

UPPER EXPLORERLAND REGIONAL  
HOUSING AUTHORITY  
POSTVILLE, IOWA

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

JUNE 30, 2006

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT DISCUSSION AND ANALYSIS	
FINANCIAL STATEMENTS	<u>Exhibit</u>
STATEMENT OF FINANCIAL POSITION	3-4
STATEMENT OF ACTIVITY	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7-9
SUPPLEMENTARY INFORMATION	SCHEDULE
Schedule of Expenditures of Federal Awards	10
Supplementary Data Required by HUD	11-13
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	14-15
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	16-17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	18
AUDITOR'S COMMENTS ON AUDIT RESOLUTION MATTERS RELATING TO THE HUD PROGRAMS	19
AUDITOR	20
OFFICER'S CERTIFICATION	21



**RIDIHALGH, FUELLING, SNITKER, WEBER & CO., P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL CONSULTANTS

OELWEIN, IOWA 50662  
(319)283-1173  
FAX (319)283-2799  
[oelwein@rfs.com](mailto:oelwein@rfs.com)

INDEPENDENCE, IOWA 50644  
(319)334-4211  
FAX (319)334-6454  
[independence@rfs.com](mailto:independence@rfs.com)

JESUP, IOWA 50648  
(319)827-6600  
FAX (319)827-2121  
[jesup@rfs.com](mailto:jesup@rfs.com)

INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Upper Explorerland  
Regional Housing Authority  
Postville, Iowa

Federal Audit Clearinghouse  
Bureau of the Census  
P.O. Box 5000  
Jeffersonville, IN 47199-5000

We have audited the accompanying statement of financial position of Upper Explorerland Regional Housing Authority, as of June 30, 2006 and the related statements of activity, and cash flows for the year then ended. These financial statements are the responsibility of the 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 the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 financial statements referred to above present fairly, in all material respects, the financial position of Upper Explorerland Regional Housing Authority as of June 30, 2006, and the changes in its net assets and its 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 our report dated October 3, 2006, on our consideration of Upper Explorerland Regional Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information shown on pages 11 to 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Upper Explorerland Regional Housing Authority. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Ridihalgh, Fuelling, Snitker, Weber & Co., P.C.*

RIDIHALGH, FUELLING, SNITKER, WEBER & CO., P.C.

October 3, 2006

# UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION

UPPER EXPLORERLAND ECONOMIC DEVELOPMENT DISTRICT  
UPPER EXPLORERLAND REGIONAL HOUSING AUTHORITY  
REGIONAL TEA-21 DEVELOPMENT PROGRAM  
WORKFORCE DEVELOPMENT CENTER

October 31, 2006

Management Discussion and Analysis of Upper Explorerland Regional Housing Authority (UERHA), Postville, Iowa as of June 30, 2006, as required by GASB 34 rules:

Total Assets were \$463,982. Of this there was \$381,502 of unrestricted cash; \$19,744 of restricted cash; unrestricted investments of \$60,000. There were no fixed assets or furniture and fixture assets accounted for in the June 30, 2006 Balance sheet.

Total Liabilities of UERHA were \$232,312. Of this there were \$14,722 of Accounts Payable; \$193,766 Accounts Payable to HUD; Other Current Liabilities of \$2,736; Non-Current Liabilities of \$21,088.

Total Assets of \$463,982 minus Total Liabilities of \$232,312 leaves a Net Asset balance of \$231,670. Of this Net Asset amount {231,670} there were no restricted assets.

Total Revenue of UERHA was \$1,173,592. Total Expenditures of UERHA was \$1,179,742. Total Revenue of \$1,173,592 less Total Expenditures of \$1,179,742 leaves a change in Net Assets of minus \$6,150.

Ending Fund Balance after reflecting the minus \$6,150 is \$231,670.

Exhibit B, page 5 of the report reflects Total Revenues of \$1,173,592 with Total Expenditures of \$1,179,742. These expenditures are made up of the following items:

Administrative Salaries	\$131,111
Auditing Fees	\$ 1,400
Employee Benefit Contributions-	
Administrative	\$ 32,946
Other Operating-Administrative	\$ 19,839
Water	\$ 349
Electricity	\$ 2,092
Gas	\$ 1,046
Ordinary Maintenance & Operations	\$ 2,656
Insurance	\$ 4,207
Housing Assistance payments	\$984,096

Tom W. Masey  
Executive Director  
Upper Explorerland Regional Planning Commission



Allamakee, Clayton, Fayette, Howard and Winneshiek Counties  
134 W. Greene Street, PO Box 219, Postville, IA 52162  
563/864-7551, 563/864-7535 FAX, [tmasey@uerpc.org](mailto:tmasey@uerpc.org)

