million in 2015. An increase of \$200,000 occurred in tenant services in 2015 due to increased staffing.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of the end of 2015, the Authority had \$18.3 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease of \$600,000 (additions, deductions and depreciation) from the end of 2014.

TABLE 4

CAPITAL ASSETS AT YEAR-END (NET OF DEPRECIATION IN MILLIONS)

	2015	2014
Land and land rights	\$ 6.3	\$ 6.2
Site Improvements	5.5	5.4
Buildings	41.3	40.8
Equipment – Administrative	1.5	1.5
Accumulated Depreciation	(36.8)	(35.4)
Construction In Progress	0.5	0.4
Total	<u>\$18.3</u>	<u>\$18.9</u>

The following reconciliation summarizes the change in Capital Assets, which is presented in detail on page 30 of the notes.

TABLE 5
CHANGE IN CAPITAL ASSETS (IN MILLIONS)

	<u>2015</u>	<u>2014</u>
Beginning Balance	\$ 18.9	\$ 19.9
Additions, Net of Retirements	0.8	0.4
Depreciation	<u>(1.4)</u>	<u>(1.4)</u>
Ending Balance	<u>\$18.3</u>	<u>\$18.9</u>

Major items effecting capital assets in 2015 were modernization of Public Housing and Owned Unit properties valued at \$700,000 and the purchase of land with a value of \$100,000. There was also a small amount of equipment purchases.

Debt Outstanding

As of year-end, the Authority had \$7.5 million in debt (bonds, notes, etc.) outstanding compared to \$7.7 million in 2014. The Authority has not taken on new debt over the last year and has paid its regularly amortized mortgage payments.

TABLE 6
OUTSTANDING DEBT, AT YEAR-END
(IN MILLIONS)

	<u>2015</u>	<u>2014</u>
<u>Program Type</u>		
Enterprise - Long Term	\$7.3	\$7.5
Enterprise – Current	<u>0.2</u>	<u>0.2</u>
Total	<u>\$ 7.5</u>	<u>\$ 7.7</u>

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs

FINANCIAL CONTACT

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Housing Authority of the County of Salt Lake
Statement of Net Position
As of June 30, 2015

	2015
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current Assets	
Cash	\$ 2,618,707
Investments	2,217,828
Accounts Receivable - HUD	534,631
Accounts Receivable	430,982
Allowance for Doubtful Accounts	(12,980)
Accounts Receivable - Other	977,481
Current Portion of Notes Receivable	41,926
Inventory	64,309
Other Current Assets	79,527
Total Current Assets	6,952,411
Restricted Assets	
Cash	694,482
Investments	414,783
Total Restricted Assets	1,109,265
Noncurrent Assets	
Capital Assets	
Land	6,281,509
Buildings and Improvements	46,772,434
Furniture and Equipment	1,506,546
Construction in Progress	515,575
Total Capital Assets	55,076,064
Less: Accumulated Depreciation	(36,814,916)
Net Capital Assets	18,261,148
Other Assets	
Net Pension Asset	4,125
Notes and Mortgages Receivable	1,218,971
Total Noncurrent Assets	19,484,244
Total Assets	27,545,920
Deferred Outflows of Resources	328,548
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 27,874,468

Housing Authority of the County of Salt Lake
Statement of Net Position
As of June 30, 2015

	2015
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
Current Liabilities	
Accounts Payable	\$ 794,940
Tenant Security Deposits	181,448
Accrued Liabilities	236,470
Other Current Liabilities	6,103
Unearned Income	234,327
Current Portion of Long-Term Debt	172,038
Total Current Liabilities	1,625,326
Noncurrent Liabilities	
Notes and Mortgages Payable, Less Current Portion	7,319,238
Accrued Pension and OPEB Liabilities	1,350,953
Other Long-Term Obligations	2,292,659
Total Noncurrent Liabilities	10,962,850
Total Liabilities	12,588,176
Deferred Inflows of Resources	178,781
Net Position	
Net Invested in Capital Assets	9,179,905
Restricted	927,817
Unrestricted	4,999,789
TOTAL NET POSITION	15,107,511
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 27,874,468

Housing Authority of the County of Salt Lake
Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2015

	2015
Operating Revenues	
Federal Subsidies	\$ 25,117,367
Rents	2,737,174
Other	<u>2,396,328</u>
Total Operating Revenues	<u>30,250,869</u>
Operating Expenses	
Administrative	4,567,626
Tenant Services	1,130,751
Utilities	502,693
Ordinary Maintenance and Operations	1,877,174
General	256,769
Housing Assistance Payments	21,587,471
Depreciation	1,389,334
Fraud Losses (Recoveries)	<u>26,615</u>
Total Operating Expenses	<u>31,338,433</u>
Income (Loss) From Operations	<u>(1,087,564)</u>
Nonoperating Income (Expense)	
Interest Income	23,677
Interest Expense	(263,826)
Casualty Loss	<u>(37,539)</u>
Total Nonoperating Income (Expense)	<u>(277,688)</u>
Capital Grants	<u>565,115</u>
Change in Net Position	(800,137)
Net Position at Beginning of Year Prior to Restatement	16,516,590
Prior Period Adjustment	<u>(608,942)</u>
Net Position at End of Year	<u><u>\$ 15,107,511</u></u>

Housing Authority of the County of Salt Lake
Statement of Cash Flows
For the Year Ended June 30, 2015

	2015
Cash Flows From Operating Activities	
Federal Subsidies Received	\$ 25,050,923
Rents Received	2,744,671
Other Receipts	3,429,240
Cash Paid for Administrative Services	(3,439,586)
Cash Paid for Tenants Services	(1,130,751)
Cash Paid for Utilities	(502,693)
Cash Paid for Ordinary Maintenance and Operations	(1,913,013)
Cash Paid for General and Other Expenses	(256,769)
Cash Paid for Casualty Losses	(37,539)
Cash Paid for Fraud Losses	(26,615)
Cash Paid for Housing Assistance	(21,587,471)
Net Cash Provided (Used) in Operating Activities	2,330,397
Cash Flows From Capital Financing Activities	
Acquisition of Capital Assets	(756,048)
Retirement of Long-Term Debt	(199,269)
Interest on Long-Term Debt	(263,826)
Capital Grant Receipts	565,115
Net Cash Provided (Used) in Capital Financing Activities	(654,028)
Cash Flows From Investing Activities	
Investments Net Change	(467,236)
Notes Receivable Principal Payments Received	94,261
Interest on Investments	23,677
Net Cash Provided (Used) in Investing Activities	(349,298)
Net Increase (Decrease) in Cash and Cash Equivalents	1,327,071
Cash and Cash Equivalents at Beginning of Year	1,986,118
Cash and Cash Equivalents at End of Year	\$ 3,313,189

Housing Authority of the County of Salt Lake
Statement of Cash Flows
For the Year Ended June 30, 2015

	2015
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities:	
Income (Loss) From Operations	\$ (1,087,564)
Adjustments to reconcile operating Income (Loss) to	
Net Cash Provided (Used) by Operating Activities	
Depreciation and Amortization	1,389,334
Casualty Losses	(37,539)
Decrease (Increase) in Operating Assets:	
Accounts Receivable - HUD	(66,444)
Accounts Receivable - Other	1,004,830
Inventory	17,393
Net Pension Asset	(4,125)
Current Assets	(25,849)
Deferred Outflows of Resources	742,288
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	(27,383)
Tenant Security Deposits	7,497
Accrued Liabilities	31,867
Other Current Liabilities	(445,271)
Unearned Income	28,082
Deposits and Other Liabilities	953,325
Deferred Inflows of Resources	(150,044)
Net Cash Provided (Used) by Operating Activities	\$ 2,330,397
Supplementary Information	
Prior Period Adjustment	\$ (608,942)

Housing Authority of the County of Salt Lake
Notes to Financial Statements
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND HISTORY

The Housing Authority of the County of Salt Lake (the Authority) was established in 1970 for the purpose of providing affordable housing to individuals living in Salt Lake County.

The Authority supports a total of 3,667 housing units under 25 different housing programs. The Authority owns 626 units in its public housing program, of which 621 units are available for lease to low income and elderly individuals in accordance with U.S. Department of Housing and Urban Development (HUD) guidelines. Operating subsidies are received by the Authority directly from HUD. The Authority subsidizes rental expenses for 2,901 units which clients lease from private apartment owners. In addition, the Authority owns and operates 137 units which are not subject to HUD guidelines and for which no subsidies are received from HUD. All of these 137 units are available for lease.

RECENT ACCOUNTING DEVELOPMENTS

GASB Statement No. 68

GASB Statement No. 68, *Accounting and Financial Reporting for Pension – an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement has been implemented for the fiscal year ending June 30, 2015. See Note 7 for details of the pension liability recorded in accordance with GASB 68.

