

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

EASTERN IOWA REGIONAL
HOUSING AUTHORITY
DUBUQUE, IOWA

June 30, 2014

T A B L E O F C O N T E N T S

	Page
INDEPENDENT AUDITOR'S REPORT	3
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)	5
FINANCIAL SECTION	13
STATEMENT OF NET POSITION - PROPRIETARY FUND	14
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUND	15
STATEMENT OF CASH FLOWS - PROPRIETARY FUND	16
NOTES TO FINANCIAL STATEMENTS	18
SUPPLEMENTAL DATA	26
STATEMENT OF NET POSITION BY PROGRAM	27
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY PROGRAM	28
STATEMENT OF CASH FLOWS BY PROGRAM	29
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	31
STATEMENT AND CERTIFICATION OF CAPITAL FUND PROGRAM COSTS	32
FINANCIAL DATA SCHEDULE	33
OTHER REPORTS	35
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	36
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	38
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	40



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Your Business Safety Net

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Eastern Iowa Regional Housing Authority
Dubuque, Iowa

We have audited the accompanying proprietary fund statement of net position of the Eastern Iowa Regional Housing Authority, Dubuque, Iowa ("Authority"), as of and for the year ended June 30, 2014, and the proprietary fund statements of revenues, expenses and changes in net position, cash flows and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Authority as of June 30, 2014, and the changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's financial statements as a whole. The combining financial statements and statement and certification of actual modernization costs are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is not a required part of the financial statements. Further, the financial data schedules are presented for purposes of additional analysis as required by Uniform Financial Reporting Standards issued by the U.S. Department of Housing and Urban Development, and are not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the above described supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required By Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 24, 2014, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2014

This section of the Eastern Iowa Regional Housing Authority, Dubuque, Iowa's annual financial report presents our management's discussion and analysis of the Authority's financial performance during the fiscal year ended on June 30, 2014. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the financial statements as a whole.

For accounting purposes, the Housing Authority is classified as an enterprise fund. Enterprise funds account for activities similar to those found in the private business sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which all assets, all deferred outflows of resources, all liabilities, and all deferred inflows of resources, associated with the operation of these funds are included on the balance sheet. The focus of enterprise funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

FINANCIAL HIGHLIGHTS

- The term "net position" refers to the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. The Authority's total net position as of June 30, 2014 was \$5,652,601. The net position decreased by \$253,821 from the prior year.
- The Authority had a net decrease of \$388,371 in the Low Rent Public Housing and Capital Fund Programs, \$92,671 net increase in the Section 8 Housing Choice Voucher Program, \$8,178 net decrease in the Rural Rental Housing Loans Program, \$497 net decrease in Business Activities, and a \$50,553 net increase in Component Units (Eastern Iowa Regional Housing Corporation - EIRHC).
- Revenues for the Authority were \$5,508,203 for the year ended June 30, 2014. This was an increase of \$406,440 or 8.0% over the prior year.
- Expenses for the Authority were \$5,762,024 for the year ended June 30, 2014. This was an increase of \$188,448 or 3.4% over the prior year.
- Rental revenue for the Authority was \$376,673 for the year ended June 30, 2014, an increase of \$11,081 or 3.0% over the prior year. Intergovernmental revenue for the Authority was \$4,823,151 for the year ended June 30, 2014, an increase of \$423,025 or 9.6% over the prior year. Revenue reported from HUD capital grants for the year ended June 30, 2014 was \$30,820, a decrease of \$47,719 or 60.8% from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report includes this *Management Discussion and Analysis* report, the *Basic Financial Statements* and the *Notes to the Financial Statements*. This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information Required by HUD*. The Authority's financial statements are presented as fund level financial statements because the Authority only has proprietary funds.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2014

OVERVIEW OF THE FINANCIAL STATEMENTS - CONTINUED

Required Financial Statements

The financial statements of the Housing Authority report information of the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position includes all the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources and provides information about the nature and amounts of investments in resources (assets and deferred outflows of resources) and obligations of the Authority creditors (liabilities and deferred inflows of resources). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements and provide more detailed data.

Supplemental Information

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information Required by HUD*. HUD has established *Uniform Financial Reporting Standards* that require Housing Authority's to submit financial information electronically to HUD using the FDS format. This financial information was electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended June 30, 2014 and is required to be included in the audit reporting package.

FINANCIAL ANALYSIS

Net position may serve, over time, as a useful indicator of a government's financial position. As stated in the table on the following page, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$5,652,601 at the close of the year ended June 30, 2014 down from \$5,906,422 in fiscal year 2013. The decrease in net position of \$253,821 was due to the reasons noted below.

- Current and other assets include cash, investments, receivables, prepaid expenses, and assets held for sale. Of the \$142,752 increase in this category, cash and investments increased \$101,550, receivables increased \$36,114, prepaid expenses increased \$3,810, and assets held for sale increased \$1,278.

Eastern Iowa Regional Housing Authority
 Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
 Year Ended June 30, 2014

FINANCIAL ANALYSIS - CONTINUED

- Non-current assets decreased \$322,347 mainly due to a decrease in capital assets. Capital assets decreased because current year depreciation expense exceeded current year capital asset additions. Change in capital assets is explained in section titled "Capital Asset and Debt Administration" of this analysis.
- Current liabilities include accounts payable, tenant security deposits, deferred revenue, and current portion of long-term debt. The increase in this category of \$77,629 was mainly due to an increase in accounts payable of \$38,296 and an increase in accrued wages and payroll taxes payable of \$32,707.
- Non-current liabilities decreased \$3,403 due to principal payments applied to long-term debt.

The unrestricted net position was \$1,265,630 as of June 30, 2014. This amount may be used to meet the Authority's ongoing obligations. The Authority has sufficient funds to meet requirements for cash outlays, excluding housing assistance payments, for eight months. The restricted assets were \$309,541 as of June 30, 2014. Of this amount, \$257,126 may only be used in the Housing Choice Voucher program for housing assistance payments and \$52,415 may only be used in the Rural Rental Housing program for replacement reserve expenses. At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

CONDENSED STATEMENTS OF NET POSITION

	<u>FY 2014</u>	<u>FY 2013</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current and other assets	\$ 1,678,679	\$ 1,535,927	\$ 142,752	9.3%
Non-current assets	4,602,004	4,924,351	(322,347)	-6.5%
Total Assets	<u>6,280,683</u>	<u>6,460,278</u>	<u>(179,595)</u>	<u>-2.8%</u>
Current liabilities	356,202	278,573	77,629	27.9%
Non-current liabilities	271,880	275,283	(3,403)	-1.2%
Total Liabilities	<u>628,082</u>	<u>553,856</u>	<u>74,226</u>	<u>13.4%</u>
Net Position				
Net investment in capital assets	4,077,430	4,394,238	(316,808)	-7.2%
Restricted	309,541	208,021	101,520	48.8%
Unrestricted	1,265,630	1,304,163	(38,533)	-3.0%
Total Net Position	<u>\$ 5,652,601</u>	<u>\$ 5,906,422</u>	<u>\$ (253,821)</u>	<u>-4.3%</u>

The largest portion of the Authority's net position reflects its investment in capital assets (e.g. land, buildings and equipment) less accumulated depreciation. The Authority uses these capital assets to provide service and consequently these assets are not available to liquidate liabilities or other spending.

Eastern Iowa Regional Housing Authority
 Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
 Year Ended June 30, 2014

FINANCIAL ANALYSIS - CONTINUED

The 2013 approved capital grant (501-13) totals \$158,368 and was 100.0% expended as of June 30, 2014. The following is a summary of individual grant line items, budget amount, percent expended as of 6/30/14, and development account:

<u>Line No.</u>	<u>Amount</u>	<u>Percent</u>	<u>Development Account</u>
1406	\$121,892	100.0%	Operations
1410	\$ 10,000	100.0%	Administration
1460	\$ 20,820	100.0%	Dwelling Structures
1465	\$ 5,656	100.0%	Dwelling Equipment

While the Statement of Net Position shows the change in financial position of net position, the Statements of Revenues, Expenses, and Changes in Net Position provides answers as to the nature and source of these changes.

As can be seen in the table on the following page, total revenues increased \$406,440 due to the reasons noted below.

