OPERATION THRESHOLD

Waterloo, Iowa

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
(OMB Circular A-133, Single Audit Report)

September 30, 2004

(With Independent Auditor's Reports Thereon)

OPERATION THRESHOLD

Waterloo, Iowa

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OPERATION THRESHOLD

Board of Directors and Officers

Officers

Brian Quirk	Chairperson
Barry Haskins	Vice-Chairperson
Mary Jane Button-Harrison	Secretary
Dr. Michael Blackwell	Treasurer

Board Members

Leo Donnelly	Barbara Smith
Rabbi Sol Serber	Bryan Palmer
Barbara Prather	Patricia Gorman
Joyce Hunter	Margaret Nichol
Sister Kathleen Grace	Ranee Beyer
Julia Eckerman	

Management

Barbara A. Grant	Executive Director
Jody Hartz	Associate Director
Lori Miller	Resource Development Director
Sandra Sauer	WIC Director
Leian Kammeyer	Fiscal Director
Craig Boche	Human Resources Director
Wayne Taylor	Housing Director

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CERTIFIED PUBLIC ACCOUNTANTS

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JOHN E. ORTHAUS, CPA
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Operation Threshold
Waterloo, Iowa

We have audited the accompanying Statement of Financial Position of Operation Threshold (a nonprofit organization) as of September 30, 2004, and the related Statements of Activities and Changes in Net Assets, and Cash Flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2003 financial statements and, in our report dated November 14, 2003, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Operation Threshold as of September 30, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 11, 2004, on our consideration of Operation Threshold's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Operation Threshold taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations, and is not a required part of the basic financial statements. The additional accompanying supplementary statements and schedules which follow are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Meriwether, Wilson & Company PLC
MERIWETHER, WILSON AND COMPANY, P.L.C.
Certified Public Accountants

November 11, 2004
West Des Moines, Iowa

OPERATION THRESHOLD

Statement of Financial Position

September 30, 2004
(With Comparative Totals for 2003)

Assets

	Total All Funds	
	2004	2003
Current Assets		
Cash and Cash Equivalents	$ 641,305	784,049
Receivables		
Awards and Contracts	543,560	456,844
Prepaid Expenses	77,866	70,105
Weatherization Inventory	23,640	36,482
Total Current Assets	1,286,371	1,347,480
Noncurrent Assets		
Real Estate Contract Receivable	14,946	14,622
Restricted Cash	75,891	75,776
Total Noncurrent Assets	90,837	90,398
Property and Equipment		
Land, Buildings, and Improvements	1,639,517	1,639,517
Furniture and Equipment	510,345	479,031
Construction in Progress - Housing Programs	647,667	651,556
	2,797,529	2,770,104
Accumulated Depreciation	(971,019)	(879,689)
Net Property and Equipment	1,826,510	1,890,415
Total Assets	$ 3,203,718	3,328,293
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	$ 18,549	76,688
Accrued Expenses	149,197	132,627
Mortgages Payable - Current Portion	57,907	37,929
Rent Deposits and Escrow	19,489	19,515
Due to Funding Sources	67,938	59,297
Deferred Revenue	18,123	23,119
Total Current Liabilities	331,203	349,175
Deferred Revenue - Noncurrent	14,946	14,622
Long-Term Debt		
Mortgages Payable - Net of Current Portion	487,339	525,546
Total Liabilities	833,488	889,343
Net Assets		
Temporarily Restricted	1,191,201	1,215,973
Unrestricted		
Designated for Program Activities	93,989	141,926
Invested in Property and Equipment	691,172	707,272
Undesignated	393,868	373,779
Total Net Assets	2,370,230	2,438,950
Total Liabilities and Net Assets	$ 3,203,718	3,328,293

The accompanying notes are an integral part of these financial statements.

OPERATION THRESHOLD

Statement of Activities and Changes in Net Assets

Year Ended September 30, 2004
(With Comparative Totals for 2003)

	Unrestricted	Temporarily Restricted	Total All Funds 2004	Total All Funds 2003
Support and Revenue				
Government Awards and Contract Revenue	$ 4,529,017	--	4,529,017	4,569,240
Rental Income	254,224	--	254,224	271,587
Contributions, Support, and Services	225,532	--	225,532	207,906
Interest Income	10,192	--	10,192	9,595
Proceeds from Sales of Properties	--	268,332	268,332	142,365
Other Revenue	4,852	--	4,852	2,043
Food Vouchers for Distribution	2,846,927	--	2,846,927	2,702,142
	7,870,744	268,332	8,139,076	7,904,878
Net Assets Released from Restrictions - Satisfaction of Usage Restrictions	289,213	(289,213)	--	--
Total Support and Revenue	8,159,957	(20,881)	8,139,076	7,904,878
Functional Expenses				
Program Services				
Women, Infants, and Children	3,487,702	--	3,487,702	3,376,953
Low Income Home Energy Assistance Program	1,882,888	--	1,882,888	1,762,711
Weatherization Assistance Programs	730,770	--	730,770	662,612
HOME Investment Partnership Programs	543,139	--	543,139	420,951
Rental Housing Programs	399,232	--	399,232	354,697
Local Housing Assistance Programs	251,764	--	251,764	349,788
Outreach Offices	308,370	--	308,370	211,231
Family Development and Self-Sufficiency	213,515	--	213,515	204,910
Other Programs	229,379	--	229,379	267,820
Total Program Services	8,046,759	--	8,046,759	7,611,673
Administrative Support Services				
Management and General	191,709	--	191,709	172,941
Total Functional Expenses	8,238,468	--	8,238,468	7,784,614
Change in Net Assets Before Net Additions (Disposals) of Capital Items	(78,511)	(20,881)	(99,392)	120,264
Net Additions (Disposals) of Capital Items Acquired With Grant Funds	34,563	(3,891)	30,672	167,471
Increase (Decrease) in Net Assets	(43,948)	(24,772)	(68,720)	287,735
Net Assets - Beginning of Year	1,222,977	1,215,973	2,438,950	2,151,215
Net Assets - End of Year	$ 1,179,029	1,191,201	2,370,230	2,438,950

The accompanying notes are an integral part of these financial statements.

OPERATION THRESHOLD

Statement of Cash Flows

Year Ended September 30, 2004
(With Comparative Totals for 2003)

	Total All Funds	
	2004	2003
Cash Flows from Operating Activities		
Change in Net Assets After Net Additions of Capital Items	$ (68,720)	287,735
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities		
Depreciation	94,579	89,318
Net Change in Construction in Progress - Housing Programs	3,891	(120,955)
(Increase) Decrease in		
Receivables	(86,716)	446,534
Prepaid Expenses	(7,761)	(4,228)
Weatherization Inventory	12,842	11,624
Increase (Decrease) in		
Accounts Payable and Accrued Expenses	(41,569)	27,878
Rent Deposits and Escrow	(26)	270
Due to Funding Sources	8,641	--
Deferred Revenue	(4,996)	18,475
Net Cash Flows from Operating Activities	(89,835)	756,651
Cash Flows from Investing Activities		
Cash Paid for Property and Equipment	(34,565)	(80,823)
Net Cash Flows from Investing Activities	(34,565)	(80,823)
Cash Flows from Financing Activities		
Increase in Restricted Cash Reserves	(115)	(550)
Borrowings on Mortgages Payable	19,700	--
Payments on Mortgages Payable	(37,929)	(37,071)
Net Cash Flows from Financing Activities	(18,344)	(37,621)
Net Change in Cash and Cash Equivalents	(142,744)	638,207
Cash and Cash Equivalents - Beginning of Year	784,049	145,842
Cash and Cash Equivalents - End of Year	$ 641,305	784,049
Supplemental Disclosure of Cash Flow Data		
Cash Paid During the Year for Interest	$ 22,680	25,451

The accompanying notes are an integral part of these financial statements.

OPERATION THRESHOLD

Notes to Financial Statements

September 30, 2004

1. Nature of Activities and Significant Accounting Policies

Reporting Entity

Operation Threshold is a private nonprofit corporation that was organized and incorporated in 1981 under Chapter 504A if the Code of Iowa. Operation Threshold is a community action agency as defined in state law, and its purpose is to provide, at a local level, a framework by which communities may work together to arrive at the best method of solving problems of poverty. Operation Threshold principally has operations in Waterloo, Iowa, and surrounding areas.

Operation Threshold administers programs funded by federal, state, and local agencies. These programs are operated for the benefit of eligible participants under guidelines of the respective funding agencies.

This report includes the financial statements of all programs that are administered by Operation Threshold.

