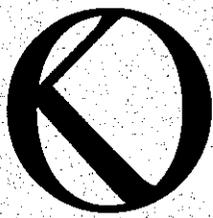


NORTH IOWA REGIONAL HOUSING AUTHORITY  
INDEPENDENT AUDITOR'S REPORTS  
BASIC FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SEPTEMBER 30, 2010

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Kronlage & Olson, P.C.

Certified Public Accountants

Douglas E. Kronlage, CPA  
John C. Olson, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
of North Iowa Regional Housing Authority:

We were engaged to audit the accompanying financial statements of the North Iowa Regional Housing Authority as of September 30, 2010 and 2009 and for the years then ended as listed in the table of contents. These financial statements are the responsibility of the North Iowa Regional Housing Authority. The financial statements of North Iowa Regional Housing Authority as of September 30, 2009 were audited by other auditors whose report dated May 24, 2010, expressed an unqualified opinion on those financial statements.

We conducted our audits 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 presentation. We believe that our audits provide 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 the North Iowa Regional Housing Authority as of September 30, 2010 and 2009 and the results of its operations 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 our reports dated June 16, 2011, on our consideration of the North Iowa Regional Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are 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.

Management's Discussion and Analysis on pages 3 through 6 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the North Iowa Regional Housing Authority's basic financial statements. The Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133 and the Financial Data Schedule required by the Department of Housing and Urban Development, Real Estate Assessment Center, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our 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.

*Kronlage & Olson, P.C.*

June 16, 2011

## MANAGEMENT'S DISCUSSION AND ANALYSIS

North Iowa Regional Housing Authority (NIRHA) operates under two Department of Housing and Urban Development (HUD) programs, providing income-based housing and rental assistance to lower income families residing in the northern Iowa counties of Cerro Gordo, Floyd, Franklin, Hancock, Kossuth, Mitchell, Winnebago, and Worth. The incorporated cities of Charles City, Mason City, and Riceville receive assistance from other housing authorities, and residents of those communities are ineligible for assistance from NIRHA. A governing board, consisting of commissioners appointed by Supervisors of each of the eight counties, hires an Executive Director to oversee the daily management of the housing authority and supervise the administrative and maintenance staff as they work toward achieving the housing authority's goals and mission.

*The mission of the North Iowa Regional Housing Authority is to assist low-income families with decent, safe and affordable housing opportunities as they strive to achieve self-sufficiency and improve the quality of their lives. The Housing Authority is committed to operating in an efficient, ethical, and professional manner. The Housing Authority will create and maintain partnerships with its clients and appropriate community agencies in order to accomplish this mission.*

The Public Housing (PH) Program provides assistance for low income families, elderly, and disabled persons in rental units owned and managed by NIRHA. Properties are located in ten northern Iowa communities. The units are designed to blend into and complement their respective neighborhoods. The units vary in bedroom sizes and range in style from duplexes and multi-family town houses with separate entrances to a multi-level apartment building. Tenant rents are income-based at approximately 30% of income. Since rental income is generally insufficient for NIRHA to operate the properties, HUD operating grants are used to provide a significant portion of the revenue gap. Capital improvement grants from HUD permit NIRHA to maintain the physical structure of the buildings and improve energy efficiency.

The Housing Choice Voucher (HCV) program is designed to enable elderly, disabled, and low income families the opportunity to rent decent, safe, and sanitary housing. The HCV program permits participants to rent an apartment or house from the private rental market. Participants' rent is income-based and initial lease-up rent does not exceed 40% of their adjusted monthly income. Participants pay their portion of the rent to their landlord, and the balance of the rent is paid by NIRHA directly to the landlord. HUD subsidizes 100% of the landlord payments made by NIRHA. HUD also provides a subsidy to NIRHA to defray costs of administering the program.

Operating and financial data for both the PH and HCV programs is closely monitored by HUD via monthly and annual reporting. HUD reporting also includes tenant income eligibility and family data. On-site compliance reviews are periodically scheduled by HUD to validate report data and to insure program integrity.

North Iowa Regional Housing Authority's performance and goals are dedicated to complying with program administration regulations. NIRHA has developed a system of internal procedures to ensure that expenditures represent allowable costs and are properly documented and approved. Procedures also ensure that calculations related to rent subsidies are accurate and in accordance with federal regulations. Additional procedures are in place to ensure NIRHA is in compliance with state and local laws. Policies are continually reviewed for legal and regulatory changes as well as changes in circumstances.

NIRHA depends almost exclusively upon federal funding. Recently, Congress and HUD have been slow to announce annual subsidy allocations for housing programs. This grant revenue uncertainty, coupled with expected increases in fuel and material costs, makes it difficult to budget appropriately. It causes further difficulty projecting the agency's financial needs for the next three to five years. NIRHA has carefully earmarked and used available HUD capital improvement funding to complete major public housing repairs and to make the units energy efficient. Any reduction in federal funding could jeopardize future site improvements. The commissioners and management of NIRHA continue to monitor funding trends and make the adjustments necessary to maintain financial stability.

### 2010 FINANCIAL INFORMATION

The following pages contain a narrative overview and analysis highlighting key financial activities for the fiscal year ended September 30, 2010, with comparative data from the fiscal years ended September 30, 2009 and 2008 respectively. We encourage readers to consider this information in conjunction with the housing authority's audited financial statements.