- Rental revenue increased \$11,081 or 3.0% mainly due to an increase in the average rent charge per unit under lease of \$6.70 or 3.8%.
- Of the \$423,025 increase in intergovernmental revenue, public housing operating subsidy received from HUD decreased \$5,030, capital fund grants used for operating expenditures increased \$31,928, funding for housing choice voucher program increased \$370,151, revenue from resident opportunity supportive services increased \$4,779, rural rental housing assistance increased \$1,455, comprehensive housing counseling grant increased \$8,963 and HOME investment partnership program increased \$10,779.
- Other operating revenue decreased \$27,627 or 10.8% from FY 2013 mostly due to a \$25,323 decrease in other revenue from Component Units.
- Interest income decreased \$346 or 7.7% from FY 2013.
- HUD capital grants decreased \$47,719 from FY 2013. The Agency is allocated capital fund grants each year as determined by HUD and the amount remains relatively consistent from year to year. Revenue from HUD capital grants during the year will depend upon timing of projects as outlined in the HUD approved capital grant budget.
- Net proceeds from disposition of assets held for sale were \$6,000 in FY 2014.
- The Authority had a special item of \$38,136 in FY 2014 for transfer of reserves from City of Bettendorf for rental assistance in the Housing Choice Voucher program.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2014

FINANCIAL ANALYSIS – CONTINUED

**CONDENSED STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION**

	<u>FY 2014</u>	<u>FY 2013</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues				
Program revenues				
Rental income	\$ 376,673	\$ 365,592	\$ 11,081	3.0%
Intergovernmental revenue	4,823,151	4,400,126	423,025	9.6%
Other operating revenue	229,303	256,930	(27,627)	-10.8%
General revenues				
Interest income	4,120	4,466	(346)	-7.7%
HUD capital grants	30,820	78,539	(47,719)	-60.8%
Net proceeds from assets held for sale	6,000	(3,890)	9,890	-254.2%
Special items, net gain or loss	38,136	-	38,136	100.0%
Total Revenues	<u>5,508,203</u>	<u>5,101,763</u>	<u>406,440</u>	<u>8.0%</u>
Expenses				
Administrative	908,274	934,359	(26,085)	-2.8%
Tenant services	325,974	333,700	(7,726)	-2.3%
Utilities	101,357	87,767	13,590	15.5%
Ordinary maintenance & operations	441,846	412,900	28,946	7.0%
General expense	85,560	113,115	(27,555)	-24.4%
Interest expense	18,904	20,149	(1,245)	-6.2%
Housing assistance payments	3,524,203	3,312,822	211,381	6.4%
Depreciation	355,906	358,677	(2,771)	-0.8%
Casualty losses, non-capitalized	-	87	(87)	-100.0%
Total Expenses	<u>5,762,024</u>	<u>5,573,576</u>	<u>188,448</u>	<u>3.4%</u>
Excess (deficiency) before prior period adjustments	(253,821)	(471,813)	217,992	
Prior period adjustments	-	(369)	369	
Change in net position	<u>(253,821)</u>	<u>(472,182)</u>	<u>218,361</u>	
Beginning net position	<u>5,906,422</u>	<u>6,378,604</u>	<u>(472,182)</u>	
Ending net position	<u>\$ 5,652,601</u>	<u>\$ 5,906,422</u>	<u>\$ (253,821)</u>	

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2014

FINANCIAL ANALYSIS – CONTINUED

Total expenses increased by \$188,448 due to the reasons noted below.

- Administrative expenses decreased \$26,085 or 2.8% from FY 2013. This was primarily due to a decrease in administrative salaries of \$38,390 or 5.6%. This was partially offset by an increase in other administrative expenses of \$13,482.
- EIRHA had tenant service expenses of \$325,974 in FY 2014 for the Authority's FSS, ROSS and Housing Counseling Assistance programs. This represented a decrease of \$7,726 or 2.3% from FY 2013, primarily due to a decrease in tenant service salaries of \$8,667 or 2.7%.
- Of the \$13,590 increase in utilities, water increased \$811 or 4.4%, electricity increased \$802 or 4.4%, gas increased \$10,326 or 41.2%, and sewer increased \$1,651 or 6.3%.
- Ordinary maintenance & operations increased \$28,946 or 7.0% due to an increase in maintenance labor of \$5,637 or 2.1% and an increase in contracted maintenance services of \$33,047 or 39.0% which was partially offset by a decrease in maintenance materials of \$9,738 or 16.1%. Contracted maintenance services increased in large part due to higher than anticipated snow removal costs.
- Of the \$27,555 decrease in general expense, general insurance increased \$2,432 or 6.8%, other general expenses decreased \$25,960, payments in lieu of taxes decreased \$251, and bad debt expense decreased \$3,776.
- Interest expense decreased \$1,245 or 6.2% from FY 2013.
- Housing assistance payments increased \$211,381 or 6.4% primarily due to a 2.5% increase in number of Section 8 vouchers issued and outstanding during FY 2014. This was in part due to transfer of 100 Section 8 vouchers from the City of Bettendorf. The Authority also had an increase in average housing assistance payment per voucher leased of \$10.74 or 3.4%.
- The Authority had a \$2,771 or 0.8% decrease in Depreciation which is the write-off of capital assets over their estimated useful life.
- The Authority had an \$87 casualty loss in FY 2013 for damage to one of the Authority's vehicles.

EIRHA currently owns and manages 164 public housing units. These units are located in Dyersville, Bellevue, Manchester, Colesburg, Miles, Sabula, DeWitt, Holy Cross, Hopkinton, Worthington, Delmar, Preston, Peosta, and Wheatland. Overall, the projects maintain a 98.0% occupancy level. There are 85 units of elderly and 79 units of family. The family housing is scattered site single family homes and duplexes. Currently EIRHA has 4 four-bedroom units, 30 three-bedroom units, 46 two-bedroom units, and 84 one-bedroom units.

Eastern Iowa Regional Housing Authority
 Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
 Year Ended June 30, 2014

FINANCIAL ANALYSIS – CONTINUED

EIRHA is authorized to assist 983 households with the Housing Choice Voucher Rental Assistance Program. Of the 983 vouchers, the City of Maquoketa is given priority to their original 156 vouchers under their Annual Contributions Contract that EIRHA assumed. From July 1, 2013 through June 30, 2014, EIRHA served 175 families in the City of Bettendorf. In July 2013 EIRHA received an additional 100 vouchers from the City of Bettendorf. From July 1, 2013 through June 30, 2014, EIRHA served 96 families in the City of Bettendorf. The Section 8 lease up rate for FY 2014 was 90.83%, down from 98.61% in the prior year. EIRHA expended \$3,511,948 or 98.6% of housing assistance received from HUD during FY 2014.

EIRHC owns 10 one-bedroom USDA units that are designed for the elderly/handicapped/disabled, located in Grand Mound (6 units) and Worthington (4 units). EIRHC is also the general partner/developer for the 24 tax credit units known as Evergreen Meadows. This project is located in Peosta, Iowa and has 3 four-bedroom units, 11 three-bedroom units and 10 two-bedroom units. In addition, EIRHC is general partner/developer for the 32 tax credit units known as Asbury Meadows. This project is located in Asbury, Iowa and has 6 four-bedroom units, 14 three-bedroom units and 12 two-bedroom units.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The Eastern Iowa Regional Housing Authority, Dubuque, Iowa’s net investment in capital assets as of June 30, 2014 amounts to \$4,077,430. This investment in capital assets includes land, buildings, improvements, equipment and construction in progress, net of accumulated depreciation and related debt.

The total decrease in the Authority’s investment in capital assets for the current fiscal year was 6.5% in terms of net book value. Actual expenditures to purchase or construct capital assets were \$35,696 for the year. Of this amount \$30,820 was used from HUD capital grants and \$4,876 was used from Rural Rental Housing residual receipts. The Authority has various contract commitments with contractors for the implementation of the HUD capital grants as outlined by the HUD approved Capital Grant Budget. Depreciation charges for the year totaled \$355,906. Additional information on the Authority’s capital assets can be found in the notes to the financial statements of this report.