Basis of Accounting

The accompanying financial statements have been prepared in conformity with the accounting principles appropriate for nonprofit associations. The following describes the significant accounting policies.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Differences in the classification of net assets are determined based on the nature or existence of donor restrictions.

Temporarily restricted net assets are amounts whose use by the Organization has been limited by donors or grantors to a specific time period or purpose. When donor restrictions are satisfied, temporarily restricted net assets are classified as unrestricted net assets and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions. If a restriction on a contribution is fulfilled in the same time period in which it is received, the Organization reports the support as unrestricted.

In accordance with applicable grant agreements, proceeds from the sale of certain properties acquired through grant funding are restricted for the purchase of additional properties to be used for eligible low-income families. These amounts are reflected as temporarily restricted net assets. Net assets that result from recording construction in progress where such amounts have been charged to grants as eligible expenses are also considered temporarily restricted for additional housing.

Permanently restricted net assets are required by the donor to be maintained in perpetuity by the Organization. Operation Threshold has no permanently restricted net assets as of September 30, 2004.

Revenue Recognition and Receivables

Revenues from grant awards and contract reimbursements are considered unrestricted because the revenue is earned as allowable program expenses are incurred. Program income and other amounts generated by grant awards are generally restricted for future use in the program or activity.

Receivables are comprised primarily of grant awards or contract reimbursements. Receivables are recorded when program expenses exceed reimbursements to date. Award or contract funds received in excess of program expenses are recorded as deferred revenue. All receivable amounts are considered collectible and accordingly, no provision for bad debts has been recorded.

Contributed Services

The Organization receives a significant amount of contributed services from unpaid volunteers assisting in the Organization's programs. No amounts have been recognized in the statement of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment is recorded at cost. Expenses for maintenance, repairs, and minor replacements are charged to the current year, while the cost of major replacements, betterments, and acquisitions is capitalized. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Estimated useful lives are as follows:

Buildings and Improvements	10 to 30 Years
Furniture and Equipment	5 to 7 Years

The Organization's property and equipment were acquired primarily under various grants with federal, state, or local governmental entities. Title to such property and equipment may revert back to these funding sources in the event these programs terminate or the use of the property changes from its original purpose.

Under generally accepted accounting principles, long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable, and an impairment loss would be recognized for the excess of the asset's carrying value over its fair value. No impairment losses were recorded for the Organization in 2004.

Construction in Progress

Operation Threshold builds and rehabilitates houses and other properties as part of its ongoing housing programs. Construction and rehabilitation costs are charged to the applicable grant or funding source as incurred, and expensed on the ledger. If the Organization holds title to the property during the construction phase, the ownership interest is reflected in the ledger as construction in progress. Acquisitions of construction in progress amounts are credited directly to fund balance as an other change in fund balance. When these properties are sold to qualifying low-income individuals, construction in progress is removed from the ledger by a direct charge to fund balance.

Cost Allocations, Management and General Expenses, and Fundraising Expenses

The Organization utilizes cost allocation pools to distribute indirect costs to the programs benefited. Indirect pooled costs are allocated to the programs each month on a consistent basis as described in its cost allocation plan. The cost pools are charged for the expenses incurred and the pools are reimbursed by the programs on a monthly basis. Inter-fund revenue and expense amounts arising from cost pool allocations are eliminated in the Organization's financial statements.

Certain management and general expenses are distributed to the programs through the cost pools and are properly charged to various funders as program expenses. There were no fundraising expenses for the year ended September 30, 2004.

Inventories

Inventories are valued at cost, which approximates market. Inventories consist of work-in-process on various weatherization projects. Project costs will be billed to the appropriate grantors when complete.

Advertising

Advertising costs totaling $4,534 for the year ended September 30, 2004, were expensed as incurred.

Income Taxes

Operation Threshold is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Chapter 504A of the Code of Iowa. Operation Threshold has been determined not to be a "private foundation" within the meaning of Section 509A of the Internal Revenue Code.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

Fair Value of Financial Instruments

The carrying amounts of cash, receivables, prepaid expenses, accounts payable, accrued expenses, rent deposits and escrow, amounts due to funding sources, and deferred revenue approximate their fair values due to the short-term maturities of these financial instruments.

The Organization has secured below-market financing for the construction and rehabilitation of certain low-income housing properties. No adjustment to the note balances and corresponding properties has been made to approximate fair values.

Prior Year Summarized Information and Reclassifications

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2003, from which the summarized information was derived. Certain reclassifications to the 2003 comparative totals have been made to conform to the 2004 presentation.

2. **Principal Programs**

The following is a description of the principal programs administered by the Organization:

Three principal programs are funded by the U.S. Department of Health and Human Services and passed through the Iowa Department of Human Rights. These programs are the Community Services Block Grant (CSBG), Low Income Home Energy Assistance Program (LIHEAP), and Family Development and Self-Sufficiency (FaDSS). CSBG provides funding for the administration of human service programs or provides direct support to individual programs which require co-funding to complete their activities. LIHEAP primarily provides assistance to low income households in paying their heating bills. The FaDSS program provides family development and self-sufficiency counseling assistance to low income households.

Weatherization Assistance programs are funded through grants from the U.S. Department of Energy and the U.S. Department of Health and Human Services through the Iowa Department of Human Rights. Area utility companies also provide funding. These programs provide resources to weatherize the homes of qualifying low income households.

Special Supplemental Food Program for Women, Infants, and Children (WIC) is funded by the U.S. Department of Agriculture through the Iowa Department of Public Health under an annual grant. The program provides nutritional assistance to low income women who are pregnant or who have an infant child and to children under the age of five years.

The HOME Investment Partnerships Program is funded by the U.S. Department of Housing and Urban Development and passed through the City of Waterloo. This program provides financial assistance to construct and rehabilitate single and multi-family housing and to provide homebuyer outreach and selection of eligible families to purchase and live in the properties.

Housing Rental Programs - The Organization manages various housing and apartment units for use by eligible families. Funding is provided by rent and assistance support from local governmental entities.

Outreach Offices - The Organization maintains outreach offices in each of the areas served. Programs administered are charged for expenses of the outreach offices based upon the number of clients served by the offices or number of hours of time spent for the services.

A summary of other programs administered by the Organization not specifically set forth on the Statement of Activities is as follows:

Program Title	Expenses
Community Services Block Grant (net of co-funding provided)	$ 56,675
Storks Nest	35,800
Project Care/Share	26,905
Emergency Food and Shelter Program (FEMA)	24,587
Emergency Shelter Grants Program	22,028
Chore Services	13,876
Emergency Funds	11,937
WIC Food Breast Pump	6,763
Volunteer Programs	6,460
IHOEP	5,790
Principal Foundation	5,000
Grundy County Food Pantry	3,790
Iowa Family Development Association	3,199
Project Helper	2,318
IFA Anti-Predatory Lending	1,413
Fannie Mae Foundation	1,152
Other Programs and Local Activities	1,686
	$ 229,379

3. **Support from Governmental Agencies**

The Organization received approximately 91% of its total support and revenue from federal, state, and local governmental agencies. Changes in the level of government funding could have a major effect on the Organization's programs and activities.

4. **Concentration of Credit Risk**

The Company maintains checking and savings accounts at a local bank. Accounts at this institution are insured by the FDIC up to $100,000. At September 30, 2004, the Company had $661,710 of cash deposited in excess of the insured limits.

5. **Cash and Restricted Cash**

A summary of cash and restricted cash balances at the year-end is as follows:

	Operating Accounts	Restricted Accounts
Petty Cash	$ 400	--
Money Market Checking and Savings	640,905	--
Restricted Cash Deposits		
Sinking Fund Reserve for Retirement of Bonds	--	56,402
Tenant Security Deposits and Escrow	--	19,489
	$ 641,305	75,891

6. **Awards and Contracts Receivables**

Receivables from grantor agencies resulting from program activities in effect at the year-end date are summarized as follows:

Funding Source	Program Activity	Amount
Iowa Department of Public Health	WIC	$ 102,950
Iowa Department of Human Rights	LIHEAP	87,477
Iowa Department of Human Rights	Weatherization Assistance	71,133
Iowa Department of Human Rights	CSBG	59,299
City of Waterloo	HOME Rehab	43,670
City of Waterloo	HOME Gap Financing	37,099
City of Waterloo	Waterloo Housing Partnership	26,021
City of Waterloo	ESGP	22,028
City of Waterloo	HOME New Construction	21,404
City of Waterloo	Home Buyer Education	19,813
City of Waterloo	Community Housing Partnership	5,039
Utility Companies	Weatherization Assistance	20,029
Waterloo Apartments Partnership	Waterloo Apartments Program	14,584
Empowerment Programs	Stork's Nest	4,696
Iowa Department of Econonomic Dev.	LHAP	2,889
Other Sources	Other Programs	5,429
		$ 543,560

7. **Noncurrent Contract Receivable and Noncurrent Deferred Revenue**

Operation Threshold has renovated a house originally donated to its housing program and sold the house to an eligible low-income family on a fifteen-year contract. The Organization has deferred revenue on the sale of the house until collection is made on the contract.

