HOUSING AUTHORITY OF UTAH COUNTY

FINANCIAL STATEMENTS
(WITH AUDITOR'S REPORTS)

FOR THE YEAR ENDED SEPTEMBER 30, 2006

HOUSING AUTHORITY OF UTAH COUNTY
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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of Utah County
Provo, UT

June 21, 2007

We have audited the accompanying basic financial statements of the business type activities, which collectively comprise the financial statements of Housing Authority of Utah County, as of and for the year ended September 30, 2006, as listed in the table of contents. These basic financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Housing Authority of Utah County as of September 30, 2006, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 21, 2007 on our consideration of Housing Authority of Utah County'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 controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The accompanying Management's Discussion and Analysis as listed in the table of contents is not a required part of the basic financial statements, but is supplementary information required by accounting principles

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generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the Housing Authority's basic financial statements of the business-type activities that collectively comprise the basic financial statements. The statements listed in the supporting information section of the table of contents, the Schedule of Expenditures of Federal Awards listed in the single audit section of the table of contents, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit* Organizations, and the Financial Data Schedule listed in the HUD schedule section of the table of contents, as required by the U.S. Department of Housing and Urban Development are presented for purposes of additional analysis and are not a required part of the financial statements of Housing Authority of Utah County. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Gilbert & Stewart

GILBERT & STEWART
Certified Public Accountants

Management Discussion and Analysis

Fiscal Year Ending 30 September 2006

Mission of the Housing Authority of Utah County

The Housing Authority of Utah County is a political subdivision of the State of Utah. We operate under the direction of an independent Board of Commissioners, five persons that the Utah County Commissioners have appointed and who serve voluntarily. The Housing Authority Board of Commissioners meets monthly to conduct the Housing Authority's business and set policy.

Rental Assistance

The Housing Authority provides housing assistance to low-income persons and families who are income eligible. We provide direct rental assistance to approximately 952 households throughout Utah County. Members of each household pay approximately 30 percent of their income toward rent and utilities and the Housing Authority subsidizes the balance directly to property owners or their agents. The United States Department of Housing and Urban Development's (HUD) Housing Choice Vouchers Program provides the funding for this assistance.

Housing Authority Owned properties

The Housing Authority also owns and manages 106 residences that are designated as Housing and Urban Development low-rent public housing, and another 51 residences that we have acquired with Housing Authority funds or in combination with tax credit funding and loans or grants from the HOME Investment Partnership and United States Department of Agriculture. We rent those dwellings to income-eligible persons and families who pay approximately 30 percent of their income for rent. Many of these homes house large families. The Housing Authority built or purchased dwellings for large families because of the unavailability of affordable housing for these families in the private rental market. The balance of Housing Authority-owned dwellings serve special needs populations, including: the mentally ill, disabled, victims of domestic violence, the elderly, and farm workers.

Subsidies from the United States Department of Housing and Urban Development help the Housing Authority manage and maintain the 106 public housing residences. A Capital Fund Program from HUD provides funding for major improvements on these public housing units. During fiscal year 2006, a major project involving roof and window replacements was completed on several of the units in the public housing portfolio through the Capital Fund Program.

Most of the residents in the Housing Authority-owned (non-HUD) dwellings hold Housing Choice Vouchers, which helps the Housing Authority fund operating costs for those dwellings.

Weatherization

Our Weatherization Assistance Program helps eligible low-income families reduce energy costs in their homes throughout Utah, Wasatch, and Summit Counties. We help families save energy and improve comfort and safety in their homes with insulation, doors and windows, furnace tune-ups, smoke and carbon monoxide detectors and energy education. We may also add insulation in attics, walls, and sub

floors; repair or replace windows, furnaces, water heaters and refrigerators; check indoor air quality and determine adequate ventilation; add temperature setback thermostats and compact fluorescent lighting; and check for lead hazards in the areas in which we work.

The United States Department of Energy, the Low Income Home Energy Assistance Program and several smaller programs provide funding for Weatherization assistance. During the fiscal year of 2006, this department weatherized 160 homes with material, labor, and administrative expenses of $886,444.91 (in contrast to 200 homes for $865,194 in fiscal year 2005).

Home Rehabilitation Loans

The Housing Authority loans money to income eligible homeowners throughout Utah, Wasatch, and Summit counties to repair their homes and bring them into compliance with local building codes. These are low interest loans and funding is from the HOME Investment Partnership Program or from a limited corpus the Housing Authority acquired from the State of Utah. Housing Authority loans through the HOME fund are assets of either the Utah Valley Consortium of Cities and County or the Olene Walker Housing Loan Fund administered by the State of Utah, who hold the notes on these loans.

Family Self Sufficiency

In addition to the above mentioned programs, the United States Department of Housing and Urban Development funds the Family Self-Sufficiency program to help participants overcome barriers to economic independence. This program encourages program participants to set goals relating to employment, money management, job training, and the development of life skills so that they can become self-reliant. Many program graduates use the money they save while participating in this program to become homeowners.

Summary

The assistance that we provide through the above programs improves neighborhoods and communities. Addressing housing needs among low and moderate income persons, stabilizes children and families with some of the most basic needs and helps them become productive citizens in their communities.

In many other instances, we are helping the elderly and those with mental or physical disabilities who may not obtain affordable housing on their own. Without assistance, these people may become homeless. In this way, the Housing Authority of Utah County lifts a significant burden and provides services with a meaningful impact on the community.

Important Projects and Improvements

Hollow Park

Since June of 2004, the Housing Authority has rented our Hollow Park development to Danville Services, a local adult disability care provider. This development is a 2,200 square foot, fully handicap accessible inside and out, three bedroom facility in Lindon for severely disabled persons. Three residents occupy the residence. The HAUC leases the land from Lindon City for $1 per year on a 99-year lease. The HOME Investment Partnership provided a 30 year, no interest loan of $218,000 for the construction of the project.

Sunflower
The Housing Authority also owns Sunflower, an Orem facility developed in 2000. Sunflower is very similar to Hollow Park, noted above. This unit also houses three severely disabled persons. Chrysalis, another local adult disability care provider, manages this home. During the 2006 fiscal year, the Housing Authority constructed a parking lot turn-around for paratransit vehicles, which has allowed handicap vehicle access to the property. Sunflower has a $100,000 20 year differed loan to the State of Utah HOME program, and a $65,383 no interest loan that is in repayment to the Utah Valley Consortium of Cities.

Stratton
The Housing Authority executed a contract to purchase the Stratton Property duplex, adjacent to our Sunflower facility in Orem, at the end of September 2003 for $158,000. During fiscal years 2004 and 2005, we planned and began refurbishing the duplex. The restoration of this property was completed in January of 2006 at a cost of approximately $79,000. Funding was obtained through the HOME Investment Partnership. This facility is available to families with special needs, including those with mental disabilities, victims of domestic violence, and other low-income households.

Yarrow Apartments
The Housing Authority owns and manages Yarrow Apartments. The Yarrow Apartment complex was funded through State and local HOME Investment Partnership loans and the Housing Authority. Yarrow Apartments has 17 residents in nine apartments and serves clients of Wasatch Mental Health. Previously the project received upgrades in the form of a French drain system to direct water runoff from the roof and gutters into the ground; and in 2006, maintenance, repairs, and fresh paint to all of the handrails.

Spring Lake Apartments
During fiscal year 2004, the Housing Authority completed our Spring Lake Farm Labor project, a facility with thirteen residences for farm laborers. This 1.57 million dollar project was funded through loans from the United States Department of Agriculture for $780,000 and the HOME Improvement Partnership for $650,000 both of which are 1% 33 year loans. The Federal Home Loan Bank of Seattle provided a $90,000 grant as well. During the 2006 fiscal year, management of the facility was transferred from Rural Housing Development Corporation to the Housing Authority.

Willow Cove
Willow Cove, developed in 1993, includes eight dwellings and serves victims of domestic violence. Funding for this project came from a partnership with Wells Fargo, utilizing tax credits. In addition, the HOME Investment Partnership provided a loan to the Housing Authority for the remaining funding.

Carillon Court
Carillon Court, finished in late 2000, and occupied in January of 2001, has 16 handicap accessible, one-bedroom apartments. Carillon Court serves income eligible senior citizen 62 years of age and older. The funding for this facility was obtained through Low Income Housing Tax Credits, loans through the HOME Investment Partnership, and funds from the Housing Authority.

Outstanding debt on these projects:

	2005	2006
Yarrow Apartments	$479,896.00	$469,058.99
Monson Building	$29,458.00	$10,337.26
Sunflower	$170,025.00	$165,382.53
Hollow Park	$126,742.00	$120,041.75
Stratton	$157,570.00	$172,476.68
Spring Lake Apartments	$1,396,887.00	$1,358,358.07
Total	$2,360,578.00	$2,295,655.28

2006 Accounting System:

The Housing Authority continued to expand the use of our new accounting software, Blackbaud, through the utilization of the budgeting module of The Financial Edge during the fiscal year 2006. This has improved management analysis of the income statements by the Board of Directors as well as internal management through the comparison of actual income and expenses to the original budget.

Introduction to financial statements

Housing Authority management provides this brief discussion, analysis and overview of our activities during the fiscal year ending 30 September 2006 to help readers understand the accompanying financial statements. We encourage readers to consider this overview together with the financial statements and associated notes.

The Housing Authority of Utah County is subject to Governmental Accounting Standards Board Statement Number 34 for fiscal years starting in 2004. This ruling requires government entities to report infrastructure and depreciate capital assets. The ruling also requires full accrual accounting. Full accrual accounting posts revenue and expense on the date earned or incurred, regardless of the timing of any cash exchange.

In addition, GASB 34 requires employing Generally Accepted Accounting Principles for Governmental Entities, which facilitates ease of understanding and comparison of financial statements to a business entity. New reporting requirements mandate that we identify equity accounts, previous years' contributed capital and retained earnings, as net assets. Another explanation of net assets is the difference between the cost of land and structures, and the outstanding debt on those assets, which equals our ownership or equity.

Current requirements also mandate that we identify net assets as the amount invested in capital assets and as unrestricted net assets. The synopsis below and the accompanying financial statements follow the requirement.

Beyond an overview of our principal activities that drive our financial status, in the Management Discussion and Analysis section of the Financial Statements we report on three main financial statements:

1. Statement of Net Assets, or the balance sheet---consolidated
2. Statement of Revenues and Expenses, or the income statement----consolidated
3. Statement of Cash Flows---consolidated

Statement of Net Assets

	30-Sep-05	30-Sep-06	Variance
Cash and investments	$ 1,050,713	$ 1,841,634	$ 790,921
Other current assets	$ 380,634	$ 296,696	$ (83,938)
Capital assets net of depreciation	$ 8,729,699	$ 8,544,021	$ (185,678)
Other non-current assets	$ 794,314	$ 788,179	$ (6,135)
Total Assets	$10,955,360	$11,470,530	$ 515,170
Current liabilities	$ 472,038	$ 598,355	$ 126,317
Non-current liabilities	$ 2,361,030	$ 2,292,745	$ (68,285)
Total Liabilities	$ 2,833,068	$ 2,891,100	$ 58,032
Net assets			
Invested in capital assets, net of debt	$ 6,369,122	$ 6,247,982	$ (121,140)
Unrestricted net assets	$ 1,753,170	$ 2,331,448	$ 578,278
Total net assets	$ 8,122,292	$ 8,579,430	$ 457,138
Total liabilities and net assets	$10,955,360	$11,470,530	$ 515,170

Differences in current assets from 2005 to 2006, including cash and receivables, largely reflect timing differences of funding from the Department of Housing and Urban Development (HUD) and from Weatherization contracts and the receivables for these contracts. The difference between cash and receivables together is an increase of $706,983 from fiscal year 2005 to fiscal year end 2006.