	Beginning	Additions	Depreciation	Ending
Capital assets	\$4,672,995	\$35,696	\$(355,906)	\$4,352,785

Debt Administration - The USDA project has several mortgages that were used to purchase land and buildings for the Rural Rental Housing Assistance Program. Total mortgage debt as of June 30, 2014 is \$275,355, down from \$278,757 in FY 2013. Additional information on the Authority’s long-term debt can be found in the notes to the financial statements of this report.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2014

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Commissioners and Management of the Housing Authority considered many factors when approving the fiscal year 2015 Public Housing budget. The user charges are based on a tenant's income as established by HUD guidelines and are not adjustable. Operating subsidy is based on occupied units and approved vacancies, utility consumption and rates, approved add-ons, formula income, and transition funding. The amount of funding is also established and approved by HUD. Formula income is based on rental income from the Authority's rent roll records for the period specified by HUD. Operating expenses are expected to increase by the economy's inflation rate.

The Authority is eligible to receive \$1,855,371 for housing assistance payments for the months of July through December 2014 in the Housing Choice Voucher Program. The Authority also has \$257,126 available in HAP Reserves to be used for housing assistance payments. Based on the average housing assistance payment per unit of \$327.79 for FY 2014, the Authority will have sufficient funding and reserves to lease 100.0% of its authorized vouchers from July through December 2014. HUD has not established funding levels for the remaining six months of next fiscal year. Administrative fees for the Housing Choice Voucher program will be based on actual utilization in FY 2015 and adjusted for pro-rata which is currently at 79.512%.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to:

Michelle Schnier
Director of Housing and Support Services
Eastern Iowa Regional Housing Authority
7600 Commerce Park
Dubuque, Iowa 52002.

FINANCIAL SECTION

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2014

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	1,162,056
Cash and cash equivalents - restricted		419,631
Accounts receivable		
Tenants, net of allowance		6,138
Other, net of allowance		34,711
Due from other governments		23,946
Notes receivable - current		2,253
Prepaid expense		28,016
Assets held for sale		1,928
Total current assets		1,678,679

NONCURRENT ASSETS

Capital assets, net of accumulated depreciation		4,352,785
Notes receivable - noncurrent		179,169
Investment in joint ventures		70,050
Total noncurrent assets		4,602,004

TOTAL ASSETS	\$	<u>6,280,683</u>
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LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts payable	\$	53,967
Accrued payroll and payroll taxes		88,332
Accrued liabilities - other		17,138
Accrued interest payable		190
Unearned revenues		10,604
Due to other governments		25,546
Tenant's security deposits		46,860
Other current liabilities		110,090
Current portion of notes payable		3,475
Total current liabilities		356,202

NONCURRENT LIABILITIES

Notes payable, net of current portion		271,880
Total noncurrent liabilities		271,880
Total liabilities		628,082

NET POSITION

Invested in capital assets - net of related debt		4,077,430
Restricted		309,541
Unrestricted		1,265,630
Total net position		5,652,601

TOTAL LIABILITIES AND NET POSITION	\$	<u>6,280,683</u>
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The accompanying notes are an integral part of this statement.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
Year ended June 30, 2014

OPERATING REVENUE	
Rental income	\$ 376,673
Operating grants	4,823,151
Other operating revenue	229,303
Total operating revenue	<u>5,429,127</u>
OPERATING EXPENSE	
Administration	908,274
Tenant services	325,974
Utilities	101,357
Maintenance and operations	441,846
General expense	85,560
Housing assistance payments	3,524,203
Depreciation	355,906
Total operating expense	<u>5,743,120</u>
Operating loss	(313,993)
NONOPERATING REVENUE (EXPENSE)	
Interest income	4,120
Interest expense	(18,904)
Gain on sale of home	6,000
Total nonoperating expense	<u>(8,784)</u>
Change in net position before HUD capital grants	(322,777)
HUD CAPITAL GRANTS	<u>30,820</u>
Change in net position	(291,957)
NET POSITION AT BEGINNING OF YEAR	5,906,422
Special item - transfer in	<u>38,136</u>
NET POSITION AT END OF YEAR	<u><u>\$ 5,652,601</u></u>

The accompanying notes are an integral part of this statement.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Year ended June 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from tenants	\$ 376,129
Cash received from operating grants	4,800,427
Other income received	219,077
Cash payments to vendors	(598,272)
Cash payments to employees	(1,199,879)
Cash payments for housing assistance	(3,522,642)
Net cash used in operating activities	<u>74,840</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Special item - transfer in	38,136
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Aquisition of capital assets	(30,820)
Net cost of assets held for sale	(1,278)
Proceeds from sale of assets	6,000
Net change in notes receivable	2,253
HUD capital grants received	30,820
Principal payments on notes payable	(3,402)
Interest paid	(19,119)
Net cash used in capital and related financing activities	<u>(15,546)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income received	4,120
Net cash provided by investing activities	<u>4,120</u>
Net increase in cash and cash equivalents	101,550
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,480,137</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 1,581,687</u></u>

**RECONCILIATION OF CASH AND CASH EQUIVALENTS PER
STATEMENT OF CASH FLOWS TO THE STATEMENT OF
NET POSITION**

Cash and cash equivalents	1,162,056
Cash and cash equivalents - restricted	419,631
Cash and cash equivalents per the Statement of Net Position	<u><u>1,581,687</u></u>

The accompanying notes are an integral part of this statement.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
STATEMENT OF CASH FLOWS - PROPRIETARY FUND - CONTINUED
Year ended June 30, 2014

**RECONCILIATION OF OPERATING INCOME (LOSS)
TO NET CASH FROM OPERATING ACTIVITIES**

Operating income (loss)	\$	(313,993)
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation		355,906
Changes in assets and liabilities		
(Increase) decrease in assets		
Accounts receivable		(13,506)
Due from other governments		(23,946)
Prepaid expense		(3,810)
Increase (decrease) in liabilities		
Accounts payable		22,779
Accrued liabilities		51,067
Due to other governments		(251)
Unearned revenue		(14,088)
Tenant's security deposits		1,578
Other current liabilities		<u>13,104</u>
Net cash used in operating activities	\$	<u><u>74,840</u></u>

The accompanying notes are an integral part of this statement.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

The Eastern Iowa Regional Housing Authority (EIRHA) is organized pursuant to the provisions of Chapter 403A and Chapter 28E of the Code of Iowa for the purposes of owning and providing affordable rental units and rent subsidies to low and moderate income individuals in Dubuque, Delaware, Jackson, Cedar, Clinton and Jones counties excluding the cities of Dubuque and Clinton. The Eastern Iowa Regional Housing Authority Board consists of elected directors and housing commissioners from those counties.

As required by generally accepted accounting principles, these financial statements present the Eastern Iowa Regional Housing Authority and its component unit, the Eastern Iowa Regional Housing Corporation (EIHRC). Although it is legally separate from EIRHA, EIHRC is reported as if it were part of the primary government because of the significance of its operational or financial relationship with Eastern Iowa Regional Housing Authority, including having the same Board of Directors.

EIRHC is a non-profit corporation which owns and operates ten one-bedroom USDA units. EIRHC is also the management agent and general partner/developer for two low-income housing tax credit projects: Evergreen Meadows and Asbury Meadows. EIRHC has entered into agreements with the Eastern Iowa Regional Housing Authority (EIRHA) and the East Central Intergovernmental Association (ECIA) for staffing services.

2. Basis of Presentation

The accounts of the Authority are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The Authority has the following proprietary fund:

Enterprise Fund - Enterprise funds are 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 costs (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 government 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.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Measurement Focus and Basis of Accounting

Measurement Focus - Enterprise funds are accounted for on an economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Enterprise fund type operating statements present increases (revenue) and decreases (expenses) in total net position.

Basis of Accounting - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Enterprise funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. The Authority has elected pursuant to GASB Statement 20 to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

A proprietary fund distinguishes operating revenue and expenses from nonoperating items. Operating revenue 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 revenue of the Housing Authority is rents collected from tenants and operating grants. Operating expenses for a proprietary fund include the cost of operating properties owned, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

4. Cash Equivalents

For purposes of the statements of cash flows, the Authority considers cash equivalents to include certificates of deposit having an original maturity of three months or less.

5. Investments

The Authority's investments are in time deposits (certificates of deposit) that are stated at fair value, which approximates cost.

