

OPERATION THRESHOLD

Waterloo, Iowa

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

September 30, 2008

(With Independent Auditor's Reports Thereon)

OPERATION THRESHOLD

Waterloo, Iowa

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OPERATION THRESHOLD
Board of Directors and Officers

Officers

Brian Quirk
Barry Haskins
Julia Eckerman
Barbara Smith

Chairperson
Vice-Chairperson
Secretary
Treasurer

Board Members

Mike Ferreter
Scott Jordan
Barbara Prather
Danielle Engle
Rev. Larry Doughan

Clyde Moore
Denise Hawker
Allen Ricks
Dorothy McGrane
Kim Brown

Management

Barbara A. Grant
Billie Allen-Williams
Nancy Anderson
Leian Kammeyer
Craig Boche
Clarissa Nicholson

Executive Director
Community Resources Director
WIC Director
Fiscal Director
Human Resources Director
Planning and Compliance Director

CRAIG A. DITSWORTH, CPA
WILLIAM H. BOORN, CPA
DENNIS L. MUELLER, CPA
DENNIS J. WAGNER, CPA
STEPHEN L. KOEHN, CPA
SUSAN K. CHANTLAND, CPA
C. MARK LINCOLN, CPA
JOHN E. ORTHAUS, CPA
SCOTT W. MILLER, CPA
WILLIAM J. BAUER, CPA
WENDY G. WIEDNER, CPA
JON J. PAULSEN, CPA
MICHAEL T. BURTON, CPA
TODD E. GLYNN, CPA
RANDALL A. JONES, CPA
BENJAMIN A. PETERSON, CPA

OFFICES AT

REGENCY WEST 5
4500 WESTOWN PARKWAY, SUITE 140
WEST DES MOINES, IOWA 50266-6717

1307 2ND STREET, PERRY, IOWA 50220

TELEPHONE

WEST DES MOINES515/223-0002
PERRY515/465-3591

FAX

WEST DES MOINES515/223-0430
PERRY515/465-3593

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, 2008, 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 2007 financial statements and, in our report dated January 11, 2008, 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, 2008, 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 March 16, 2009, 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 and Company, P.L.C.

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

March 16, 2009
West Des Moines, Iowa

OPERATION THRESHOLD
Statement of Financial Position
September 30, 2008
(With Comparative Totals for 2007)

Assets	Total All Funds	
	2008	2007
Current Assets		
Cash and Cash Equivalents	\$ 859,556	797,482
Marketable Securities	23,441	34,006
Receivables		
Awards and Contracts	481,634	414,613
Prepaid Expenses	20,414	52,038
Inventory	179,027	46,597
Total Current Assets	1,564,072	1,344,736
Noncurrent Assets		
Real Estate Contract Receivable	12,013	10,237
Restricted Cash	25,265	83,989
Construction in Progress - Housing Programs	270,110	410,934
Total Noncurrent Assets	307,388	505,160
Property and Equipment		
Land, Buildings, and Improvements	1,400,698	1,675,509
Furniture and Equipment	80,780	552,170
	1,481,478	2,227,679
Accumulated Depreciation	(648,847)	(1,233,407)
Net Property and Equipment	832,631	994,272
Total Assets	\$ 2,704,091	2,844,168
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 123,234	67,806
Accrued Expenses	124,762	122,257
Mortgages Payable - Current Portion	9,947	49,316
Rent Deposits and Escrow	25,265	25,191
Due to Funding Sources	231,209	191,667
Total Current Liabilities	514,417	456,237
Deferred Revenue - Noncurrent	12,013	10,237
Long-Term Debt		
Mortgages Payable - Net of Current Portion	340,679	350,626
Total Liabilities	867,109	817,100
Net Assets		
Temporarily Restricted	435,848	566,491
Unrestricted		
Designated for Program Activities	343,789	333,960
Invested in Property and Equipment	540,624	634,931
Undesignated	516,721	491,686
Total Net Assets	1,836,982	2,027,068
Total Liabilities and Net Assets	\$ 2,704,091	2,844,168