The accompanying audited financial statements were prepared using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The **Statement of Net Assets** presents all of NIRHA's assets and liabilities, with the difference between the two reported as "net assets." Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of NIRHA is improving or deteriorating.

	2010	2009	2008
Current and other assets	\$ 791,398	\$ 510,312	\$ 766,930
Capital assets	<u>4,188,690</u>	<u>4,315,956</u>	<u>4,283,032</u>
Total assets	<u>\$4,980,088</u>	<u>\$4,826,268</u>	<u>\$5,049,962</u>
Short-term liabilities	\$ 88,709	\$ 80,363	\$ 225,099
Other liabilities	<u>13,161</u>	<u>20,427</u>	<u>0</u>
Total liabilities	<u>\$ 101,870</u>	<u>\$ 100,790</u>	<u>\$ 225,099</u>
Net assets:			
Invested in capital assets, net of related debt	\$4,188,690	\$4,315,956	\$4,283,032
Restricted	136,059	153,011	316,361
Unrestricted	<u>553,469</u>	<u>256,511</u>	<u>225,470</u>
<b>Total net assets</b>	<b><u>\$4,878,218</u></b>	<b><u>\$4,725,478</u></b>	<b><u>\$4,824,863</u></b>

- Assets exceeded liabilities by approximately \$4,878,000 as of September 30, 2010. The major component of assets is the investment in land, buildings, improvements, equipment, and construction in progress, net of depreciation. Current assets of \$655,339 comprise the other major asset component. Cash represents the largest current asset.
- Liabilities totaling approximately \$101,900 are all current, except for a long-term accrual of compensated employee absences. Liabilities are comprised mostly of vendor accounts payable, construction contract retentions payable, tenant security deposits, tenant prepaid rents (credit balances), and accrued expenses. NIRHA is fortunate to have no long-term debt.

The *Statement of Revenues, Expenses, and Changes in Net Assets* presents information showing how net assets changed during the most recent fiscal year, and compares the data to the prior fiscal year. All changes in net assets are reported when the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not impact cash flow until future fiscal periods.

	2010	2009	2008
Revenue by source			
Rents	\$ 176,154	\$ 166,333	\$ 129,809
Grants and contributions	1,628,570	1,442,305	1,239,390
Miscellaneous	<u>30,773</u>	<u>39,255</u>	<u>16,845</u>
Total revenues	<u>\$1,835,497</u>	<u>\$ 1,647,893</u>	<u>\$ 1,386,044</u>
Expenditures			
Administration	\$ 370,211	\$ 355,832	\$ 350,475
HAP payments	1,127,850	1,113,316	864,888
Depreciation	275,414	247,332	224,766
Maintenance and Other	207,497	230,088	219,323
Miscellaneous	<u>51,352</u>	<u>1,854</u>	<u>12,570</u>
Total expenses	<u>\$2,032,324</u>	<u>\$ 1,948,422</u>	<u>\$ 1,672,022</u>
Non-operating revenues (expenses)			
Capital contributions	\$ 342,541	\$ 196,411	\$ 335,006
Other	<u>7,026</u>	<u>4,733</u>	<u>33,787</u>
Total non operating revenues	<u>\$ 349,567</u>	<u>\$ 201,144</u>	<u>\$ 368,793</u>
Extraordinary item	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Change in net assets	\$ 152,740	\$ (99,385)	\$ 82,815
Net assets at beginning of year	\$4,725,478	\$ 4,824,863	\$ 4,742,048
Prior Period Adjustments	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net assets at end of year	<u>\$4,878,218</u>	<u>\$4,725,478</u>	<u>\$4,824,863</u>

- Rental income from tenants residing in the public housing units owned by the housing authority, plus grants from HUD represent the majority of the operating revenue of NIRHA. Likewise, payments to landlords for tenants participating in the HCV program constitute the single largest operating expense. Administrative expenses, maintenance expenses, and depreciation comprise most of the remaining operating expenses.
- Combined operating revenues of the two programs operated by NIRHA increased 12%, or approximately \$201,000 from fiscal year 2009 to fiscal year 2010. This was mainly attributable to the increased PH rents and increased grant funding from HUD.
- Unit occupancy in public housing units has remained fairly stable. Rental income is subject to the ebb and flow of tenant income.
- Units served by the HCV program during fiscal years 2006 and 2007 dipped to low numbers while NIRHA continued working through compliance issues. Management revamped tenant screening processes, invested in staff training programs, and realigned staffing responsibilities in an attempt to reduce errors and reporting problems. The effects of the improved procedures became evident in 2007, 2008, and 2009 with increases in voucher program participants and resultant increases in the amount of payments to landlords. During fiscal year 2010 NIRHA maintained the 2009 level of the number of HCV units leased at approximately 94% of the maximum units permitted by the agency's contract with HUD. As the number of program participants increases, the dollar amount expended to landlords also increases. HUD provides funding based upon the number of HCV tenants and the dollar amount paid to landlords, so as expenses increase, revenues also increase.
- NIRHA adopts annual operating budgets for the PH and HCV programs based upon expected federal grants awarded. All budgets are prepared on a basis prescribed by HUD which is materially consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year-end. It is difficult to anticipate changing economic conditions which impact tenant incomes and thereby impacting the housing authority's budget. NIRHA continually searches for cost saving measures to minimize the effects of uncontrolled revenue reductions.