While capital assets net of depreciation appears to have decreased $185,678, in reality capital assets increased $367,081. However, subsequent to depreciation expense of $552,759, the account shows a $185,678 decrease. Depreciable capital assets continued to increase due to the completion of the improvements and remodeling to the Monson Building basement. The information systems and accounting department have now been centralized downstairs making more room for the Section 8 rental assistance department upstairs. In addition, the basement bathrooms and kitchen received a face lift. This and the movement of offices were completed in February 2006. The building also received a new roof this year. The improvement of windows and roofing to the 106 public housing units was also substantially completed in the 2006 fiscal year, which increased the value of our capital assets.

Current liabilities have increased this year also primarily due to an advance that the Housing Authority received from the Department of Energy. There were also nominal increases in the tenant deposits and escrow accounts for the clients who participate in the Family Self Sufficiency program. Although we did experience some substantial decreases in accounts payable and employee unpaid time off, the net result was an overall increase in current liabilities.

The decrease in long term liabilities is primarily a result of the steady pay down of our outstanding debt.

The decrease in net assets primarily reflects depreciation expense, as mentioned above. Although our capital assets continue to depreciate with time, we continually upgrade and maintain these assets with capital improvements and/or replacements as needed in property and equipment.

Statement of Revenues and Expenses

	30-Sep-05	30-Sep-06	Variance	% Change
Operating Revenues				
Tenant revenue	$ 488,563	$ 566,581	$ 78,018	15.97%
Federal sources	$ 7,051,128	$ 6,979,430	$ (71,698)	-1.02%
Other	$ 67,232	$ 79,635	$ 12,403	18.45%
Total Revenues	$ 7,606,923	$ 7,625,646	$ 18,723	0.25%
Operating expenses				
Wages and benefits	$ 1,110,744	$ 753,867	$ (356,877)	-32.13%
Administrative	$ 181,059	$ 173,392	$ (7,667)	-4.23%
Depreciation	$ 514,755	$ 552,759	$ 38,004	7.38%
Housing Assistance	$ 5,292,444	$ 4,753,064	$ (539,380)	-10.19%
Program Materials	$ 942,060	$ 1,302,471	$ 360,411	38.26%
Total operating expenses	$ 8,041,062	$ 7,535,553	$ (505,509)	-6.29%
Operating income (loss)	$ (434,139)	$ 90,093	$ 524,232	120.75%

	30-Sep-05	30-Sep-06	Variance	% Change
Non-operating revenues (expenses)				
Partnership gain (loss)	$ 66	$ (138)	$ (204)	-309.09%
Contribution from partnership			$ -	
Interest Income	$ 28,056	$ 56,108	$ 28,052	99.99%
Interest expense	$ (33,396)	$ (31,025)	$ 2,371	-7.10%
Total non-operating revenues (expenses)	$ (5,274)	$ 24,945	$ 30,219	572.98%
Capital Grants, federal sources	$ 202,544	$ 342,102	$ 139,558	68.90%
Net income (loss)	$ (236,869)	$ 457,140	$ 694,009	292.99%
Net assets, beginning	$8,359,161	$8,122,292	$(236,869)	-2.83%
Net assets, ending	$8,122,292	$8,579,430	$ 457,138	5.63%

Income

Overall tenant rents increased substantially this year primarily due to the increased occupancy of Spring Lake Apartments. However, there were rent adjustments to the following projects during the year, which also resulted in minor increases: Carillon Court, Sunflower, Hollow Park, and Yarrow Apartments. Willow Cove participated in the rent adjustments as well; however, due to reduced occupancy and tenant arrears they ended the fiscal year with a loss in revenue.

Revenues from federal sources decreased overall; however, Spring Lake had an increase due to subsidies from the USDA for Spring Lake Apartments. There are also increases shown in our Weatherization contracts with the Department of Energy (DOE), Low Income Home Energy Assistance Program (LIHEAP), and Questar Grants. This is largely reflective of the timing of funding and payouts for these programs. However, because HUD actually decreased funding this year for both the Capital Fund Program and the Operating Subsidy for the 106 public housing units, we had a net decrease in federal funding.

Although there continued to be a reduction in Section 8 paybacks this year, there was an overall increase in other income. This principally came from increased interest on the Housing Authority sweep account at Zion's National Bank.

Expenses

Overall operating expenses decreased by 6.7% percent from fiscal year 2005 to fiscal year 2006, mainly from a reduction in Housing Assistance Payments (HAP). During 2005 the Housing Choice Voucher Program was over leased above and beyond our 952 units; therefore, in September of 2005 the Housing Authority initiated efforts to balance the HAP budget. As we were anticipating a second recapture of program reserves from HUD, we reduced the number of families receiving assistance from 952 to 900.

In addition to the pre-emptive measures taken by the Housing Authority, the program experienced natural attrition of program participants during the first quarter of the fiscal year (October 2005 through December 2005). Meanwhile the average HAP amount for 2006 dropped to $445 per unit from $465 per unit in 2005, which is indicative of the change in the family size and income levels we are now serving. Over the 12 month period, this translates to a reduction in HAP payments of roughly $204,480.

Finally, the implementation of the RHIIP, Rental Housing Integrity Improvement Program[1], required additional administrative oversight when verifying income prior to client enrollment. The new program allows only third party income verification which is more time consuming and thereby increased the time it took us to lease back up to the 952 units contributing to the reduction in the overall HAP that was paid out during the fiscal year.

There is a large variance between the wages and benefits from 2005 to 2006. This is due to a change in the reporting of Wages & Benefits on our Audited Income Statement. The 2005 reporting of Wages & Benefits included all wages and benefits, while the 2006 reporting of Wages & Benefits included only Administrative Wages & Benefits. In 2006, Program Support Wages & Benefits totaling $580,764 have

[1] HUD Website, http://www.hud.gov/offices/pih/programs/ph/rhiip/

been moved to the Program & Materials category. This means that when comparing last year with this year, there was an increase in wages and benefits of 20% compared to 2005.

In 2006, the Housing Authority employees each received a 2% COLA (Cost of Living Increase). This was a board approved increase based upon Wells Fargo Banks published Cost of Living Index for the state of Utah. We also experienced a $20,153 increase in the employer paid portion of health insurance premiums, which represents a nearly 16% increase over last year.

Utah Retirement Systems also increased the employer contribution to the pension plans of our employees during this fiscal year by .5% of our total gross payroll.

Finally, the Housing Choice Voucher Program hired an additional full-time Housing Specialist to handle the additional work load created by the implementation of RHIIP, which is explained above.

Despite the increase in Wages & Benefits for the program, we were able decrease overall spending in both Program & Materials as well as Administrative expenses. The managerial oversight of our budget and programs has experienced substantial improvements as we have incorporated the use of the budget management module of our new accounting software, Blackbaud from the Financial Edge, which we began using as of October 2004. Continued increases in material costs, utilities, and fuel prices require that the Housing Authority be vigilant in monitoring the use of our program funds, as they fluctuate.

Profit & Loss

Our income statement shows an operating profit of $90,093 for 2006 as compared to an operating loss of ($434,139) in 2005 before depreciation. Depreciation expenses of $552,759 significantly impact our operating margin. Adding depreciation expense to the year end profit would increase that profit to $642,852 in 2006.

In the two previous years, the Capital Grants Federal Sources category had been called the Capital Fund Program, Federal Contribution. This year the description has been modified as the Housing Authority received a HOME funds grant for the purchase and rehabilitation of the Stratton Duplex. When purchased, the property was an illegal triplex, which the Housing Authority converted to a legal duplex using the grant funds. Of the $342,102, $56,104 was actually used for the rehabilitation required in this conversion process, while the remaining $285,998 was for the Capital Fund Program.

The Capital Fund Program is a grant from HUD that provides funding for major improvements on public housing residences. Although is appears that the Capital Fund Program received an increase of $83,454 in funding, there was actually a decrease in our budget for the 2007 CFP Contract. In previous years, we had not started to utilize the funds from our grant until the beginning of the new fiscal year in October. However, in 2006 public housings operating subsidy was reduced so much that we had to run the operations for the Public Housing program out of the CFP fund, which is allowed under HUD regulations. This required us to utilize 60% of the CFP 7 funds before the 2007 fiscal year began in October 2006. The CFP 6 contract was for $215,456; while the CFP 7 contract was for $190,586, a reduction of $24,870 in actual funding.

Operating Revenues by program

	30-Sep-05	30-Sep-06	Variance
Home Investment Partnership	$ 59,339	$ 55,970	$ (3,369)
Gateway	$ 4,296	$ 718	$ (3,578)
Capital operating grant	$ 34,248	$ 79,451	$ 45,203
State & Local Programs	$ 32,038	$ 51,212	$ 19,174
Shelter Plus Care	$ 188,603	$ 142,419	$ (46,184)
Business Activities	$ 305,179	$ 366,070	$ 60,891
Public Housing	$ 424,763	$ 382,382	$ (42,381)
Low Income Home Energy Assistance	$ 547,685	$ 480,759	$ (66,926)
Department of Energy	$ 291,151	$ 354,021	$ 62,870
Housing Choice Vouchers	$5,719,622	$ 5,712,644	$ (6,978)
Total Operating Revenue	$7,606,924	$ 7,625,646	$ 18,722
Interest Income	$ 28,056	$ 56,108	$ 28,052
Capital Grants, Federal Sources	$ 202,544	$ 342,102	$ 139,558
Total Revenues	$7,837,524	$ 8,023,956	$ 186,332

State and local programs include small Weatherization grants from Questar, Utah Power and Light, the Petroleum Violation Escrow (PVE) and any interest income from the corpus of the housing rehabilitation loan fund from the State of Utah. Although we didn't receive any PVE funds this year, there was a significant increase in the funds we received for Questar projects.

Business activities include Weatherization's Fee For Service program and rents from Housing Authority owned properties including the Stratton and Anderson properties, Sunflower, Hollow Park, Yarrow Apartments, and Spring Lake Apartment Community. In 2006, overall income increased by $60,891 mostly due to an increase in the rental subsidy from the USDA for Spring Lake Apartments. However, the Weatherization Fee for Service increased its income by $4,140 during the year which almost doubles the income from the 2005 fiscal year. There was also an increase from the completion of the Stratton remodel as both units became occupied at the completion of the project rehabilitation.

The total of the capital operating grant for operations and the capital fund grant for improvements, composing the Capital Fund Program, was $236,792 in 2005 and $ 365,449 in 2006, for a significant difference. Last year $34,248 of the CFP was used to supplement operations compared to $79,451 this year for an increase of 57%. This increase in operational use of CFP funds was due to the $42,381 decrease in the Public Housing revenues from last year of which was a $30,000 decrease of federal subsidy for this program.

Previously referenced as Energy Education, the Gateway program which was funded through the Utah State Office of Education for the purpose of developing and implementing an Adult Education Program for Housing Authority residents, used the final $718 in remaining funds during the 2006 fiscal year. As that was the end of the available funds, we have not received additional dollars for this program and until further notice the program has been closed.

"Shelter Plus is a program designed to provide housing and supportive services on a long-term basis for homeless persons with disabilities, (primarily those with serious mental illness, chronic problems with alcohol and/or drugs, or AIDS or related diseases) and their families who are living in places not intended for human habitation (e.g., streets) or in emergency shelters."[2] In 2006 we took measures to reduce the number of assisted voucher clients in order to avoid overspending the Shelter Plus contract, which is due to expire in February 2007, thus funding of this program experienced a 24.5% reduction between 2005 and 2006.

The total Weatherization grants from the Low Income Home Energy Assistance Program (LIHEAP) and the Department of Energy (DOE) combined fell a nominal $4,056. As mentioned in last years Management Discussion and Analysis, the DOE has interpreted a regulation limiting administrative funding to 10 percent of contracts up to $350,000 and five percent thereafter to mean a five percent limit on the entire contract if the contract is above $350,000. Since this interpretation does not appear logical in the least, Housing Authority management appealed the interpretation. Regional management of the Department of Energy determined that the current contracts had already been written and advised the consideration of the request should be handled prior to the writing of the next contract and directed us to handle this at the state level.