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, 2008
(With Comparative Totals for 2007)

	Unrestricted	Temporarily Restricted	Total All Funds	
			2008	2007
Support and Revenue				
Government Awards and Contract Revenue	\$ 5,334,988	--	5,334,988	4,449,760
Contributions, Public Support, and Services	448,587	--	448,587	333,291
Rental Income	299,802	--	299,802	301,126
Proceeds from Sales of Properties	--	50,666	50,666	89,502
Investment Income	(3,309)	--	(3,309)	7,832
Other Revenue	7,250	--	7,250	42,298
Food Vouchers for Distribution	3,817,245	--	3,817,245	3,326,094
	<u>9,904,563</u>	<u>50,666</u>	<u>9,955,229</u>	<u>8,549,903</u>
Net Assets Released from Restrictions - Satisfaction of Usage Restrictions	40,485	(40,485)	--	--
Total Support and Revenue	<u>9,945,048</u>	<u>10,181</u>	<u>9,955,229</u>	<u>8,549,903</u>
Functional Expenses				
Program Services				
Women, Infants, and Children	4,642,814	--	4,642,814	4,083,627
Low Income Home Energy Assistance Program	2,431,841	--	2,431,841	1,987,634
Weatherization Assistance Programs	1,002,010	--	1,002,010	693,603
Outreach Offices	354,020	--	354,020	291,902
Rental Housing Programs	300,061	--	300,061	291,860
Family Development and Self-Sufficiency	256,124	--	256,124	250,235
Family Nest	101,503	--	101,503	86,998
CSBG (net of co-funding provided)	72,904	--	72,904	87,472
Storks Nest	70,359	--	70,359	79,509
Foreclosure Prevention	68,550	--	68,550	--
Other Programs	428,425	--	428,425	356,053
Total Program Services	<u>9,728,611</u>	<u>--</u>	<u>9,728,611</u>	<u>8,208,893</u>
Administrative Support Services				
Management and General	262,462	--	262,462	253,176
Total Functional Expenses	<u>9,991,073</u>	<u>--</u>	<u>9,991,073</u>	<u>8,462,069</u>
Change in Net Assets Before Net Disposals of Capital Assets	(46,025)	10,181	(35,844)	87,834
Net Disposals of Capital Assets Acquired With Grant Funds	<u>(13,418)</u>	<u>(140,824)</u>	<u>(154,242)</u>	<u>(92,174)</u>
Change in Net Assets	(59,443)	(130,643)	(190,086)	(4,340)
Net Assets - Beginning of Year	<u>1,460,577</u>	<u>566,491</u>	<u>2,027,068</u>	<u>2,031,408</u>
Net Assets - End of Year	<u>\$ 1,401,134</u>	<u>435,848</u>	<u>1,836,982</u>	<u>2,027,068</u>

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

OPERATION THRESHOLD

Statement of Cash Flows

Year Ended September 30, 2008
(With Comparative Totals for 2007)

	Total All Funds	
	2008	2007
Cash Flows from Operating Activities		
Change in Net Assets	\$ (190,086)	(4,340)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities		
Net Change in Construction in Progress - Housing Programs	140,824	133,547
Depreciation	81,643	84,344
Unrealized (Gain) Loss on Marketable Securities	10,565	(34,006)
Loss on Disposal of Assets	53,141	--
(Increase) Decrease in		
Receivables	(68,797)	(84,920)
Prepaid Expenses	31,624	(14,744)
Weatherization Inventory	(132,430)	29,366
Increase (Decrease) in		
Accounts Payable and Accrued Expenses	57,933	40,143
Rent Deposits and Escrow	74	5,182
Due to Funding Sources	39,542	(43,017)
Deferred Revenue	1,776	(13,593)
Net Cash Flows from Operating Activities	<u>25,809</u>	<u>97,962</u>
Cash Flows from Investing Activities		
Cash Paid for Property and Equipment	(3,143)	(54,948)
Proceeds from Disposal of Assets	30,000	--
Net Cash Flows from Investing Activities	<u>26,857</u>	<u>(54,948)</u>
Cash Flows from Financing Activities		
(Increase) Decrease in Restricted Cash	58,724	(6,142)
Payments on Mortgages Payable	(49,316)	(43,900)
Net Cash Flows from Financing Activities	<u>9,408</u>	<u>(50,042)</u>
Net Change in Cash and Cash Equivalents	62,074	(7,028)
Cash and Cash Equivalents - Beginning of Year	<u>797,482</u>	<u>804,510</u>
Cash and Cash Equivalents - End of Year	<u>\$ 859,556</u>	<u>797,482</u>
Supplemental Disclosure of Cash Flow Data		
Cash Paid During the Year for Interest	<u>\$ 13,563</u>	<u>16,015</u>