INTER-PROGRAM TRANSACTIONS

Inter-program payables and receivables as of June 30, 2015 and 2014, totaling \$8,246,254 and \$8,092,687 respectively, have been eliminated from the statements of net position. Inter-program revenues and expenses for the years ending June 30, 2015 and 2014, of \$1,726,287 and \$1,689,207 respectively, have been eliminated from the statements of revenues, expenses and changes in net position.

BASIS OF PRESENTATION - FUND ACCOUNTING

The Authority prepares its financial statements in conformity with U.S. generally accepted accounting principles as applied to governmental entities and uses proprietary fund accounting. Proprietary fund accounting utilizes full accrual principles. Revenues are recognized as earned and expenses are recorded when incurred.

Operating income reported in the financial statements includes revenues and expenses related to the principal, continuing operations of the entity. Principal operating revenues include tenant rents and HUD grants. Principal operating expenses are the costs of providing goods or services and include administrative expenses, housing assistance payments and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

The Authority receives funding from a variety of sources. Certain funding sources require the observance of limitations and restrictions placed on the use of resources, appropriations, grants or contracts for various purposes. These resources are classified as restricted in accordance with those restrictions.

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In accordance with HUD prescribed accounting practices, the Authority has adopted the Statement of Government Accounting Standards (SGAS) No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting.

Also in accordance with HUD prescribed reporting practices, the Authority accounts for all HUD-related and non-HUD operations as a single enterprise fund.

According to GASB Statement No. 61 Management of the Housing Authority of the County of Salt Lake have determined that the Authority is not a component unit of the County, or any other government entity under the criteria of GASB Statement No. 61.

Management has determined that Housing Opportunities, Inc. (HOI) and Affordable Housing Associates (AHA), non-profit organizations wholly owned by the Authority, should be included with the Authority's basic financial statements as a component unit in accordance with GASB Statement No. 61. Although HOI and AHA have been included as a component unit, the Authority does not have access to the funds or assets of HOI and AHA without approval from HOI and AHA's board.

BASIS OF ACCOUNTING

The Authority prepares its basic financial statements using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The accrual basis of accounting recognizes revenues at the time they are earned. Expenditures are recorded when incurred.

CLASSIFICATION OF REVENUE

Operating Revenues – Operating revenues include exchange transactions associated with providing housing and related services with federal operating subsidies and governmental grants that are directly related to the Authority's mission.

Non-operating Revenues – Non-operating revenues include interest revenue, and other revenues not meeting the definition of operating.

CASH AND CASH EQUIVALENTS

The Authority considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents. Cash and cash equivalents at June 30, 2015 and 2014 consists of cash on hand.

CAPITAL ASSETS

Capital assets are carried at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of 3 - 40 years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred. Significant renewals and improvements are capitalized and depreciated.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets, and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTES RECEIVABLE

Notes receivable consist of mortgages held, secured by real estate.

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NET POSITION

The Authority's net positions are classified as follows:

Net Investment in Capital Assets – This component of net position consists of the Authority's net investment in capital assets, reduced by the outstanding debt related to those assets. To the extent debt has been incurred, but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted Net Position – This component of net position consists of that portion of net position restricted by covenants or donors to be expended for specific purposes, capital assets or debt service.

Unrestricted Net Position – This component of net position consists of net position which do not meet the definition of "restricted" or "net investment in capital assets".

The Authority's policy is to utilize restricted funds first for expenditures that qualify for both unrestricted and restricted expenditures.

INVENTORY

Inventory consists of expendable supplies held for maintenance and repairs. Supplies inventory is stated at average cost and is recorded as an expense at the time the individual inventory items are used. Inventory is reported net of allowance for obsolete inventory which was \$2,679 at June 30, 2015.

UNEARNED INCOME

Unearned Income consists of federal subsidies and rents for the following fiscal years which were received by the Authority on or before June 30, 2015.

ACCRUED COMPENSATED ABSENCES

The balance of accrued liabilities at June 30, 2015 of \$236,470 includes current accrued compensated absences totaling \$217,101.

SUBSEQUENT EVENTS

Subsequent events were evaluated by management through November 24, 2015, which is the date the financial statements were available to be issued. No material subsequent events required to be disclosed were noted by management.

PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 – DEPOSITS

Deposits for the Authority are governed by the Utah Money Management Act (*Utah Code Annotated*, Title 51, Chapter 7, "the ACT") and by rules of the Utah Money Management Council ("the Council"). Following are discussions of the Authority's exposure to various risks related to its cash management activities.

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CUSTODIAL CREDIT RISK

Custodial Credit Risk for deposits is the risk that in the event of bank failure, the Authority's deposits may not be recovered. The Authority's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of local government to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Council. As of June 30, 2015 \$223,128 of the Authority's bank balances of \$2,798,161 was uninsured and uncollateralized.

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed to period of availability of the funds to be invested. Except for funds of Institutions of Higher Education acquired by gifts, grants, or the corpus of funds functioning as endowments, the Act further limits the remaining term to maturity of all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations, to 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years. Rule 2 of the Utah Money Management Council does not allow the dollar-weighted average maturity of fixed-income securities to exceed ten years.

CREDIT RISK

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority's policy for reducing its exposure to credit risk is to comply with the Act as previously discussed.

CONCENTRATION OF CREDIT RISK

Concentration of Credit Risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Authority's policy for reducing this risk of loss is to comply with the rules of the Council. No more than 5 percent of all funds may be invested in securities of a corporation that has been in continuous operations for less than 3 years. No more than 5 percent of the outstanding voting securities of any one corporation may be held. In addition, Rule 2 limits investment concentration in certain types of investments.

NOTE 3 - INVESTMENTS

Investments at June 30, 2015, totaling \$2,632,611, consist of holdings in the Utah Public Treasurers' Investment Fund (PTIF). See the PTIF website for details at www.treasurer.state.ut.us.

NOTE 5 - ECONOMIC DEPENDENCY

A substantial portion of the Authority's revenue comes from U.S. Department of Housing and Urban Development (HUD). Operations of the Authority are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including, but not limited to HUD. Such administrative directives, rules, and regulations are subject to change by an act of congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with the change.

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NOTE 4 - RESTRICTED ASSETS

Restricted assets at June 30, 2015 totaling \$1,109,265 consist of restricted cash of \$694,482 and restricted investments of \$414,783.

Restricted cash includes amounts not held in separate accounts for tenant security deposits of \$181,448.

Restricted investments at June 30, 2015 and 2014 include amounts restricted for use in the Section 8 Housing Choice Voucher Program of \$256,844, and amounts held for use in Housing Opportunities, Inc. programs of \$157,939.

When an expense is incurred for purposes for which both restricted and unrestricted assets are available the Authority's policy is to apply restricted assets first.

NOTE 6 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority purchases commercial insurance to compensate for these risks. Various policies are purchased through an insurance agency to cover liability, theft, damages, and other losses. A minimal deductible applies to these policies, which the Authority pays in the event of any loss. The Authority has also purchased a workers' compensation policy.

NOTE 7 - EMPLOYER PENSION DISCLOSURE

General Information about the Pension Plan

Plan description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System); is a multiple employer, cost sharing, public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 2005, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Benefits provided: URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

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Summary of Benefits by System

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

**with actuarial reductions*

***All post-retirement cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.*

Contributions: As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows:

Utah Retirement Systems

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates
Contributory System			
111 – Local Governmental Division Tier 2	N/A	N/A	14.490%
Noncontributory System			
15 – Local Governmental Division Tier 1	N/A	N/A	18.470%

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2014, we reported a net pension asset of \$4,125 and a net pension liability of \$1,350,953.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	0.3111192%	\$ -	\$ 1,350,953
Tier 2 Public Employees System	0.1361105%	4,125	-
Total Net Pension Asset/Liability		<u>\$ 4,125</u>	<u>\$ 1,350,953</u>

Housing Authority of the County of Salt Lake
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June 30, 2015

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

For the year ended June 30, 2015, we recognized pension expense of \$346,947. At June 30, 2015, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 45,690
Changes in Assumptions	-	133,091
Net difference between projected and actual earnings on pension plan investments	31,001	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	297,547	-
Total	<u>\$ 328,548</u>	<u>\$ 178,781</u>

\$297,547 was reported as deferred outflows of resources related to pension results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2015	(\$36,250)
2016	(36,250)
2017	(36,250)
2018	(34,519)
2019	(722)
Thereafter	(3,788)

Actuarial assumptions: The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.5-10.5%, average, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table below:

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Retired Member Mortality

Class of Member

Educators

Men EDIUM (90%)

Women EDUF (100%)

Public Safety and Firefighters

Men RP 2000mWC (100%)

Women EDUF (120%)

Local Government, Public Employees

Men RP 2000mWC (100%)

Women EDUF (120%)

EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage

EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage

RP 2000mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the five year period of January 1, 2008 - December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Expected Return Arithmetic Basis			
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio real Rate of Return
Equity Securities	40 %	7.06 %	2.82 %
Debt Securities	20 %	0.80 %	0.16 %
Real Assets	13 %	5.10 %	0.66 %
Private Equity	9 %	11.30 %	1.02 %
Absolute Return	18 %	3.15 %	0.57 %
Cash and Cash Equivalents	0 %	0.00 %	0.00 %
Totals	100 %		5.23 %
	Inflation		2.75 %
	Expected Normal Return		7.98 %

The 7.50% assumed Investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those

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assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of			
Net pension (asset)/liability	\$ 3,271,800	\$ 1,346,828	(\$ 254,344)

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

NOTE 8 - NONCURRENT LIABILITIES

Noncurrent liabilities consists of mortgages payable, deferred loans payable, a revolving loan, pooled loans, mortgage revenue bonds, and other long-term obligations. A summary of noncurrent liabilities and future maturities of debt is as follows:

MORTGAGES PAYABLE

<u>Payable To</u>	<u>Annual Rate</u>	<u>Maturity</u>	<u>Monthly Payment</u>	<u>Balance 6/30/15</u>	<u>Security</u>
Salt Lake County	0.0%	n/a	\$-0-	\$315,813	Real Estate
OWHLF	0.0%	n/a	\$-0-	\$198,670	Real Estate
HUD	5.75%	June 2043	\$-0-	\$619,500	Real Estate

DEFERRED LOANS AND REVOLVING LOAN

Deferred loans are payable to various non-profit and local government institutions, are non-interest bearing, and non-maturing, as long as the funds are used to provide housing or improve housing conditions for targeted lower income groups. Deferred loans totaled \$659,179 at June 30, 2015.

Funds have been loaned to the Authority by various local government institutions for the purpose of establishing a revolving loan program for housing rehabilitation and improvements. The Authority uses the funds in the revolving loan program to make loans to qualified low-income individuals. Repayments by individuals are placed back in the revolving loan fund to be loaned again to other qualified individuals.

The revolving loan program has been discontinued and as the loan payments are received by the Authority they become due to Sandy City. The remaining loan balance totaled \$160,644 at June 30, 2015.

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POOLED LOANS

The pooled loans consist of loans from five different banking institutions. The loan proceeds have been pooled together by the Authority and loaned to qualifying individuals for home acquisition, improvements, and rehabilitation purposes. The loans are secured by real estate.

The pooled loan balance totaled \$192,474 at June 30, 2015 of which \$38,588 represents a deferred loan, and the balance represents an installment loan.

The installment loan to the banks is payable in monthly installments averaging \$11,178 with an average annual rate of 6.24% and maturing approximately October 2019. The deferred loan to the banks is non-maturing and non-interest bearing as long as the funds are used in the pooled loan program.

MORTGAGE REVENUE BONDS

The Authority issued mortgage revenue bonds for the purchase of the Covewood Apartment Complex in March 2008. The bonds issued were purchased by Zions First National Bank and are being serviced by US Bank National Association Corporate Trust Services. The bonds issued were a series of serial bonds set to mature on December 15 and June 15 from 2008 to 2017 and term bonds set to mature on December 15, 2022. The serial bonds average interest rates of 4.19% per annum while the term bonds interest rate is set at 4.50% per annum. The bonds are secured by real estate.

The mortgage revenue bond balance totaled \$5,345,000 at June 30, 2015. Bond principal is due upon maturity and interest is payable on each interest payment date which is set semiannually on June 15 and December 15. Bond interest payments will be approximately \$150,000 on each interest payment date along with approximately \$50,000 of bond principal for maturing serial bonds through December 2017.

OTHER LONG-TERM OBLIGATIONS – CHANGE FROM PRIOR YEAR

Description	Balance at 6/30/2014	Additional Liability	Reduced Liability	Balance at 6/30/2015
Accrued Compensated Absences	\$ 45,942	\$ -	\$ (45,942)	\$ -
Family Self Sufficiency Program	286,542	61,182	-	\$ 347,724
Prepaid Land Lease - Bud Bailey	1,005,000	938,085	-	\$ 1,943,085
Other Long-Term Obligations	1,850	-	-	\$ 1,850
Total Other Long-Term Obligations	<u>\$ 1,339,334</u>	<u>\$ 999,267</u>	<u>\$ (45,942)</u>	<u>\$ 2,292,659</u>

Housing Authority of the County of Salt Lake
Notes to Financial Statements
June 30, 2015

NOTES AND MORTGAGES PAYABLE – CHANGE FROM PRIOR YEAR

Description	Balance at 6/30/2014	Additional Borrowings	Principal Payments	Loans Forgiven	Balance at 6/30/2015
Mortgages Payable	\$ 1,133,983	\$ -	\$ -	\$ -	\$ 1,133,983
Deferred and Revolving Loans	836,957	-	(17,138)	-	819,819
Pooled Loans	243,605	-	(51,131)	-	192,474
Mortgage Revenue Bonds	5,476,000	-	(131,000)	-	5,345,000
Total Notes and Mortgages Payable	7,690,545	-	(199,269)	-	7,491,276
Current Portion	166,661				172,038
Notes and Mortgages Payable, Less Current Portion	<u>\$ 7,523,884</u>				<u>\$ 7,319,238</u>

FUTURE MATURITIES OF NOTES AND MORTGAGES PAYABLE

The future annual principal and interest payments due on long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 172,038	\$ 256,684
2016	178,669	248,767
2017	111,560	240,389
2018	35,529	236,786
2019	23,699	10,508
Thereafter	6,969,781	871,405
Total future maturities	<u>\$ 7,491,276</u>	<u>\$ 1,864,539</u>

NOTE 9 – SCHEDULE OF CHANGES IN CAPITAL ASSETS

Description	Balance at 6/30/2014	Additions	Retirements	Transfers	Balance at 6/30/2015
Land	\$ 6,189,009	\$ 92,500	\$ -	\$ -	\$ 6,281,509
Buildings and Improvements	46,235,899	423,141	-	113,394	46,772,434
Furniture and Equipment	1,501,218	5,328	-	-	1,506,546
Construction in Progress	393,890	235,079	-	(113,394)	515,575
Total Capital Assets	54,320,016	756,048	-	-	55,076,064
Accumulated Depreciation	(35,425,582)	(1,389,334)	-		(36,814,916)
Net Capital Assets	<u>\$ 18,894,434</u>				<u>\$ 18,261,148</u>

Depreciation of Property and Equipment for the years ended June 30, 2015 was \$1,389,334.

Housing Authority of the County of Salt Lake
Notes to Financial Statements
June 30, 2015

NOTE 10 - RELATED PARTY TRANSACTIONS

The Authority provides management services to several different Tax Credit Partnerships the Authority has a 1% or less interest in. These entities include, Frontier Transitional Housing, LLC, Special Needs Housing, LLC, Villa Charmant, LLC, Grace Mary Manor, LLC, Kelly Benson Apartments, LLC, and Bud Bailey Apartments I, LLC. Each of these entities provides housing and/or housing services to low-income individuals and families. The Authority has agreements with each of these entities to pay for expenditures of these entities for which the entities will repay the Authority. Amounts due from these related parties are recorded as other accounts receivable. The Authority also receives a management fee from these entities at a market rate.

During the year ended June 30, 2015 the Authority earned management fee revenue of \$118,958 from these entities. The following table is a summary of the Related Party Receivables at year end.

Related Party Receivables Included in Accounts Receivable

	<u>2015</u>
Frontier Transitional Housing, LLC	\$ 1,378
Special Needs Housing, LLC	119
Grace Mary Mannor, LLC	154,103
Kelly Benson Apartments, LLC	21,131
Villa Charmant, LLC	16,249
Bud Bailey Apartments I, LLC	212,621
All Other	<u>(7,423)</u>
	<u><u>\$ 398,178</u></u>

All of the related parties are audited separately. Copies of the related parties' independent audit reports are available upon request.

NOTE 11 – SHARED PROJECT

The Authority participates with Salt Lake City Housing Authority (the City) in the operation of a high-rise apartment complex for low-income elderly persons. The Authority and the City each own the apartment complex as tenants in common. Since the properties are adjacent, the Authority and the City share equally in the management and maintenance of the complex.

The Authority recognizes one-half of the expenditures incurred with this project. The Authority pays most of the related costs and bills the City for their share of costs.

NOTE 12 – PRIOR PERIOD ADJUSTMENT

Due to the implementation of GASB 68, the Deferred Outflow of Resources, Pension Assets, Pension Liabilities and Deferred Inflow of Resources were recognized as a prior period adjustment at June 30, 2014. The details of the pension information are recorded in Note 7. The prior period adjustment recognized \$1,070,836 of deferred outflows of resources, and \$1,679,778 of pension liability which netted to a prior period reduction of equity of \$608,942. Beginning Net Position at June 30, 2014 was restated to \$15,907,648.