UPPER EXPLORERLAND REGIONAL HOUSING AUTHORITY  
POSTVILLE, IOWA  
**STATEMENT OF FINANCIAL POSITION**  
June 30, 2006

	Annual Contribution Contract <u>KC-9120</u> Rental Voucher <u></u>
<b>ASSETS</b>	
Current Assets:	
111 Cash-Unrestricted	\$ 200,780
113 Cash-Restricted	180,722
115 Cash-Restricted	<u>19,744</u>
100 Total Cash	401,246
124 Account Receivable-Other Government	-
128 Fraud Recovery	<u>2,736</u>
120 Total Receivable Net	2,736
131 Investments-Unrestricted	<u>60,000</u>
150 Total Current Assets	<u>463,982</u>
190 <b>TOTAL ASSETS</b>	<u><u>\$ 463,982</u></u>

UPPER EXPLORERLAND REGIONAL HOUSING AUTHORITY  
 POSTVILLE, IOWA  
**STATEMENT OF FINANCIAL POSITION**  
 June 30, 2006

	<u>Annual Contribution Contract KC-9120 Rental Voucher</u>
<b>LIABILITIES AND SURPLUS</b>	
Current Liabilities:	
312 Accounts Payable	\$ 14,722
331 Accounts Payable-HUD	193,766
345 Other Current Liabilities	<u>2,736</u>
310 Total Current Liabilities	<u>211,224</u>
Non-current Liabilities	
353 Non-current Liability-Other	<u>21,088</u>
350 Total Non-current Liability	<u>21,088</u>
300 TOTAL LIABILITIES	<u>232,312</u>
<b>NET ASSETS</b>	
512 Unrestricted Net Assets	231,670
Restricted Net Assets	<u>-</u>
513 NET ASSETS	<u>231,670</u>
600 TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 463,982</u></u>

UPPER EXPLORERLAND REGIONAL HOUSING AUTHORITY  
**STATEMENT OF ACTIVITY**  
Year Ended June 30, 2006

<b>REVENUES</b>	<u>Total</u>
HUD	\$ 1,157,457
Interest	8,385
Interest Income-Restricted	6,578
Fraud Recovery	730
Other	442
	<hr/>
<b>TOTAL REVENUES</b>	<b>1,173,592</b>
	<hr/>
<b>EXPENDITURES</b>	
Administrative Salaries	131,111
Auditing Fees	1,400
Employee Benefit Contributions- Administrative	32,946
Other Operating-Administrative	19,839
Water	349
Electricity	2,092
Gas	1,046
Ordinary Maintenance & Operations	2,656
Insurance	4,207
Housing Assistance Payments	984,096
	<hr/>
<b>TOTAL EXPENDITURES</b>	<b>1,179,742</b>
	<hr/>
<b>CHANGE IN NET ASSETS</b>	<b>(6,150)</b>
<b>FUND BALANCE, beginning</b>	<b>237,820</b>
	<hr/>
<b>FUND BALANCE, ending</b>	<b>\$ 231,670</b>
	<hr/> <hr/>

UPPER EXPLORERLAND REGIONAL HOUSING AUTHORITY  
POSTVILLE, IOWA  
**STATEMENT OF CASH FLOWS**  
YEAR ENDED JUNE 30, 2006

Annual  
Contribution  
Contract  
KC-9120  
Rental  
Voucher

**CASH FLOW FROM OPERATING**

## ACTIVITIES:

Net Loss	\$ (6,150)
Adjustments to Reconcile Net Income to Net Cash Provided By Operating Activities:	
(Increase) Decrease in A/R - Other	(2,736)
(Increase) Decrease in Fraud Recovery	3,620
Increase (Decrease) in Accounts Payable	2,107
Increase (Decrease) in Accounts Payable - HUD	143,757
Increase (Decrease) in Other Current Liabilities	(884)
Increase (Decrease) in Non-Current Liability	6,336
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>146,050</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	146,050
<b>CASH, BEGINNING OF YEAR</b>	<u>255,196</u>
<b>CASH, END OF YEAR</b>	<u>\$ 401,246</u>

UPPER EXPLORERLAND REGIONAL HOUSING AUTHORITY  
POSTVILLE, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Upper Explorerland Regional Housing Authority (hereinafter "Authority") was organized pursuant to Chapter 28E of the Code of Iowa, to perform the duties outlined in Chapter 403A. The Authority is an agent for landlords who rent housing facilities to low income individuals with assistance from the federal government. The Authority operates in Allamakee, Clayton, Fayette, Howard and Winneshiek counties of Iowa.

Measurement Focus and Basis of Accounting

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Authority considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Cash and Cash Equivalents

The Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents at June 30, 2006.