6. Accounts Receivable

Accounts receivable-tenants have been shown at net of allowance for doubtful accounts of \$210 and accounts receivable - other has been shown at net of allowance for doubtful accounts of \$1,780.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. Property and Equipment

Property and equipment is stated at cost. The cost of maintenance and repairs that do not add value to assets or materially extend asset lives is not capitalized. The capitalization policy of the Authority is to capitalize fixed assets costing more than \$500 and expected to last more than one year. Depreciation of all exhaustible property and equipment is charged as an expense against operations. Accumulated depreciation is reported on the Statement of Net Position. Depreciation is provided for over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Buildings	40-50 years
Building and land improvements	5-20 years
Equipment	3-10 years

8. Budgetary Process

The Eastern Iowa Regional Housing Authority prepares an annual operating budget with formal Board approval prior to the start of its fiscal year. The United States Department of Housing and Urban Development (HUD) requests the Authority keep the budget on file and to submit to HUD the calculation for operating subsidy. The Authority must prepare a revised operating budget only when total expenditures exceed the amount originally budgeted. The revised budget, if needed, is also kept on file at the Authority's office.

9. Estimates

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

10. Concentration of Revenues

The Authority received approximately 88% of its total operating revenues from the federal government. This revenue is subject to federal government budget appropriations and potential funding reductions.

11. Subsequent Events

The Authority has evaluated subsequent events through October 24, 2014, the date which the financial statements were available to be issued.

Eastern Iowa Regional Housing Authority
 Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 June 30, 2014

NOTE B - CASH AND INVESTMENTS

Cash and investments as of June 30, 2014, are classified in the accompanying financial statements as follows:

Statement of net position	
Cash and cash equivalents	\$ 1,162,056
Cash - restricted	419,631
	\$ 1,581,687

Cash and investments as of June 30, 2014 consist of the following:

	Carrying Amount	Bank Balance
Business interest, savings and money market accounts	\$ 1,581,687	\$ 1,589,190
	\$ 1,581,687	\$ 1,589,190

Investments Authorized by the Authority's Investment Policy

The Authority is required to invest its funds in accordance with Iowa Statutes. The Authority may consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping, and administration. Investment income is allocated to various funds based on their respective participation in accordance with generally accepted accounting principles. Safety of principal is the foremost objective of the Authority's investment policy.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Authority limits its exposure to interest rate risk by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio. The Authority also structures its investment portfolio so that securities mature to meet cash requirements, avoiding the need to sell securities in the open market prior to maturity.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority minimizes its credit risk by limiting investment types and pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the Authority will do business.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2014

NOTE B - CASH AND INVESTMENTS - CONTINUED

Concentration of Credit Risk

SFAS 105 defines a concentration of credit risk as an exposure to a number of counterparties engaged in similar activities and having similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Authority diversifies its investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possession of an outside party. The Authority's deposits at June 30, 2014 were entirely covered by FDIC insurance, collateralized with securities or letters of credit held by the Authority or the Authority's agent in the Authority's name, or by a multiple financial institution collateral pool in accordance with Chapter 12C of the Iowa Code. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The custodial risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

NOTE C - INVESTMENT IN JOINT VENTURE

In September, 2003, Eastern Iowa Regional Housing Corporation (EIRHC) purchased .01% interest in a tax credit housing project, Eastern Iowa Regional Partnership, LLLP (Evergreen Meadows) for \$69,950. In October 2004, EIRHC purchased .01% interest in Asbury EIRP, LLLP (Asbury Meadows) for \$100. EIRHC is the general partner for both projects with a total investment of \$70,050.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2014

NOTE D - PROPERTY AND EQUIPMENT

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

Public Housing/CFP	Balance 06/30/13	Additions	Retirements	Balance 06/30/14
<i>Capital assets not being depreciated:</i>				
Land	\$ 823,786	\$ -	\$ -	\$ 823,786
<i>Capital assets being depreciated:</i>				
Land improvements	93,028	-	-	93,028
Buildings and improvements	9,489,495	30,821	-	9,520,316
Furniture & Equipment				
Dwellings	43,129	-	-	43,129
Administration	271,059	-	-	271,059
	9,896,711	30,821	-	9,927,532
Less accumulated depreciation	(6,308,526)	(339,383)	-	(6,647,909)
	3,588,185	(308,562)	-	3,279,623
Net capital assets	4,411,971	(308,562)	-	4,103,409
 Section 8 Housing Choice Vouchers				
<i>Capital assets being depreciated:</i>				
Furniture & Equipment				
Administration	42,456	-	-	42,456
Less accumulated depreciation	(31,702)	(5,648)	-	(37,350)
Net capital assets	10,754	(5,648)	-	5,106
 EIRHC - USDA Housing				
<i>Capital assets not being depreciated:</i>				
Land	\$ 19,664	\$ -	\$ -	\$ 19,664
<i>Capital assets being depreciated:</i>				
Land improvements	13,900	4,875	-	18,775
Buildings and improvements	324,561	-	-	324,561
Furniture & Equipment				
Dwellings	14,520	-	-	14,520
Administration	2,849	-	-	2,849
	355,830	4,875	-	360,705
Less accumulated depreciation	(141,295)	(8,503)	-	(149,798)
	214,535	(3,628)	-	210,907
Net capital assets	234,199	(3,628)	-	230,571
 EIRHC - Tax Credit Programs				
<i>Capital assets being depreciated:</i>				
Furniture & Equipment				
Administration	25,145	-	-	25,145
Less accumulated depreciation	(9,074)	(2,372)	-	(11,446)
Net capital assets	16,071	(2,372)	-	13,699
 Total Net capital assets	\$ 4,672,995	\$ (320,210)	\$ -	\$ 4,352,785

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2014

NOTE E - NOTES PAYABLE

Details of the Housing Authority's notes payable are set forth below:

	Balance at July 1, 2013	Additions	Reductions	Balance at June 30, 2014
Notes payable	\$ <u>278,757</u>	\$ <u>-</u>	\$ <u>3,402</u>	\$ <u>275,355</u>

Notes payable for EIRHC are payable to United States Department of Agriculture, Rural Housing Services (USDA-RHS). The following mortgage notes payable to USDA-RHS at June 30, 2014 are as follows:

6.5% first mortgage note payable	\$ 168,580
7.25% first mortgage note payable	<u>106,775</u>
	275,355
Less current maturities	<u>3,475</u>
LONG-TERM OBLIGATIONS	<u>\$ 271,880</u>

The United States Department of Agriculture, Rural Housing Services (USDA-RHS) is subsidizing the interest payable on the first mortgage notes, thereby effectively reducing the interest rate to 1%. The USDA-RHS notes are secured by real property and rents and profits of the Authority's USDA Housing Program.

Principal and interest maturities on notes payable are as follows:

2015	\$ 3,474	\$ 19,046	
2016	3,725	18,795	
2017	3,994	18,526	
2018	4,282	18,238	
2019	4,591	17,929	
2020-2024	28,434	84,168	
2025-2029	40,305	72,297	
2030-2034	57,149	55,453	
2035-2039	81,058	31,544	
2040-2044	<u>48,343</u>	<u>5,878</u>	
Totals	<u>\$ 275,355</u>	<u>\$ 341,874</u>	

NOTE F - RELATED PARTY

The Eastern Iowa Regional Housing Authority, related to the East Central Intergovernmental Association through common management, is provided management services and office space. During the year ended June 30, 2014, the Eastern Iowa Regional Housing Authority paid East Central Intergovernmental Association \$1,400,991 for such services.

NOTE G - SPECIAL ITEMS

The Authority absorbed the City of Bettendorf's Voucher Program during the fiscal year ended June 30, 2014. The reserve of \$38,136 from the City of Bettendorf's Voucher Program was transferred to the Authority's Voucher Program and treated as a special item on the Statement of Revenues, Expenses, and Changes in Net Position.

Eastern Iowa Regional Housing Authority
 Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 June 30, 2014

NOTE H - CONTINGENT LIABILITY

Eastern Iowa Regional Housing Corporation (EIRHC) includes Eastern Iowa Development Corporation (EIDC) a wholly-owned subsidiary of EIRHC. EIDC is a general partner in two limited partnerships which it manages and therefore receives a management fee. The partnerships that EIDC is a general partner in are as follows:

<u>Name</u>	<u>Ownership Percent</u>	<u>Outstanding Liabilities at 12-31-13</u>
Eastern Iowa Regional Partnership, L.L.L.P., Peosta, Iowa	.01%	\$ <u>1,352,724</u>
Asbury E.I.R.P., L.L.L.P., Asbury, Iowa	.01%	\$ <u>1,868,722</u>

NOTE I - DUE FROM/TO OTHER PROGRAMS

For the Statement of Net Assets, the following individual program interfund receivable and payable balances at June 30, 2014, which are within business-type activities, are netted and eliminated.