Required Supplemental Information

**HOUSING AUTHORITY OF THE
COUNTY OF SALT LAKE**
Schedule of the Proportionate Share of the Net Pension Liability - Schedule 1
Utah Retirement Systems
June 30, 2015

	6/30/2015	
	Noncontributory System	Tier 2 Public System
Proportion of the net pension liability (asset)	0.3111192%	0.1361105%
Proportionate share of the net pension liability (asset)	\$ 1,350,953	\$ (4,215)
Covered employee payroll	2,505,840	668,594
Proportionate share of the net pension liability (asset) as a percentage of this covered-employee payroll	54.0%	-0.6%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	103.5%

See accompanying notes to required supplementary information

**HOUSING AUTHORITY OF THE
COUNTY OF SALT LAKE
Schedule of Contributions - Schedule 2
Utah Retirement Systems
June 30, 2015**

	6/30/2015	
	Noncontributory System	Tier 2 Public Employee System
Contractually required contribution	\$ 488,992	\$ 56,156
Contributions in relation to the contractually required contribution	(488,992)	(56,156)
Contribution deficiency (excess)	-	-
Covered employee payroll	\$ 2,502,840	\$ 688,594
Contributions as a percentage of covered employee payroll	19.54%	8.40%

See accompanying notes to required supplementary information

Housing Authority of the County of Salt Lake
Notes to Required Supplementary Information
June 30, 2015 and 2014

Other information that is not required as part RSI

This information below is not required as part of GASB 68 but is provided for informational purposes. The schedule below is a summary of the Defined Contribution Savings Plans for pay periods January 1-December 31.

Defined Contribution System

December 31, 2014

	Employee Paid Contributions	Employer Paid Contributions
401(k) Plan	\$ -	\$ 11,385
457 IRA Plan	-	-
Roth IRA Plan	6,135	-
Traditional IRA Plan	-	-
HRA Plan	-	-

Supplemental Information

**HOUSING AUTHORITY OF THE
COUNTY OF SALT LAKE**
Statement of Net Position by Program
As of June 30, 2015

FDS Line Item		AMP 1 High Rise 14.850 & 14.872	AMP 2 Valley Fair Village 14.850 & 14.872	AMP 3 East 14.850 & 14.872	AMP 4 West 14.850 & 14.872	AMP 5 Scattered 14.850 & 14.872	ROSS Grant 14.870	ROSS FSS 14.896	Shelter + Care 14.238	Section 8 Rental Vouchers 14.871	Home Investment Partnership Program 14.239
#	Account Description										
	ASSETS AND DEFERRED OUTFLOWS OF RESOURCES										
	Current Assets										
	Cash:										
111	Cash - Unrestricted	\$ 299,042	\$ 148,926	\$ 190,544	\$ 201,552	\$ 229,826	\$ -	\$ -	\$ -	\$ 351,580	\$ -
113	Cash - Other Restricted	-	-	-	-	-	-	-	-	-	-
114	Cash - Tenant Security Deposits	21,148	15,513	30,252	43,133	36,158	-	-	-	-	-
115	Cash - Restricted for Payment of Current Liab	-	-	-	-	-	-	-	-	-	-
100	Total Cash	320,190	164,439	220,796	244,685	265,984	-	-	-	351,580	-
	Receivables:										
122	Accounts Receivable - HUD Other Projects	81,887	6,751	15,933	48,773	22,811	15,622	44,874	55,811	-	-
124	Accounts Receivable - Other	29,154	-	-	-	-	-	-	-	12,735	583,338
125	Accounts Receivable - Misc	3,581	-	-	-	-	-	-	-	-	-
126	Tenant Rent Receivable	170	46	3,633	5,616	7,456	-	-	-	-	7,991
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(145)	(40)	(1,718)	(3,498)	(1,397)	-	-	-	-	(4,979)
127	Notes Receivable - Current Portion	-	-	-	-	-	-	-	-	-	-
128	Fraud Recovery	-	-	-	-	-	-	-	-	26,572	2,211
129	Accrued Interest Receivable	-	-	-	-	-	-	-	-	-	-
120	Total Receivables, net of allowances for doubtful accounts	114,647	6,757	17,848	50,891	28,870	15,622	44,874	55,811	39,307	588,561
	Current Investments:										
131	Investments - Unrestricted	-	-	-	-	-	-	-	-	-	-
132	Investments - Restricted	-	-	-	-	-	-	-	-	256,844	-
142	Prepaid Expenses	-	-	-	-	-	-	-	-	-	10,912
143	Inventories	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventory	-	-	-	-	-	-	-	-	-	-
144	Interprogram Due From	-	-	-	-	-	-	-	-	-	-
150	Total Current Assets	434,837	171,196	238,644	295,576	294,854	15,622	44,874	55,811	647,731	599,473
	Noncurrent Assets										
	Capital Assets:										
161	Land	3,253	360,516	671,974	319,037	1,231,587	-	-	-	-	-
162	Buildings	7,464,325	3,072,261	6,078,757	7,439,693	6,554,339	-	-	-	-	-
164	Furniture, Equipment & Machinery - Admin	145,374	102,179	147,125	167,442	128,819	-	-	-	225,189	-
165	Leasehold Improvements	259,970	448,010	1,720,779	1,948,165	666,574	-	-	-	-	-
166	Accumulated Depreciation	(6,229,144)	(3,541,213)	(7,341,298)	(8,030,583)	(6,160,837)	-	-	-	(214,054)	-
167	Construction in Progress	3,152	1,993	-	510,430	-	-	-	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	1,646,930	443,746	1,277,337	2,354,184	2,420,482	-	-	-	11,135	-
	Other Noncurrent Assets:										
171	Notes Receivable - Non-Current	-	-	-	-	-	-	-	-	-	-
174	Other Assets	189	113	104	97	107	-	-	-	504	-
180	Total Noncurrent Assets	1,647,119	443,859	1,277,441	2,354,281	2,420,589	-	-	-	11,639	-
200	Deferred Outflows of Resources	15,047	9,002	8,279	7,754	8,510	-	-	-	40,154	-
	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 2,097,003	\$ 624,057	\$ 1,524,364	\$ 2,657,611	\$ 2,723,953	\$ 15,622	\$ 44,874	\$ 55,811	\$ 699,524	\$ 599,473
	LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION										
	LIABILITIES										
	Current Liabilities:										
312	Accounts Payable <= 90 Days	\$ 37,702	\$ 3,739	\$ 12,401	\$ 16,618	\$ 17,460	\$ 323	\$ -	\$ 15	\$ 355	\$ 163,708
321	Accrued Wages/Payroll Taxes Payable	992	810	230	1,576	597	-	-	-	2,350	-
322	Accrued Compensated Absences - Current	11,479	9,149	2,522	17,568	6,868	-	-	-	26,593	-
333	AP other governments	-	-	-	-	-	-	-	-	150	-
341	Tenant Security Deposits	21,148	15,513	30,252	43,133	36,158	-	-	-	-	-
342	Unearned Income	94,465	3,058	10,875	6,813	5,810	-	-	4,416	-	753
343	Current Portion of Long-Term Debt	-	-	-	-	-	-	-	-	-	-
345	Other Current Liabilities	-	-	-	-	-	-	-	-	-	105
347	Interprogram Due To	-	-	-	-	-	15,299	44,874	54,954	-	524,408
310	Total Current Liabilities	165,786	32,269	56,280	85,708	66,893	15,622	44,874	59,385	29,448	688,974
	Noncurrent Liabilities:										
351	Notes and Mortgages Payable	-	-	-	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	1,200	-	24,980	4,675	39,288	-	-	-	278,781	-
357	Accrued Pension and OPEB Liabilities	61,874	37,016	34,044	31,883	34,989	-	-	-	165,108	-
350	Total Noncurrent Liabilities	63,074	37,016	59,024	36,558	74,277	-	-	-	443,889	-
	TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	228,860	69,285	115,304	122,266	141,170	15,622	44,874	59,385	473,337	688,974
400	Deferred Inflows of Resources	8,188	4,899	4,505	4,219	4,630	-	-	-	21,850	-
	NET POSITION:										
508.1	Net Invested in Capital Assets	1,646,930	443,746	1,277,337	2,354,184	2,420,482	-	-	-	11,135	-
511.1	Restricted	-	-	-	-	-	-	-	-	256,844	-
512.1	Unrestricted	213,025	106,127	127,218	176,942	157,671	-	-	(3,574)	(63,642)	(89,501)
513	TOTAL NET POSITION	1,859,955	549,873	1,404,555	2,531,126	2,578,153	-	-	(3,574)	204,337	(89,501)
	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 2,097,003	\$ 624,057	\$ 1,524,364	\$ 2,657,611	\$ 2,723,953	\$ 15,622	\$ 44,874	\$ 55,811	\$ 699,524	\$ 599,473