Unfortunately, our last two DOE contracts were both over the $350,000 threshold being $448,051 and $371,572 respectively. The 2007 contract is currently scheduled to come in at $316,080 with an administration budget of $31,608.

Therefore, our current strategy has been to request a higher contract from LIHEAP as these funds allow for an admin allocation of five to ten percent of administration dollars. The two contracts that we were expensing during the 2006 fiscal year were $428,608 and $355,005 respectively. It has been our experience that the amount of administration funds allowed to administer weatherization programs, falls short of the actual costs incurred.

The Housing Choice Voucher Program had nominal changes in income. Housing Assistance Payment funds went down; however, they were made up for with Family Self Sufficiency funding for the Housing Choice Voucher clients. Administration funds for the program also remained consistent.

[2] HUD Website, http://www.hud.gov/offices/cpd/homeless/programs/splusc/index.cfm

Statement of Cash Flows

	30-Sep-05	30-Sep-06	Variance	% Change
Cash flows from operating activities				
Tenants, fees and services	$ 489,003	$ 600,652	$ 111,649	22.83%
Federal grants	$ 7,152,085	$ 7,242,868	$ 90,783	1.27%
Other grants	$ 32,037	$ 44,788	$ 12,751	39.80%
Payments to suppliers	$ (962,215)	$ (780,338)	$ 181,877	-18.90%
Housing Assistance	$ (5,292,444)	$ (4,753,064)	$ 539,380	-10.19%
Wages and Benefits	$ (1,079,367)	$ (1,499,549)	$ (420,182)	38.93%
Net cash from operating activities	$ 339,099	$ 855,357	$ 516,258	152.24%
Cash flows from non-operating activities				
Cash flows from capital and financing				
Acquiring and construction of capital assets	$ (308,673)	$ (366,149)	$ (57,476)	18.62%
Capital grants	$ 202,544	$ 342,102	$ 139,558	68.90%
Interest Paid	$ (33,501)	$ (31,959)	$ 1,542	-4.60%
Reduction of notes payable	$ (75,021)	$ (82,368)	$ (7,347)	9.79%
Increase in Loans and Notes Payable	$ -	$ 17,830	$ 17,830	100.00%
Net cash from operating activities	$ (214,651)	$ (120,544)	$ 94,107	-43.84%
Interest Income	$ 28,056	$ 56,108	$ 28,052	99.99%
Net increase in cash and cash equivalents	$ 152,504	$ 790,921	$ 638,417	418.62%
Cash and equivalents, beginning of year		$ 1,050,713		
Cash and equivalents, end of year		$ 1,841,634		

The cash flow statement reflects the path of cash receipts and expenditures during the year's operations. In paragraphs above, revenues, expenses and variances were explained, and cash flow largely mirrors those explanations. This breaks down the variances of cash inflows and outflows from our bank accounts compared to last year.

Although cash flows from employee benefits and salaries appear to have increased substantially, the actual payment of wages and salaries from 2005 to 2006 increased by $149,360. Actual wages and salaries accrued in 2005 totaled to $1,350,190 compared to the total accrued in 2006 of $1,467,351 for an increase of $117,161. This increase is due to the 2% Cost of Living Increase given to all employees, the addition of a new full-time staff member, a 16% increase in company paid health insurance premiums, and a reduction in HAUC employee paid time off liabilities.

The increase in Loans and Notes Payable is from the draw down of the final portion of the Stratton Property loan for the locations rehabilitation mentioned previously.

2007 and beyond
Operating Income

As noted in last year's management discussion and analysis, during fiscal year 2004 HUD recaptured program reserves by withholding rental subsidies, forcing the Housing Authority to spend equity, or reserves, to fulfill rental assistance contracts. It was previously determined by HUD that there had been an overpayment of Housing Choice Voucher Program administrative funds in the year 2004. During 2007, HUD initiated the same type of fund recapture as described above only on the administrative side of the programs subsidy. Therefore, we expect a dramatic change in the administrative dollars for this program as well as a substantial drop in the program administrative reserves we had accrued.

In recent years, Congress and HUD have been promoting an agenda of change to the Housing Choice Voucher Program, which would turn the program into a block grant funded program through the states. Although this idea "was passed by the Financial Services Committee, it did not make it into law." Over the last year, it has been repackaged into what is known as the Section 8 Voucher Reform Act (SEVRA). This bill, H.R. 1851, would set a standard voucher funding policy, streamline the method of determining tenant portion of rent, and modify housing inspection policy, to reduce administrative burdens and open up the use of vouchers by more private landlords.[3]

Given national and international policy issues, we expect funding reductions for our 106 public housing residences related to the 2007 operating and capital funds for the coming year and the near future. Although the Capital Fund Program will continue to provide for major maintenance and rehabilitation of these residences, it will also be necessary for it to fund a growing portion of the public housing operating budget. Due to the subsidy reductions, in the future the capital fund will not be adequate to meet all of the anticipated repairs and maintenance required for these properties. Therefore, we have reached a point where we need to reposition the community's federal affordable housing assets so they may serve the needs of our citizens more effectively. This repositioning will take on the form of converting some of our public housing units to Section 8 Vouchers and replacing other housing units with other structures that more appropriately address the communities' needs.[4]

Rental income on other properties, including Yarrow Apartments, Carillon Court, Sunflower and Hollow Park, should meet operating expenses; and we anticipate marginal reserves.

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[3] National Low Income Housing Coalition Website, http://www.nlihc.org/doc/SEVRA-fact-sheet.pdf
[4] Housing Authority of Utah County, Proposal to Replace Public Housing Units, April 2007, Gene Carly

In 2006, Willow Cove experienced an unusually high vacancy rate due to lease violations; these issues have been corrected. Therefore, we anticipate that as occupancy increases, the program will level out by the end of 2007.

Future Activities

Public Housing

Despite the fact that a larger percentage of the Capital Fund will be utilized to cover regular operations, there are plans for continued property maintenance and improvements. We will be continuing work on roof replacements and site improvements such as sidewalks and landscaping.

In addition to capital improvements and public housing operations, we use these funds for major management improvements including computer software, upgrades, tool equipment, and vehicles. As there are some aging vehicles in the public housing maintenance fleet, we may soon need to invest in a new vehicle.

Because we plan and obligate funds from these grants first and then expend them as we complete the work, the statement of cash flow figures are slightly different than the combined capital funds noted in revenues and expenses. Each CFP grant, in that way, extends beyond our fiscal year and we may expend capital grants from a previous year during a current year, and some from a current year in the following fiscal year.

Self-Sufficiency

The Housing Authority operates a Family Self-Sufficiency program for the Housing Choice Voucher (S8) clients. Housing and Urban Development provides funding which speeds participants on the road to economic independence through educational assistance, goal setting, child care assistance, money management, career planning, and a savings plan.

Shelter Plus

The Housing Authority is continuing to receive funds for housing assistance of the chronically homeless population. There are currently four grants administered under this program. The primary referrals for applicants come from Wasatch Mental Health and Utah County Substance Abuse.

Elderly Housing

As explained in the previous management discussion and analysis, we were anticipating the building of an elderly housing facility in Orem in 2007. However, over the course of the year, the route for funding of this facility has changed. Management still sees a need for affordable rental housing for income eligible seniors, and we still plan on developing additional senior housing in the near future as part of the repositioning of the public housing properties as mentioned previously.

HOME

The $400,000 that had been pledged for the above elderly housing project from the Utah Valley Consortium of Cities was reviewed. As it was difficult to find an affordable piece of property and because of the restructuring of the public housing department, we asked the Consortium to reinvest part of these funds with other agencies throughout the county. The remaining funds we requested to be made available for the home rehabilitation loan program.

Yarrow Apartments
If funds are available, we will replace and upgrade the air conditioning systems at the Yarrow complex at an estimate of $12,000. Also, we plan to install awnings to cover the balcony, stairs, and entrances on all four sides of the structure, at an estimated cost of $30,000. We may be able to fund part of these improvements as we monitor incomes and expenses over the next year.

Last year we were planning to acquire a four-plex with HOME funds for eight Wasatch Mental Health clients in the north section of Utah County. Again, the repositioning of the public housing program has taken precedence and this is no longer in the current plan.

Monson Building
The 15 year note on the Monson building will be paid in full this year thus opening funds for improvements the building is in need of. As the building is older, it needs some energy efficiency improvements such as new windows and insulation. Additionally, we would like to upgrade the exterior porch area to improve the overall appearance and atmosphere of the entrance.

Re-entry Assistance Program (REAP)
As part of the Utah County Pilot Project, the Housing Authority will begin to manage a program for recently incarcerated individuals to help them overcome chronic homelessness upon their release from the Utah County Jail. Our community partners in the program include the Sheriff's Office, Adult Probation and Parole, Wasatch Mental Health and Community Action among others. United Way of Utah County will be acting as the Financial Agent for the administration of the funds which come from the Pamela Atkinson Homeless Assistance Trust Fund. The purpose of this project is to reduce the recidivism rate of this high maintenance segment of the population.

Spring Lake Apartments
Spring Lake is up and running at full occupancy. In the upcoming year, we would like to install an additional sidewalk around the playground to meet Section 504 requirements. We will also be installing tree rings for protection, and enhancing the shrub beds with bark.

Weatherization Programs
Despite the fact that other programs have received substantial cuts from congress; the DOE and LIHEAP programs have continued to remain steady in their funding. As home ownership and energy conservation remain a focus of our current administration, we expect these programs to maintain their current level of funding without significant changes.

Carillon Court
Because this project has ended the fiscal year with rather large reserves, we will be requesting a draw down of the Partnership Administration Fee and the Management Fee, which are allowed in the operating agreement from the general partner Michael & Associates Ltd.

Financial Contact

Readers with questions concerning this discussion or the Housing Authority's financial condition may contact our Financial Data Manager, L. Charles Larsen at (801)373-8333, ext. 109, or in writing to the Housing Authority of Utah County, 240 East Center Street, Provo, Utah 84606.