8. **Property and Equipment**

Property and equipment is summarized as follows:

	Cost	Current Depreciation	Accumulated Depreciation	Undepreciated Cost
Land	$ 39,740	--	--	39,740
Buildings and Improvements	1,599,777	60,267	546,521	1,053,256
Furniture and Equipment	510,345	34,312	424,498	85,847
Construction in Progress	647,667	--	--	647,667
	$ 2,797,529	94,579	971,019	1,826,510

Construction in progress is comprised of several houses which will be sold to qualifying persons when complete. Financing for the project is provided by U.S. Department of Housing and Urban Development through HOME Investment Partnership funds and by the Iowa Department of Economic Development through its Local Housing Assistance Program.

9. **Accrued Expenses**

Accrued expenses are summarized as follows:

Salaries and Wages	$ 86,741
Compensated Absences	52,049
Payroll Taxes and Withholdings	6,016
Interest	4,391
	$ 149,197

10. **Due to Funding Sources**

Amounts due to funding sources consist of the following:

Iowa Department of Public Health	
Advance for WIC Program Expenses	$ 59,297
Iowa Department of Human Rights	
Vendor Refunds - LIHEAP	8,641
Total	$ 67,938

11. **Long-Term Debt**

In August 1993, the Organization, which is considered a public instrumentality and agency of the state of Iowa, issued multi-family Development Revenue Bonds totaling $390,000 through the Small Business Loan Program of the Iowa Finance Authority. The bonds are to be repaid through a promissory note which is assigned to Wells Fargo Brokerage. The bonds were used to finance the purchase and rehabilitation of the Canterbury Court Apartments. Remaining payments are due in accelerating annual installments of $30,000 to $40,000, plus accrued interest at 6.1%, through June 1, 2008. This note is secured by an interest in the land and building financed, and the note balance at the year-end totals $140,000.

The Organization has obtained three loans to provide funding for the construction of the Independence Housing Project. The Iowa Housing Corporation has provided a $245,000 mortgage loan which carries monthly payments of $1,362 including accrued interest at 4.5%. This note has a balloon payment of unpaid principal and interest due February 1, 2015. The note is secured by a first mortgage interest in the land and building financed, and the note balance at the year-end totals $237,265.

The Iowa Department of Economic Development has provided a loan totaling $99,992 under the Home Investment Partnership Program as additional funding for the Independence Project. This loan has a 20 year term and carries interest at 1%. Annual graduated payments were due beginning February 28, 2002, with the first five payments against interest only. A balloon payment of remaining principal and interest is due February 28, 2021. This loan is secured by a subordinate mortgage interest in the land and building financed.

The Iowa Finance Authority has provided financing totaling $52,474 for the Independence Housing Project. This note carries quarterly payments of $725 including accrued interest at 1%, with remaining interest and principal amounts due August 2022. This obligation is secured by a third mortgage interest in the land and building financed, and the note balance at the year-end totals $48,289.

In May, 2004, the Organization borrowed $19,700 from the Iowa Northland Regional Council of Governments (INRCOG), at no interest, in order to finance the cost of the construction of a speculative home located in Waterloo, Iowa. This note is due on or before November 12, 2004, or upon sale of the house, whichever comes first, and the note is secured by a mortgage interest in the property financed.

Following are maturities of all long-term notes through their final due dates:

2005	$ 57,907
2006	43,497
2007	43,900
2008	49,316
2009	9,947
2010 through 2022	340,679
Total	$ 545,246

Interest expense for the year ended September 31, 2004, totaled $22,024.

12. **Deferred Revenue**

Deferred revenue is summarized as follows:

Program	Amount
FaDSS	$ 6,455
IFA Anti-Predatory Lending	3,587
IHOEP	5,348
Rent Received in Advance	2,733
	$ 18,123

13. **Temporarily Restricted Net Assets**

Temporarily restricted net assets are summarized as follows at the year-end date:

Program	
HOME Investment Partnership	
Community Development HOME	
Rehab Funds	$ 262,387
New Construction	206,365
Rehab Re-Use	36,167
New Re-Use	170,741
Hope 3 HOME	88,181
Local Housing Assistance	451,685
Lexington Square	(24,325)
	$ 1,191,201

14. **Operating Leases**

The Organization leases facilities and equipment for administrative and program usage. These leases run on an annual basis with options to renew. Lease expense for the year ended September 30, 2004, totaled $24,822.

15. **Retirement Plans**

The Organization sponsors a defined contribution tax sheltered annuity plan for all regular employees with at least one year of service. The Organization will match an employee contribution up to 4 1/2% of gross wages. Contributions made during the year by the Organization totaled $10,729.

The Organization also 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.

Plan members contribute 3.70% of their annual covered salary to IPERS and the Organization contributes 5.75% of annual covered payroll. Contribution requirements are established by state statute. The Organization's contribution to IPERS for the year ended September 30, 2004, was $69,096, equal to the required contribution for the year.

16. **Net Additions (Disposals) of Capital Items Acquired With Grant Funds**

Net additions (disposals) of capital items acquired with grant funds consist of the following:

Program	Description	Amount
C.D. HOME New Re-Use	Acquisitions of Construction in Progress - Cost	$ 190,441
C.D. HOME Rehab Re-Use	Acquisitions of Construction in Progress - Cost	20,022
C.D. HOME New Construction	Acquisitions of Construction in Progress - Cost	71,489
	Disposals of Construction in Progress - Cost	(105,259)
C.D. HOME Rehab Funds	Acquisitions of Construction in Progress - Cost	54,534
	Disposals of Construction in Progress - Cost	(226,581)
Local Housing Assistance	Acquisitions of Construction in Progress - Cost	131,935
	Disposals of Construction in Progress - Cost	(140,472)
Total Net Disposals - Temporarily Restricted Funds		(3,891)
Agency Cost Pools	Capital Items Acquired With Grant Funds	17,902
Weatherization	Capital Items Acquired With Grant Funds	9,060
Outreach Offices	Capital Items Acquired With Grant Funds	5,888
Other	Capital Items Acquired With Grant Funds	1,713
Total Additions - Unrestricted Funds		34,563
Net Additions of Capital Items Acquired With Grant Funds		$ 30,672

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

Board of Directors
Operation Threshold
Waterloo, Iowa

We have audited the financial statements of Operation Threshold as of and for the year ended September 30, 2004, and have issued our report thereon dated November 11, 2004. 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 Operation Threshold's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Operation Threshold's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain matters that we reported to management of Operation Threshold in a separate letter dated November 11, 2004.

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

Meriwether, Wilson & Company PLC

MERIWETHER, WILSON AND COMPANY, P.L.C.
Certified Public Accountants

November 11, 2004
West Des Moines, Iowa

MERIWETHER, WILSON AND COMPANY, P.L.C.
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Operation Threshold
Waterloo, Iowa

Compliance

We have audited the compliance of Operation Threshold with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2004. Operation Threshold's major federal programs are identified in the Summary of Independent 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 Operation Threshold's management. Our responsibility is to express an opinion on Operation Threshold's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Operation Threshold'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 of Operation Threshold's compliance with those requirements.

In our opinion, Operation Threshold complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2004.

Internal Control over Compliance

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

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

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

Meriwether, Wilson & Company PLC

MERIWETHER, WILSON AND COMPANY, P.L.C.
Certified Public Accountants

November 11, 2004
West Des Moines, Iowa

OPERATION THRESHOLD

Schedule of Findings and Questioned Costs

Year Ended September 30, 2004

Summary of Auditor's Results

1. We have issued an unqualified opinion in our report on the financial statements of Operation Threshold as of and for the year ended September 30, 2004.

2. The results of our audit disclosed no instances of noncompliance which were considered material to the financial statements and which would be required to be reported in accordance with Government Auditing Standards.

3. We issued an unqualified opinion in our report on compliance for major programs for the year ended September 30, 2004.