<u>Program</u>	<u>Due From</u>	<u>Due To</u>
Low Rent Public Housing	\$ 6,462	\$ -
Resident Opportunity & Supportive Services	-	6,462
EIRHC - Business Activities	10,000	-
Home Investment Partnership Program	<u>-</u>	<u>10,000</u>
Totals	<u>\$ 16,462</u>	<u>\$ 16,462</u>

NOTE J - RISK MANAGEMENT

The 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. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past four years.

NOTE K - OTHER POST-EMPLOYMENT BENEFITS

The Authority offers no material post-employment benefits to employees upon separation from service. Employees receive no payments at or after separation from service other than accrued vacation pay which is already accrued in this report. The only post-employment benefit an employee may receive is COBRA continuation of their health insurance, for which the separated employee must pay 100% of their premium.

NOTE L - RESTRICTED ASSETS

The Authority has restricted cash and net position of \$419,631 at June 30, 2014. Restricted assets represent excess Housing Choice Voucher HAP funding that may only be used for housing assistance payments and USDA reserve accounts for capital improvements.

SUPPLEMENTAL DATA

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
COMBINING STATEMENT OF NET POSITION
June 30, 2014

ASSETS	Low Rent Public Housing	Section 8 Housing Choice Vouchers	Resident Opportunity & Supportive Services	Housing Counseling Assistance Program	Home Investment Partnership Program	Business Activities	EIRHC			Eliminations	Total
							USDA Housing Programs	Management Activities	Subtotal		
CURRENT ASSETS											
Cash and cash equivalents	\$ 225,510	\$ 178,950	\$ -	\$ -	\$ 3,960	\$ -	\$ 5,834	\$ 747,802	\$ 753,636	\$ -	\$ 1,162,056
Cash and cash equivalents - restricted	22,442	344,774	-	-	-	-	52,415	-	52,415	-	419,631
Accounts receivable											
Tenants, net of allowance	5,897	-	-	-	-	-	241	-	241	-	6,138
Other, net of allowance	-	8,691	-	-	-	2,326	-	23,694	23,694	-	34,711
Due from other governments	-	6,705	6,462	-	10,779	-	-	-	-	-	23,946
Due from other programs	6,462	-	-	-	-	-	-	10,000	10,000	(16,462)	-
Notes receivable - current	-	-	-	-	-	2,253	-	-	-	-	2,253
Prepaid expense	20,139	6,686	-	-	-	-	1,191	-	1,191	-	28,016
Assets held for sale	-	-	-	-	-	1,928	-	-	-	-	1,928
Total current assets	<u>280,450</u>	<u>545,806</u>	<u>6,462</u>	<u>-</u>	<u>14,739</u>	<u>6,507</u>	<u>59,681</u>	<u>781,496</u>	<u>841,177</u>	<u>(16,462)</u>	<u>1,678,679</u>
NONCURRENT ASSETS											
Capital assets, net of accumulated depreciation	4,103,409	5,106	-	-	-	-	230,571	13,699	244,270	-	4,352,785
Notes receivable - noncurrent	-	-	-	-	-	179,169	-	-	-	-	179,169
Investment in joint ventures	-	-	-	-	-	-	-	70,050	70,050	-	70,050
Total noncurrent assets	<u>4,103,409</u>	<u>5,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,169</u>	<u>230,571</u>	<u>83,749</u>	<u>314,320</u>	<u>-</u>	<u>4,602,004</u>
TOTAL ASSETS	<u>\$ 4,383,859</u>	<u>\$ 550,912</u>	<u>\$ 6,462</u>	<u>\$ -</u>	<u>\$ 14,739</u>	<u>\$ 185,676</u>	<u>\$ 290,252</u>	<u>\$ 865,245</u>	<u>\$ 1,155,497</u>	<u>\$ (16,462)</u>	<u>\$ 6,280,683</u>
LIABILITIES AND NET POSITION											
CURRENT LIABILITIES											
Accounts payable	\$ 16,185	\$ 18,800	\$ -	\$ -	\$ 4,738	\$ -	\$ 5,150	\$ 9,094	\$ 14,244	\$ -	\$ 53,967
Accrued payroll and payroll taxes	50,479	37,853	-	-	-	-	-	-	-	-	88,332
Accrued liabilities - other	17,138	-	-	-	-	-	-	-	-	-	17,138
Accrued interest payable	-	-	-	-	-	-	190	-	190	-	190
Unearned revenue	10,604	-	-	-	-	-	-	-	-	-	10,604
Due to other governments	25,546	-	-	-	-	-	-	-	-	-	25,546
Due to other programs	-	-	6,462	-	10,000	-	-	-	-	(16,462)	-
Tenant's security deposits	43,462	-	-	-	-	-	3,398	-	3,398	-	46,860
Other current liability	22,442	87,648	-	-	-	-	-	-	-	-	110,090
Current portion of notes payable	-	-	-	-	-	-	3,475	-	3,475	-	3,475
Total current liabilities	<u>185,856</u>	<u>144,301</u>	<u>6,462</u>	<u>-</u>	<u>14,738</u>	<u>-</u>	<u>12,213</u>	<u>9,094</u>	<u>21,307</u>	<u>(16,462)</u>	<u>356,202</u>
NONCURRENT LIABILITIES											
Notes payable	-	-	-	-	-	-	271,880	-	271,880	-	271,880
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>271,880</u>	<u>-</u>	<u>271,880</u>	<u>-</u>	<u>271,880</u>
Total liabilities	<u>185,856</u>	<u>144,301</u>	<u>6,462</u>	<u>-</u>	<u>14,738</u>	<u>-</u>	<u>284,093</u>	<u>9,094</u>	<u>293,187</u>	<u>(16,462)</u>	<u>628,082</u>
NET POSITION											
Invested in capital assets - net of related debt	4,103,409	5,106	-	-	-	-	(44,784)	13,699	(31,085)	-	4,077,430
Restricted	-	257,126	-	-	-	-	52,415	-	52,415	-	309,541
Unrestricted	94,594	144,379	-	-	1	185,676	(1,472)	842,452	840,980	-	1,265,630
Total net position	<u>4,198,003</u>	<u>406,611</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>185,676</u>	<u>6,159</u>	<u>856,151</u>	<u>862,310</u>	<u>-</u>	<u>5,652,601</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 4,383,859</u>	<u>\$ 550,912</u>	<u>\$ 6,462</u>	<u>\$ -</u>	<u>\$ 14,739</u>	<u>\$ 185,676</u>	<u>\$ 290,252</u>	<u>\$ 865,245</u>	<u>\$ 1,155,497</u>	<u>\$ (16,462)</u>	<u>\$ 6,280,683</u>