HOPWA	Continuum of Care	Supportive Housing Program Wendell	Temporary Assistance for Needy Families	Master Leasing	Homeless Prevention Program	CDBG	State Funds	Business Activities	Central Office & Maintenance	Component Units	Eliminations	Combined Balance
14.241	14.267	14.235	93.558	16.579	93.667	14.218						
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 384,596	\$ 581,671	\$ 230,970	\$ -	\$ 2,618,707
-	-	-	-	-	-	-	-	473,125	-	37,398	-	510,523
-	-	-	-	-	-	-	-	33,712	-	1,532	-	181,448
-	-	-	-	-	-	-	-	2,511	-	-	-	2,511
-	-	-	-	-	-	-	-	893,944	581,671	269,900	-	3,313,189
-	230,558	11,611	-	-	-	-	-	-	-	-	-	534,631
87,875	-	-	118,792	14,152	9,504	-	88,824	884	-	32,223	-	977,481
-	-	-	-	-	-	-	-	344	398,179	256	-	402,360
-	-	-	-	-	-	-	1,971	1,267	-	472	-	28,622
-	-	-	-	-	-	-	(395)	(473)	-	(335)	-	(12,980)
-	-	-	-	-	-	1,229	-	40,697	-	-	-	41,926
1,710	6,757	-	2,582	-	-	-	-	-	-	-	-	39,832
-	-	-	-	-	-	-	-	24,832	-	-	-	24,832
89,585	237,315	11,611	121,374	14,152	9,504	1,229	90,400	67,551	398,179	32,616	-	2,036,704
-	-	-	-	-	-	-	-	113,642	2,104,186	-	-	2,217,828
-	-	-	-	-	-	-	-	-	-	157,939	-	414,783
-	-	-	-	-	-	-	-	1,464	1,402	1,085	-	14,863
-	-	-	-	-	-	-	-	-	66,988	-	-	66,988
-	-	-	-	-	-	-	-	-	(2,679)	-	-	(2,679)
-	1,474	2,342	-	-	-	188,351	474,706	3,443,139	4,124,801	11,441	(8,246,254)	-
89,585	238,789	13,953	121,374	14,152	9,504	189,580	565,106	4,519,740	7,274,548	472,981	(8,246,254)	8,061,676
-	-	-	-	-	-	-	-	3,346,355	223,787	125,000	-	6,281,509
-	-	-	-	-	-	-	-	8,434,217	1,153,036	1,112,957	-	41,309,585
-	-	-	-	-	-	-	-	9,046	564,590	16,782	-	1,506,546
-	-	-	-	-	-	-	-	263,924	148,480	6,947	-	5,462,849
-	-	-	-	-	-	-	-	(3,223,847)	(1,564,693)	(509,247)	-	(36,814,916)
-	-	-	-	-	-	-	-	-	-	-	-	515,575
-	-	-	-	-	-	-	-	8,829,695	525,200	752,439	-	18,261,148
-	-	-	-	-	-	252,821	58,315	163,835	469,000	275,000	-	1,218,971
-	-	-	-	-	-	-	-	235	2,776	-	-	4,125
-	-	-	-	-	-	252,821	58,315	8,993,765	996,976	1,027,439	-	19,484,244
-	-	-	-	-	-	-	-	18,658	221,144	-	-	328,548
\$ 89,585	\$ 238,789	\$ 13,953	\$ 121,374	\$ 14,152	\$ 9,504	\$ 442,401	\$ 623,421	\$ 13,532,163	\$ 8,492,668	\$ 1,500,420	\$ (8,246,254)	\$ 27,874,468
\$ 105	\$ 1,601	\$ -	\$ 103	\$ -	\$ -	\$ -	\$ 14,138	\$ 86,246	\$ 299,869	\$ 14,557	\$ -	\$ 668,940
-	117	-	-	-	-	-	-	300	11,724	673	-	19,369
-	1,937	-	-	-	-	-	-	3,478	129,974	7,533	-	217,101
-	-	-	-	-	-	92,340	-	-	28,927	4,583	-	126,000
-	-	-	-	-	-	-	-	33,712	-	1,532	-	181,448
-	-	-	-	-	-	-	-	15,430	-	92,707	-	234,327
-	-	-	-	-	-	1,229	-	170,809	-	-	-	172,038
-	-	-	-	-	-	-	-	3,763	-	-	-	6,103
98,159	294,924	-	124,022	25,260	61,085	371,807	118,368	1,811,711	4,618,682	82,701	(8,246,254)	-
98,264	298,579	-	124,125	25,260	61,085	465,376	136,269	2,123,921	5,089,176	204,286	(8,246,254)	1,625,326
-	-	-	-	-	-	159,415	-	6,025,840	-	1,133,983	-	7,319,238
-	-	-	-	-	-	-	-	1,943,085	650	-	-	2,292,659
-	-	-	-	-	-	-	-	76,721	909,318	-	-	1,350,953
-	-	-	-	-	-	159,415	-	8,045,646	909,968	1,133,983	-	10,962,850
98,264	298,579	-	124,125	25,260	61,085	624,791	136,269	10,169,567	5,999,144	1,338,269	(8,246,254)	12,588,176
-	-	-	-	-	-	-	-	10,153	120,337	-	-	178,781
-	-	-	-	-	-	-	-	882,435	525,200	(381,544)	-	9,179,905
-	-	-	-	-	-	-	-	475,636	-	195,337	-	927,817
(8,679)	(59,790)	13,953	(2,751)	(11,108)	(51,581)	(182,390)	487,152	1,994,372	1,847,987	348,358	-	4,999,789
(8,679)	(59,790)	13,953	(2,751)	(11,108)	(51,581)	(182,390)	487,152	3,352,443	2,373,187	162,151	-	15,107,511
\$ 89,585	\$ 238,789	\$ 13,953	\$ 121,374	\$ 14,152	\$ 9,504	\$ 442,401	\$ 623,421	\$ 13,532,163	\$ 8,492,668	\$ 1,500,420	\$ (8,246,254)	\$ 27,874,468

**HOUSING AUTHORITY OF THE
COUNTY OF SALT LAKE**
**Statement of Revenues, Expenses, and
Changes in Net Position by Program
For the Year Ended June 30, 2015**