4. The results of our audit disclosed no audit findings which we are required to report under OMB Circular A-133.

5. The dollar threshold used to distinguish between Type A and Type B programs was $300,000.

6. The major federal awards expended by Operation Threshold for the year ended September 30, 2004, are as follows:

Name of Program	CFDA No.	Expenditures
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	$ 3,470,314
Low-Income Home Energy Assistance Program and Home Energy Assistance Program	93.568	2,250,804
Community Services Block Grant	93.569	442,282
HOME Investment Partnership Program	14.239	577,856
		$ 6,741,256

Expenditures for the Special Supplemental Nutrition Program for Women, Infants, and Children on this schedule include $2,846,927 of noncash food vouchers distributed to eligible participants. Expenditures for the HOME Investment Partnership Program on this schedule include an outstanding promissory note totaling $99,992 (dated 3/10/99) for the purchase and development of real estate.

7. Operation Threshold does qualify as a low-risk auditee.

Findings Related to the Financial Statements

None

Findings and Questioned Costs Related to Federal Awards

None

OPERATION THRESHOLD

Schedule of Expenditures of Federal Awards

October 1, 2003 Through September 30, 2004

Federal Grantor/Pass-Through Grantor/Program Title	CFDA* Number	Grant or Award Number	Expenses	
Type A Programs - $300,000 or More				
U.S. Department of Health and Human Services				
Passed Through Iowa Department of Human Rights				
Low Income Home Energy Assistance Program	93.568	LIHEAP-04-11-A	$ 1,882,888	**
Home Energy Assistance Program	93.568	HEAP 04-11A	68,393	**
		HEAP 03-11-A	299,523	**
Community Services Block Grant	93.569	CSBG-03-11-CA	442,282	**
U.S. Department of Housing and Urban Development				
Passed Through the City of Waterloo				
HOME Investment Partnership Program	14.239	Rehab Funds	153,483	**
		New Construction	139,033	**
		Re-Use Funds	162,641	**
		TBRA Funds	21,545	**
		Hope 3 Home Funds	1,162	**
HOME Program Promissory Note Dated 3/10/99	14.239	99-HM-204-731	99,992	**
U.S. Department of Agriculture				
Passed Through Iowa Department of Public Health				
Special Supplemental Food Program for Women, Infants, and Children				
Cash Expenditures	10.557	5883AO43	623,387	**
Noncash - Food Vouchers for Distribution		5883AO43	2,846,927	**
Total Type A Programs			6,741,256	
Type B Programs				
U.S. Department of Energy				
Passed Through Iowa Department of Human Rights				
Weatherization Assistance Programs	81.042	DOE-04-11A	188,959	
		DOE-03-11A	61,260	
U.S. Department of Health and Human Services				
Passed Through the Iowa Department of Human Rights				
Family Development and Self Sufficiency (53% Federal)	93.558	FaDSS 05-11-FA	29,332	
Family Development and Self Sufficiency (53% Federal)		FaDSS 04-11-FA	83,407	
U.S. Department of Housing and Urban Development				
Passed Through the City of Waterloo				
Community Development Block Grants				
Waterloo Housing Partnership	14.219	FY 2005	10,486	
		FY 2004	48,905	
Home Buyer Education	14.219	FY 2005	5,773	
		FY 2004	22,878	
Community Housing Partnership	14.219	FY 2005	1,292	
		FY 2004	9,713	
Emergency Shelter Grants Program	14.231	04 ES-001	22,028	
Passed Through the City of Cedar Falls				
Community Development Block Grants				
Chore Services	14.219	FY 2004	13,876	
Department of Homeland Security				
Passed Through the Iowa Northland Regional Council of Governments				
Emergency Food and Shelter National Board Program	97.024	22-2858-00	19,892	
		22-2866-00	2,495	
		22-2924-00	2,200	
Total Type B Programs			522,496	
Total Expenditures of Federal Awards			$ 7,263,752	

*Catalog of Federal Domestic Assistance

**Audited as a Major Program

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD

Notes to Schedule of Expenditures of Federal Awards

Year Ended September 30, 2004

Note 1 Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Operation Threshold 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 Nonprofit Organizations; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

OPERATION THRESHOLD

Combining Statement of Financial Position

September 30, 2004

	Total All Funds	Interfund Eliminations	Undesignated and Agency Cost Pool Funds
Assets			
Current Assets			
Cash and Cash Investments	$ 641,305	--	483,466
Receivables			
Awards and Contracts	543,560	--	10,132
Interfund Receivable	--	(70,000)	70,000
Prepaid Expenses	77,866	--	77,856
Weatherization Inventory	23,640	--	--
Total Current Assets	1,286,371	(70,000)	641,454
Noncurrent Assets			
Real Estate Contracts Receivable	14,946	--	--
Restricted Cash	75,891	--	--
Total Noncurrent Assets	90,837	--	--
Property and Equipment			
Land, Buildings, and Improvements	1,639,517	--	388,642
Furniture and Equipment	510,345	--	505,953
Construction in Progress	647,667	--	--
Accumulated Depreciation	(971,019)	--	(646,358)
Net Property and Equipment	1,826,510	--	248,237
Total Assets	$ 3,203,718	(70,000)	889,691
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	$ 18,549	--	5,183
Interfund Payable	--	(70,000)	--
Accrued Expenses	149,197	--	144,806
Mortgages Payable - Current Portion	57,907	--	--
Rent Deposits and Escrow	19,489	--	--
Due to Funding Sources	67,938	--	--
Deferred Revenue	18,123	--	--
Total Current Liabilities	331,203	(70,000)	149,989
Deferred Revenue - Noncurrent	14,946	--	--
Long-Term Debt			
Mortgages Payable - Net of Current Portion	487,339	--	--
Net Assets			
Temporarily Restricted	1,191,201	--	--
Unrestricted			
Designated for Program Activities	93,989	--	97,597
Invested in Property and Equipment	691,172	--	248,237
Undesignated	393,868	--	393,868
Total Net Assets	2,370,230	--	739,702
Total Liabilities and Net Assets	$ 3,203,718	(70,000)	889,691

OPERATION THRESHOLD

Combining Statement of Financial Position

September 30, 2004

Total Designated Funds	Designated Funds						
				Weatherization Assistance			
	CSBG	LIHEAP	FaDSS	DOE	HEAP	Inventory	WIC
157,839	(59,299)	(78,836)	8,173	(41,404)	(30,728)	36,507	(12,767)
533,428	59,299	87,477	--	41,404	30,728	--	99,246
--	--	--	--	--	--	--	--
10	--	--	--	--	--	--	10
23,640	--	--	--	--	--	23,640	--
714,917	--	8,641	8,173	--	--	60,147	86,489
14,946	--	--	--	--	--	--	--
75,891	--	--	--	--	--	--	--
90,837	--	--	--	--	--	--	--
1,250,875	--	--	--	--	--	--	--
4,392	--	--	--	--	--	--	--
647,667	--	--	--	--	--	--	--
(324,661)	--	--	--	--	--	--	--
1,578,273	--	--	--	--	--	--	--
2,384,027	--	8,641	8,173	--	--	60,147	86,489
13,366	--	--	1,118	--	--	3,042	1,422
70,000	--	--	--	--	--	--	--
4,391	--	--	--	--	--	--	--
57,907	--	--	--	--	--	--	--
19,489	--	--	--	--	--	--	--
67,938	--	8,641	--	--	--	--	59,297
18,123	--	--	6,455	--	--	--	--
251,214	--	8,641	7,573	--	--	3,042	60,719
14,946	--	--	--	--	--	--	--
487,339	--	--	--	--	--	--	--
1,191,201	--	--	--	--	--	--	--
(3,608)	--	--	600	--	--	57,105	25,770
442,935	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
1,630,528	--	--	600	--	--	57,105	25,770
2,384,027	--	8,641	8,173	--	--	60,147	86,489