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year ended June 30, 2014

	Low Rent Public Housing	Public Housing Capital Fund	Section 8 Housing Choice Vouchers	Resident Opportunity & Supportive Services	Housing Counseling Assistance Program	Home Investment Partnership Program	Business Activities	EIRHC		Subtotal	Total
								USDA Housing Programs	Management Activities		
OPERATING REVENUE											
Rental income	\$ 350,469	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,204	\$ -	\$ 26,204	\$ 376,673
Operating grants	320,467	127,548	4,171,501	152,167	19,643	10,779	-	21,046	-	21,046	4,823,151
Other operating revenue	4,524	-	25,489	-	-	-	-	1,169	198,121	199,290	229,303
Total operating revenue	<u>675,460</u>	<u>127,548</u>	<u>4,196,990</u>	<u>152,167</u>	<u>19,643</u>	<u>10,779</u>	<u>-</u>	<u>48,419</u>	<u>198,121</u>	<u>246,540</u>	<u>5,429,127</u>
OPERATING EXPENSE											
Administration	320,610	-	434,364	-	-	9,217	-	5,231	138,852	144,083	908,274
Tenant services	675	-	153,489	152,167	19,643	-	-	-	-	-	325,974
Utilities	95,009	-	-	-	-	-	-	6,348	-	6,348	101,357
Maintenance and operations	413,334	-	5,000	-	-	-	-	15,594	7,918	23,512	441,846
General expense	61,787	-	21,692	-	-	-	-	2,081	-	2,081	85,560
Housing assistance payments	-	-	3,522,642	-	-	1,561	-	-	-	-	3,524,203
Depreciation	339,383	-	5,648	-	-	-	-	8,503	2,372	10,875	355,906
Total operating expense	<u>1,230,798</u>	<u>-</u>	<u>4,142,835</u>	<u>152,167</u>	<u>19,643</u>	<u>10,778</u>	<u>-</u>	<u>37,757</u>	<u>149,142</u>	<u>186,899</u>	<u>5,743,120</u>
Operating income (loss)	(555,338)	127,548	54,155	-	-	1	-	10,662	48,979	59,641	(313,993)
NONOPERATING REVENUE (EXPENSE)											
Interest income	175	-	380	-	-	-	1,927	64	1,574	1,638	4,120
Interest expense	-	-	-	-	-	-	-	(18,904)	-	(18,904)	(18,904)
Operating transfers	135,972	(127,548)	-	-	-	-	(8,424)	-	-	-	-
Gain on sale of home	-	-	-	-	-	-	6,000	-	-	-	6,000
Net nonoperating revenue	<u>136,147</u>	<u>(127,548)</u>	<u>380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(497)</u>	<u>(18,840)</u>	<u>1,574</u>	<u>(17,266)</u>	<u>(8,784)</u>
Change in net position before HUD capital grants	(419,191)	-	54,535	-	-	1	(497)	(8,178)	50,553	42,375	(322,777)
HUD CAPITAL GRANTS	<u>-</u>	<u>30,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,820</u>
Change in net position	(419,191)	30,820	54,535	-	-	1	(497)	(8,178)	50,553	42,375	(291,957)
NET POSITION AT BEGINNING OF YEAR	4,586,374	-	313,940	-	-	-	186,173	14,337	805,598	819,935	5,906,422
Special item - transfer in	-	-	38,136	-	-	-	-	-	-	-	38,136
Equity transfer in (out)	30,820	(30,820)	-	-	-	-	-	-	-	-	-
	<u>30,820</u>	<u>(30,820)</u>	<u>38,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,136</u>
NET POSITION AT END OF YEAR	<u>\$ 4,198,003</u>	<u>\$ -</u>	<u>\$ 406,611</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 185,676</u>	<u>\$ 6,159</u>	<u>\$ 856,151</u>	<u>\$ 862,310</u>	<u>\$ 5,652,601</u>

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
COMBINING STATEMENT OF CASH FLOWS
Year ended June 30, 2014

	Low Rent Public Housing	Public Housing Capital Fund	Section 8 Housing Choice Vouchers	Resident Opportunity & Supportive Services	Housing Counseling Assistance Program	Home Investment Partnership Program	Business Activities	EIRHC		Subtotal	Total
								USDA Housing Programs	Management Activities		
CASH FLOWS FROM OPERATING ACTIVITIES											
Cash received from tenants	\$ 349,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,633	\$ -	\$ 26,633	\$ 376,129
Cash received from operating grants	320,467	127,548	4,164,796	146,927	19,643	-	-	21,046	-	21,046	4,800,427
Other income received	4,524	-	25,795	-	-	-	-	1,169	187,589	188,758	219,077
Cash payments to vendors	(399,884)	-	(116,856)	(15,902)	-	(4,823)	(478)	(30,164)	(30,165)	(60,329)	(598,272)
Cash payments to employees	(426,111)	-	(495,373)	(137,487)	(19,643)	(1,217)	-	(1,425)	(118,623)	(120,048)	(1,199,879)
Cash payments for housing assistance	-	-	(3,522,642)	-	-	-	-	-	-	-	(3,522,642)
Net cash provided by (used in) operating activities	(151,508)	127,548	55,720	(6,462)	-	(6,040)	(478)	17,259	38,801	56,060	74,840
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES											
Net due to (from) other programs	(6,462)	-	-	6,462	-	10,000	-	-	(10,000)	(10,000)	-
Special item - transfer in	-	-	38,136	-	-	-	-	-	-	-	38,136
Operating transfers	135,972	(127,548)	-	-	-	-	(8,424)	-	-	-	-
Net cash provided by (used in) noncapital financing activities	129,510	(127,548)	38,136	6,462	-	10,000	(8,424)	-	(10,000)	(10,000)	38,136
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES											
Aquisition of capital assets	-	(30,820)	-	-	-	-	-	-	-	-	(30,820)
Net cost of assets held for sale	-	-	-	-	-	-	(1,278)	-	-	-	(1,278)
Proceeds from sale of assets	-	-	-	-	-	-	6,000	-	-	-	6,000
Net change in notes receivable	-	-	-	-	-	-	2,253	-	-	-	2,253
HUD capital grants received	-	30,820	-	-	-	-	-	-	-	-	30,820
Principal payments on notes payable	-	-	-	-	-	-	-	(3,402)	-	(3,402)	(3,402)
Interest paid	-	-	-	-	-	-	-	(19,119)	-	(19,119)	(19,119)
Net cash provided by (used in) capital and related financing activities	-	-	-	-	-	-	6,975	(22,521)	-	(22,521)	(15,546)
CASH FLOWS FROM INVESTING ACTIVITIES											
Interest income received	175	-	380	-	-	-	1,927	64	1,574	1,638	4,120
Net increase (decrease) in cash and cash equivalents	(21,823)	-	94,236	-	-	3,960	-	(5,198)	30,375	25,177	101,550
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR											
	269,775	-	429,488	-	-	-	-	63,447	717,427	780,874	1,480,137
CASH AND CASH EQUIVALENTS AT END OF YEAR											
	\$ 247,952	\$ -	\$ 523,724	\$ -	\$ -	\$ 3,960	\$ -	\$ 58,249	\$ 747,802	\$ 806,051	\$ 1,581,687

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
COMBINING STATEMENT OF CASH FLOWS - CONTINUED
Year ended June 30, 2014

	Low Rent Public Housing	Public Housing Capital Fund	Section 8 Housing Choice Vouchers	Resident Opportunity & Supportive Services	Housing Counseling Assistance Program	Home Investment Partnership Program	Business Activities	EIRHC		Subtotal	Total
								USDA Housing Programs	Management Activities		
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION											
Cash and cash equivalents	225,510	-	178,950	-	-	3,960	-	5,834	747,802	753,636	1,162,056
Cash and cash equivalents - restricted	22,442	-	344,774	-	-	-	-	52,415	-	52,415	419,631
Cash and cash equivalents per the Statement of Net Position	<u>247,952</u>	<u>-</u>	<u>523,724</u>	<u>-</u>	<u>-</u>	<u>3,960</u>	<u>-</u>	<u>58,249</u>	<u>747,802</u>	<u>806,051</u>	<u>1,581,687</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES											
Operating income (loss)	\$ (555,338)	\$ 127,548	\$ 54,155	\$ -	\$ -	\$ 1	\$ -	\$ 10,662	\$ 48,979	\$ 59,641	\$ (313,993)
Adjustments to reconcile operating income (loss) to net cash from operating activities:											
Depreciation	339,383	-	5,648	-	-	-	-	8,503	2,372	10,875	355,906
Changes in assets and liabilities											
(Increase) decrease in assets											
Accounts receivable	(2,884)	-	306	-	-	-	(478)	82	(10,532)	(10,450)	(13,506)
Due from other governments	-	-	(6,705)	(6,462)	-	(10,779)	-	-	-	-	(23,946)
Prepaid expense	(2,297)	-	(322)	-	-	-	-	(1,191)	-	(1,191)	(3,810)
Increase (decrease) in liabilities											
Accounts payable	8,007	-	13,110	-	-	4,738	-	(1,058)	(2,018)	(3,076)	22,779
Accrued liabilities	60,513	-	(9,446)	-	-	-	-	-	-	-	51,067
Due to other governments	(251)	-	-	-	-	-	-	-	-	-	(251)
Unearned revenue	680	-	(14,682)	-	-	-	-	(86)	-	(86)	(14,088)
Tenant's security deposits	1,231	-	-	-	-	-	-	347	-	347	1,578
Other current liabilities	(552)	-	13,656	-	-	-	-	-	-	-	13,104
Net cash provided by (used in) operating activities	<u>\$ (151,508)</u>	<u>\$ 127,548</u>	<u>\$ 55,720</u>	<u>\$ (6,462)</u>	<u>\$ -</u>	<u>\$ (6,040)</u>	<u>\$ (478)</u>	<u>\$ 17,259</u>	<u>\$ 38,801</u>	<u>\$ 56,060</u>	<u>\$ 74,840</u>

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2014

<u>Federal Grantor</u>	<u>Federal Catalog Number</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - DIRECT PROGRAMS			
Housing Choice Vouchers	* 14.871	\$ 4,171,501	\$ 4,171,501
Public and Indian Housing	* 14.850	320,467	320,467
Public Housing Capital Fund	14.872	158,368	158,368
Resident Opportunity and Supportive Services	14.870	152,167	152,167
Housing Counseling Assistance Program	14.169	19,643	19,643
Home Investment Partnership Program	14.239	10,779	10,779
U.S. DEPARTMENT OF AGRICULTURE			
Rural Rental Housing Loans	(1) 10.415	21,046	<u>21,046</u>
TOTAL FEDERAL AWARDS			<u><u>4,853,971</u></u>

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Eastern Iowa Regional Housing Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the financial statements.