The financial reports are designed to present our citizens, taxpayers, customers, investors, creditors, and other users with a general overview of the housing authority's finances and operating activities. If you have any questions or require additional information, please contact:

North Iowa Regional Housing Authority  
 202 1<sup>st</sup> St., S.E., Suite 203  
 Mason City, Iowa 50401  
 641-423-0897

NORTH IOWA REGIONAL HOUSING AUTHORITY  
 Statements of Net Assets  
 Years Ended September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 420,510	\$ 304,118
Investments	215,558	38,929
Receivables:		
Accounts receivable-Tenants	1,720	767
Accounts receivable-Bancroft	1,595	2,022
Accounts receivable-Other	360	1,594
Accrued interest	1,226	1,243
Prepaid expenses	14,370	8,628
Total current assets	<u>\$ 655,339</u>	<u>\$ 357,301</u>
Non-current assets:		
Restricted assets:		
Cash	\$ 136,059	\$ 102,542
Investments	-	50,469
Total restricted assets	<u>\$ 136,059</u>	<u>\$ 153,011</u>
Capital assets:		
Land	\$ 915,269	\$ 915,269
Buildings and improvements	6,524,707	6,458,535
Equipment	168,133	140,146
Leasehold improvements	4,674	4,674
Total capital assets	<u>\$7,612,783</u>	<u>\$7,518,624</u>
Less accumulated depreciation	<u>3,424,093</u>	<u>3,202,668</u>
Net capital assets	<u>\$4,188,690</u>	<u>\$4,315,956</u>
Total non-current assets	<u>\$4,324,749</u>	<u>\$4,468,967</u>
Total assets	<u>\$4,980,088</u>	<u>\$4,826,268</u>
<b>LIABILITIES:</b>		
Current liabilities:		
Accounts payable	\$ 18,731	\$ 30,649
Accrued expenses:		
Payroll	17,012	15,031
Compensated absences	11,568	2,270
Other	13,647	7,198
Deferred revenue	2,447	3,111
Security deposits	25,304	22,104
Total current liabilities	<u>\$ 88,709</u>	<u>\$ 80,363</u>
Non-current liabilities:		
Accrued compensated absences	\$ 13,161	\$ 20,427
Total liabilities	<u>\$ 101,870</u>	<u>\$ 100,790</u>
<b>NET ASSETS:</b>		
Invested in capital assets, net of related debt	\$4,188,690	\$4,315,956
Restricted	136,059	153,011
Unrestricted	<u>553,469</u>	<u>256,511</u>
Total net assets	<u>\$4,878,218</u>	<u>\$4,725,478</u>

See Notes to Financial Statements.

NORTH IOWA REGIONAL HOUSING AUTHORITY  
 Statements of Revenues, Expenses, and Changes in Net Assets  
 Years Ended September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>Operating Revenues:</b>		
Rent	\$ 176,154	\$ 166,333
Grants and contributions	1,628,570	1,442,305
Miscellaneous	30,773	39,255
Total operating revenue	<u>\$1,835,497</u>	<u>\$1,647,893</u>
<b>Operating Expenses:</b>		
Administrative	\$ 370,211	\$ 355,832
Utilities	32,545	31,279
Maintenance	174,952	154,410
Depreciation	275,414	247,332
HAP payments	1,127,850	1,113,316
Tenant services	1,889	1,854
Miscellaneous	49,463	44,399
Total operating expenses	<u>\$2,032,324</u>	<u>\$1,948,422</u>
Operating income (loss)	<u>\$ (196,827)</u>	<u>\$ (300,529)</u>
<b>Non-operating revenues:</b>		
Interest	\$ 6,913	\$ 9,733
Capital contributions	342,541	196,411
Casualty loss	-	(5,000)
Gain on sale of capital assets	113	-
Total non-operating revenues	<u>\$ 349,567</u>	<u>\$ 201,144</u>
Change in net assets	\$ 152,740	\$ (99,385)
Net assets beginning of year	<u>4,725,478</u>	<u>4,824,863</u>
Net assets end of year	<u>\$4,878,218</u>	<u>\$4,725,478</u>

See Notes to Financial Statements.