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2004

	Comm. Dev. HOME New Constr. Re-Use	Comm. Dev. HOME Rehab Re-Use	Comm. Dev. HOME Rehab Funds
Assets			
Current Assets			
Cash and Cash Investments	$ 1,950	16,258	127,115
Receivables			
Awards and Contracts	--	--	80,768
Interfund Receivable	--	--	--
Prepaid Expenses	--	--	--
Weatherization Inventory	--	--	--
Total Current Assets	1,950	16,258	207,883
Noncurrent Assets			
Real Estate Contracts Receivable	--	--	--
Restricted Cash	--	--	--
Total Noncurrent Assets	--	--	--
Property and Equipment			
Land, Buildings, and Improvements	--	--	--
Furniture and Equipment	--	--	--
Construction in Progress	190,441	20,022	54,535
Accumulated Depreciation	--	--	--
Net Property and Equipment	190,441	20,022	54,535
Total Assets	$ 192,391	36,280	262,418
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	$ 1,950	113	31
Interfund Payable	--	--	--
Accrued Expenses	--	--	--
Mortgages Payable - Current Portion	19,700	--	--
Rent Deposits and Escrow	--	--	--
Due to Funding Sources	--	--	--
Deferred Revenue	--	--	--
Total Current Liabilities	21,650	113	31
Deferred Revenue - Noncurrent	--	--	--
Long-Term Debt			
Mortgages Payable - Net of Current Portion	--	--	--
Net Assets			
Temporarily Restricted	170,741	36,167	262,387
Unrestricted			
Designated for Program Activities	--	--	--
Invested in Property and Equipment	--	--	--
Undesignated	--	--	--
Total Net Assets	170,741	36,167	262,387
Total Liabilities and Net Assets	$ 192,391	36,280	262,418

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2004

Designated Funds					
Comm. Dev. HOME New Constr.	Hope 3 Home	Comm. Dev. HOME TBRA Funds	Community Housing Partnership	Home Buyer Education	Waterloo Housing Partnership
44,674	88,181	(5,133)	(4,118)	(10,282)	(29,742)
21,404	--	5,133	5,039	19,813	26,021
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
66,078	88,181	--	921	9,531	(3,721)
--	14,946	--	--	--	--
--	--	--	--	--	--
--	14,946	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
140,287	--	--	--	--	--
--	--	--	--	--	--
140,287	--	--	--	--	--
206,365	103,127	--	921	9,531	(3,721)
--	--	--	--	--	43
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	43
--	14,946	--	--	--	--
--	--	--	--	--	--
206,365	88,181	--	--	--	--
--	--	--	921	9,531	(3,764)
--	--	--	--	--	--
--	--	--	--	--	--
206,365	88,181	--	921	9,531	(3,764)
206,365	103,127	--	921	9,531	(3,721)

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2004

	Weatherization Assistance Utility Companies	Project Helper
Assets		
Current Assets		
Cash and Cash Investments	$ (20,029)	4,176
Receivables		
Awards and Contracts	20,029	--
Interfund Receivable	--	--
Prepaid Expenses	--	--
Weatherization Inventory	--	--
Total Current Assets	--	4,176
Noncurrent Assets		
Real Estate Contracts Receivable	--	--
Restricted Cash	--	--
Total Noncurrent Assets	--	--
Property and Equipment		
Land, Buildings, and Improvements	--	--
Furniture and Equipment	--	--
Construction in Progress	--	--
Accumulated Depreciation	--	--
Net Property and Equipment	--	--
Total Assets	$ --	4,176
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	$ --	728
Interfund Payable	--	--
Accrued Expenses	--	--
Mortgages Payable - Current Portion	--	--
Rent Deposits and Escrow	--	--
Due to Funding Sources	--	--
Deferred Revenue	--	--
Total Current Liabilities	--	728
Deferred Revenue - Noncurrent	--	--
Long-Term Debt		
Mortgages Payable - Net of Current Portion	--	--
Net Assets		
Temporarily Restricted	--	--
Unrestricted		
Designated for Program Activities	--	3,448
Invested in Property and Equipment	--	--
Undesignated	--	--
Total Net Assets	--	3,448
Total Liabilities and Net Assets	$ --	4,176

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2004

Designated Funds				
Project Care/Share	WIC Farmers Market	WIC Special BF Fund	WIC Food Br Pump	Storks Nest
5,135	(6,084)	170	(2,704)	(5,009)
--	1,542	--	2,704	6,691
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
5,135	(4,542)	170	--	1,682
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
5,135	(4,542)	170	--	1,682
1,468	--	--	--	151
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
1,468	--	--	--	151
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
3,667	(4,542)	170	--	1,531
--	--	--	--	--
--	--	--	--	--
3,667	(4,542)	170	--	1,531
5,135	(4,542)	170	--	1,682

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2004

	Canterbury Court Apartments	924 Lafayette Street
Assets		
Current Assets		
Cash and Cash Investments	$ (298,867)	7,232
Receivables		
Awards and Contracts	--	--
Interfund Receivable	--	--
Prepaid Expenses	--	--
Weatherization Inventory	--	--
Total Current Assets	(298,867)	7,232
Noncurrent Assets		
Real Estate Contracts Receivable	--	--
Restricted Cash	68,237	850
Total Noncurrent Assets	68,237	850
Property and Equipment		
Land, Buildings, and Improvements	476,426	57,315
Furniture and Equipment	4,392	--
Construction in Progress	--	--
Accumulated Depreciation	(160,077)	(19,524)
Net Property and Equipment	320,741	37,791
Total Assets	$ 90,111	45,873
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	$ 965	30
Interfund Payable	--	--
Accrued Expenses	2,835	--
Mortgages Payable - Current Portion	30,000	--
Rent Deposits and Escrow	11,835	850
Due to Funding Sources	--	--
Deferred Revenue	2,357	--
Total Current Liabilities	47,992	880
Deferred Revenue - Noncurrent	--	--
Long-Term Debt		
Mortgages Payable - Net of Current Portion	110,000	--
Net Assets		
Temporarily Restricted	--	--
Unrestricted	--	--
Designated for Program Activities	(248,622)	7,202
Invested in Property and Equipment	180,741	37,791
Undesignated	--	--
Total Net Assets	(67,881)	44,993
Total Liabilities and Net Assets	$ 90,111	45,873

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2004

Designated Funds					
Kingswood Apartments	302 Locust Street	1619 Franklin St.	Ankeny Single Family	Lexington Square	316/318 West 3rd Street
79,334	8,893	4,452	(29,995)	14,303	(54,570)
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
79,334	8,893	4,452	(29,995)	14,303	(54,570)
--	--	--	--	--	--
1,858	751	365	673	2,572	585
1,858	751	365	673	2,572	585
49,982	96,857	10,478	59,811	412,433	87,573
--	--	--	--	--	--
--	--	--	--	--	--
(17,058)	(33,242)	(3,747)	(11,939)	(64,762)	(14,312)
32,924	63,615	6,731	47,872	347,671	73,261
114,116	73,259	11,548	18,550	364,546	19,276
44	69	122	34	(1,179)	--
--	--	--	--	--	70,000
--	--	--	--	1,556	--
--	--	--	--	8,207	--
1,858	751	365	673	2,572	585
--	--	--	--	--	--
--	--	--	--	376	--
1,902	820	487	707	11,532	70,585
--	--	--	--	--	--
--	--	--	--	377,339	--
--	--	--	--	(24,325)	--
--	--	--	--	--	--
79,290	8,824	4,330	(30,029)	--	(124,570)
32,924	63,615	6,731	47,872	--	73,261
--	--	--	--	--	--
112,214	72,439	11,061	17,843	(24,325)	(51,309)
114,116	73,259	11,548	18,550	364,546	19,276

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2004

	Local Housing Assist.	Emergency Funds
Assets		
Current Assets		
Cash and Cash Investments	$ 206,421	3,614
Receivables		
Awards and Contracts	2,889	--
Interfund Receivable	--	--
Prepaid Expenses	--	--
Weatherization Inventory	--	--
Total Current Assets	209,310	3,614
Noncurrent Assets		
Real Estate Contracts Receivable	--	--
Restricted Cash	--	--
Total Noncurrent Assets	--	--
Property and Equipment		
Land, Buildings, and Improvements	--	--
Furniture and Equipment	--	--
Construction in Progress	242,382	--
Accumulated Depreciation	--	--
Net Property and Equipment	242,382	--
Total Assets	$ 451,692	3,614
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	$ 7	342
Interfund Payable	--	--
Accrued Expenses	--	--
Mortgages Payable - Current Portion	--	--
Rent Deposits and Escrow	--	--
Due to Funding Sources	--	--
Deferred Revenue	--	--
Total Current Liabilities	7	342
Deferred Revenue - Noncurrent	--	--
Long-Term Debt		
Mortgages Payable - Net of Current Portion	--	--
Net Assets		
Temporarily Restricted	451,685	--
Unrestricted		
Designated for Program Activities	--	3,272
Invested in Property and Equipment	--	--
Undesignated	--	--
Total Net Assets	451,685	3,272
Total Liabilities and Net Assets	$ 451,692	3,614