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF UTAH COUNTY

STATEMENT OF NET ASSETS
SEPTEMBER 30, 2006

ASSETS		
Current Assets		
Cash and Investments	$ 1,841,634	
Receivables - Net	224,324	
Inventory	60,917	
Prepaid Expenses	7,909	
Rehabilitation Loans - Current Portion - Net	3,546	
Total Current Assets		$ 2,138,330
Non-Current Assets		
Rehabilitation Loans Less Current Portion	18,137	
Investment in Tax Credit Partnerships	770,042	
Capital Assets - Non Depreciable:		
Land	1,293,125	
Construction in Progress	368,197	
Capital Assets - Depreciable:		
Building and Equipment - Net of Depreciation	6,882,699	
Total Non-Current Asssets		9,332,200
Total Assets		$ 11,470,530
LIABILITIES		
Current Liabilities		
Accounts Payable, Payroll and Related Liabilities	$ 244,089	
Deferred Revenue	138,921	
Rental Deposits	53,406	
Family Self-Sufficiency Escrow	54,948	
Compensated Absences	24,372	
Long-Term Debt	82,619	
Total Current Liabilities		$ 598,355
Non-Current Liabilities		
FSS and Compensated Absences Less Current Portion	79,325	
Long-Term Debt	2,213,410	
Total NonCurrent Liabilities		2,292,735
Total Liabilities		2,891,090
NET ASSETS		
Invested in Capital Assets (net of related debt)		6,247,992
Unrestricted		2,331,448
Total Net Assets		$ 8,579,440

See accompanying notes to financial statements

HOUSING AUTHORITY OF UTAH COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

Operating Revenues		
Tenant Revenue	$ 561,802	
Federal Sources	6,979,430	
Other	84,424	
Total Operating Revenues		$ 7,625,656
Operating Expenses		
Administrative Salaries & Wages	537,893	
Administrative Employee Benefits	215,974	
Administrative - Other	173,392	
Depreciation	552,759	
Housing Assistance Payments	4,753,064	
Program and Materials	1,302,471	
Total Operating Expenses		7,535,553
Operating Income (Loss)		90,103
Non-Operating Revenues (Expenses)		
Partnership Gain (Loss)	(138)	
Interest Income	56,108	
Interest Expense	(31,025)	
Total Non-Operating Revenues (Expenses)		24,945
Capital Grants - Federal Sources		342,102
Net Income (Loss)		457,150
Net Assets - Beginning		8,122,290
Net Assets - Ending		$ 8,579,440

See accompanying notes to financial statements

HOUSING AUTHORITY OF UTAH COUNTY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2006

Cash Flows from Operating Activities:		
Cash Receipts from Tenants, Fees, and Services	$ 600,652	
Cash Receipts from Federal Grants	7,242,868	
Cash Receipts from Other Grants	44,788	
Cash Payments to Suppliers	(780,338)	
Cash Paid for Housing Assistance	(4,753,064)	
Cash Payments to Employees for Services and Benefits	(1,499,549)	
Net Cash Provided (Used) by Operating Activities		$ 855,357
Cash Flows from Non-Capital Financing Activities		0
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(366,149)	
Proceeds from Capital Grants	342,102	
Interest Paid	(31,959)	
Reduction of Loans and Notes Payable	(82,368)	
Increase in Loans and Notes Payable	17,830	
Net Cash Provided (Used) by Capital and Related Financing Activities:		(120,544)
Cash Flows from Investing Activities:		
Interest Income		56,108
Net Increase (Decrease) in Cash and Cash Equivalents		790,921
Cash and Cash Equivalents:		
Cash and Cash Equivalents - Beginning of Year		1,050,713
Cash and Cash Equivalents - End of Year		$ 1,841,634

See accompanying notes to financial statements

HOUSING AUTHORITY OF UTAH COUNTY

STATEMENT OF CASH FLOWS (*CONTINUED*)

FOR THE YEAR ENDED SEPTEMBER 30, 2006

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)		$ 90,093
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	$ 552,759	
(Increase) Decrease in Receivables	93,506	
(Increase) Decrease in Prepaid Expenses	(2,109)	
(Increase) Decrease in Inventory	(1,462)	
Increase (Decrease) in Accounts, Payroll and Related Liabilities	(17,712)	
Increase (Decrease) in Deposits	(1,105)	
Increase (Decrease) in Deferred Revenue	141,387	
Net Adjustments		765,264
Net Cash Provided (Used) by Operating Activities		$ 855,357

See accompanying notes to financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Housing Authority of Utah County (HAUC) assists low-income families of Utah County with Housing needs. Several Federal and State grants provide assistance in the form of rent subsidies, public housing projects, weatherization of homes, loans, and various types of emergency programs. All services provided by HAUC and all activities and funds that are financially accountable to HAUC under GASB Statements 14 and 39 are included in these financial statements. As discussed in Note 11, HAUC is a member of and has oversight responsibility for Willow Cove, LLC and Carillon Court Limited Partnership. The Authority was organized by Utah County. HAUC is not a component unit of Utah County. It operates with its own Board of Commissioners, and reports to the State of Utah and the Federal Department of Housing and Urban Development.

Fund Accounting

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues consist of federal, state, and other grants. The Housing Authority recognizes as operating revenue rents received from tenants. Operating expenses include housing assistance, other program costs, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Basis of Accounting

HAUC maintains its books and financial statements in conformity with U. S. generally accepted accounting principles as applicable to governmental units. HAUC's reporting entity applied all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. HAUC is a proprietary fund and uses the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Capital Assets
Purchased property and equipment are recorded at cost. Management has determined that assets with an original cost of $500 or more are capital assets. Assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10-30 Years
Equipment	5-10 Years

Inventory
Inventory is valued at the lower of average cost or market.

Use of Estimates - Presenting financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates concerning assets, liabilities, revenues and expenses. Actual results may vary from these estimates.

Cash and Cash Equivalents
For purposes of the Statement of Cash Flows, HAUC considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

NOTE 2 – CASH AND INVESTMENTS

The Housing Authority's carrying amount of cash and investments was $1,841,634. The balance in the Housing Authority's bank accounts and the cash on hand was $1,905,950 with the difference being due to outstanding checks.

A. Deposits

Deposits – Custodial Credit Risk. Custodial risk is the risk that in the event of a bank failure, the Housing Authority's deposits may not be returned to it. The Housing Authority follows the requirements of the Utah Money Management Act in handling its depository and investing transactions. The Housing Authority considers the actions of the State Money Management Council to be necessary and sufficient for adequate protection of its uninsured bank deposits. Housing Authority funds are deposited in qualified depositories as defined by the Act. The Housing Authority policy for custodial credit risk is to follow the Utah Money Management Act. As of September 30, 2006, the Housing Authority's custodial credit risk for deposits were as follows:

Depository account	Custodial Credit Risk	Balance June 30, 2006
Checking and Savings	Insured and Collateralized	$ 26,626
Total Deposits		$ 26,626

B. Investments

The Housing Authority's investments are managed through participation in a sweep account with a local bank. As of September 30, 2006 the Housing Authority had the following investments:

Investments	Less Than 1	1-5	6-10	10
Sweep - Assessor U.S. Government MM Fund	$ 1,879,124	$ -	$ -	$ -

Investments – Interest Rate Risk. The Housing Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, interest rate risk is managed by compliance with the Utah Money Management Act, which provides guidance for handling depository and investing transactions in order to minimize interest rate risk.

Investments – Credit Risk. The Housing Authority follows the requirements of the Utah Money Management Act in handling its Depository and investing transactions. The Housing Authority funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the Housing Authority to invest in certificates of Deposits, U.S. Treasury obligations, U.S. agency issues, restricted mutual funds, and obligations of governmental entities within the State of Utah. The Housing Authority's investments are invested in accordance with the Act. The State Money Management Council provides regulatory oversight for the investments. The degree of risk of the investments depends on the underlying portfolio. The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. If a qualified depository should become ineligible to hold public funds, public treasurers are notified immediately. The Housing Authority considers the actions of the Council to be necessary and sufficient for adequate protection of its investments. The Housing Authority has no investment policy that would further limit its investment choices.

At September 30, 2006 the Housing Authority had the following sweep investment account which invests in securities backed by the U.S. Government:

Investments	Fair Value	Rating
Sweep - Assessor U.S. Government M.M. Fund	$1,879,124	Not Rated

Investments - Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Housing Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the Housing Authority's $1,879,124 investment in a sweep account, the entire amount of underlying securities are held by the Investment's counterparty, not in the Housing Authority's name and are not insured. The Housing Authority's investment arrangements primarily invest in a local bank's sweep account which meets the allowable investments of the Utah Money Management Act. The Housing Authority does not have an investment policy for custodial credit risk.

NOTE 3 - RECEIVABLES

Receivables at September 30, 2006 consist of the following:

HUD	$ 47,138
Other Governments	157,006
Other Grants	15,277
Rents (Net of Allowance for Uncollectibles of $203)	1,736
Other	3,167
	$224,324

NOTE 4 - CAPITAL ASSETS

A summary of the changes in capital assets is as follows:

Business-Type Activities	Balance 10/01/2005	Increases	Decreases	Balance 9/30/2006
Capital assets not being depreciated				
Land	$ 1,308,260	$ -	$ (15,135)	$ 1,293,125
Construction in progress	418,201	283,136	(333,140)	368,197
Total capital assets not being depreciated	1,726,461	283,136	(348,275)	1,661,322
Capital assets being depreciated				
Buildings	10,492,496	252,942	(1,662,084)	9,083,354
Improvements	271,299	47,117		318,416
Vehicles and equipment	453,123	1,794,245	(59,237)	2,188,131
Total capital assets being depreciated	11,216,918	2,094,304	(1,721,321)	11,589,901

Less accumulated depreciation for:				
Buildings	3,841,904	322,418	(967,811)	3,196,511
Improvements	20,858	10,265		31,123
Vehicles and equipment	350,918	1,187,887	(59,237)	1,479,568
Total accumulated depreciation	4,213,680	1,520,570	(1,027,048)	4,707,202
Total capital assets being depreciated - net	7,003,238	573,734	(694,273)	6,882,699
Business-type activities capital assets - net	$ 8,729,699	$ 856,870	$(1,042,548)	$ 8,544,021

During the year, the client reclassified $1,662,084 from buildings to ten-year equipment and corresponding accumulated depreciation of $967,811. Also $15,135 was reclassified from land to land improvements.

NOTE 5 - LONG-TERM DEBT

A summary of the changes in long-term debt is as follows:

	Balance 10/1/2005	Addition	Deduction	Balance 9/30/2006	Due Within One Year
Family Self Sufficiency	$ 91,569	$ 18,327	$ -	$ 109,896	$ 54,948
Compensated Absences	78,583	-	29,834	48,749	24,372
Yarrow Development - UDCED #1	304,618	-	4,962	299,656	6,057
Yarrow Development - UDCED #2	20,762	-	452	20,310	477
Yarrow Development - UVCCC	154,516	-	6,307	148,209	6,307
Office Building Note - Monson	29,458	-	17,688	11,770	11,770
Sunflower - UVCCC	70,025	-	4,643	65,382	4,642
Sunflower - UVCED	100,000	-	-	100,000	-
Spring Lake - USDA #1	599,013	-	17,315	581,698	19,319
Spring Lake - USDA #2	164,592	-	4,413	160,179	4,453
Spring Lake - UVCCC	633,282	-	16,965	616,317	17,047
Hollows - UVCCC	126,742	-	6,700	120,042	6,700
NV2 - UVCCC	157,570	17,830	2,923	172,476	5,847
	$ 2,530,730	$ 36,157	$ 112,202	$ 2,454,684	$ 161,939

The mortgage dated September 1993, payable to Jesse and June Monson on the office building for $150,000 is payable at 9% interest for 180 monthly payments of $1,521 until June 2007. The current portion is $11,770.

The Yarrow note payable to the Utah Valley Consortium of Cities and County is a 30-year loan for $189,200. The loan has no interest. The payments are $526 per month. The current portion is $6,307; long-term is $141,902.

The Yarrow note payable #2 to the Utah Department of Community and Economic Development is a 30 year, 5% interest note. The total loan is $21,433; payments are $123 per month starting March, 2005. The current portion is $477, long-term is $19,833.

The Yarrow note payable #1 to the Utah Department of Community and Economic Development is a 30 year, 5% interest note. The total contract is for $333,433. The payment is $1,675 per month starting March 2005. The current portion is $6,057; long-term is $293,599.

The Sunflower note payable to the consortium is a total contract for $92,850. The loan bears no interest. The payments are $387 per month for 20 years. The current portion is $4,642; long-term is $60,740.

The Spring Lake note payable #1 to the United States Department of Agriculture is a loan of $617,587 to finance rural housing projects. The interest rate is 1% from July 1, 2002. The loan period is 33 years starting July 1, 2002. All payments were deferred until the project was completed in 2005. At that time, the deferred interest was added to the loan and monthly payments of $1,936 started. The current portion is $19,319; long term is $562,379.

The Spring Lake note payable #2 to the United States Department of Agriculture is $169,318, at 1% interest. The payments are $503 per month for 33 years. The current portion is $4,453; long-term is $155,726.

The Spring Lake note payable to Utah Valley Consortium of Cities and County is $650,000 at 1% interest. The payments are $1,928 per month for 33 years. The current portion is $17,047; long-term is $599,270.

The Sunflower note payable to Utah Department of Community and Economic Development is a 20 year, 0% interest note, with all payments deferred. However, if the property changes use, the note will bear interest at 8% and will be due and payable in full. At the end of 20 years, the note will be renegotiated. The balance at year end is $100,000.