NORTH IOWA REGIONAL HOUSING AUTHORITY  
 Statements of Cash Flows  
 Years Ended September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>Cash Flows from Operating Activities:</b>		
Cash received from rental receipts	\$ 174,337	\$ 167,349
Cash received from HUD	1,628,570	1,442,305
Cash paid to employees for services	(263,381)	(242,177)
Cash paid to suppliers of goods or services	(368,203)	(476,095)
Cash paid for HAP payments	(1,127,850)	(1,113,316)
Proceeds from miscellaneous items	30,773	37,068
Proceeds from tenant security deposits	3,200	-
Net cash provided (used) by operating activities	<u>\$ 77,446</u>	<u>\$ (184,896)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Insurance proceeds	\$ -	\$ 2,945
HUD capital grants received	342,541	196,411
Net cash provided (used) by capital and related financing activities	<u>\$ 342,541</u>	<u>\$ 199,356</u>
<b>Cash Flows from Investing Activities:</b>		
Purchase of investments	\$ (201,629)	\$ -
Proceeds from sale of investments	75,391	173,442
Interest received	4,195	9,670
Proceeds from sale of capital assets	113	-
Purchase of capital assets	(39,256)	-
Capital improvements	(108,892)	(280,256)
Net cash provided (used) by investing activities	<u>\$ (270,078)</u>	<u>\$ (97,144)</u>
Net increase (decrease) in cash	\$ 149,909	\$ (82,684)
Cash beginning of year	406,660	489,344
Cash end of year	<u>\$ 556,569</u>	<u>\$ 406,660</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (196,827)	\$ (300,529)
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation expense	275,414	247,332
Bad debt expense	2,700	-
Gain on sale of assets	113	-
Change in assets and liabilities:		
(Increase) decrease in receivables	708	(1,171)
(Increase) decrease in prepaid expenses	(5,742)	1,749
Increase (decrease) in security deposits	3,200	1,094
Increase (decrease) in accounts and contracts payable	(11,918)	(135,367)
Increase (decrease) in accrued expenses	10,462	1,429
Increase (decrease) in other liabilities	(664)	567
Net cash provided by operating activities	<u>\$ 77,446</u>	<u>\$ (184,896)</u>

See Notes to Financial Statements.

NORTH IOWA REGIONAL HOUSING AUTHORITY  
Notes to Financial Statements  
September 30, 2010

(1) Summary of Significant Accounting Policies

A. Reporting Entity

The North Iowa Regional Housing Authority is a special purpose government organization organized under Iowa Code Chapters 28E, Joint Exercise of Governmental Powers, and 403A, Municipal Housing Projects. The Authority is located in Mason City, Iowa, and serves an eight county area. The Authority has an appointed governing body from the eight county area. The Authority's revenue is generated by rents from their 121 conventional low rent units and an additional 398 Section 8 Housing Choice Voucher units. The Authority is subject to Section 8 Housing Assistance Payments agreements with the U.S. Department of Housing and Urban Development (HUD). The Authority's major programs are its Section 8 subsidy and Public Housing Capital Fund.

For financial reporting purposes, North Iowa Regional Housing Authority has included all funds, organizations, agencies, boards, commissions and authorities. The Authority has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Authority are such that exclusion would cause the Authority's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Authority to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Authority. North Iowa Regional Housing Authority has no component units which meet the Governmental Accounting Standards Board criteria.

B. Measurement Focus and Basis of Accounting

The North Iowa Regional Housing Authority maintains its financial records on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 of proprietary funds are user fees and charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Authority has elected not to follow subsequent private-sector guidance.

NORTH IOWA REGIONAL HOUSING AUTHORITY  
Notes to Financial Statements  
September 30, 2010

(1) Summary of Significant Accounting Policies - (continued)

C. Assets, Liabilities and Net Assets

*Cash Management and Investments*

The Authority maintains two primary demand deposit accounts through which the majority of the Authority's cash resources are processed. The Authority's cash and cash equivalents include amounts in demand deposits as well as short-term investments with an original maturity date within three months of the date acquired by the Authority.

*Trade Receivables*

Trade receivables as of September 30, 2010 and 2009, are net of \$1,520 and \$979 allowance for doubtful accounts, respectively.

*Restricted Assets*

Assets which can be designated by the Board of Commissioners for any use within the Authority's purpose are considered to be unrestricted assets. Assets which are restricted for specific uses by debt requirements, grant provisions, or other requirements are classified as restricted assets. Liabilities which are payable from restricted assets, are classified as such. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

*Capital Assets*

Capital assets, which include land, buildings, improvements other than buildings, and equipment are reported by the Authority. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair-market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Buildings, improvements other than buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings and structures	40 years
Improvements other than buildings	15 years
Equipment	3 to 10 years

*Accrued Expenses*

Authority employees earn paid days off (PDO) at rates dependent on years of service. Accumulation of more than 65 days will be forfeited if not used. This liability has been computed based on rates of pay in effect at September 30, 2010.

Since the Authority is a government agency, it does not pay property tax on the public housing properties it owns. The Authority accrues 10% of the dwelling rent less utilities as payment in lieu of taxes (PILOT) to be remitted to each county where property is located. Some counties have agreed to waive the PILOT.

NORTH IOWA REGIONAL HOUSING AUTHORITY  
Notes to Financial Statements  
September 30, 2010

(2) Cash and Investments

The Authority's deposits in banks at September 30, 2010 were entirely covered by Federal depository insurance or by the State Sinking fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The Authority is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Authority; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The Authority had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.

(3) Capital Assets

Capital asset activity for the year ended September 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 915,269	\$ -	\$ -	\$ 915,269
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	<u>\$ 915,269</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 915,269</u>
Capital assets, being depreciated:				
Buildings and improvements	\$6,458,535	\$ 66,172	\$ -	\$6,524,707
Equipment	140,146	81,976	53,989	168,133
Leasehold improvements	4,674	-	-	4,674
Total capital assets being depreciated	\$6,603,355	\$ 148,148	\$ 53,989	\$6,697,514
Less accumulated depreciation	<u>3,202,668</u>	<u>275,414</u>	<u>53,989</u>	<u>3,424,093</u>
Total capital assets being depreciated, net	<u>\$3,400,687</u>	<u>\$ (127,266)</u>	<u>\$ -</u>	<u>\$3,273,421</u>
Total capital assets, net	<u>\$4,315,956</u>	<u>\$ (127,266)</u>	<u>\$ -</u>	<u>\$4,188,690</u>

Depreciation expense charged to operations for the year ended September 30, 2010 was \$275,414.