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

OPERATION THRESHOLD

Notes to Financial Statements

September 30, 2008

1. Nature of Activities and Significant Accounting Policies**Reporting Entity**

Operation Threshold (the Organization) is a private nonprofit corporation organized and incorporated in 1981 under Chapter 504A of the Code of Iowa. The Organization is a community action agency as defined in Chapter 215A of the Code, and its purpose is to sponsor programs and coordinate efforts and activities with existing agencies to identify, mobilize, and utilize resources, public and private, in an attack on 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 generally operated for the benefit of eligible participants under the guidelines of the respective funding agencies.

This report includes the financial statements of all programs administered by the Organization.

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 construction or purchase of additional properties to be used for eligible low-income families and are reflected as temporarily restricted net assets. Net assets that result from recording construction in progress where construction costs have been charged to grants as eligible expenses or have been paid by re-use funds generated by the grant activities 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, 2008.

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.

Marketable Securities

Marketable securities consist of shares of common stock received in a prior year from the demutualization of an insurance company that had provided employee benefits to the Organization. These shares have a readily determinable fair market value, and they are recorded at fair value in the financial statements. Unrealized losses included as a component of investment income totaled \$10,565 for the year ended September 30, 2008.

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 generally 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. No impairment losses were recorded by the Organization in 2008.

Construction in Progress – Housing Programs

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 reflected as expenses in the financial statements. If the Organization holds title to the property during the construction phase, the ownership interest is reflected as Construction in Progress. Construction in progress acquisitions are credited directly to fund balance as another change in fund balance. When these properties are sold to qualifying low-income individuals, construction in progress is removed from the statements by a direct charge to fund balance. Funding for these projects 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.

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 significant fundraising expenses for the year ended September 30, 2008.

Inventories

Inventories consist primarily of weatherization projects in process at year-end. Inventories are recorded at cost, and these costs will be billed to the appropriate grantors when the projects are complete.

Advertising

Advertising costs totaling \$3,620 for the year ended September 30, 2008, 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 current assets and liabilities 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 financial statements has been made to approximate the fair value of this below-market financing.

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, 2007, from which the summarized information was derived. Certain reclassifications to the 2007 comparative totals have been made to conform to the 2008 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) (53% federally funded). 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 increase the energy efficiency of 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.

Funding for the Foreclosure Prevention Program originates with the U.S. Department of Treasury and is passed through the Iowa Finance Authority. The program provides foreclosure counseling services including housing and loss mitigation counseling to homeowners in Iowa.

Rental Housing Programs - The Organization manages single and multi-family housing units for use by eligible families. Ongoing funding for these programs is principally provided by rental income.

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

Stork's Nest - This program is primarily funded through Cedar Valley's Promise Empowerment and the United Way. It provides an incentive-based prenatal education program benefiting expectant mothers and their babies.

The Family Nest program is funded under contracts with the Iowa Department of Human Services and others. The program provides parent education to promote child health and well being to families with children up to 18 years old.