The Hollows note payable to the Utah Valley Consortium of Cities and County is a construction loan for $134,000 at a 0% interest rate. The payments are $558 per month starting about October, 2005 and go for 20 years. The current portion is $6,700; long-term is $113,342.

The NV2 note payable to Utah Valley Consortium of Cities and County is a loan to buy and renovate the Stratton Duplex. The total loan is for $175,400 at 0% interest for 30 years. The payments are $487 per month May 2006. The current portion is $5,847; long-term is $166,630.

The maturities for the notes payable are as follows:

Year Ending September 30	Principal	Interest
2007	$ 82,619	$ 29,672
2008	68,889	28,587
2009	69,592	27,884
2010	70,315	27,161
2011	71,058	26,418
2012-2016	367,224	120,156
2017-2021	485,197	97,928
2022-2026	378,321	71,889
2027-2031	377,291	41,206
2032-2036	300,077	9,640
2037	25,456	158
Total	$2,296,039	$480,699

NOTE 6 - RETIREMENT PLANS

Local Governmental - Cost Sharing

Plan Description. Housing Authority of Utah County contributes to the Local Governmental Contributory Retirement System and Local Governmental Noncontributory Retirement System which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Funding Policy. Plan members in the Local Governmental Contributory Retirement System are required to contribute 6.00% of their annual covered salary (the Housing Authority has elected to pay this for the employees) and Housing Authority of Utah County is required to contribute 7.58% of their annual covered salary. In the Local Governmental Noncontributory Retirement System the Housing Authority of Utah County is required to contribute 11.59% of their annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

Housing Authority of Utah County contributions to the Local Governmental Contributory Retirement System for the years ending September 30, 2006, 2005 and 2004 were $10,133, $12,703 and $11,048 respectively and for the Noncontributory Retirement System the contributions for September 30, 2006, 2005 and 2004 were $96,350, $89,773 and $73,188 respectively. The contributions were equal to the required contributions for each year and were remitted timely.

Supplementary Retirement Account 401(a)
This plan is managed by the Prudential Insurance Company. All eligible employees of Housing Authority of Utah County are enrolled. All of the required contributions are paid by the employer. The rate of contribution is 8.25% of total salary except for one employee who receives 8.25% plus an extra amount equal to state retirement. This employee has elected not to participate in the state retirement program. The amount of contributions paid during the year was $102,521. The total salary subject to the retirement contributions was $1,056,295. All employees are one hundred percent vested in all contributions made to this plan.

Pension Plan 401(k)
The Plan is managed by Prudential Insurance Company. All full-time employees of Housing Authority of Utah County are enrolled in this plan. Employees may elect to contribute 2%, 3%, 4%, or 5% of their salary to the plan and Housing Authority of Utah County will equally match the contributions. The amount of contributions paid during the year by employees was $51,603 and by the employer was $51,603. The total of $103,206 is 9.77% of the covered payroll of $1,056,295.

NOTE 7 - ECONOMIC DEPENDENCY

Substantially all of the revenues received by the Housing Authority of Utah County come from U.S. Departments of Housing & Urban Development, Energy, and Health and Human Services. Programs operated by the Housing Authority depend upon continued funding by the U.S. Government.

NOTE 8 - REHABILITATION LOANS RECEIVABLE

Between 1974 and 1981, Utah State issued grants to the Housing Authority of Utah County to provide loans and grants to low income homeowners to refurbish their residences. Some of these loans are at 0% interest rate, but most have a set interest rate and payment schedule. Some of these loans are delinquent, but those over $500 are secured by real estate. Some of these loans will not be collected until the property ceases to be the mortgagee's principal residence. The balance of these loans at year end, net of allowance for uncollectibles of $566, is $27,680, of which $3,546 is current.

NOTE 9 - DESIGNATED NET ASSETS

The Board has designated certain amounts to cover future unemployment benefits, vacation payments, and for equipment replacement in the amount of $57,141.

NOTE 10 - COMMITMENTS AND SUBSEQUENT EVENTS

The Housing Authority of Utah County is currently conducting modernization and rehabilitation projects on public housing units. HUD CFP501-05 for $215,456 was 71% completed by year end. HUD CFP501-06 for $190,586 was 38% completed by year end.

NOTE 11 - INVESTMENT IN PARTNERSHIPS

Willow Cove LLC

In December, 1993, Housing Authority of Utah County formed Willow Cove, LLC, a limited liability company, to operate a transitional housing project. HAUC invested $293,800 in the project and is managing the rental units. This partnership was formed with First Security Bank (now Wells Fargo Bank) to obtain tax credit financing. Financial statements are available at Housing Authority of Utah County.

Housing Authority of Utah County has a 1% share of profits and losses and a 81% share of the equity. HAUC records its share of the profits and losses and adjusts its investment in Willow Cove LLC, accordingly. Included in Willow Cove's liabilities is a note payable to Utah Valley Consortium of Cities and County in the amount of $96,628 at December 31, 2005, payable $1,051 per month at 0% interest.

Carillon Court Limited Partnership

During the year 2000, Housing Authority of Utah County founded Carillon Court Limited Partnership and Carillon Court Apts., Inc. (a C Corporation). The corporation is the managing partner of the limited partnership. The limited partnership was formed with Countryside Corporate Tax Credits VII to obtain tax credit financing. Financial statements are available at the Housing Authority office. HAUC invested $477,059 in the rental project. HAUC has a .01% share of profits and losses and a 46% share of the equity. Carillon Court Limited Partnership has a note payable to Utah Valley Consortium of Cities and County in the amount of $197,167 at December 31, 2005, payable at $1,083 per month at 0% interest for 20 years.

Summary information for Willow Cove LLC and Carillon Court as of December 31, 2005, the last year end (unaudited), is as follows:

	Willow Cove LLC	Carillon Court LLC
Assets		
Current Assets	$ 467	$ 40,479
Fixed Assets - (Net of Depreciation)	383,708	1,213,543
Other Assets	48,215	47,778
Total Assets	$432,390	$1,301,800
Liabilities	$100,379	$ 250,167
Equity	332,011	1,051,633
Total Liabilities & Equity	$432,390	$1,301,800
Revenues		
Rental Income	$ 62,745	$ 103,736
Interest Income	218	442
Total Revenues	62,963	104,178
Expenses		
Depreciation	20,649	37,915
Other Expenses	56,197	58,724
Total Expenses	76,846	96,639
Net Income	($ 13,883)	$ 7,539

NOTE 12 – INTER-PROGRAM TRANSACTIONS

Inter-program payables and receivables at year end are:

	Due From	Due To
Public Housing	$ 36,359	$ -
Weatherization – Liheap		115,701
CFP		36,359
Weatherization - DOE	115,701	-
	$152,060	$152,060

NOTE 13 - RISK MANAGEMENT

The Housing Authority of Utah County 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. It is the policy of the Housing Authority of Utah County to purchase commercial insurance 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 HAUC pays in the event of any loss. HAUC also has purchased a workers' compensation policy. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

SUPPORTING INFORMATION

HOUSING AUTHORITY OF UTAH COUNTY
COMBINING STATEMENTS OF INDIVIDUAL GRANTS AND PROGRAMS
BALANCE SHEET
SEPTEMBER 30, 2006

	Section 8 Voucher	CFP	Public Housing	Monson Building	NV/SV	Sunflower Property	WX Fee for Service	SHELTER+
ASSETS								
Current								
Cash and Investments	$ 1,079,201	$ -	$ 278,637	$ 197,222	$ 29,782	$ 21,550	$ 5,176	$ -
Due from Other Programs			36,359					
Receivables	3,107	47,138	1,172		104			
Inventory								
Prepaid Expenses								
Rehabilitation Loans								
Total Current Assets	1,082,308	47,138	316,168	197,222	29,886	21,550	5,176	-
NonCurrent								
Rehabilitation Loans								
Investment in Partnerships				770,042				
Land, Building, & Equipment (Net of Depreciation)	9,399	906,986	4,552,771	200,047	861,943	398,712		
Total NonCurrent Assets	9,399	906,986	4,552,771	970,089	861,943	398,712	-	-
Total Assets	$ 1,091,707	$ 954,124	$ 4,868,939	$ 1,167,311	$ 891,829	$ 420,262	$ 5,176	$ -
LIABILITIES								
Current								
Accounts/Payroll Payable	$ 29,372	$ 10,779	$ 13,393	$ 136,004	$ 3,294	$ 382	$ 216	$ -
Due to Other Programs		36,359						
Deferred Revenue			1,091		17,775	1,350		
Rental Deposits	-		42,892		5,514			
Family Self-Sufficiency Escrow	47,863		7,085					
Compensated Absences	9,195		5,314	505				
Current Portion Long-Term Debt				11,770	18,688	11,342		
Total Current Liabilities	86,430	47138	69,775	148,279	45,271	13,074	216	-
NonCurrent								
FSS & Compensated Absences	57,058		12,403	505				
Long-Term Debt - HUD, Other					621,964	274,081		
Total NonCurrent Liabilities	57,058	-	12,403	505	621,964	274,081	-	-
Total Liabilities	143,488	47,138	82,178	148,784	667,235	287,155	216	-
FUND EQUITY								
Invested in Capital Assets, Net of Related Debt	9,399	906,986	4,552,771	188,277	221,291	113,289		
Retained Earnings								
Reserved for Unemployment & Vacation	23,975							
Unreserved	914,845		233,990	830,250	3,303	19,818	4,960	
Total Fund Equity	948,219	906,986	4,786,761	1,018,527	224,594	133,107	4,960	-
Total Liability & Fund Equity	$ 1,091,707	$ 954,124	$ 4,868,939	$ 1,167,311	$ 891,829	$ 420,262	$ 5,176	$ -

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF UTAH COUNTY
COMBINING STATEMENTS OF INDIVIDUAL GRANTS AND PROGRAMS
BALANCE SHEET
SEPTEMBER 30, 2006

	Gateway	Rehab Loans	WX LIHEAP	WX DOE	Other Energy Programs	HOME Program	General Allocation Fund
ASSETS							
Current							
Cash and Investments	$ -	$ 108,779	$ -	$ 4,934	$ 47,708	$ -	$ (4,357)
Due from Other Programs				115,701			
Receivables			145,680	40			
Inventory			60,917				
Prepaid Expenses				3,552			4,357
Rehabilitation Loans		3,546					
Total Current Assets	-	112,325	206,597	124,227	47,708	-	-
NonCurrent							
Rehabilitation Loans		18,137					
Investment in Partnerships							
Land, Building, & Equipment (Net of Depreciation)		3,773	3,629	5,930			
Total NonCurrent Assets	-	21,910	3,629	5,930	-	-	-
Total Assets	$ -	$ 134,235	$ 210,226	$ 130,157	$ 47,708	$ -	$ -
LIABILITIES							
Current							
Accounts/Payroll Payable	$ -	$ 775	$ 29,979	$ 2,230	$ -		$ -
Due to Other Programs			115,701				
Deferred Revenue				118,584			
Rental Deposits							
Family Self-Sufficiency Escrow							
Compensated Absences		505			8,853		
Current Portion Long-Term Debt							
Total Current Liabilities	-	1,280	145680	120,814	8,853	-	-
NonCurrent							
FSS & Compensated Absences		505			8,854		
Long-Term Debt - HUD, Other							
Total NonCurrent Liabilities	-	505	-	-	8,854	-	-
Total Liabilities	-	1,785	145,680	120,814	17,707	-	-
FUND EQUITY							
Invested in Capital Assets, Net of Related Debt		3,773	3,629	5,930			
Retained Earnings							
Reserved for Unemployment & Vacation					33,166		
Unreserved	-	128,677	60,917	3,413	(3,165)	-	
Total Fund Equity	-	132,450	64,546	9,343	30,001	-	-
Total Liabilities & Fund Equity	$ -	$ 134,235	$ 210,226	$ 130,157	$ 47,708	$ -	$ -