NORTH IOWA REGIONAL HOUSING AUTHORITY  
Notes to Financial Statements  
September 30, 2010

(4) Pension and Retirement Benefits

IPERS - The Authority contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 4.30% of their covered salary with the member's contribution increasing to 4.50% on July 1, 2010. The Authority is required to contribute 6.65% of covered payroll with the Authority's contribution increasing to 6.95% on July 1, 2010. Contribution requirements are established by State statute. The Authority's contribution to IPERS for the year ended September 30, 2010 were \$17,302.35, equal to the required contribution for the year.

(5) Contingencies

Under terms of federal grants with HUD, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under terms of the grants. Such audits could lead to reimbursement to HUD. Authority management believes disallowances, if any, will be immaterial.

Payroll taxes collected from employees are subject to audit by federal and state governments. Any adjustments in these amounts may constitute a liability of the Authority. The amount of these changes, if any, made by federal or state governments cannot be determined at this time.

The Authority is currently in dispute with a software provider. The Authority alleges the product is not responsive to the Authority's needs and does not perform as required. The Authority has notified the vendor that it will not pay for the \$28,000 of software billings. This amount has not been included in the current year financial statements.

(6) Related Party Transactions

The Authority had no business transactions between the Authority and Authority officials and employees during the year ended September 30, 2010.

(7) Risk Management

The North Iowa Regional Housing Authority is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The Authority assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NORTH IOWA REGIONAL HOUSING AUTHORITY  
Notes to Financial Statements  
September 30, 2010

(8) Litigation

In May 2008, the Authority was notified of a complaint alleging violation of the age and sex discrimination sections of the Mason City Human Rights Code. This charge is currently in the discovery phase and scheduled for trial in October, 2011. The Authority's legal counsel has advised that, at this stage of the proceedings, it cannot predict the possible outcome but does not believe anything has come to light indicating that claims might have a material effect on the Authority.

(9) Operating Lease Activity

The Authority leases office space under a five-year lease expiring December 31, 2011. Monthly lease payment is \$1,498 plus common area costs estimated at \$721 per month. Lease expense amounted to \$29,283 for the year ended September 30, 2010. Future minimum lease payments under this lease are as follows:

<u>FYE</u>	
2011	\$ 26,630
2012	6,657
	<u>\$ 33,287</u>

The lease agreement allows for two additional terms of five years each at the current rate.

(10) Current Vulnerability Due to Certain Concentrations

The Authority's operations are concentrated in the multi-family real estate market. In addition, the Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden to comply with a change.

(11) Termination Benefits

As of September 30, 2010, the Authority had no terminated employees participating in continuation of health care coverage available from the Authority. Participants pay 100% of the premium for continuing coverage. Continuation coverage benefits are available for eligible employees for nine months. Upon termination, employees are paid for compensated absences that have been accrued up to termination date.

(12) Subsequent Events

The Authority awarded contracts subsequent to September 30, 2010 for capital improvement projects totaling \$157,400.

NORTH IOWA REGIONAL HOUSING AUTHORITY  
Notes to Financial Statements  
September 30, 2010

(13) New Governmental Accounting Standards Board (GASB) Standards

The Authority has implemented the following GASB standards during the fiscal year ended September 30, 2010:

Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement establishes accounting and reporting standards for postemployment benefits other than pensions. This statement was determined to have no effect on the current financial statements.

Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement establishes accounting and financial reporting standards for intangible assets, including easements, water rights, timber rights, patents, trademarks and computer software. This statement is determined to have no effect on the current financial statements.

Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This statement establishes accounting and financial reporting requirements for derivative instruments entered into by state and local governments. This statement is determined to have no effect on the current financial statements.

Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This statement provides OPEB measurement standards in agent employers and multiple-employer plans. This statement is determined to have no effect on the current financial statements.

NORTH IOWA REGIONAL HOUSING AUTHORITY  
 Schedule of Expenditures of Federal Awards  
 Year Ended September 30, 2010

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program Expenditures</u>
<u>Federal Awards</u>			
Direct:			
Department of Housing and Urban Development:			
Public and Indian Housing	14.850	IA00000110D	\$ 299,548
Section 8 Housing Choice Vouchers	14.871	IA127VO	1,311,506
Public Housing Capital Fund:			
Fiscal Year 2009-Recovery	14.872	IA05S12750109	13,369
Fiscal Year 2009	14.872	IA05P12750109	164,863
Fiscal Year 2010	14.872	IA05P12750110	<u>164,309</u>
Total federal expenditures			<u>\$1,953,595</u>

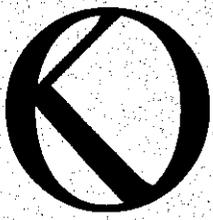
Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the North Iowa Regional Housing Authority. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Normally, expenditure of the Public Housing Capital funds are shown as program expenditures above but are recorded as construction in progress until the project or an identifiable construction portion of the total project is complete and in service. At that point, the related funds are transferred to an appropriate capital asset account and are depreciated over its estimated useful life. During the current year, HUD has allowed the Authority to reallocate the capital funds to operations. The following table demonstrates how the capital funds were expended to finance operations.