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

<u>Program Title</u>	<u>Expenses</u>
WIC Peer Counseling	\$ 48,275
Parents as Teachers	45,461
HOME Investment Partnership Program	42,987
Workforce Career Ladders	42,258
From the Heart	36,705
Project Care	36,394
Family Self-Sufficiency	23,555
Emergency Food and Shelter Program (FEMA)	23,460
Emergency Shelter Grants Program	21,222
IHOEP - HUD Counseling	20,550
Volunteer Programs	19,011
Anti-Predatory Lending	17,767
WIC Food Breast Pump	10,745
Emergency Funds	8,904
Grundy County Food Pantry	7,988
Pocket Change Project	7,179
Toy Project	5,372
Other Programs and Local Activities	<u>10,592</u>
	<u>\$ 428,425</u>

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. As of September 30, 2008, accounts at this institution were insured by the FDIC up to \$100,000, and the Company had \$804,465 of cash deposited in excess of the insured limits. FDIC insurance limits were increased to \$250,000 on October 3, 2008.

5. **Cash and Restricted Cash**

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

	<u>Operating Accounts</u>	<u>Restricted Accounts</u>
Petty Cash	\$ 400	--
Money Market, Checking, and Savings	859,156	--
Restricted Cash Deposits		
Tenant Security Deposits and Escrow	--	<u>25,265</u>
	<u>\$ 859,556</u>	<u>25,265</u>

6. **Awards and Contracts Receivables**

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

<u>Funding Source</u>	<u>Program Activity</u>	<u>Amount</u>
Iowa Department of Public Health	WIC	\$ 241,803
Iowa Department of Public Health	WIC Breast Pump	3,452
Iowa Department of Human Rights	CSBG	68,298
Iowa Department of Human Rights	HEAP	39,710
Iowa Department of Human Rights	FaDSS	12,376
Iowa Department of Human Rights	WX Utility Cos.	3,740
Iowa Department of Human Services	Volunteer Program	3,114
Waterloo Housing Authority	Family Self Sufficiency	4,698
Cedar Valley Empowerment Board	Stork's Nest	16,607
Various	From the Heart	16,701
Together 4 Families	Parents as Teachers	14,783
Together 4 Families	Family Nest	8,408
Iowa Finance Authority	Foreclosure Prevention	12,774
BDF Empowerment Board	BDF Nest Program	11,527
Iowa Institute For Community Alliances	ESGP	7,991
City of Waterloo	HOME TBRA	6,917
Iowa Homeownership Education Project	HUD Counseling	5,776
Other Sources	Other Programs	2,959
		<u>\$ 481,634</u>

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:

	<u>Cost</u>	<u>Current Depreciation</u>	<u>Accumulated Depreciation</u>	<u>Undepreciated Cost</u>
Land	\$ 39,740	--	--	39,740
Buildings and Improvements	1,360,958	61,589	595,675	765,283
Furniture and Equipment	80,780	20,054	53,172	27,608
	<u>\$ 1,481,478</u>	<u>81,643</u>	<u>648,847</u>	<u>832,631</u>

9. **Accrued Expenses**

Accrued expenses are summarized as follows:

Compensated Absences	\$ 73,148
Salaries and Wages	55,862
Payroll Taxes, Withholdings, and Benefits	(5,691)
Interest	1,443
	<u>\$ 124,762</u>

10. **Due to Funding Sources**

Amounts due to funding sources consist of the following:

City of Waterloo	
Program Income - LHAP	\$ 148,416
Resale Recapture Proceeds	22,333
Iowa Department of Public Health	
Advance for WIC Program Expenses	59,297
Iowa Department of Human Rights	
Regular Assistance Refunds - LIHEAP	1,163
	<u>\$ 231,209</u>

11. **Long-Term Debt**

The Organization has obtained three loans to provide funding for the construction of the Independence Housing Project (Lexington Square). 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 \$212,490.

The Iowa Department of Economic Development has provided a loan totaling \$99,992 under the Home Investment Partnership Program as additional funding for Lexington Square. This loan has a 20 year term and carries interest at 1%. Annual graduated payments began 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 note balance totals \$99,691 at the year-end.

The Iowa Finance Authority has provided additional financing for Lexington Square totaling \$52,474. 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 \$38,445.

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

2009	\$ 9,947
2010	10,545
2011	11,161
2012	11,545
2013	12,445
2013 through 2022	294,983
	<u>\$ 350,626</u>

Interest expense for the year ended September 30, 2008, totaled \$12,715.