Summary of significant accounting policies

Expenditures presented on this schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

* Denotes major program

(1) Outstanding loan balances owed to United States Department of Agriculture at December 31, 2013 are \$275,355.

Eastern Iowa Regional Housing Authority
 Dubuque, Iowa
**STATEMENT AND CERTIFICATION OF
 ACTUAL MODERNIZATION COSTS**
 June 30, 2014

ANNUAL CONTRIBUTIONS CONTRACT

1. The Actual Moddernization Costs are as follows:

	Project IA05P126
	501-13
Funds approved	\$ 158,368
Funds expended	158,368
Excess (deficiency) of funds approved	\$ -
HUD grants	\$ 158,368
Funds expended	158,368
Excess (deficiency) of funds expended	\$ -

2. The Actual Modernization Cost Certificate (HUD-53001) dated August 2014, as submitted to HUD for approval is in agreement with the Authority's records.

3. All modernization costs have been paid and all related liabilities have been discharged through payment.

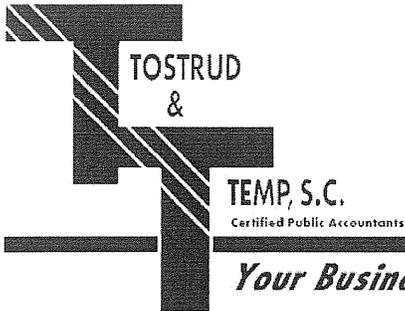
Eastern Iowa Regional Housing Authority
Dubuque, Iowa
FINANCIAL DATA SCHEDULE
June 30, 2014

Line Item Number	Account Description	Low-Rent Public Housing 14.850	Public Housing Capital Fund 14.872	Housing Choice Vouchers 14.871	Resident Opportunity & Supportive Services 14.870	Housing Counseling Assistance Program 14.169	Home Investment Partnership Program	Business Activities	Rural Rental Housing Loans 10.415	Component Unit - Blended	Elimination	Total
111	Cash - unrestricted	182,048	-	178,950	-	-	3,960	-	2,436	747,802	-	1,115,196
113	Cash - other restricted	22,442	-	344,774	-	-	-	-	52,415	-	-	419,631
114	Cash - tenant security deposits	43,462	-	-	-	-	-	-	3,398	-	-	46,860
100	Total cash	247,952	-	523,724	-	-	3,960	-	58,249	747,802	-	1,581,687
122	Accounts receivable - HUD other projects	-	-	6,705	6,462	-	10,779	-	-	-	-	23,946
125	Accounts receivable - miscellaneous	-	-	-	-	-	-	2,326	-	23,694	-	26,020
126	Accounts receivable - tenants	4,200	-	-	-	-	-	-	241	-	-	4,441
126.1	Allowance for doubtful accounts - tenants	(210)	-	-	-	-	-	-	-	-	-	(210)
127	Notes receivable - current	1,907	-	-	-	-	-	2,253	-	-	-	4,160
128	Fraud recovery	-	-	10,471	-	-	-	-	-	-	-	10,471
128.1	Allowance for doubtful accounts - fraud	-	-	(1,780)	-	-	-	-	-	-	-	(1,780)
120	Total receivables, net of allowance for doubtful account	5,897	-	15,396	6,462	-	10,779	4,579	241	23,694	-	67,048
142	Prepaid expenses	20,139	-	6,686	-	-	-	-	1,191	-	-	28,016
144	Inter program due from	6,462	-	-	-	-	-	-	-	10,000	(16,462)	-
145	Assets held for sale	-	-	-	-	-	-	1,928	-	-	-	1,928
150	Total current assets	280,450	-	545,806	6,462	-	14,739	6,507	59,681	781,496	(16,462)	1,678,679
161	Land	823,786	-	-	-	-	-	-	19,664	-	-	843,450
162	Buildings	9,520,316	-	-	-	-	-	-	324,561	-	-	9,844,877
163	Furniture, equipment and machinery - dwellings	43,129	-	-	-	-	-	-	14,520	-	-	57,649
164	Furniture, equipment and machinery - administration	271,059	-	42,456	-	-	-	-	2,849	25,145	-	341,509
165	Leasehold improvements	93,028	-	-	-	-	-	-	18,775	-	-	111,803
166	Accumulated depreciation	(6,647,909)	-	(37,350)	-	-	-	-	(149,798)	(11,446)	-	(6,846,503)
160	Total fixed assets, net of accumulated depreciation	4,103,409	-	5,106	-	-	-	-	230,571	13,699	-	4,352,785
171	Notes receivable - noncurrent	-	-	-	-	-	-	179,169	-	-	-	179,169
176	Investments in joint ventures	-	-	-	-	-	-	-	-	70,050	-	70,050
180	Total non-current assets	4,103,409	-	5,106	-	-	-	179,169	230,571	83,749	-	4,602,004
190	Total assets	4,383,859	-	550,912	6,462	-	14,739	185,676	290,252	865,245	(16,462)	6,280,683
312	Accounts payable <=90 days	16,185	-	18,800	-	-	4,738	-	5,150	9,094	-	53,967
321	Accrued wage/payroll taxes payable	50,479	-	37,853	-	-	-	-	-	-	-	88,332
325	Accrued interest payable	-	-	-	-	-	-	-	190	-	-	190
333	Accounts payable - other government	25,546	-	-	-	-	-	-	-	-	-	25,546
341	Tenant security deposits	43,462	-	-	-	-	-	-	3,398	-	-	46,860
342	Unearned revenue	10,604	-	-	-	-	-	-	-	-	-	10,604
343	Current portion of a long-term debt	-	-	-	-	-	-	-	3,475	-	-	3,475
346	Accrued liabilities other	39,580	-	87,648	-	-	-	-	-	-	-	127,228
347	Inter program due to	-	-	-	6,462	-	10,000	-	-	-	(16,462)	-
310	Total current liabilities	185,856	-	144,301	6,462	-	14,738	-	12,213	9,094	(16,462)	356,202
351	Long-term debt, net of current portion	-	-	-	-	-	-	-	271,880	-	-	271,880
350	Total noncurrent liabilities	-	-	-	-	-	-	-	271,880	-	-	271,880
300	Total liabilities	185,856	-	144,301	6,462	-	14,738	-	284,093	9,094	(16,462)	628,082
508.1	Invested in capital assets, net of related debt	4,103,409	-	5,106	-	-	-	-	(44,784)	13,699	-	4,077,430
511.1	Restricted	-	-	257,126	-	-	-	-	52,415	-	-	309,541
512.1	Unrestricted net assets	94,594	-	144,379	-	-	1	185,676	(1,472)	842,452	-	1,265,630
513	Total equity/net assets	4,198,003	-	406,611	-	-	1	185,676	6,159	856,151	-	5,652,601
600	Total liabilities and equity/net assets	4,383,859	-	550,912	6,462	-	14,739	185,676	290,252	865,245	(16,462)	6,280,683
70300	Net tenant rental revenue	350,469	-	-	-	-	-	-	26,204	-	-	376,673
70400	Tenant revenue - other	2,811	-	-	-	-	-	-	998	-	-	3,809
70500	Total tenant revenue	353,280	-	-	-	-	-	-	27,202	-	-	380,482
70600	HUD PHA operating grants	320,467	127,548	4,171,501	152,167	19,643	10,779	-	-	-	-	4,802,105
70610	Capital grants	-	30,820	-	-	-	-	-	-	-	-	30,820
70800	Other government grants	-	-	-	-	-	-	-	21,046	-	-	21,046
71100	Investment income - unrestricted	175	-	380	-	-	-	1,927	13	1,574	-	4,069
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	6,000	-	-	-	6,000
71400	Fraud recovery	-	-	3,206	-	-	-	-	-	-	-	3,206
71500	Other revenue	1,713	-	22,283	-	-	-	-	171	198,121	-	222,288
72000	Investment income - restricted	-	-	-	-	-	-	-	51	-	-	51
70000	Total revenue	675,635	158,368	4,197,370	152,167	19,643	10,779	7,927	48,483	199,695	-	5,470,067