Equipment

The Authority owns no equipment. Expenditures for maintenance, repairs and minor renewals and betterments are charged to the proper expense accounts as required by HUD guidelines.

UPPER EXPLORERLAND REGIONAL HOUSING AUTHORITY  
POSTVILLE, IOWA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006

1) NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

**Authority-wide Statements**—On the Statement of Financial Position, net assets are reported in two categories:

*Restricted Net Assets* result when constraints placed on net asset use are either externally imposed or imposed by law, grant or contract.

*Unrestricted Net Assets* consist of net assets that do not meet the definition of the preceding category. Unrestricted Net Assets may have constraints on resources imposed by management or the board of directors, which can be removed or modified.

The authority's policy is to maintain its accounting records and financial statements on the basis of accounting practices prescribed or permitted by the Department of Housing and Urban Development.

NOTE 2 - NATURE OF OPERATIONS

The Authority operates under Section 8 of the U.S. Housing Act of 1937. Section 8 Voucher Program assistance is a rental assistance program to help very low income families afford decent, safe and sanitary rental housing. The Authority, known as a public housing agency or PHA, accepts applications for rental assistance, selects the applicant for admission and issues the selected family a rental voucher confirming the families eligibility for assistance. The family must find a suitable dwelling unit. The Authority pays the landlord a portion of the rent, known as a housing assistance payment or HAP, on behalf of the family. The Authority enters into an annual contributions contract, or ACC, with HUD, which provides funds to administer the program.

For the year ended June 30, 2006 the Authority had an ACC for \$1,286,910, as amended.

UPPER EXPLORERLAND REGIONAL HOUSING AUTHORITY  
POSTVILLE, IOWA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006

The Authority administers the following Section 8 programs:  
KC-9120V – Rental Voucher Program

NOTE 3 – EQUIPMENT ACCOUNTING

The Authority owns no equipment, but is required by HUD to keep a list of equipment purchased with HUD dollars. The Authority currently has \$33,396 in equipment it is tracking.

NOTE 4 – UNRESTRICTED ASSETS

The Authority currently has \$231,670, in unrestricted net assets. Per HUD regulations, the unrestricted net assets may be expended for other housing purposes consistent with the PHA's authority under State and local law.

NOTE 5 – LITIGATION

The Authority was involved in no litigation as of June 30, 2006.

NOTE 6 – SUBSEQUENT EVENTS

We noted no significant subsequent events.

**SUPPLEMENTARY INFORMATION**

SCHEDULE 1

UPPER EXPLORERLAND REGIONAL HOUSING AUTHORITY  
POSTVILLE, IOWA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
FOR THE YEAR ENDED JUNE 30, 2006

Grantor/ Program	Direct: Department of Housing and Urban Development: Section 8 Housing Choice Vouchers
CFDA Number	14.871
Grant Number	IA130V00052 THRU IA130V00057, IAVOCAT1 and IA130AF0002 THRU IA130AF0005
Federal Expenditures	\$ 1,157,457

UPPER EXPLORERLAND REGIONAL HOUSING AUTHORITY  
POSTVILLE, IOWA

SUPPLEMENTARY DATA REQUIRED BY HUD  
FOR THE YEAR ENDED JUNE 30, 2006

Accounts and Notes Receivable (Other than Tenant)

Fraud Recovery None

Delinquent Tenant Accounts  
Receivable

Not Applicable

Tax and Insurance  
Escrow Deposits

Not Applicable

Reserve for Replacement and  
Residual Receipt Account

Not Applicable

Accounts Payable (Other than  
Trade Creditors)

None

Accrued Taxes

None

Compensation of Officers

None.

Tenant Security Deposits

Not Applicable

UPPER EXPLORERLAND REGIONAL HOUSING AUTHORITY  
POSTVILLE, IOWA

SUPPLEMENTARY DATA REQUIRED BY HUD (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2006

Computation of Surplus Cash, Distributions and Residual Receipts

HUD Form-93486 is not applicable to the Authority.

HUD Form - 92410 Statement of Profit and Loss

HUD Form-92410 is not applicable to the Authority.

Identity of Interest Companies

None.

Loans and Notes Payable

None.

Changes in Partnership Interest

N/A

Comments on Balance Sheet Items

None.

Distributions Paid to the Partners

N/A

Unauthorized Distributions Paid to Partners

N/A

Donations, Subsidy Payments and Founder's Fees

N/A

UPPER EXPLORERLAND REGIONAL HOUSING AUTHORITY  
POSTVILLE, IOWA

SUPPLEMENTARY DATA REQUIRED BY HUD (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2006

Funds in Financial Institutions

Funds held by Postville State Bank, Postville, Iowa - June 30, 2006.