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2004

Designated Funds			
Toy Project	Emergency Shelter Grants Program	Special School Clothing	Outreach Offices
1,915	(20,477)	55	192,946
--	22,028	--	--
--	--	--	--
--	--	--	--
--	--	--	--
1,915	1,551	55	192,946
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
1,915	1,551	55	192,946
--	1,551	--	926
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	1,551	--	926
--	--	--	--
--	--	--	--
--	--	--	--
1,915	--	55	192,020
--	--	--	--
--	--	--	--
1,915	--	55	192,020
1,915	1,551	55	192,946

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2004

	Fannie Mae	IFA Anti-Predatory Lending
Assets		
Current Assets		
Cash and Cash Investments	$ 5,391	3,587
Receivables		
Awards and Contracts	--	--
Interfund Receivable	--	--
Prepaid Expenses	--	--
Weatherization Inventory	--	--
Total Current Assets	5,391	3,587
Noncurrent Assets		
Real Estate Contracts Receivable	--	--
Restricted Cash	--	--
Total Noncurrent Assets	--	--
Property and Equipment		
Land, Buildings, and Improvements	--	--
Furniture and Equipment	--	--
Construction in Progress	--	--
Accumulated Depreciation	--	--
Net Property and Equipment	--	--
Total Assets	$ 5,391	3,587
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	$ 43	--
Interfund Payable	--	--
Accrued Expenses	--	--
Mortgages Payable - Current Portion	--	--
Rent Deposits and Escrow	--	--
Due to Funding Sources	--	--
Deferred Revenue	5,348	3,587
Total Current Liabilities	5,391	3,587
Deferred Revenue - Noncurrent	--	--
Long-Term Debt		
Mortgages Payable - Net of Current Portion	--	--
Net Assets		
Temporarily Restricted	--	--
Unrestricted		
Designated for Program Activities	--	--
Invested in Property and Equipment	--	--
Undesignated	--	--
Total Net Assets	--	--
Total Liabilities and Net Assets	$ 5,391	3,587

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2004

Housing and Fair Lending	Hawkeye Valley on Aging	Grundy Co. Food Pantry	Volunteer Programs
100	169	8,183	(1,051)
--	--	--	1,213
--	--	--	--
--	--	--	--
--	--	--	--
100	169	8,183	162
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
100	169	8,183	162
--	--	346	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	346	--
--	--	--	--
--	--	--	--
--	--	--	--
100	169	7,837	162
--	--	--	--
--	--	--	--
100	169	7,837	162
100	169	8,183	162

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD

Combining Statement of Activities

Year Ended September 30, 2004

	Total All Funds	Undesignated and Agency Cost Pool Funds	Total Designated Funds
Support and Revenue			
Government Awards and Contract Revenue	$ 4,529,017	8,918	4,520,099
Food Vouchers for Distribution	2,846,927	--	2,846,927
CSBG Co-funding Provided	--	121,390	(121,390)
Rental Income	254,224	--	254,224
Contributions, Support, and Services	225,532	57,602	167,930
Proceeds from Sales of Properties	268,332	--	268,332
Interest Income	10,192	9,850	342
Other Revenue	4,852	--	4,852
Total Support and Revenue	8,139,076	197,760	7,941,316
Expenses			
Program and General Expenses	5,296,962	1,203,156	4,093,806
Food Vouchers for Distribution	2,846,927	--	2,846,927
Depreciation	94,579	43,844	50,735
Interfund Expense Transfers	--	(1,055,291)	1,055,291
Total Expenses	8,238,468	191,709	8,046,759
Excess (Deficiency) of Support and Revenue Over Expenses Before Capital Additions	(99,392)	6,051	(105,443)
Net Additions (Disposals) of Capital Items Acquired With Grant Funds	30,672	34,563	(3,891)
Net Assets - Beginning of Year	2,438,950	699,088	1,739,862
Net Assets - End of Year	$ 2,370,230	739,702	1,630,528

OPERATION THRESHOLD

Combining Statement of Activities

Year Ended September 30, 2004

Iowa Department of Human Rights/Division of Community Action Agencies						Health
			Weatherization Assistance			
LIHEAP	CSBG	FaDSS	DOE	HEAP	Inventory	WIC
1,882,888	442,282	212,715	250,219	367,916	--	623,387
--	--	--	--	--	--	2,846,927
--	(385,607)	--	--	--	--	4,374
--	--	--	--	--	--	--
--	--	800	--	--	--	3,896
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
1,882,888	56,675	213,515	250,219	367,916	--	3,478,584
1,826,360	21,114	196,806	59,077	99,855	--	564,031
--	--	--	--	--	--	2,846,927
--	--	--	--	--	--	--
56,528	35,561	16,709	191,142	268,061	--	76,744
1,882,888	56,675	213,515	250,219	367,916	--	3,487,702
--	--	--	--	--	--	(9,118)
--	--	--	--	--	--	--
--	--	600	--	--	57,105	34,888
--	--	600	--	--	57,105	25,770

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2004

	Comm. Dev. HOME New Constr. Re-Use	Comm. Dev. HOME Rehab Re-Use	Comm. Dev. HOME Rehab Funds
Support and Revenue			
Government Awards and Contract Revenue	$ --	--	152,468
Food Vouchers for Distribution	--	--	--
CSBG Co-funding Provided	--	--	--
Rental Income	--	--	--
Contributions, Support, and Services	8,000	--	3,801
Proceeds from Sales of Properties	--	--	52,111
Interest Income	--	--	--
Other Revenue	--	--	--
Total Support and Revenue	8,000	--	208,380
Expenses			
Program and General Expenses	147,111	15,530	153,483
Food Vouchers for Distribution	--	--	--
Depreciation	--	--	--
Interfund Expense Transfers	(29,935)	22,899	(34,051)
Total Expenses	117,176	38,429	119,432
Excess (Deficiency) of Support and Revenue over Expenses	(109,176)	(38,429)	88,948
Net Additions (Disposals) of Capital Items Acquired With Grant Funds	190,441	20,022	(172,047)
Net Assets - Beginning of Year	89,476	54,574	345,486
Net Assets - End of Year	$ 170,741	36,167	262,387

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2004

Housing and Urban Development						
Comm. Dev. HOME New Constr.	Hope 3 Home	Comm. Dev. HOME TBRA Funds	Community Housing Partnership	Chore Services	Home Buyer Education	Waterloo Housing Partnership
139,004	--	21,545	11,005	13,876	28,651	59,391
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	2,246	--	2,073	--	25,839	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
139,004	2,246	21,545	13,078	13,876	54,490	59,391
139,033	1,162	22,671	12,788	16,069	51,061	55,551
--	--	--	--	--	--	--
--	--	--	--	--	--	--
45,243	61,247	(1,254)	(631)	(2,193)	21,793	7,604
184,276	62,409	21,417	12,157	13,876	72,854	63,155
(45,272)	(60,163)	128	921	--	(18,364)	(3,764)
(33,770)	--	--	--	--	--	--
285,407	148,344	(128)	--	--	27,895	--
206,365	88,181	--	921	--	9,531	(3,764)

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2004

	Weatherization Assistance Utility Companies	Project Helper
Support and Revenue		
Government Awards and Contract Revenue	$ 112,635	--
Food Vouchers for Distribution	--	--
CSBG Co-funding Provided	--	--
Rental Income	--	--
Contributions, Support, and Services	--	1,525
Proceeds from Sales of Properties	--	--
Interest Income	--	--
Other Revenue	--	--
Total Support and Revenue	112,635	1,525
Expenses		
Program and General Expenses	30,347	2,318
Food Vouchers for Distribution	--	--
Depreciation	--	--
Interfund Expense Transfers	82,288	--
Total Expenses	112,635	2,318
Excess (Deficiency) of Support and Revenue over Expenses	--	(793)
Net Additions (Disposals) of Capital Items Acquired With Grant Funds	--	--
Net Assets - Beginning of Year	--	4,241
Net Assets - End of Year	$ --	3,448

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2004

Local Government and Miscellaneous Funding Sources				
Project Care/ Project Share	WIC Farmers Market	WIC Special BF Fund	WIC Food Br Pump	Storks Nest
--	3,353	--	--	28,248
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
27,588	353	--	6,763	8,917
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
27,588	3,706	--	6,763	37,165
26,941	--	10	6,763	30,499
--	--	--	--	--
--	--	--	--	--
(36)	--	--	--	5,301
26,905	--	10	6,763	35,800
683	3,706	(10)	--	1,365
--	--	--	--	--
2,984	(8,248)	180	--	166
3,667	(4,542)	170	--	1,531