<u>Capital Fund Year</u>	<u>Amount Received</u>	<u>Amount Expended</u>
2009	\$164,863	\$164,863
2010	164,309	164,309
	<u>\$329,172</u>	<u>\$329,172</u>

All of 2009 and 2010 Capital Fund amounts were reported as operating revenue as of September 30, 2010.

*See accompanying independent auditor's report.*



Kronlage & Olson, P.C.

Certified Public Accountants

Douglas E. Kronlage, CPA

John C. Olson, CPA

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 Commissioners  
North Iowa Regional Housing Authority:

We have audited the financial statements of the North Iowa Regional Housing Authority as of and for the year ended September 30, 2010, and have issued our report thereon dated June 16, 2011. 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 North Iowa Regional Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Iowa Regional Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the North Iowa Regional Housing Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the North Iowa 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 instances of noncompliance that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items III-10-01 and III-10-02.

North Iowa Regional Housing Authority's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit North Iowa Regional Housing Authority's response and, accordingly, we express no opinion on it.

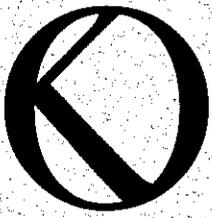
This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the North Iowa Regional Housing Authority and other parties to whom the North Iowa Regional Housing Authority may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the North Iowa Regional Housing Authority during the course of our audit.

Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

*Kronlage & Olson, P.C.*

June 16, 2011



Kronlage & Olson, P.C.

Certified Public Accountants

Douglas E. Kronlage, CPA

John C. Olson, CPA

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

To the Board of Commissioners  
North Iowa Regional Housing Authority:

Compliance

We have audited North Iowa Regional Housing Authority's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010. The North Iowa Regional Housing Authority'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 the North Iowa Regional Housing Authority's management. Our responsibility is to express an opinion on the North Iowa 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. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the North Iowa 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 the North Iowa Regional Housing Authority's compliance with those requirements.

In our opinion, North Iowa Regional Housing Authority complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items III-10-01 and III-10-02.

## Internal Control Over Compliance

Management of North Iowa Regional Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered North Iowa Regional Housing Authority's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of North Iowa Regional Housing Authority's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of North Iowa Regional Housing Authority's internal control over compliance.

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

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

North Iowa Regional Housing Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit North Iowa Regional Housing Authority's responses and, accordingly, we express no opinion on the responses.

This report, a public record by law, is intended solely for the information and use of management, North Iowa Regional Housing Authority commissioners, others within the entity, 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.

*Kronlage & Olson, P.C.*

June 16, 2011

NORTH IOWA REGIONAL HOUSING AUTHORITY  
Schedule of Findings and Questioned Costs  
Year Ended September 30, 2010

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

- (a) An unqualified opinion was given on the financial statements.
- (b) The audit did not disclose any deficiencies in internal control over financial reporting.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) The audit did not disclose any deficiencies in internal control over major programs.
- (e) An unqualified opinion was issued on compliance with requirements applicable to the Authority's major programs.
- (f) The audit disclosed audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Programs tested as major programs were as follows:
  - CFDA Number 14.871 - Section 8 Housing Choice Vouchers
  - CFDA Number 14.872 - Public Housing Capital Fund
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) The Authority qualifies as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

**INSTANCES OF NONCOMPLIANCE:**

There were no prior year or current year instances of noncompliance identified.

**MATERIAL WEAKNESSES:**

There were no prior year or current year material weaknesses identified.

NORTH IOWA REGIONAL HOUSING AUTHORITY  
Schedule of Findings and Questioned Costs  
Year Ended September 30, 2010

Part III: Findings and Questioned Costs for Federal Awards:

III-10-01 Condition - Inspections showed that one tenant unit selected for testing did not have adequate working fire alarms. There is no documentation in the file that the fire alarms were repaired or replaced within 24 hours. This problem was corrected upon the re-inspection within 30 days.

Criteria - HUD defines nonworking or inadequate fire alarms as life threatening deficiencies. HUD requires life threatening deficiencies to be corrected within 24 hours of determination of failure.

Cause - This was caused by the inspector not recognizing that this deficiency was required to be corrected within 24 hours.

Effect - The Authority is in violation of HUD requirements. Failure to enforce the requirement could result in legal action against the Authority or loss of life if there is a fire.

Context - Of the 40 files tested, two instances of life threatening deficiencies were noted, of which one was fixed the same day. There have been no instances of noncompliance noted in the two prior audits.

Recommendation - Inspectors should be reminded of the need to recognize and follow up on the correction of life threatening deficiencies noted in their inspections.

Views of Responsible Officials and Planned Corrective Actions - This matter was discussed with the administrative assistant on May 25, 2011. The administrative assistant provided documents showing how she recorded five other life threatening deficiencies for follow-up. Somehow, this incident was overlooked. This matter was also discussed on May 25, 2011 with the inspector who conducted the inspection. He does not know how this was missed. Inspectors and the administrative assistant were reminded of the need to recognize, report and repair life threatening deficiencies in a timely manner.