FDS	AMP 2														Section 8
Line	AMP 1		Valley Fair		AMP 3		AMP 4		AMP 5		Ross	Ross	Shelter Plus	Rental	
Item	High Rise		Village		East		West		Scattered		Grant	FSS	Care	Vouchers	
#	Account Description	14.872	14.850	14.872	14.850	14.872	14.850	14.872	14.850	14.872	14.850	14.870	14.896	14.238	14.871
	REVENUE														
	Tenant Revenue:														
70300	Net Tenant Rental Revenue	\$ -	\$ 485,190	\$ -	\$ 232,233	\$ -	\$ 226,748	\$ -	\$ 236,100	\$ -	\$ 365,190	\$ -	\$ -	\$ -	\$ -
70400	Tenant Revenue - Other	-	14,101	-	5,250	-	17,018	-	21,155	-	9,246	-	-	-	-
70500	Total Tenant Revenue	-	499,291	-	237,483	-	243,766	-	257,255	-	374,436	-	-	-	-
70600	HUD PHA Operating Grants	22,236	232,500	28,848	168,647	44,009	333,194	51,071	536,771	30,516	353,674	137,322	93,724	331,763	19,099,032
70610	Capital Grants	286,636	-	1,993	-	19,417	-	209,813	-	47,256	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70730	Bookkeeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70800	Other Governmental Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71100	Investment Income - Unrestricted	-	190	-	436	-	638	-	545	-	805	-	-	-	1,137
71200	Mortgage Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	77,762
71500	Other Revenue	-	48,983	-	9,264	-	-	-	8,800	-	-	-	-	-	116,248
72000	Investment Income - Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70000	TOTAL REVENUE	308,872	780,964	30,841	415,830	63,426	577,598	260,884	803,371	77,772	728,915	137,322	93,724	331,763	19,294,179
	EXPENSES														
	Administrative:														
91100	Administrative Salaries	-	71,881	-	65,271	-	56,137	-	65,045	-	66,389	818	-	20,885	448,668
91200	Auditing Fees	-	2,563	-	1,720	-	1,857	-	2,373	-	2,254	-	-	-	7,853
91300	Management Fee	14,327	103,700	14,327	68,408	14,327	73,701	14,327	93,700	14,327	90,641	-	-	-	353,520
91310	Bookkeeping Fee	-	13,223	-	8,723	-	9,398	-	11,948	-	11,557	-	-	-	220,950
91500	Employee Benefit Contributions	-	37,367	-	30,729	-	27,801	-	32,844	-	41,654	287	-	5,599	273,335
91600	Office Expenses	198	57,974	133	32,380	143	36,731	183	42,227	174	35,198	9,396	-	353	155,390
91700	Legal	-	539	-	232	-	90	-	2,373	-	888	-	-	-	5,797
91800	Travel	134	1,868	90	1,256	97	1,349	124	1,730	118	2,550	2,281	-	-	5,576
91000	Total Administrative Expenses	14,659	289,115	14,550	208,719	14,567	207,064	14,634	252,240	14,619	251,131	12,782	-	26,837	1,471,089
92000	Asset Management Fee	-	17,880	-	12,000	-	12,960	-	16,560	-	15,720	-	-	-	-
	Tenant Services:														
92100	Tenant Services - Salaries	-	-	-	-	-	-	-	-	-	87,134	64,406	-	-	28,905
92300	Emp Bene - Tenant Services	-	-	-	-	-	-	-	-	-	35,444	27,888	-	-	14,523
92400	Tenant Services - Other	-	751	-	493	-	362	-	522	-	439	79	-	-	-
92500	Total Tenant Services	-	751	-	493	-	362	-	522	-	439	122,657	92,294	-	43,428
	Utilities:														
93100	Water	-	12,045	-	10,826	-	30,446	-	47,728	-	49,585	-	-	-	-
93200	Electricity	-	93,060	-	13,273	-	15,536	-	18,456	-	2,073	-	-	-	-
93300	Gas	-	36,489	-	1,480	-	3,568	-	5,490	-	1,436	-	-	-	-
93600	Sewer	-	8,372	-	18,816	-	13,762	-	32,329	-	29,329	-	-	-	-
93000	Total Utilities	-	149,966	-	44,395	-	63,312	-	104,003	-	82,423	-	-	-	-
	Ordinary Maintenance & Operation														
94100	Labor	-	104,234	-	38,887	-	26,499	-	50,435	-	24,561	-	-	-	-
94200	Materials and Other	5,713	33,285	4,910	16,901	8,999	35,053	9,567	79,310	8,131	44,283	-	-	-	1,712
94300	Contract Costs	1,865	85,840	9,388	62,491	20,443	163,735	26,871	235,032	7,767	226,498	-	-	-	-
94500	Maint Emp Benefits	-	71,161	-	22,143	-	17,293	-	30,849	-	18,521	-	-	-	-
94000	Total Maintenance & Operation	7,578	294,520	14,298	140,422	29,442	242,580	36,438	395,626	15,898	313,863	-	-	-	1,712
95200	Protective Services - Other Costs	-	49,714	-	4,236	-	3,280	-	4,190	-	3,979	-	-	-	-
	General Expenses:														
96110	Property Insurance	-	14,327	-	4,697	-	9,391	-	13,193	-	14,933	-	-	-	-
96120	Liability Insurance	-	8,105	-	2,657	-	5,313	-	7,463	-	8,447	-	-	-	-
96130	Workers' Compensation	-	3,706	-	2,228	-	1,687	-	2,316	-	1,949	1,883	1,430	383	9,887
96140	All Other Insurance	-	1,759	-	1,407	-	2,111	-	2,111	-	2,111	-	-	-	1,407
96100	Total Insurance Premium	-	27,897	-	10,989	-	18,502	-	25,083	-	27,440	1,883	1,430	383	11,294
96200	Other General Expenses	-	-	-	-	-	-	-	5	-	3	-	-	-	8,463
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96400	Bad Debt - Tenant Rents	-	4,246	-	52	-	10,152	-	13,772	-	4,117	-	-	-	-
96000	Total Other General Expenses	-	32,143	-	11,041	-	28,654	-	38,860	-	31,560	1,883	1,430	383	19,757
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96700	Interest Expense and Amortization Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96900	TOTAL OPERATING EXPENSES	22,237	834,089	28,848	421,306	44,009	558,212	51,072	812,001	30,517	699,115	137,322	93,724	27,220	1,535,986
	Other Expenses:														
97200	Casualty Losses - Non-Capitalized	-	-	-	11,589	-	3,700	-	22,250	-	-	-	-	-	-
97300	Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	-	-	305,222	18,020,879
97350	HAP Portability IN	-	-	-	-	-	-	-	-	-	-	-	-	-	77,988
97500	Fraud Losses	-	-	-	-	-	-	-	-	-	-	-	-	-	26,615
97400	Depreciation Expense	227,963	3,056	21,545	3,780	115,345	45,083	229,824	81,940	87,651	130,519	-	-	-	15,753
90000	TOTAL EXPENSES	250,200	837,145	50,393	436,675	159,354	606,995	280,896	916,191	118,168	829,634	137,322	93,724	332,442	19,677,221
	Other Financing Sources (Uses)														
10091	Inter-AMP Excess Cash Transfer In	-	58,510	-	14,335	-	-	-	-	-	-	-	-	-	-
10092	Inter-AMP Excess Cash Transfer Out	-	-	-	-	-	(21,594)	-	(16,630)	-	(34,621)	-	-	-	-
10100	Total Other Financing Sources (Uses)	-	58,510	-	14,335	-	(21,594)	-	(16,630)	-	(34,621)	-	-	-	-
	Excess (Deficiency) of Total Revenue Over (Under) Expenses	58,672	2,329	(19,552)	(6,510)	(95,928)	(50,991)	(20,012)	(129,450)	(40,396)	(135,340)	-	-	(679)	(383,042)
11030	Net Position at Beginning of Year	-	1,826,844	-	592,620	-	1,566,819	-	2,694,959	-	2,769,660	-	-	(2,895)	661,801
11040	Transfers and Adjustments	-	(27,890)	-	(16,685)	-	(15,345)	-	(14,371)	-	(15,771)	-	-	-	(74,422)
	Net Position at End of Year		\$ 1,859,955		\$ 549,873		\$ 1,404,555		\$ 2,531,126		\$ 2,578,153	\$ -	\$ -	\$ (3,574)	\$ 204,337