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2004

	Housing Program O.T.	Canterbury Court Apartments	924 Lafayette Street
Support and Revenue			
Government Awards and Contract Revenue	$ --	--	--
Food Vouchers for Distribution	--	--	--
CSBG Co-funding Provided	--	--	--
Rental Income	--	149,181	4,258
Contributions, Support, and Services	--	--	--
Proceeds from Sales of Properties	--	--	--
Interest Income	--	342	--
Other Revenue	--	4,199	20
Total Support and Revenue	--	153,722	4,278
Expenses			
Program and General Expenses	--	113,395	6,632
Food Vouchers for Distribution	--	--	--
Depreciation	--	19,267	2,296
Interfund Expense Transfers	77,508	51,497	3,207
Total Expenses	77,508	184,159	12,135
Excess (Deficiency) of Support and Revenue over Expenses	(77,508)	(30,437)	(7,857)
Net Additions (Disposals) of Capital Items Acquired With Grant Funds	--	--	--
Net Assets - Beginning of Year	77,508	(37,444)	52,850
Net Assets - End of Year	$ --	(67,881)	44,993

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2004

Local Government and Miscellaneous Funding Sources					
Kingswood Apartments	302 Locust Street	1619 Franklin St.	Ankeny Single Family	Lexington Square	316/318 West 3rd Street
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
33,299	5,122	4,547	8,078	29,867	19,872
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
497	47	--	--	79	10
33,796	5,169	4,547	8,078	29,946	19,882
14,695	2,736	5,137	2,146	30,882	14,953
--	--	--	--	--	--
2,654	4,030	489	4,899	13,916	3,184
6,181	1,170	2,263	922	8,701	6,472
23,530	7,936	7,889	7,967	53,499	24,609
10,266	(2,767)	(3,342)	111	(23,553)	(4,727)
--	--	--	--	--	--
101,948	75,206	14,403	17,732	(772)	(46,582)
112,214	72,439	11,061	17,843	(24,325)	(51,309)

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2004

	Local Housing Assist.	Emergency Funds	Principal Foundation
Support and Revenue			
Government Awards and Contract Revenue	$ 109,086	--	--
Food Vouchers for Distribution	--	--	--
CSBG Co-funding Provided	--	--	--
Rental Income	--	--	--
Contributions, Support, and Services	--	11,047	5,000
Proceeds from Sales of Properties	216,221	--	--
Interest Income	--	--	--
Other Revenue	--	--	--
Total Support and Revenue	325,307	11,047	5,000
Expenses			
Program and General Expenses	103,892	12,026	5,000
Food Vouchers for Distribution	--	--	--
Depreciation	--	--	--
Interfund Expense Transfers	(294)	(89)	--
Total Expenses	103,598	11,937	5,000
Excess (Deficiency) of Support and Revenue over Expenses	221,709	(890)	--
Net Additions (Disposals) of Capital Items Acquired With Grant Funds	(8,537)	--	--
Net Assets - Beginning of Year	238,513	4,162	--
Net Assets - End of Year	$ 451,685	3,272	--

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2004

Local Government and Miscellaneous Funding Sources						
Fan Program	Toy Project	Presb. of Central Iowa	Emergency Shelter Grants Program	Teen Trust	Special School Clothing	Outreach Offices
--	--	--	22,028	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	259,843
--	--	--	--	--	--	--
--	3,596	--	--	700	--	51,154
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	3,596	--	22,028	700	--	310,997
7	958	11	22,028	700	--	233,498
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	74,872
7	958	11	22,028	700	--	308,370
(7)	2,638	(11)	--	--	--	2,627
--	--	--	--	--	--	--
7	(723)	11	--	--	55	189,393
--	1,915	--	--	--	55	192,020

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2004

	Emergency Food and Shelter (FEMA)	IHOEP	Fannie Mae
Support and Revenue			
Government Awards and Contract Revenue	$ 24,587	5,790	1,152
Food Vouchers for Distribution	--	--	--
CSBG Co-funding Provided	--	--	--
Rental Income	--	--	--
Contributions, Support, and Services	--	--	--
Proceeds from Sales of Properties	--	--	--
Interest Income	--	--	--
Other Revenue	--	--	--
Total Support and Revenue	24,587	5,790	1,152
Expenses			
Program and General Expenses	24,587	5,790	1,152
Food Vouchers for Distribution	--	--	--
Depreciation	--	--	--
Interfund Expense Transfers	--	--	--
Total Expenses	24,587	5,790	1,152
Excess (Deficiency) of Support and Revenue over Expenses	--	--	--
Net Additions (Disposals) of Capital Items Acquired With Grant Funds	--	--	--
Net Assets - Beginning of Year	--	--	--
Net Assets - End of Year	$ --	--	--

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2004

Local Government and Miscellaneous Funding Sources					
IFA Anti-Predatory Lending	Housing and Fair Lending	Hawkeye Valley on Aging	Grundy Co. Food Pantry	Iowa Family Devel. Assoc.	Volunteer Programs
1,413	--	--	--	--	6,460
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	100	--	4,370	--	162
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
1,413	100	--	4,370	--	6,622
1,413	--	--	3,790	3,199	6,599
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	(139)
1,413	--	--	3,790	3,199	6,460
--	100	--	580	(3,199)	162
--	--	--	--	--	--
--	--	169	7,257	3,199	--
--	100	169	7,837	--	162

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD

Combining Statement of Financial Position -
Undesignated and Agency Cost Pool Funds

September 30, 2004

	Total	Payroll Clearing	Agency
Assets			
Current Assets			
Cash and Cash Investments	$ 483,466	99,864	307,527
Receivables			
Awards and Contracts	10,132	--	9,451
Interfund	70,000	--	70,000
Prepaid Expenses	77,856	44,942	31,070
Total Current Assets	641,454	144,806	418,048
Property and Equipment			
Land, Buildings, and Improvements	388,642	--	388,642
Furniture and Equipment	505,953	--	116,348
Accumulated Depreciation	(646,358)	--	(342,598)
Net Property and Equipment	248,237	--	162,392
Total Assets	$ 889,691	144,806	580,440
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	$ 5,183	--	80
Accrued Expenses	144,806	144,806	--
Total Current Liabilities	149,989	144,806	80
Net Assets			
Temporarily Restricted	--	--	--
Unrestricted			
Designated for Program Activities	97,597	--	24,100
Invested in Property and Equipment	248,237	--	162,392
Undesignated	393,868	--	393,868
Total Net Assets	739,702	--	580,360
Total Liabilities and Net Assets	$ 889,691	144,806	580,440

OPERATION THRESHOLD

Combining Statement of Financial Position -
Undesignated and Agency Cost Pool Funds

September 30, 2004

Undesignated and Agency Cost Pools							
Equipment	Fiscal	Personnel	Admin. Services	Building Operations	WX Admin. Support	Housing Support	Home Repair
21,497	22,993	9,965	13,013	9,470	(8,628)	7,746	19
--	--	--	--	--	681	--	--
--	--	--	--	--	--	--	--
--	1,050	--	794	--	--	--	--
21,497	24,043	9,965	13,807	9,470	(7,947)	7,746	19
--	--	--	--	--	--	--	--
389,605	--	--	--	--	--	--	--
(303,760)	--	--	--	--	--	--	--
85,845	--	--	--	--	--	--	--
107,342	24,043	9,965	13,807	9,470	(7,947)	7,746	19
393	2	58	--	117	4,311	203	19
--	--	--	--	--	--	--	--
393	2	58	--	117	4,311	203	19
--	--	--	--	--	--	--	--
21,104	24,041	9,907	13,807	9,353	(12,258)	7,543	--
85,845	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
106,949	24,041	9,907	13,807	9,353	(12,258)	7,543	--
107,342	24,043	9,965	13,807	9,470	(7,947)	7,746	19

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD

Combining Statement of Activities -
Undesignated and Agency Cost Pool Funds

Year Ended September 30, 2004

	Total	Agency	Equipment
Support and Revenue			
Contract Revenue	$ 8,918	8,918	--
CSBG Co-funding Provided	121,390	--	--
Contributions, Support, and Services	57,602	4,985	40,212
Interest Income	9,850	9,850	--
Total Support and Revenue	197,760	23,753	40,212
Expenses			
Management and General Expenses	1,203,156	26,832	30,345
Depreciation	43,844	9,532	34,312
Interfund Expense Transfers	(1,055,291)	(25,258)	--
Total Expenses	191,709	11,106	64,657
Excess (Deficiency) of Support and Revenue over Expenses	6,051	12,647	(24,445)
Capital Additions - Equipment Fund	34,563	--	34,563
Net Assets - Beginning of Year	699,088	567,713	96,831
Net Assets - End of Year	$ 739,702	580,360	106,949