III-10-02 Condition - Quality control inspections completed were not all within the required 90 days of the original inspection.

Criteria - HUD requires quality control inspections to be completed annually within 90 days of the original inspection.

Cause - This was caused by the quality control inspector trying to get a better cross-section of neighborhoods and inspectors to sample.

Effect - The Authority is not in compliance with HUD regulations related to quality control inspections.

Context - Of the 12 quality control inspections performed, six were completed within 90 days of original inspection; three were within 90-120 days and three were within 120-150 days of the original inspection.

NORTH IOWA REGIONAL HOUSING AUTHORITY  
Schedule of Findings and Questioned Costs  
Year Ended September 30, 2010

Part III: Findings and Questioned Costs for Federal Awards: (continued)

Recommendation - Quality control inspections should be performed in accordance with HUD requirements.

Views of Responsible Officials and Planned Corrective Actions - The Executive Director was late in starting the quality control process. The problem with exceeding the 90 day time limit could have been avoided but the sample then would not have been representative of the entire jurisdiction. The Executive Director will begin the quality control process early enough to avoid the 90 day deadline concern.

Part IV: Summary Schedule of Prior Audit Findings:

There were no prior year audit findings.

Part V: Other Findings Related to Required Statutory Reporting:

V-10-01 Official Depositories - A resolution naming official depositories has been approved by the Authority.

V-10-02 Questionable Expenditures - We noted no expenditures that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

V-10-03 Travel Expense - No expenditures of Authority money for travel expenses of spouses of Authority officials or employees were noted. No travel advances to Authority officials or employees were noted.

V-10-04 Business Transactions - There were no business transactions between the Authority and Authority officials or employees.

V-10-05 Bond Coverage - Surety bond coverage of Authority officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.

V-10-06 Deposits and Investments - The Authority has a written investment policy in accordance with Chapter 12B and 12C of the Code of Iowa. The policy requires annual review, or more frequently as appropriate. This review has not been completed since May 2007.

Recommendation - The Authority should develop a plan to ensure the investment policy is reviewed at least annually as required.

Response - This item has been added to the list of policies to be reviewed at the meeting in September, the last month of the fiscal year. This will prevent the oversight in the future.

Conclusion - Response accepted.

V-10-07 Authority Minutes - No transactions were found that we believe should have been approved in the Authority minutes but were not.

NORTH IOWA REGIONAL HOUSING AUTHORITY  
 Corrective Action Plan for Federal Audit Findings  
 September 30, 2010

Comment Number	Comment Title	Corrective Action Planned	Contact Person, Title, Phone Number	Anticipated Date of Completion
III-10-01	Life Threatening Deficiencies Not Corrected	This matter was discussed with the individuals involved and they have been reminded of the requirements.	Deb Bullerman, Executive Director 641-423-0897	May, 2011
III-10-02	Quality Control Inspections	The succeeding Quality Control Inspections will begin early enough to comply with the 90-day requirement.	Deb Bullerman, Executive Director 641-423-0897	June, 2011

NORTH IOWA REGIONAL HOUSING AUTHORITY  
FINANCIAL DATA SCHEDULE  
September 30, 2010

Line Item Number	Account Description	Low-Rent Public Housing 14,850	Section 8 Housing Choice Vouchers 14,871	Public Housing Capital Fund Program 14,872	Formula Capital Fund Stimulus Grant 14,872	Business Account	Total
111	Cash - Unrestricted	319,047	227,266	-	-	-	546,313
114	Cash - Tenant Security Deposits	24,456	-	-	-	-	24,456
100	Total Cash	343,503	227,266	-	-	-	570,769
124	Accounts Receivable - Other Governments	1,596	-	-	-	-	1,596
125	Accounts Receivable - Other	360	-	-	-	-	360
126	Accounts Receivable - Tenants	3,240	-	-	-	-	3,240
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(1,520)	-	-	-	-	(1,520)
129	Interest Receivable	1,226	-	-	-	-	1,226
120	Total Receivables, Net of Allowances for Doubtful Accounts	4,902	-	-	-	-	4,902
131	Investments - Unrestricted	201,357	-	-	-	-	201,357
132	Investments - Restricted	-	-	-	-	-	-
142	Prepaid Expenses & Other Assets	7,358	7,012	-	-	-	14,370
144	Interprogram Due From	17,060	-	-	-	-	17,060
150	Total Current Assets	574,180	234,278	-	-	-	808,458
161	Land	915,268	-	-	-	-	915,268
162	Buildings	6,524,707	-	-	-	-	6,524,707
163	Furniture, Equipment & Machinery - Dwellings	87,383	-	-	-	-	87,383
164	Furniture, Equipment & Machinery - Administration	80,751	-	-	-	-	80,751
165	Leasehold Improvements	4,674	-	-	-	-	4,674
166	Accumulated Depreciation	(3,424,093)	-	-	-	-	(3,424,093)
167	Construction in Progress	-	-	-	-	-	-
160	Total Fixed Assets, Net of Accumulated Depreciation	4,188,690	-	-	-	-	4,188,690
180	Total Non-Current Assets	4,188,690	-	-	-	-	4,188,690
190	Total Assets	4,762,870	234,278	-	-	-	4,997,148
312	Accounts Payable <=90 Days	18,730	-	-	-	-	18,730
321	Accrued Wage/Payroll Taxes Payable	10,962	6,050	-	-	-	17,012
322	Accrued Compensated Absences - Current Portion	7,618	3,950	-	-	-	11,568
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-
333	Accounts Payable - Other Governments	10,093	-	-	-	-	10,093
341	Tenant Security Deposits	25,304	-	-	-	-	25,304
342	Deferred Revenues	2,447	-	-	-	-	2,447
345	Other Current Liabilities	3,554	-	-	-	-	3,554
347	Interprogram Due To	-	17,060	-	-	-	17,060
310	Total Current Liabilities	78,708	27,060	-	-	-	105,768
354	Accrued Compensated Absences - Non-current Portion	6,945	6,216	-	-	-	13,161
350	Total Non-current Liabilities	6,945	6,216	-	-	-	13,161
300	Total Liabilities	85,653	33,276	-	-	-	118,929
508.1	Invested in Capital Assets, Net of Related Debt	4,188,690	-	-	-	-	4,188,690
511.1	Restricted Net Assets	-	136,059	-	-	-	136,059
512.1	Unrestricted Net Assets	488,527	64,943	-	-	-	553,470
513	Total Equity/Net Assets	4,677,217	201,002	-	-	-	4,878,219
600	Total Liabilities & Equity/Net Assets	4,762,870	234,278	-	-	-	4,997,148