#111 Operating Reserve Account	\$200,780
#113 Operating Checking	(92,589)
#113 Operating Hi-Fi/Money Market	273,311
#115 FSS Escrow-Money Market	<u>19,744</u>
TOTAL CASH	<u>\$401,246</u>

Changes in Property and Equipment

N/A

The Authority owns no equipment, but is required by HUD to keep a list of equipment purchased with HUD dollars. The Authority currently has \$33,396 in equipment.

**RFSW  
& Co.**

**RIDIHALGH, FUELLING, SNITKER, WEBER & CO., P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL CONSULTANTS

OELWEIN, IOWA 50662  
(319)283-1173  
FAX (319)283-2799  
[oelwein@rfs.com](mailto:oelwein@rfs.com)

INDEPENDENCE, IOWA 50644  
(319)334-4211  
FAX (319)334-6454  
[independence@rfs.com](mailto:independence@rfs.com)

JESUP, IOWA 50648  
(319)827-6600  
FAX (319)827-2121  
[jesup@rfs.com](mailto:jesup@rfs.com)

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

To the Board of Directors  
Upper Explorerland Regional Housing Authority  
Postville, IA

We have audited the financial statements of Upper Explorerland Regional Housing Authority as of and for the year ended June 30, 2006 and have issued our report thereon dated October 3, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Upper Explorerland Regional Housing Authority'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 an opinion 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 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 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

As part of obtaining reasonable assurance about whether Upper Explorerland Regional Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, board of directors, management, others within the organization, and federal awarding agencies and pass-through entities and it not intended to be and should not be used by anyone other than these specified parties.

*Ridihalgh, Fuelling, Snitker, Weber & Co., P.C.*

RIDIHALGH, FUELLING, SNITKER, WEBER & CO., P.C.  
Oelwein, Iowa 50662

October 3, 2006

**RFSW  
& Co.**

**RIDIHALGH, FUELLING, SNITKER, WEBER & CO., P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL CONSULTANTS

OELWEIN, IOWA 50662  
(319)283-1173  
FAX (319)283-2799  
[oelwein@rfs.com](mailto:oelwein@rfs.com)

INDEPENDENCE, IOWA 50644  
(319)334-4211  
FAX (319)334-6454  
[independence@rfs.com](mailto:independence@rfs.com)

JESUP, IOWA 50648  
(319)827-6600  
FAX (319)827-2121  
[jesup@rfs.com](mailto:jesup@rfs.com)

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

Compliance

We have audited the compliance of Upper Explorerland Regional Housing Authority with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2006. Upper Explorerland Regional Housing Authority's major federal program is 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 its major federal program is the responsibility of Upper Explorerland Regional Housing Authority's management. Our responsibility is to express an opinion on Upper Explorerland Regional Housing Authority's compliance based on our audit.

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

In our opinion, Upper Explorerland Regional Housing Authority's complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2006.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a 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 that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, board of directors, management, others within the organization, 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.

*Ridihalgh, Fuelling, Snitker, Weber & Co., P.C.*

Ridihalgh, Fuelling, Snitker, Weber & Co., P.C.

October 3, 2006

UPPER EXPLORERLAND REGIONAL HOUSING AUTHORITY  
POSTVILLE, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2006

Part I: Summary of the Independent Auditor's Results:

- (a) An unqualified opinion was issued on the financial statement.
- (b) No reportable conditions in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No reportable conditions in internal control over the major program was disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit disclosed no audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major program was CFDA Number 14.871 – Housing Choice Vouchers.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Upper Explorerland Regional Housing Authority did qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

No instances of non-compliance were noted.

Part III: Findings and Questioned Cost for Federal Awards:

No findings or questioned costs for federal awards were noted.

UPPER EXPLORERLAND REGIONAL HOUSING AUTHORITY  
POSTVILLE, IOWA

AUDITOR'S COMMENTS ON AUDIT RESOLUTION MATTERS  
RELATING TO THE HUD PROGRAMS  
YEAR ENDED JUNE 30, 2006

There are no prior findings on which the Authority should take corrective action.

UPPER EXPLORERLAND REGIONAL HOUSING AUTHORITY  
POSTVILLE, IOWA

Audit was performed by:

Donald A. Snitker, CPA, Partner  
Ridihalgh, Fuelling, Snitker, Weber & Co., CPA's, P.C.  
PO Box 639, 14 East Charles  
Oelwein, Iowa 50662  
(319) 283-1173  
42-1042703

OFFICER'S CERTIFICATE

We hereby certify that we have examined the accompanying financial statements and supplementary data of Upper Explorerland Regional Housing Authority and, to the best of our knowledge and belief, they are complete and accurate.

J. W. Nasey  
Executive Director  
12/5/06