Home Investment Partnership		Continuum of Care	Supportive Housing	Temporary Assistance for Needy Families	Master Leasing	Homeless Prevention Program	CDBG Program	State Funds	Business Activities	Central Office & Maintenance		Component Units	Eliminations	Combined Balance
Program 14.239	HOPWA 14.241	Care 14.267	Wendell 14.235	Families 93.558	Leasing 16.579	Program 93.667	Program 14.218			Capital	Non Capital			
\$ 49,155	\$ -	\$ -	\$ 9,094	\$ -	\$ -	\$ -	\$ -	\$ 4,738	\$1,103,901	\$ -	\$ -	\$ 24,825	\$ -	\$ 2,737,174
20	-	-	-	-	-	-	-	-	42,914	-	-	55	-	109,759
49,175	-	-	9,094	-	-	-	-	4,738	1,146,815	-	-	24,880	-	2,846,933
-	-	1,317,437	101,296	-	-	-	-	-	-	-	-	41,073	-	22,923,113
-	-	-	-	-	-	-	-	-	-	-	-	-	-	565,115
-	-	-	-	-	-	-	-	-	-	71,635	923,667	-	(876,344)	118,958
-	-	-	-	-	-	-	-	-	-	-	75,120	-	(75,120)	-
-	-	-	-	-	-	-	-	-	-	-	276,999	-	(276,999)	-
-	-	-	-	-	-	-	-	-	-	-	627,057	-	(497,824)	129,233
-	-	-	-	-	-	-	-	-	-	71,635	1,902,843	-	(1,726,287)	248,191
225,786	248,756	34,154	-	794,777	84,912	40,000	-	370,528	6,106	-	-	389,235	-	2,194,254
-	-	-	-	-	-	-	-	-	4,444	-	1,983	15	-	10,193
-	-	-	-	-	-	-	29	-	9,637	-	-	-	-	9,666
914	1,134	2,350	-	-	-	-	-	-	-	-	-	-	-	82,160
999,200	-	-	-	-	-	-	25	-	734,094	-	33,571	6,033	-	1,956,218
-	-	-	-	-	-	-	-	-	3,815	-	-	3	-	3,818
1,275,075	249,890	1,353,941	110,390	794,777	84,912	40,000	54	375,266	1,904,911	71,635	1,938,397	461,239	(1,726,287)	30,839,661
62,501	6,456	59,504	4,914	5,166	3,766	-	995	5,806	182,195	63,456	836,696	11,243	-	2,037,792
-	-	-	-	-	-	-	-	-	2,286	-	-	6,550	-	27,456
-	-	-	-	-	-	-	-	-	50,508	-	-	5,856	(876,344)	35,325
-	-	-	-	-	-	-	-	-	-	-	-	1,200	(276,999)	-
25,782	2,075	22,174	2,050	1,657	1,552	-	347	2,391	90,577	7,570	690,680	3,881	-	1,300,352
331,096	150	1,430	-	4,398	15	-	-	8,313	181,917	-	129,553	68,695	-	1,096,047
-	-	-	-	-	-	-	-	-	9,818	-	-	90	-	19,827
1,964	-	-	-	-	-	-	-	-	6,650	-	23,431	1,609	-	50,827
421,343	8,681	83,108	6,964	11,221	5,333	-	1,342	16,510	523,951	71,026	1,680,360	99,124	(1,153,343)	4,567,626
-	-	-	-	-	-	-	-	-	-	-	-	-	(75,120)	-
68,329	-	-	-	106,061	-	-	-	106,853	-	-	-	226,179	-	687,867
37,779	-	-	-	62,560	-	-	-	49,822	-	-	-	57,230	-	285,246
-	-	-	-	886	-	47,000	-	85,820	201	-	-	21,085	-	157,638
106,108	-	-	-	169,507	-	47,000	-	242,495	201	-	-	304,494	-	1,130,751
-	-	-	-	-	-	-	-	-	8,894	-	-	4,061	-	163,585
-	-	-	-	-	-	-	-	-	20,981	-	-	1,987	-	165,366
-	-	-	-	-	-	-	-	-	12,836	-	-	931	-	62,230
-	-	-	-	-	-	-	-	-	6,203	-	-	2,701	-	111,512
-	-	-	-	-	-	-	-	-	48,914	-	-	9,680	-	502,693
-	-	-	-	-	-	-	-	-	46,665	-	323,602	5,760	-	620,643
-	-	-	-	-	-	-	-	2,000	43,165	-	49,414	2,354	-	344,797
-	-	-	-	-	-	-	-	-	125,767	-	-	20,341	(497,824)	488,214
-	-	-	-	-	-	-	-	-	9,832	-	185,111	2,906	-	357,816
-	-	-	-	-	-	-	-	2,000	225,429	-	558,127	31,361	(497,824)	1,811,470
-	-	-	-	-	-	-	-	-	-	-	-	305	-	65,704
-	-	-	-	-	-	-	-	-	13,152	-	5,457	782	-	75,932
-	-	-	-	-	-	-	-	-	2,320	-	3,087	2,355	-	39,747
2,853	135	1,233	106	2,402	82	-	22	2,489	6,001	405	23,548	4,346	-	69,091
-	-	-	-	-	-	-	-	-	90	-	3,161	175	-	14,332
2,853	135	1,233	106	2,402	82	-	22	2,489	21,563	405	35,253	7,658	-	199,102
-	-	-	-	-	-	-	-	-	-	-	(1,066)	-	-	7,405
-	-	-	-	-	-	-	-	-	-	-	-	8,953	-	8,953
1,732	-	-	466	-	-	-	-	893	3,820	-	-	2,059	-	41,309
4,585	135	1,233	572	2,402	82	-	22	3,382	25,383	405	34,187	18,670	-	256,769
-	-	-	-	-	-	-	29	-	263,797	-	-	-	-	263,826
-	-	-	-	-	-	-	29	-	263,797	-	-	-	-	263,826
532,036	8,816	84,341	7,536	183,130	5,415	47,000	1,393	264,387	1,087,675	71,431	2,272,674	463,634	(1,726,287)	8,598,839
-	-	-	-	-	-	-	-	-	-	-	-	-	-	37,539
744,506	240,413	1,299,415	94,225	611,499	83,500	-	-	109,824	-	-	-	-	-	21,509,483
-	-	-	-	-	-	-	-	-	-	-	-	-	-	77,988
-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,615
-	-	-	-	-	-	-	-	-	340,372	7,492	38,154	40,857	-	1,389,334
1,276,542	249,229	1,383,756	101,761	794,629	88,915	47,000	1,393	374,211	1,428,047	78,923	2,310,828	504,491	(1,726,287)	31,639,798
-	-	-	-	-	-	-	-	-	-	-	-	-	-	72,845
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(72,845)
(1,467)	661	(29,815)	8,629	148	(4,003)	(7,000)	(1,339)	1,055	476,864	(7,288)	(372,431)	(43,252)	-	(800,137)
(88,034)	(9,340)	(29,975)	5,324	(2,899)	(7,105)	(44,581)	(181,051)	486,097	2,910,161	(15,883)	3,178,665	205,403	-	16,516,590
-	-	-	-	-	-	-	-	-	(34,582)	-	(409,876)	-	-	(608,942)
\$ (89,501)	\$ (8,679)	\$ (59,790)	\$ 13,953	\$ (2,751)	\$ (11,108)	\$ (51,581)	\$ (182,390)	\$ 487,152	\$ 3,352,443	\$ (23,171)	\$ 2,396,358	\$ 162,151	\$ -	\$ 15,107,511

**HOUSING AUTHORITY OF THE
COUNTY OF SALT LAKE**
Statement of Net Position - Business Activity Programs
As of June 30, 2015

Schedule 5

FDS Line Item #	Account Description	502 Locally Owned Units	511 Covewood Apartments	103 Development	888 Bank Pool	Total Business Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Current Assets						
Cash:						
113	Cash - Other Restricted	\$ -	\$ 473,125	\$ -	\$ -	\$ 473,125
114	Cash - Tenant Security Deposits	9,423	24,289	-	-	33,712
115	Cash - Restricted for Payment of Current Liab	-	-	-	2,511	2,511
100	Total Cash	9,423	882,010	-	2,511	893,944
Receivables:						
124	Accounts Receivable - HUD Other Projects	884	-	-	-	884
125	Accounts Receivable - Misc	344	-	-	-	344
126	Tenant Rent Receivable	1,197	70	-	-	1,267
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(473)	-	-	-	(473)
127	Notes Receivable - Current Portion	17,008	-	-	23,689	40,697
129	Accrued Interest Receivable	-	17,144	-	7,688	24,832
120	Total Receivables, net of allowances for doubtful accounts	18,960	17,214	-	31,377	67,551
Current Investments:						
131	Investments - Unrestricted	113,642	-	-	-	113,642
144	Interprogram Due From	1,784,291	-	1,658,848	-	3,443,139
150	Total Current Assets	1,926,316	900,688	1,658,848	33,888	4,519,740
Noncurrent Assets						
Capital Assets:						
161	Land	396,570	914,200	2,035,585	-	3,346,355
162	Buildings	2,006,525	6,427,692	-	-	8,434,217
164	Furniture, Equipment & Machinery - Admin	9,046	-	-	-	9,046
165	Leasehold Improvements	159,964	102,460	1,500	-	263,924
166	Accumulated Depreciation	(1,499,421)	(1,724,426)	-	-	(3,223,847)
160	Total Capital Assets, Net of Accumulated Depreciation	1,072,684	5,719,926	2,037,085	-	8,829,695
Other Noncurrent Assets:						
171	Notes Receivable - Non-Current	680	-	-	163,155	163,835
174	Other Assets	70	-	165	-	235
180	Total Noncurrent Assets	1,073,434	5,719,926	2,037,250	163,155	8,993,765
200	Deferred Outflows of Resources	5,552	-	13,106	-	18,658
190	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 3,005,302	\$ 6,620,614	\$ 3,709,204	\$ 197,043	\$ 13,532,163
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION						
LIABILITIES						
Current Liabilities:						
312	Accounts Payable <= 90 Days	\$ 4,599	\$ 44,253	\$ 37,269	\$ 125	86,246
321	Accrued Wages/Payroll Taxes Payable	300	-	-	-	300
322	Accrued Compensated Absences - Current	3,478	-	-	-	3,478
341	Tenant Security Deposits	9,423	24,289	-	-	33,712
342	Deferred Revenues	2,452	12,978	-	-	15,430
343	Current Portion of Long-Term Debt - Capital Projec	10,120	137,000	-	23,689	170,809
345	Other Current Liabilities	-	-	-	2,235	2,235
347	Interprogram Due To	-	1,654,626	-	157,085	1,811,711
310	Total Current Liabilities	30,372	1,873,146	37,269	183,134	2,123,921
Noncurrent Liabilities:						
351	Notes and Mortgages Payable	649,055	5,208,000	-	168,785	6,025,840
357	Accrued Pension & OPEB Liability	22,831	-	53,890	-	76,721
350	Total Noncurrent Liabilities	671,886	5,208,000	1,996,975	168,785	8,045,646
300	TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	702,258	7,081,146	2,034,244	351,919	10,169,567
400	Deferred Inflows of Resources	3,021	-	7,132	-	10,153
NET POSITION:						
508.1	Net Invested in Capital Assets	413,509	374,926	94,000	-	882,435
511.1	Restricted	-	473,125	-	2,511	475,636
512.1	Unrestricted	1,886,514	(1,308,583)	1,573,828	(157,387)	1,994,372
513	TOTAL NET POSITION	2,300,023	(460,532)	1,667,828	(154,876)	3,352,443
600	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 3,005,302	\$ 6,620,614	\$ 3,709,204	\$ 197,043	\$ 13,532,163

**HOUSING AUTHORITY OF THE
COUNTY OF SALT LAKE**
**Statement of Revenues, Expenses, and
Changes in Net Position - Business Activity Programs**
For the Year Ended June 30, 2015