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
FINANCIAL DATA SCHEDULE - CONTINUED
June 30, 2014

Line Item Number	Account Description	Low-Rent Public Housing 14.850	Public Housing Capital Fund Program 14.872	Housing Choice Vouchers 14.871	Resident Opportunity & Supportive Services 14.870	Housing Counseling Assistance Program 14.169	Home Investment Partnership Program	Business Activities	Rural Rental Housing Loans 10.415	Component Unit - Blended	Elimination	Total
91100	Administrative salaries	196,335	-	332,438	-	-	1,217	-	1,157	118,623	-	649,770
91200	Auditing fees	3,800	-	3,800	-	-	-	-	350	-	-	7,950
91300	Management fee	-	-	-	-	-	-	-	3,542	-	-	3,542
91400	Advertising and marketing	1,553	-	303	-	-	-	-	162	-	-	2,018
91600	Office expenses	14,213	-	20,433	-	-	-	-	-	-	-	34,646
91700	Legal expense	3,732	-	34	-	-	-	-	-	-	-	3,766
91800	Travel	26,300	-	6,566	-	-	-	-	-	-	-	32,866
91900	Other	74,677	-	70,790	-	-	8,000	-	20	20,229	-	173,716
91000	Total operating - administration	320,610	-	434,364	-	-	9,217	-	5,231	138,852	-	908,274
92100	Tenant services salaries	-	-	153,489	137,487	19,643	-	-	-	-	-	310,619
92400	Tenant services - other	675	-	-	14,680	-	-	-	-	-	-	15,355
92500	Total tenant services	675	-	153,489	152,167	19,643	-	-	-	-	-	325,974
93100	Water	18,207	-	-	-	-	-	-	880	-	-	19,087
93200	Electricity	15,526	-	-	-	-	-	-	3,611	-	-	19,137
93300	Gas	35,394	-	-	-	-	-	-	-	-	-	35,394
93600	Sewer	25,882	-	-	-	-	-	-	1,857	-	-	27,739
93000	Total utilities	95,009	-	-	-	-	-	-	6,348	-	-	101,357
94100	Ordinary maintenance & operations - labor	273,151	-	-	-	-	-	-	268	-	-	273,419
94200	Ordinary maintenance & operations - materials	49,438	-	-	-	-	-	-	1,275	-	-	50,713
94300	Ordinary maintenance & operations - contracts	90,745	-	5,000	-	-	-	-	14,051	7,918	-	117,714
94000	Total maintenance	413,334	-	5,000	-	-	-	-	15,594	7,918	-	441,846
96110	Property insurance	21,778	-	-	-	-	-	-	1,667	-	-	23,445
96120	Liability insurance	4,592	-	4,366	-	-	-	-	-	-	-	8,958
96130	All other insurance	4,443	-	1,176	-	-	-	-	-	-	-	5,619
96100	Total insurance premiums	30,813	-	5,542	-	-	-	-	1,667	-	-	38,022
96200	Other general expenses	5,428	-	16,150	-	-	-	-	-	-	-	21,578
96300	Payments in lieu of taxes	25,546	-	-	-	-	-	-	-	-	-	25,546
96400	Bad debt - tenant rents	-	-	-	-	-	-	-	414	-	-	414
96000	Total other general expense	30,974	-	16,150	-	-	-	-	414	-	-	47,538
96710	Interest of mortgage payable	-	-	-	-	-	-	-	18,904	-	-	18,904
96900	Total operating expenses	891,415	-	614,545	152,167	19,643	9,217	-	48,158	146,770	-	1,881,915
97000	Excess operating revenue over operating expenses	(215,780)	158,368	3,582,825	-	-	1,562	7,927	325	52,925	-	3,588,152
97300	Housing assistance payments	-	-	3,511,948	-	-	1,561	-	-	-	-	3,513,509
37350	HAP portability - in	-	-	10,694	-	-	-	-	-	-	-	10,694
97400	Depreciation expense	339,383	-	5,648	-	-	-	-	8,503	2,372	-	355,906
90000	Total expenses	1,230,798	-	4,142,835	152,167	19,643	10,778	-	56,661	149,142	-	5,762,024
10010	Operating transfers in	135,972	-	-	-	-	-	-	-	-	-	135,972
10020	Operating transfers out	-	(127,548)	-	-	-	-	(8,424)	-	-	-	(135,972)
10080	Special items (net gain/loss)	-	-	38,136	-	-	-	-	-	-	-	38,136
10100	Total other financing sources (uses)	135,972	(127,548)	38,136	-	-	-	(8,424)	-	-	-	38,136
10000	Excess (deficiency) of total revenue over (under) total expenses	(419,191)	30,820	92,671	-	-	1	(497)	(8,178)	50,553	-	(253,821)
11030	Beginning equity	4,586,374	-	313,940	-	-	-	186,173	14,337	805,598	-	5,906,422
11040	Equity transfers	30,820	(30,820)	-	-	-	-	-	-	-	-	-
11170	Administrative fee equity	-	-	149,485	-	-	-	-	-	-	-	149,485
11180	Housing assistance payments equity	-	-	257,126	-	-	-	-	-	-	-	257,126
11190	Unit months available	1,968	-	11,498	-	-	4	-	120	-	-	13,590
11210	Number of unit months leased	1,929	-	10,714	-	-	4	-	120	-	-	12,767

OTHER REPORTS



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Your Business Safety Net

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

Board of Directors
Eastern Iowa Regional Housing Authority
Dubuque, Iowa

We have audited, 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, the financial statements of the Eastern Iowa Regional Housing Authority, which comprise the proprietary fund statement of net position as of June 30, 2014, and the related proprietary fund statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon October 24, 2014.

Internal Control Over Financial Reporting

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

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

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

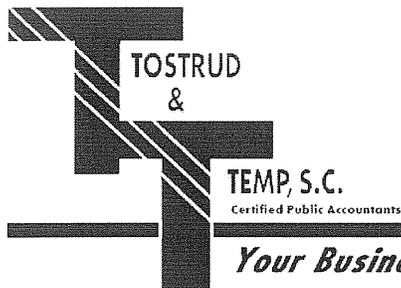
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free 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 material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

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

October 24, 2014



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
Eastern Iowa Regional Housing Authority
Dubuque, Iowa 54773

Report on Compliance for Each Major Federal Program

We have audited the Eastern 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 the Authority's major federal programs for the year ended June 30, 2014. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations (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 noncompliance with the compliance requirements referred to above, that could have a material effect on the major federal programs, occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified above for the year ended June 30, 2014.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control 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 compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit the attention by those charged with governance.

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

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

October 24, 2014

Eastern Iowa Regional Housing Authority
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
Significant deficiency(ies) identified? ___ yes X no
Significant deficiency(ies) identified not
considered to be material weaknesses? ___ yes X none reported

Noncompliance material to the financial statements? ___ yes X no

Federal Awards

Internal control over compliance:
Significant deficiency(ies) identified? ___ yes X no
Significant deficiency(ies) identified not
considered to be material weaknesses? ___ yes X none reported

Type of auditor's report issued on compliance
for major programs: Unqualified

Any audit findings disclosed that are required
to be reported in accordance with Circular A-133
Section .510(1)? ___ yes X no

Identification of major federal program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.850	Public and Indian Housing
14.871	Section 8 Housing Choice Voucher Program

Dollar threshold used to distinguish
between Type A and Type B programs \$300,000

Auditee qualified as a low-risk auditee? X yes ___ no

Section II - Financial Statement Findings

NONE

Section III - Federal Findings and Questioned Costs

NONE

Status of Prior Audit Findings

There were no prior-year audit findings.