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF UTAH COUNTY
COMBINING STATEMENTS OF INDIVIDUAL GRANTS AND PROGRAMS
BALANCE SHEET
SEPTEMBER 30, 2006

	Questar	PVE	UPL	Springlake	Total
ASSETS					
Current					
Cash and Investments	$ (1,960)	$ -		$ 74,962	$ 1,841,634
Due from Other Programs					152,060
Receivables	15,277			11,806	224,324
Inventory					60,917
Prepaid Expenses					7,909
Rehabilitation Loans					3,546
Total Current Assets	13,317	-	-	86,768	2,290,390
NonCurrent					
Rehabilitation Loans					18,137
Investment in Partnerships					770,042
Land, Building, & Equipment (Net of Depreciation)		36,785		1,564,046	8,544,021
Total NonCurrent Assets	-	36,785	-	1,564,046	9,332,200
Total Assets	$ 13,317	$ 36,785	$ -	$ 1,650,814	$ 11,622,590
LIABILITIES					
Current					
Accounts/Payroll Payable	$ 13,317	$ -	$ -	$ 4,348	$ 244,089
Due to Other Programs					152,060
Deferred Revenue				121	138,921
Rental Deposits				5,000	53,406
Family Self-Sufficiency Escrow					54,948
Compensated Absences					24,372
Current Portion Long-Term Debt				40,819	82,619
Total Current Liabilities	13,317	-	-	50,288	750,415
NonCurrent					
FSS & Compensated Absences					79,325
Long-Term Debt - HUD, Other				1,317,365	2,213,410
Total NonCurrent Liabilities	-	-	-	1,317,365	2,292,735
Total Liabilities	13,317	-	-	1,367,653	3,043,150
FUND EQUITY					
Invested in Capital Assets, Net of Related Debt		36,785		205,862	6,247,992
Retained Earnings					
Reserved for Unemployment & Vacation					57,141
Unreserved				77,299	2,274,307
Total Fund Equity	-	36,785	-	283,161	8,579,440
Total Liabilities & Fund Equity	$ 13,317	$ 36,785	$ -	$ 1,650,814	$ 11,622,590

See accompanying notes to the financial statement.

HOUSING AUTHORITY OF UTAH COUNTY
COMBINING STATEMENTS OF INDIVIDUAL GRANTS AND PROGRAMS
REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Section 8 Voucher	CFP	Public Housing	Monson Building	NV/SV	Sunflower Property	Wx Fee for Service	SHELTER+
Operating Revenues								
Tenant Revenue	$ -	$ -	$ 214,187	$ 49,823	$ 86,957	$ 31,600	$ -	$ -
Federal Sources	5,705,475	79,451	160,617					142,419
Other	7,169		7,578		675		14,731	
Total Operating Revenues	5,712,644	79,451	382,382	49,823	87,632	31600	14,731	142,419
Operating Expenses								
Administrative Salaries	344,100	27,451	85,380	3,970	8,115	3,618	4,380	6,017
Administrative Employee Benefits	138,187	11,118	34,127	1,600	3,268	1,463	1,760	2,396
Administrative Other	124,115	5,052	16,676	741	2,313	1,678	395	
Depreciation	2,879	59,043	366,363	9,477	25,291	13,448		
Housing Assistance	4,619,058							134,006
Program and Materials		35,830	274,538	24,385	27,775	3,454	9,156	
Total Expenses	5,228,339	138,494	777,084	40,173	66,762	23,661	15,691	142,419
Operating Income (Loss)	484,305	(59,043)	(394,702)	9,650	20,870	7,939	(960)	-
Non-Operating Revenues (Expenses)								
Partnership Gain (Loss)				(138)				
Interest Income	32,562		11,043	3,893	533		293	
Interest Expense				(1,869)	(16,146)			
Total Non-Operating Revenue (Expenses)	32,562	-	11,043	1,886	(15,613)	-	293	-
Capital Grants - Federal Sources		285,998			56,104			
Excess (Deficiency) of Revenues Over Expenses	516,867	226,955	(383,659)	11,536	61,361	7,939	(667)	-
Retained Earnings - Beginning	431,352	680,031	5,170,420	1,006,991	163,233	125,168	5,627	
Transfers								
Retained Earnings - Ending	$ 948,219	$ 906,986	$ 4,786,761	$ 1,018,527	$ 224,594	$ 133,107	$ 4,960	$ -

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF UTAH COUNTY
COMBINING STATEMENT OF INDIVIDUAL GRANTS AND PROGRAMS
REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Gateway	Rehab Loan	WX LIHEAP Program	WX Doe	Other Energy Programs	HOME Program	General Allocation Fund
Operating Revenues							
Tenant Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Federal Sources	718		480,759	354,021		55,970	
Other							
Total Operating Revenues	718	-	480,759	354021	-	55970	-
Operating Expenses							
Administrative Salaries	468	6,169	24,143	6,425		3,848	
Administrative Employee Benefits	189	2,494	9,659	2,602		1,537	
Administrative Other	61	3,347	8,198	2,939	3,940	468	
Depreciation			10,620	2,144	161		
Housing Assistance Program and Materials			437,297	343,970		50,117	
Total Expenses	718	12,010	489,917	358,080	4,101	55,970	-
Operating Income (Loss)	-	(12,010)	(9,158)	(4,059)	(4,101)	-	-
Non-Operating Revenues (Expenses)							
Partnership Gain (Loss)							
Interest Income		5,400			2,156		
Interest Expense							
Total Non-Operating Revenue (Expenses	-	5,400	-	-	2,156	-	-
Capital Grants - Federal Sources							
Excess (Deficiency) of Revenues Over Expenses	-	(6,610)	(9,158)	(4,059)	(1,945)	-	-
Retained Earnings - Beginning	-	139,060	73,704	13,402	31,946	-	-
Transfers							
Retained Earnings - Ending	$ -	$ 132,450	$ 64,546	$ 9,343	$ 30,001	$ -	$ -

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF UTAH COUNTY
COMBINING STATEMENTS OF INDIVIDUAL GRANTS AND PROGRAMS
REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Questar	PVE	UPL	Spring Lake	Total
Operating Revenues					
Tenant Revenue	$ -	$ -	$ -	$ 179,235	$ 561,802
Federal Sources				-	6,979,430
Other	44,788		6,424	3,059	84,424
Total Operating Revenues	44,788	-	6,424	182,294	7,625,656
Operating Expenses					
Administrative Salaries	1,597		337	11,875	537,893
Administrative Employee Benefits	642		135	4,797	215,974
Administrative Other				3,469	173,392
Depreciation		13,048		50,285	552,759
Housing Assistance					4,753,064
Program and Materials	42,549		5,952	47,448	1,302,471
Total Expenses	44,788	13,048	6,424	117,874	7,535,553
Operating Income (Loss)	-	(13,048)	-	64,420	90,103
Non-Operating Revenues (Expenses)					
Partnership Gain (Loss)					(138)
Interest Income				228	56,108
Interest Expense				(13,010)	(31,025)
Total Non-Operating Revenue (Expenses)	-	-	-	(12,782)	24,945
Capital Grants - Federal Sources	-	-	-		342,102
Excess (Deficiency) of Revenues Over Expenses	-	(13,048)	-	51,638	457,150
Retained Earnings - Beginning	-	49,833		231,523	8,122,290
Transfers					-
Retained Earnings - Ending	$ -	$ 36,785	$ -	$ 283,161	$ 8,579,440

See accompanying notes to the financial statements.

Actual Comprehensive Grant Cost Certificate

Comprehensive Grant Program (CGP)

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157
(Exp. 09/30/2005)

PHA/IHA Name	Comprehensive Grant Number
Housing Authority of Utah County	UT06 P011 501-03
	FFY of Grant Approval
	09/17/2003

The PHA/IHA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Comprehensive Grant, is as shown below:

A. Original Funds Approved	$ 192.827.00
B. Revised Funds Approved	$ 192,827.00
C. Funds Advanced	$ 192,827.00
D. Funds Expended (Actual Modernization Cost)	$ 0.00
E. Amount to be Recaptured (A–D)	$ 0.00
F. Excess of Funds Advanced (C–D)	$ 0.00

2. That all modernization work in connection with the Comprehensive Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the PHA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature	Date
Dona Carey	24 Mar 2006

For HUD Use Only

The Cost Certificate is approved for audit. Approved for Audit (Director, Public Housing Division)	Date 8/11/06
The audited costs agree with the costs shown above. Verified (Director, Public Housing Division)	Date
Approved (Field Office Manager)	Date

form HUD-52839 (2/92)
ref Handbook 7485.3

NA 3/29/6

Actual Comprehensive Grant Cost Certificate

Comprehensive Grant Program (CGP)

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157
(Exp. 09/30/2005)

PHA/IHA Name	Comprehensive Grant Number
Housing Authority of Utah County	UT06 P011 502-03
	FFY of Grant Approval
	02/13/2004

The PHA/IHA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Comprehensive Grant, is as shown below:

A. Original Funds Approved	$ 38,431.00
B. Revised Funds Approved	$ 38,431.00
C. Funds Advanced	$ 38,431.00
D. Funds Expended (Actual Modernization Cost)	$ 0.00
E. Amount to be Recaptured (A–D)	$ 0.00
F. Excess of Funds Advanced (C–D)	$ 0.00

2. That all modernization work in connection with the Comprehensive Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the PHA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature	Date
Bonnie Bailey	24 Mar 2006

For HUD Use Only

The Cost Certificate is approved for audit. Approved for Audit (Director, Public Housing Division)	Date 8/11/06
The audited costs agree with the costs shown above. Verified (Director, Public Housing Division)	Date
Approved (Field Office Manager)	Date

form HUD-52839 (2/92)
ref Handbook 7485.3

Actual Comprehensive Grant Cost Certificate

Comprehensive Grant Program (CGP)

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157
(Exp. 09/30/2005)

PHA/IHA Name	Comprehensive Grant Number
Housing Authority of Utah County	UT06 P011 501-04
	FFY of Grant Approval
	09/30/2004

The PHA/IHA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Comprehensive Grant, is as shown below:

A. Original Funds Approved	$ 223,318.00
B. Revised Funds Approved	$ 223,318.00
C. Funds Advanced	$ 223,318.00
D. Funds Expended (Actual Modernization Cost)	$ 223,318.00
E. Amount to be Recaptured (A–D)	$ 0.00
F. Excess of Funds Advanced (C–D)	$ 0.00

2. That all modernization work in connection with the Comprehensive Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the PHA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature	Date
[signature]	19 Sep 2006

06 SEP

To Monica
OK
Mike

For HUD Use Only

The Cost Certificate is approved for audit.

Approved for Audit (Director, Public Housing Division)	Date
[signature]	01/24/07

The audited costs agree with the costs shown above.

Verified (Director, Public Housing Division)	Date
[signature]	01/24/07

Approved (Field Office Manager)	Date
[signature]	JAN 24 2007

form HUD-52839 (2/92)
ref Handbook 7485.3

SINGLE AUDIT AND OTHER REPORTS

HOUSING AUTHORITY OF UTAH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

Federal Grantor/Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Grant I.D. Number	Expenditures
U.S. Department of Housing & Urban Development			
Direct			
Shelter Plus Care	14.238	N/A	$ 142,419
Public & Indian Housing	14.850	N/A	160,617
Section 8 Housing Choice Vouchers	14.871	N/A	5,705,475
Public Housing Capital Fund	14.872	N/A	365,449
Passed Through Utah Valley Consortium of Cities and Counties			
HOME Investment Partnerships Program - Loan	14.239	N/A	17,830
HOME Investment Partnerships Program	14.239	N/A	112,074
Total U.S. Department of Housing & Urban Dev.			6,503,864
U.S. Department of Energy			
Passed Through Utah Department of Community & Economic Development			
Weatherization Assistance for Low-Income Persons	81.042	06-0416	329,540
Weatherization Assistance for Low-Income Persons	81.042	07-0725	24,481
Total U.S. Department of Energy			354,021
U.S. Department of Education			
Passed Through State Office of Education & Alpine Life and Learning Center			
Adult Education State Grant Program	84.002	N/A	718
U.S. Department of Health & Human Services			
Passed Through Utah Department of Community & Economic Development			
Low-Income Home Energy Assistance	93.568	06-1407	328,142
Low-Income Home Energy Assistance	93.568	05-1837	152,617
Total U.S. Department of Health & Human Services			480,759
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 7,339,362

See accompanying notes to Schedule of Expenditures of Federal Awards.