Schedule 6

FDS Line Item #	Account Description	502 Locally Owned Units	511 Covewood Apartments	103 Development	888 Bank Pool	Total Business Activities
	REVENUE					
	Tenant Revenue:					
70300	Net Tenant Rental Revenue	\$ 303,645	\$ 800,256	\$ -	\$ -	\$ 1,103,901
70400	Tenant Revenue - Other	2,638	40,276	-	-	42,914
70500	Total Tenant Revenue	306,283	840,532	-	-	1,146,815
70800	Other Governmental Grants	6,106	-	-	-	6,106
71100	Investment Income - Unrestricted	4,442	-	-	2	4,444
71200	Mortgage Interest Income	-	-	-	9,637	9,637
71500	Other Revenue	2,000	338	731,511	245	734,094
72000	Investment Income - Restricted	1,938	1,877	-	-	3,815
70000	TOTAL REVENUE	320,769	842,747	731,511	9,884	1,904,911
	EXPENSES					
	Administrative:					
91100	Administrative Salaries	35,225	74,735	69,254	2,981	182,195
91200	Auditing Fees	672	1,614	-	-	2,286
91500	Employee Benefit Contributions - Administration	19,759	23,379	46,398	1,041	90,577
91600	Office Expenses	12,949	24,221	144,117	630	181,917
91700	Legal	350	521	8,947	-	9,818
91800	Travel	48	-	6,602	-	6,650
	Tenant Services:					
92400	Tenant Services - Other	-	201	-	-	201
	Utilities:					
93100	Water	8,644	250	-	-	8,894
93200	Electricity	9,828	11,153	-	-	20,981
93300	Gas	9,246	3,590	-	-	12,836
93600	Sewer	6,203	-	-	-	6,203
	Ordinary Maintenance & Operation					
94100	Ordinary Maintenance - Labor	18,162	28,503	-	-	46,665
94200	Ordinary Maintenance & Operations - Materials & Ot	20,040	23,125	-	-	43,165
94300	Ordinary Maint & Operations - Contract Costs	78,830	46,937	-	-	125,767
94500	Maint Emp Benefits	9,832	-	-	-	9,832
	General Expenses:					
96110	Property Insurance	4,121	9,031	-	-	13,152
96120	Liability Insurance	2,320	-	-	-	2,320
96130	Workers' Compensation	1,201	3,223	1,512	65	6,001
96400	Bad Debt - Tenant Rents	893	2,927	-	-	3,820
96710	Interest of Mortgage (or Bonds) Payable	10,698	243,496	-	9,603	263,797
96900	TOTAL OPERATING EXPENSES	264,204	532,321	276,830	14,320	1,087,675
	Other Expenses:					
97400	Depreciation Expense	89,355	251,017	-	-	340,372
90000	TOTAL EXPENSES	353,559	783,338	276,830	14,320	1,428,047
10000	Excess (Deficiency) of Total Revenue Over (Under) Expenses	(32,790)	59,409	454,681	(4,436)	476,864
11030	Net Position at Beginning of Year	2,371,550	(519,941)	1,304,581	(150,440)	3,005,750
11040	Transfers and Adjustments	(38,737)	-	(91,434)	-	(130,171)
	Net Position at End of Year	\$ 2,300,023	\$ (460,532)	\$ 1,667,828	\$ (154,876)	\$ 3,352,443



INDEPENDENT AUDITORS' 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*

Board of Commissioners
Housing Authority of the County of Salt Lake
Salt Lake City, Utah

We have audited, in accordance with the 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, the financial statements of The Housing Authority of the County of Salt Lake (the Authority), which comprise the Statement of Net Position as of June 30, 2015, and the related Statements of Revenues, Expenses, and Changes in Net Position, and Cash Flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 24, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Adams & Petersen, CPAs LLC
November 24, 2015



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Commissioners
Housing Authority of the County of Salt Lake
Salt Lake City, Utah

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the County of Salt Lake's (the Authority) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2015. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Non-Profit 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 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Adams & Petersen, CPAs LLC
November 24, 2015

**HOUSING AUTHORITY OF THE
COUNTY OF SALT LAKE
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015**

Federal Agency / Program Grant Title	CFDA Number	Expenditures
Department of Housing and Urban Development (HUD)		
Supportive Housing for Persons with Disabilities - Rental Assistance (Blended Component Unit)	14.181	\$ 41,073
Supportive Housing for Persons with Disabilities - Loan (Blended Component Unit)	14.181	619,500
Supportive Housing Program	14.235	101,296
Shelter Plus Care Program	14.238	331,763
Home Investment Partnership	14.239	225,786
Housing Opportunities for Persons With Aids (HOPWA) (Passed through the Department of Workforce Services)	14.241	57,051
Housing Opportunities for Persons With Aids (HOPWA) (Passed through Salt Lake City)	14.241	191,705
Continuum of Care	14.267	1,317,437
Low Rent Public Housing	14.850	1,624,786
Public Housing Capital Fund	14.872	741,795
Housing Choice Vouchers	14.871	19,099,032
ROSS	14.870	137,322
ROSS FSS	14.892	93,724
Department of Health and Human Services		
Homeless Prevention Program (Passed through Salt Lake County)	93.667	40,000
Temporary Assistance for Needy Families (Passed through the Department of Workforce Services)	93.558	794,777
Department of Justice		
Masterleasing	16.579	84,912
Total Expenditures of Federal Awards		<u>\$ 25,501,959</u>

NOTE 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Housing Authority of the County of Salt Lake and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the Authority, it is not intended to, and does not present the financial position, changes in net assets or cash flows of the Authority. The Authority reporting entity is defined in Note 1 to the Authority's financial statements. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. Significant Accounting Policies

The Schedule of Expenditures of Federal Awards is a summary of activities related to the Authority's expenditures of federal awards. The schedule has been presented on the same basis of accounting as the financial statements. Most of the awards are reimbursement based. Therefore, as expenditures of federal funds are made, revenue is recognized.

NOTE 3. Public Housing Capital Fund Detail by Grant Year

Grant Number	Total Grant	Prior Year Expenditures	Current Year Expenditures	Remaining Grant
UT06P00350112	\$ 730,154	\$ 437,197	\$ 248,786	\$ 44,171
UT06P00350113	647,334	50,069	521,935	75,330
UT06P00350114	711,802	-	36,795	675,007
UT06P00350115	727,058	-	9,562	717,496
Total	<u>\$ 2,816,348</u>	<u>\$ 487,266</u>	<u>\$ 817,078</u>	<u>\$ 1,512,004</u>

**HOUSING AUTHORITY OF THE
COUNTY OF SALT LAKE
Schedule of Findings and Questioned Costs
For the year ended June 30, 2015**

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant Deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Non compliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant Deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ☐ Yes ☒ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Vouchers
14.872	Public Housing Capital Fund

Dollar threshold used to distinguish between type A and type B programs: \$ 793,905

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

**HOUSING AUTHORITY OF THE
COUNTY OF SALT LAKE
Schedule of Findings and Questioned Costs
June 30, 2015**

Internal Control Over Financial Reporting

There were no findings to report for the year ended June 30, 2015

Compliance

There were no findings to report for the year ended June 30, 2015

**HOUSING AUTHORITY OF THE
COUNTY OF SALT LAKE
Schedule of Findings and Questioned Costs-Prior Year
June 30, 2014**

Internal Control Over Financial Reporting

There were no findings to report for the year ended June 30, 2014

Compliance

There were no findings to report for the year ended June 30, 2014



INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH THE *STATE COMPLIANCE AUDIT GUIDE* ON COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS AND INTERNAL CONTROL OVER COMPLIANCE

Board of Commissioners
Housing Authority of the County of Salt Lake
Salt Lake City, Utah

Report On Compliance with General State Compliance Requirements and for Each Major State Program

We have audited Housing Authority of the County of Salt Lake's compliance with the applicable general state and major state program compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on *the Authority* or each of its major state programs for the year ended June 30, 2015.

General state compliance requirements were tested for the year ended June 30, 2015 in the following areas:

- Utah Retirement Systems
- Open and Public Meetings Act
- Cash Management
- Government Records Access management Act (GRAMA)
- Conflicts of Interest
- Nepotism
- Special and Local Service District Board Members

The Authority received the following non-major grants from the State of Utah:

- Department of Workforce Services: Olene Walker Housing Loan Fund – Tenant Based Rental Assistance
- Department of Workforce Services: Pamela Atkinson Homeless Trust Fund – Pathways
- Department of Workforce Services: Critical Needs Housing Grant
- Department of Workforce Services: Family Employment Program – Tenant Based Rental Assistance

The Authority did not receive any major State grants during the year ended June 30, 2015.

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on the Authority's compliance based on our audit of the compliance requirements referred to above. 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 the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the Authority or its major state programs occurred. An audit includes examining, on a test basis, evidence about the 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 on compliance with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on General State Compliance Requirements and Each Major State Program

In our opinion, the Housing Authority of the County of Salt Lake complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Authority or on each of its major state programs for the year ended June 30, 2015.

Report On Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In Planning and performing our audit, we considered the Authority's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance 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 and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Purpose of Report

This report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Adams & Petersen, CPAs LLC
November 24, 2015