NORTH IOWA REGIONAL HOUSING AUTHORITY  
FINANCIAL DATA SCHEDULE  
September 30, 2010

Line Item Number	Account Description	Low-Rent Public Housing 14,850	Section 8 Housing Choice Vouchers 14,871	Public Housing Capital Fund Program 14,872	Formula Capital Fund Stimulus Grant 14,872	Business Account	Total
703	Net Tenant Rental Revenue	171,774	-	-	-	-	171,774
704	Tenant Revenue - Other	4,380	-	-	-	-	4,380
705	Total Tenant Revenue	176,154	-	-	-	-	176,154
706	HUD PHA Operating Grants	299,548	1,329,022	-	-	-	1,628,570
706.1	Capital Grants	-	-	329,172	13,369	-	342,541
711	Investment Income - Unrestricted	4,790	336	-	-	-	5,126
714	Fraud Recovery	-	-	-	-	-	-
715	Other Revenue	9,112	-	-	-	21,774	30,886
716	Gain/Loss on Sale of Fixed Assets	-	-	-	-	-	-
720	Investment Income - Restricted	-	1,787	-	-	-	1,787
700	Total Revenue	489,604	1,331,145	329,172	13,369	21,774	2,185,064
911	Administrative Salaries	102,400	96,082	-	-	12,697	211,179
912	Auditing Fees	3,645	3,645	-	-	-	7,290
915	Employee Benefit Contributions - Administrative	31,539	30,955	-	-	3,441	65,935
916	Other Operating - Administrative	33,686	46,028	-	-	3,288	83,002
924	Tenant Services - Other	1,815	74	-	-	-	1,889
931	Water	4,012	-	-	-	-	4,012
932	Electricity	13,374	-	-	-	-	13,374
933	Gas	9,700	-	-	-	-	9,700
938	Other Utilities Expense	5,459	-	-	-	-	5,459
941	Ordinary Maintenance & Operations - Labor	52,899	-	-	-	845	53,744
942	Ordinary Maintenance & Operations - Materials & Other	16,886	-	-	-	63	16,949
943	Ordinary Maintenance & Operations - Contract Costs	82,838	-	-	-	578	83,416
945	Employee Benefit Contributions - Ordinary Maintenance	20,556	-	-	-	286	20,842
961	Insurance premiums	30,104	8,995	-	-	271	39,370
962	Other General Expenses	106	-	-	-	-	106
963	Payments in lieu of Taxes	10,093	-	-	-	-	10,093
964	Bad Debts - Tenant Rents	2,700	-	-	-	-	2,700
969	Total Operating Expenses	421,812	185,779	-	-	-	607,591
970	Excess Operating Revenue Over Operating Expenses	67,792	1,145,366	329,172	13,369	21,469	1,556,004
973	Housing Assistance Payments	-	1,127,850	-	-	305	1,127,850
974	Depreciation Expense	275,414	-	-	-	-	275,414
900	Total Expenses	697,226	1,313,629	-	-	21,469	1,032,324
1001	Operating Transfers In	342,541	-	-	-	-	342,541
1002	Operating Transfers Out	-	-	329,172	13,369	-	342,541
1007	Extraordinary Items (Net Gain/Loss)	-	-	-	-	-	-
1010	Total Other Financing Sources (Uses)	342,541	-	(329,172)	(13,369)	-	-
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	134,919	17,516	-	-	305	152,740
1102	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-
1103	Beginning Equity	4,543,159	182,319	-	-	-	4,725,478
1104	Prior Period Adjustments, Equity Transfers & Correction of Errors	-	-	-	-	-	-
1120	Unit Months Available	1,452	4,776	-	-	-	6,228
1121	Number of Unit Months Leased	1,340	4,504	-	-	-	5,844