HOUSING AUTHORITY OF UTAH COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is a summary of activities related to the HAUC'S expenditure of Federal awards. The schedule has been prepared on the same basis of accounting as the basic financial statements. Most of the awards are reimbursement based. Therefore, as expenditures of Federal funds are made, revenue is recognized.

NOTE B - ACCOUNTS RECEIVABLE

The basic financial statements include accounts receivable from federal programs. The receivables reflect Federal awards that have been expended by year end and not yet reimbursed.

NOTE C – FEDERAL LOANS

The balances of loans from Federal programs at year end are:

	CFDA#	Amount
U.S. Department of Agriculture	10.405	$ 581,698
U.S. Department of Agriculture	10.405	160,179
U.S. Department of Housing & Urban Development	14.239	616,317
U.S. Department of Housing & Urban Development	14.239	65,382
U.S. Department of Housing & Urban Development	14.239	120,042
U.S. Department of Housing & Urban Development	14.239	148,210
U.S. Department of Housing & Urban Development	14.239	20,310
U.S. Department of Housing & Urban Development	14.239	299,656
U.S. Department of Housing & Urban Development	14.239	172,476
Total		$2,184,270

HOUSING AUTHORITY OF UTAH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Housing Authority of Utah County.

2. No reportable conditions were disclosed during the audit of the financial statements.

3. No instances of noncompliance material to the financial statements of HAUC were disclosed during the audit.

4. No reportable conditions were identified during the audit of internal control over major Federal award programs.

5. The auditor's report on compliance for the major Federal award programs for HAUC expresses an unqualified opinion.

6. No findings were identified relative to major Federal award programs.

7. The programs tested as major programs included:

   CFDA #14.871 - Section 8 Housing Choice Vouchers; CFDA #81.042 Weatherization Assistance; CFDA #14.872 Public Housing Capital Fund

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

9. Housing Authority of Utah County was determined to be a low-risk auditee.

B. CURRENT YEAR AUDIT FINDINGS

None

C. PRIOR YEAR AUDIT FINDINGS

None

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

June 21, 2007

Board of Commissioners
Housing Authority of Utah County
Provo, UT

We have audited the financial statements of the business-type activities of Housing Authority of Utah County, as of and for the year ended September 30, 2006, which collectively comprise the Housing Authority of Utah County's basic financial statements and have issued our report thereon dated June 21, 2007. We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Housing Authority of Utah County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

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

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Commissioners
Housing Authority of Utah County
Provo, UT

June 21, 2007

Compliance

We have audited the compliance of Housing Authority of Utah County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended September 30, 2006. Housing Authority of Utah County's major Federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of Housing Authority of Utah County's management. Our responsibility is to express an opinion on Housing Authority of Utah County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and 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 Housing Authority of Utah County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Housing Authority of Utah County's compliance with those requirements.

In our opinion, Housing Authority of Utah County complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended September 30, 2006.

Internal Control Over Compliance

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

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

This report is intended solely for the information and use of management, Utah State Auditor, U.S. Department of Housing and Urban Development and other pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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INDEPENDENT AUDITOR'S REPORT ON LEGAL COMPLIANCE WITH APPLICABLE UTAH STATE LAWS AND REGULATIONS

Housing Authority of Utah County
Provo, UT

June 21, 2007

We have audited the accompanying financial statements of the business-type activities of Housing Authority of Utah County, for the year ended September 30, 2006, and have issued our report thereon dated June 21, 2007.

Our audit included test work on the Housing Authority of Utah County's compliance with the following general compliance requirements identified in the State of Utah Legal Compliance Audit Guide:

Cash Management
Purchasing Requirements
Other General Issues

The Housing Authority of Utah County did not receive any major State grants during the year ended September 30, 2006.

The management of the Housing Authority of Utah County is responsible for Housing Authority of Utah County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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 material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of Utah County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, Housing Authority of Utah County complied, in all material respects, with the general compliance requirements identified above for the year ended September 30, 2006.

This report is intended solely for the information of management and Utah State Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

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FINANCIAL DATA SCHEDULE

PHA: **UT011** *FYED:* **09/30/2006**

Line Item No.	Account Description	Business Activities	Shelter Plus Care	HOME Investment Partnerships Program	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local
111	Cash - Unrestricted	$134,152	$0	$0	$50	$50	$0	$100
100	Total Cash	$134,152	$0	$0	$50	$50	$0	$100
121	Accounts Receivable - PHA Projects	$0	$0	$0	$0	$0	$47,138	$0
124	Accounts Receivable - Other Government	$11,326	$0	$0	$0	$0	$0	$0
125	Accounts Receivable - Miscellaneous	$0	$0	$0	$20	$3,107	$0	$15,277
126	Accounts Receivable - Tenants - Dwelling Rents	$584	$0	$0	$1,355	$0	$0	$0
126.1	Allowance for Doubtful Accounts - Dwelling Rents	$0	$0	$0	$-203	$0	$0	$0
126.2	Allowance for Doubtful Accounts - Other	$0	$0	$0	$0	$0	$0	$-566
127	Notes, Loans, & Mortgages Receivable - Current	$0	$0	$0	$0	$0	$0	$4,112
120	Total Receivables, net of allowances for doubtful accounts	$11,910	$0	$0	$1,172	$3,107	$47,138	$18,823
131	Investments - Unrestricted	$190,182	$0	$0	$278,589	$1,079,151	$0	$154,427
142	Prepaid Expenses and Other Assets	$4,358	$0	$0	$0	$0	$0	$0
143	Inventories	$0	$0	$0	$0	$0	$0	$0
143.1	Allowance for Obsolete Inventories	$0	$0	$0	$0	$0	$0	$0
144	Interprogram Due From	$0	$0	$0	$36,358	$0	$0	$0
150	Total Current Assets	$340,602	$0	$0	$316,169	$1,082,308	$47,138	$173,350
161	Land	$333,858	$0	$0	$955,495	$0	$0	$3,773
168	Infrastructure	$201,863	$0	$0	$16,908	$0	$81,982	$0
162	Buildings	$2,742,839	$0	$0	$5,769,240	$0	$571,273	$0
163	Furniture, Equipment & Machinery - Dwellings	$18,370	$0	$0	$1,740,943	$0	$76,991	$0
164	Furniture, Equipment & Machinery - Administration	$21,541	$0	$0	$3,677	$41,528	$95,273	$83,751
165	Leasehold Improvements	$0	$0	$0	$0	$0	$0	$0
166	Accumulated Depreciation	$-434,887	$0	$0	$-3,933,492	$-32,129	$-145,566	$-46,967
167	Construction In Progress	$141,163	$0	$0	$0	$0	$227,033	$0
160	Total Fixed Assets, Net of Accumulated Depreciation	$3,024,747	$0	$0	$4,552,771	$9,399	$906,986	$40,557
171	Notes, Loans, & Mortgages Receivable - Non Current	$0	$0	$0	$0	$0	$0	$18,137
176	Investments in Joint Ventures	$770,042	$0	$0	$0	$0	$0	$0
180	Total Non-Current Assets	$3,794,789	$0	$0	$4,552,771	$9,399	$906,986	$58,694
190	Total Assets	$4,135,391	$0	$0	$4,868,940	$1,091,707	$954,124	$232,044

PHA: **UT011** *FYED:* **09/30/2006**

Line Item No.	Account Description	Business Activities	Shelter Plus Care	HOME Investment Partnerships Program	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local
312	Accounts Payable <= 90 Days	$5,573	$0	$0	$4,412	$8,466	$2,236	$12,335
321	Accrued Wage/Payroll Taxes Payable	$2,709	$0	$0	$4,177	$20,906	$8,544	$1,752
322	Accrued Compensated Absences - Current Portion	$505	$0	$0	$5,314	$9,195	$0	$9,358
325	Accrued Interest Payable	$1,809	$0	$0	$0	$0	$0	$0
341	Tenant Security Deposits	$10,514	$0	$0	$42,892	$0	$0	$0
342	Deferred Revenues	$19,246	$0	$0	$1,091	$0	$0	$0
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	$82,620	$0	$0	$0	$0	$0	$0
345	Other Current Liabilities	$134,152	$0	$0	$11,885	$47,863	$0	$0
346	Accrued Liabilities - Other	$0	$0	$0	$3	$0	$0	$5
347	Interprogram Due To	$0	$0	$0	$0	$0	$36,358	$0
310	Total Current Liabilities	$257,128	$0	$0	$69,774	$86,430	$47,138	$23,450
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	$2,213,410	$0	$0	$0	$0	$0	$0
354	Accrued Compensated Absences - Non Current	$505	$0	$0	$5,314	$9,195	$0	$9,358
353	Noncurrent Liabilities - Other	$0	$0	$0	$7,090	$47,863	$0	$0
350	Total Noncurrent Liabilities	$2,213,915	$0	$0	$12,404	$57,058	$0	$9,358
300	Total Liabilities	$2,471,043	$0	$0	$82,178	$143,488	$47,138	$32,808
508	Total Contributed Capital	$0	$0	$0	$0	$0	$0	$0

508.1	Invested in Capital Assets, Net of Related Debt	$728,717	$0	$0	$4,552,771	$9,399	$906,986	$40,557
511	Total Reserved Fund Balance	$0	$0	$0	$0	$0	$0	$0
511.1	Restricted Net Assets	$0	$0	$0	$0	$0	$0	$0
512.1	Unrestricted Net Assets	$935,631	$0	$0	$233,991	$938,820	$0	$158,679
513	Total Equity/Net Assets	$1,664,348	$0	$0	$4,786,762	$948,219	$906,986	$199,236
600	Total Liabilities and Equity/Net Assets	$4,135,391	$0	$0	$4,868,940	$1,091,707	$954,124	$232,044

PHA: **UT011** *FYED:* **09/30/2006**

Line Item No.	Account Description	Business Activities	Shelter Plus Care	HOME Investment Partnerships Program	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local
703	Net Tenant Rental Revenue	$345,127	$0	$0	$200,463	$0	$0	$0
704	Tenant Revenue - Other	$2,489	$0	$0	$13,724	$0	$0	$0
705	Total Tenant Revenue	$347,616	$0	$0	$214,187	$0	$0	$0
706	HUD PHA Operating Grants	$0	$0	$0	$160,617	$5,705,475	$79,451	$0
706.1	Capital Grants	$56,104	$0	$0	$0	$0	$285,998	$0
708	Other Government Grants	$0	$142,419	$55,970	$0	$0	$0	$0
711	Investment Income - Unrestricted	$4,945	$0	$0	$11,043	$32,562	$0	$6,890
712	Mortgage Interest Income	$0	$0	$0	$0	$0	$0	$666
714	Fraud Recovery	$0	$0	$0	$4,477	$5,740	$0	$0
715	Other Revenue	$18,464	$0	$0	$3,102	$1,429	$0	$51,212
700	Total Revenue	$427,129	$142,419	$55,970	$393,426	$5,745,206	$365,449	$58,768