OPERATION THRESHOLD

Combining Statement of Activities -
Undesignated and Agency Cost Pool Funds

Year Ended September 30, 2004

Undesignated and Agency Cost Pools								
Wellness	Fiscal	Personnel	Admin. Services	Resource Devel.	Bldg. Operations	WX Admin Support	Housing Support	Home Repair
--	--	--	--	--	--	--	--	--
5,695	--	--	--	78,097	--	--	37,598	--
--	--	66	--	1,200	--	10,950	189	--
--	--	--	--	--	--	--	--	--
5,695	--	66	--	79,297	--	10,950	37,787	--
3,790	145,538	66,518	183,755	63,633	45,616	494,020	139,051	4,058
--	--	--	--	--	--	--	--	--
1,940	(145,538)	(66,452)	(183,755)	15,664	(45,616)	(500,953)	(101,264)	(4,059)
5,730	--	66	--	79,297	--	(6,933)	37,787	(1)
(35)	--	--	--	--	--	17,883	--	1
--	--	--	--	--	--	--	--	--
35	24,041	9,907	13,807	--	9,353	(30,141)	7,543	(1)
--	24,041	9,907	13,807	--	9,353	(12,258)	7,543	--

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Community Services Block Grant

Contract No. CSBG-03-11-CA
(Contract Period 10/01/02 - 9/30/04)

Cost Category	Approved Budget	Actual Expenses		
		Total	10/01/03 - 9/30/04	10/01/02 - 9/30/03
Personnel Costs	$ 735	732	732	--
Space Costs	12,664	10,996	10,996	--
Equipment Costs	2,700	228	228	--
Consultants	12,000	11,920	10,849	1,071
Co-Funded Programs	425,942	426,781	385,607	41,174
Other Costs	33,841	37,225	33,870	3,355
Total	$ 487,882	487,882	442,282	45,600

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Low Income Home Energy Assistance Program

Contract No. LIHEAP-04-11A
(Contract Period 10/01/03 - 9/30/04)

Cost Category	Approved Budget	Actual Expenses 10/01/03 - 9/30/04
Assistance Awards		
Regular Assistance	$ 1,518,699	1,517,618
Energy Crisis Intervention	94,976	78,787
Client Services Assessment and Resolution	43,542	43,542
Summer Deliverable Fuel	86,400	86,400
Administration	156,541	156,541
Total Grant Expenses	$ 1,900,158	1,882,888

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Weatherization Assistance Programs

Contract No. DOE-04-11A
(Contract Period 4/01/04 - 3/31/05)

Cost Category	Approved Budget	Actual Expenses 4/01/04 - 9/30/04
Administration	$ 22,367	15,443
Health and Safety	50,711	32,702
Support	65,735	40,034
Labor	68,552	60,447
Materials	68,552	40,333
Landlord Contribution	--	--
Total	$ 275,917	188,959

Contract No. DOE-03-11A
(Contract Period 4/01/03 - 3/31/04)

Cost Category	Approved Budget	Actual Expenses		
		Total	10/01/03 - 3/31/04	4/01/03 - 9/30/03
Administration	$ 27,315	27,315	6,343	20,972
Health and Safety	36,978	47,699	10,921	36,778
Support	51,769	75,319	4,554	70,765
Labor	73,956	69,706	23,329	46,377
Materials	73,956	46,173	16,113	30,060
Landlord Contribution	--	(2,238)	--	(2,238)
Total	$ 263,974	263,974	61,260	202,714

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Weatherization Assistance Programs

Contract No. HEAP 04-11A
(Contract Period 4/01/04 - 3/31/05)

Cost Category	Approved Budget	Actual Expenses 4/01/04 - 9/30/04
Administration	$ 18,168	3,678
Health and Safety	63,533	15,531
Support	82,358	39,630
Labor	85,888	7,431
Materials	85,888	1,729
Equipment/Training	12,329	394
Total	$ 348,164	68,393

Contract No. HEAP 03-11A
(Contract Period 4/01/03 - 3/31/04)

Cost Category	Approved Budget	Actual Expenses Total	10/01/03 - 3/31/04	4/01/03 - 9/30/03
Administration	$ 16,300	16,300	15,392	908
Health and Safety	124,388	59,275	55,158	4,117
Support	89,577	91,319	84,575	6,744
Labor	33,489	78,124	75,885	2,239
Materials	33,489	52,225	49,690	2,535
Equipment/Training	31,036	28,706	18,823	9,883
Total	$ 328,279	325,949	299,523	26,426

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Weatherization Assistance Programs

Contract No. IPL-04-11A
(Contract Period 1/01/04 - 12/31/04)

Cost Category	Approved Budget	Actual Expenses 1/01/04 - 9/30/04
Administration	$ 937	327
Support	1,903	880
Labor	5,780	3,405
Materials	5,780	2,251
Total	$ 14,400	6,863

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Weatherization Assistance Programs

Contract No. MEC-04-11A
(Contract Period 1/01/04 - 12/31/04)

Cost Category	Approved Budget	Actual Expenses 1/01/04 - 9/30/04
Administration	$ 5,025	5,025
Support	10,050	8,210
Labor	42,713	49,976
Materials	72,712	37,289
Total	$ 130,500	100,500

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Weatherization Assistance Programs

Contract No. AQU-04-11A
(Contract Period 1/01/04 - 12/31/04)

Cost Category	Approved Budget	Actual Expenses 1/01/04 - 9/30/04
Administration	$ 174	160
Labor	1,649	2,093
Materials	1,649	1,107
Total	$ 3,472	3,360

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Weatherization Assistance Programs

Contract No. PNG-03-11A
(Contract Period 1/01/03 - 12/31/03)

Cost Category	Approved Budget	Actual Expenses Total	10/01/03 - 12/31/03	1/01/03 - 9/30/03
Administration	$ 247	247	103	144
Labor	2,349	1,847	470	1,377
Materials	2,349	2,851	1,339	1,512
Total	$ 4,945	4,945	1,912	3,033

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Family Development and Self-Sufficiency Demonstration Grant

Contract No. FaDSS 05-11-FA
(Contract Period 7/01/04 - 6/30/05)

Cost Category	Approved Budget	Actual Expenses 7/01/04- 9/30/04
Grant Expenses		
Administrative	$ 16,925	5,393
Personnel	175,914	42,934
Travel	5,300	1,191
Space/Utilities	2,500	1,103
Other	8,550	4,650
Third Party Payments	625	93
Total Grant Expenses	209,814	55,364
Local Funds		
Administrative	4,055	--
Personnel	6,886	--
Travel	1,492	--
Space/Utilities	500	--
Other	3,410	--
Third Party Payments	83	--
Total Expenses	$ 226,240	55,364

Contract No. FaDSS 04-11-FA
(Contract Period 7/01/03 - 6/30/04)

Cost Category	Approved Budget	Actual Expenses Total	Actual Expenses 10/01/03 - 6/30/04	Actual Expenses 7/01/03 - 9/30/03
Grant Expenses				
Administrative	$ 16,925	16,925	11,220	5,705
Personnel	175,914	175,252	133,966	41,286
Travel	5,300	5,464	3,817	1,647
Space/Utilities	2,500	2,750	1,966	784
Other	6,550	7,199	4,723	2,476
Third Party Payments	2,625	2,224	1,659	565
Total Grant Expenses	209,814	209,814	157,351	52,463
Local Funds				
Administrative	4,055	5,564	5,564	--
Personnel	6,886	101	101	--
Travel	1,800	311	311	--
Space/Utilities	500	1,072	1,072	--
Other	2,310	3,248	3,248	--
Third Party Payments	875	--	--	--
Total	$ 226,240	220,110	167,647	52,463

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD
Iowa Department of Public Health

Schedule of Expenses Compared to Budget

Special Supplemental Food Program for Women, Infants, and Children
Contract No. 5884A043
(Contract Period 10/01/03 - 9/30/04)

Cost Category	Approved Budget	Actual Expenses 10/01/03 - 9/30/04
Cash Grant Expenses		
Salary/Fringe	$ 557,887	553,715
Contracted/Outside Services	11,635	7,174
Office Management	45,223	54,615
Travel and Training	8,642	7,883
Total Cash Grant Expenses	623,387	623,387
Other Expenses		
Salary/Fringe	--	17,217
Travel and Training	--	171
Total Other Expenses	--	17,388
Total Cash Grant and Other Expenses	$ 623,387	640,775
Noncash Expenses		
Food Vouchers Distributed		2,846,927
Total Expenses		3,487,702