PHA: **UT011** *FYED:* **09/30/2006**

Line Item No.	Account Description	Business Activities	Shelter Plus Care	HOME Investment Partnerships Program	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local
911	Administrative Salaries	$31,958	$6,018	$3,849	$85,380	$344,100	$0	$8,103
912	Auditing Fees	$990	$0	$0	$1,800	$4,835	$0	$125
914	Compensated Absences	$1,000	$0	$0	$0	$11,925	$0	$4,940
915	Employee Benefit Contributions - Administrative	$12,889	$2,395	$1,537	$34,127	$138,187	$0	$3,272
916	Other Operating - Administrative	$7,604	$0	$137	$13,864	$79,347	$5,052	$1,569
931	Water	$8,928	$0	$0	$20,942	$0	$0	$0
932	Electricity	$15,189	$0	$0	$3,600	$0	$0	$0
933	Gas	$13,792	$0	$0	$4,627	$0	$0	$0
941	Ordinary Maintenance and Operations - Labor	$11,683	$0	$0	$114,354	$0	$27,451	$13,567
942	Ordinary Maintenance and Operations - Materials and Other	$14,259	$0	$0	$20,506	$701	$17,920	$19,603
943	Ordinary Maintenance and Operations - Contract Costs	$29,706	$0	$50,117	$19,417	$0	$13,069	$10,095
945	Employee Benefit Contributions - Ordinary Maintenance	$4,688	$0	$0	$45,760	$0	$11,118	$5,426
961	Insurance Premiums	$10,380	$0	$330	$42,052	$26,785	$0	$0
962	Other General Expenses	$2,731	$0	$0	$1,013	$522	$4,841	$462
964	Bad Debt - Tenant Rents	$0	$0	$0	$0	$0	$0	$0
967	Interest Expense	$31,025	$0	$0	$0	$0	$0	$0
969	Total Operating Expenses	$196,822	$8,413	$55,970	$407,442	$606,402	$79,451	$67,162
970	Excess Operating Revenue over Operating Expenses	$230,307	$134,006	$0	$-14,016	$5,138,804	$285,998	$-8,394
971	Extraordinary Maintenance	$0	$0	$0	$3,280	$0	$0	$0
973	Housing Assistance Payments	$0	$134,006	$0	$0	$4,619,058	$0	$0
974	Depreciation Expense	$98,501	$0	$0	$366,363	$2,879	$59,043	$13,209
900	Total Expenses	$295,323	$142,419	$55,970	$777,085	$5,228,339	$138,494	$80,371
1010	Total Other Financing Sources (Uses)	$0	$0	$0	$0	$0	$0	$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	$131,806	$0	$0	$-383,659	$516,867	$226,955	$-21,603

PHA: **UT011** *FYED:* **09/30/2006**

Line Item No.	Account Description	Business Activities	Shelter Plus Care	HOME Investment Partnerships Program	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local
1102	Debt Principal Payments - Enterprise Funds	$0	$0	$0	$0	$0	$0	$0
1103	Beginning Equity	$1,532,542	$0	$0	$5,170,421	$431,352	$680,031	$220,839
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	$0	$0	$0	$0	$0	$0	$0
1113	Maximum Annual Contributions Commitment (Per ACC)	$0	$0	$0	$0	$5,705,475	$0	$0
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	$0	$0	$0	$0	$0	$0	$0
1115	Contingency Reserve, ACC Program Reserve	$0	$0	$0	$0	$0	$0	$0
1116	Total Annual Contributions Available	$0	$0	$0	$0	$5,705,475	$0	$0
1120	Unit Months Available	468	420	0	1,272	11,424	0	0
1121	Number of Unit Months Leased	430	328	0	998	10,402	0	0
1117	Administrative Fee Equity	$0	$0	$0	$0	$263,049	$0	$0
1118	Housing Assistance Payments Equity	$0	$0	$0	$0	$685,170	$0	$0

PHA: **UT011** *FYED:* **09/30/2006**

Line Item No.	Account Description	Weatherization Assistance for Low-Income Persons	Adult Education_State Grant Program	Low-Income Home Energy Assistance	Total
111	Cash - Unrestricted	$4,934	$0	$0	$139,286
100	Total Cash	$4,934	$0	$0	$139,286
121	Accounts Receivable - PHA Projects	$0	$0	$0	$47,138
124	Accounts Receivable - Other Government	$0	$0	$145,680	$157,006
125	Accounts Receivable - Miscellaneous	$40	$0	$0	$18,444
126	Accounts Receivable - Tenants - Dwelling Rents	$0	$0	$0	$1,939
126.1	Allowance for Doubtful Accounts - Dwelling Rents	$0	$0	$0	$-203
126.2	Allowance for Doubtful Accounts - Other	$0	$0	$0	$-566
127	Notes, Loans, & Mortgages Receivable - Current	$0	$0	$0	$4,112
120	Total Receivables, net of allowances for doubtful accounts	$40	$0	$145,680	$227,870
131	Investments - Unrestricted	$0	$0	$0	$1,702,349
142	Prepaid Expenses and Other Assets	$3,552	$0	$0	$7,910
143	Inventories	$0	$0	$60,917	$60,917
143.1	Allowance for Obsolete Inventories	$0	$0	$0	$0
144	Interprogram Due From	$115,701	$0	$0	$152,059
150	Total Current Assets	$124,227	$0	$206,597	$2,290,391
161	Land	$0	$0	$0	$1,293,126
168	Infrastructure	$0	$0	$0	$300,753
162	Buildings	$0	$0	$0	$9,083,352
163	Furniture, Equipment & Machinery - Dwellings	$0	$0	$0	$1,836,304
164	Furniture, Equipment & Machinery - Administration	$15,744	$0	$107,980	$369,494
165	Leasehold Improvements	$0	$0	$0	$0
166	Accumulated Depreciation	$-9,813	$0	$-104,351	$-4,707,205
167	Construction In Progress	$0	$0	$0	$368,196
160	Total Fixed Assets, Net of Accumulated Depreciation	$5,931	$0	$3,629	$8,544,020
171	Notes, Loans, & Mortgages Receivable - Non Current	$0	$0	$0	$18,137
176	Investments in Joint Ventures	$0	$0	$0	$770,042
180	Total Non-Current Assets	$5,931	$0	$3,629	$9,332,199
190	Total Assets	$130,158	$0	$210,226	$11,622,590

PHA: **UT011** *FYED:* **09/30/2006**

Line Item No.	Account Description	Weatherization Assistance for Low-Income Persons	Adult Education_State Grant Program	Low-Income Home Energy Assistance	Total
312	Accounts Payable <= 90 Days	$385	$0	$18,971	$52,378
321	Accrued Wage/Payroll Taxes Payable	$1,820	$0	$11,008	$50,916
322	Accrued Compensated Absences - Current Portion	$0	$0	$0	$24,372
325	Accrued Interest Payable	$0	$0	$0	$1,809
341	Tenant Security Deposits	$0	$0	$0	$53,406
342	Deferred Revenues	$118,584	$0	$0	$138,921
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	$0	$0	$0	$82,620
345	Other Current Liabilities	$0	$0	$0	$193,900
346	Accrued Liabilities - Other	$26	$0	$0	$34
347	Interprogram Due To	$0	$0	$115,701	$152,059
310	Total Current Liabilities	$120,815	$0	$145,680	$750,415
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	$0	$0	$0	$2,213,410
354	Accrued Compensated Absences - Non Current	$0	$0	$0	$24,372
353	Noncurrent Liabilities - Other	$0	$0	$0	$54,953
350	Total Noncurrent Liabilities	$0	$0	$0	$2,292,735
300	Total Liabilities	$120,815	$0	$145,680	$3,043,150
508	Total Contributed Capital	$0	$0	$0	$0
508.1	Invested in Capital Assets, Net of Related Debt	$5,931	$0	$3,629	$6,247,990
511	Total Reserved Fund Balance	$0	$0	$0	$0
511.1	Restricted Net Assets	$0	$0	$0	$0

512.1	Unrestricted Net Assets	$3,412	$0	$60,917	$2,331,450
513	Total Equity/Net Assets	$9,343	$0	$64,546	$8,579,440
600	Total Liabilities and Equity/Net Assets	$130,158	$0	$210,226	$11,622,590

PHA: **UT011** *FYED:* **09/30/2006**

Line Item No.	Account Description	Weatherization Assistance for Low-Income Persons	Adult Education_State Grant Program	Low-Income Home Energy Assistance	Total
703	Net Tenant Rental Revenue	$0	$0	$0	$545,590
704	Tenant Revenue - Other	$0	$0	$0	$16,213
705	Total Tenant Revenue	$0	$0	$0	$561,803
706	HUD PHA Operating Grants	$0	$0	$0	$5,945,543
706.1	Capital Grants	$0	$0	$0	$342,102
708	Other Government Grants	$354,021	$718	$480,759	$1,033,887
711	Investment Income - Unrestricted	$0	$0	$0	$55,440
712	Mortgage Interest Income	$0	$0	$0	$666
714	Fraud Recovery	$0	$0	$0	$10,217
715	Other Revenue	$0	$0	$0	$74,207
700	Total Revenue	$354,021	$718	$480,759	$8,023,865

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Line Item No.	Account Description	Weatherization Assistance for Low-Income Persons	Adult Education_State Grant Program	Low-Income Home Energy Assistance	Total
911	Administrative Salaries	$6,425	$468	$24,143	$510,444
912	Auditing Fees	$2,000	$0	$0	$9,750
914	Compensated Absences	$0	$0	$0	$17,865
915	Employee Benefit Contributions - Administrative	$2,602	$189	$9,659	$204,857
916	Other Operating - Administrative	$2,939	$61	$8,198	$118,771
931	Water	$0	$0	$0	$29,870
932	Electricity	$0	$0	$0	$18,789
933	Gas	$0	$0	$0	$18,419
941	Ordinary Maintenance and Operations - Labor	$130,068	$0	$107,522	$404,645
942	Ordinary Maintenance and Operations - Materials and Other	$43,068	$0	$201,331	$317,388
943	Ordinary Maintenance and Operations - Contract Costs	$70,040	$0	$85,191	$277,635
945	Employee Benefit Contributions - Ordinary Maintenance	$52,061	$0	$43,253	$162,306
961	Insurance Premiums	$18,000	$0	$0	$97,547
962	Other General Expenses	$28,733	$0	$0	$38,302
964	Bad Debt - Tenant Rents	$0	$0	$0	$0
967	Interest Expense	$0	$0	$0	$31,025
969	Total Operating Expenses	$355,936	$718	$479,297	$2,257,613
970	Excess Operating Revenue over Operating Expenses	$-1,915	$0	$1,462	$5,766,252
971	Extraordinary Maintenance	$0	$0	$0	$3,280
973	Housing Assistance Payments	$0	$0	$0	$4,753,064
974	Depreciation Expense	$2,144	$0	$10,620	$552,759
900	Total Expenses	$358,080	$718	$489,917	$7,566,716
1010	Total Other Financing Sources (Uses)	$0	$0	$0	$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	$-4,059	$0	$-9,158	$457,149

PHA: **UT011** *FYED:* **09/30/2006**

Line Item No.	Account Description	Weatherization Assistance for Low-Income Persons	Adult Education_State Grant Program	Low-Income Home Energy Assistance	Total
1102	Debt Principal Payments - Enterprise Funds	$0	$0	$0	$0
1103	Beginning Equity	$13,402	$0	$73,704	$8,122,291
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	$0	$0	$0	$0
1113	Maximum Annual Contributions Commitment (Per ACC)	$0	$0	$0	$5,705,475
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	$0	$0	$0	$0
1115	Contingency Reserve, ACC Program Reserve	$0	$0	$0	$0
1116	Total Annual Contributions Available	$0	$0	$0	$5,705,475
1120	Unit Months Available	0	0	0	13,584
1121	Number of Unit Months Leased	0	0	0	12,158
1117	Administrative Fee Equity	$0	$0	$0	$263,049
1118	Housing Assistance Payments Equity	$0	$0	$0	$685,170

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