12. **Temporarily Restricted Net Assets**

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

Program	
HOME Investment Partnership	
Community Development HOME	
New Re-Use Funds	\$ 178,471
New Construction Funds	53,137
Rehab Re-Use Funds	33,862
Rehab Funds	28,762
Hope 3 HOME	94,641
Local Housing Assistance	146,493
Workforce Career Ladders	6,914
IHOEP	500
Lexington Square	(106,932)
	<u>\$ 435,848</u>

13. **Operating Leases**

The Organization leases a copier and postage machine under noncancelable operating leases with terms in excess of one year. The Organization also leases facilities and equipment for administrative and program usage under leases running on an annual basis with options to renew. Lease expense for the year ended September 30, 2008, totaled \$52,213.

Remaining minimum future lease payments under noncancelable leases with terms in excess of one year as of the year-end date are as follows:

2009	\$ 9,433
2010	6,253
2011	6,253
2012	6,253
2013	4,690
	<u>\$ 32,882</u>

14. **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 \$3,562.

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 4.10% (3.90% through June 2008) of their annual covered salary to IPERS and the Organization contributes 6.35% (6.15% through June 2008) of annual covered payroll. Contribution requirements are established by state statute. The Organization's contribution to IPERS for the year ended September 30, 2008, was \$93,609, equal to the required contribution for the year.

15. **Net Additions (Disposals) of Capital Items**

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

<u>Program</u>	<u>Description</u>	<u>Amount</u>
C.D. HOME New Re-Use	Disposals of Construction in Progress - Cost	\$ (107,774)
C.D. HOME New	Disposals of Construction in Progress - Cost	(742)
Local Housing Assistance	Disposals of Construction in Progress - Cost	<u>(32,308)</u>
	Total Net Disposals - Temporarily Restricted Funds	(140,824)
WIC	Disposal of Capital Items Acquired With Grant Funds	<u>(13,418)</u>
	Net Disposals of Capital Items Acquired With Grant Funds	<u>\$ (154,242)</u>

16. **Major Disaster and Uncertainty**

The Organization's main administrative building in Waterloo, Iowa suffered extensive damage from flooding in June, 2008. A neighboring building owned by the Organization containing administrative offices and rental space was also damaged. The flooding, along with related events, has been declared a major disaster. The Federal Emergency Management Agency (FEMA) has implemented disaster assistance programs under the Stafford Act to help the affected communities.

As of September 30, 2008, the organization has adjusted its financial statements to dispose of identifiable building components, contents and equipment that were destroyed in the flood, and to record the resulting loss. Commercial insurance proceeds totaling \$30,000 were received for contents and equipment. Net of insurance proceeds received, the loss on disposal of assets totaled \$53,141. This loss is included as a component of management and general expenses in the Agency fund.

Management has applied for disaster relief under FEMA's Public Assistance Grant Program and expects that FEMA will provide significant funding to enable the Organization to recover from the disaster and repair and restore the damaged buildings. However, the amount of funding that will ultimately be realized from FEMA is uncertain; accordingly, no adjustments to the 2008 financial statements have been made for this uncertainty.

CRAIG A. DITSWORTH, CPA
WILLIAM H. BOORN, CPA
DENNIS L. MUELLER, CPA
DENNIS J. WAGNER, CPA
STEPHEN L. KOEHN, CPA
SUSAN K. CHANTLAND, CPA
C. MARK LINCOLN, CPA
JOHN E. ORTHAUS, CPA
SCOTT W. MILLER, CPA
WILLIAM J. BAUER, CPA
WENDY G. WIEDNER, CPA
JON J. PAULSEN, CPA
MICHAEL T. BURTON, CPA
TODD E. GLYNN, CPA
RANDALL A. JONES, CPA
BENJAMIN A. PETERSON, CPA

OFFICES AT
REGENCY WEST 5
4500 WESTOWN PARKWAY, SUITE 140
WEST DES MOINES, IOWA 50266-6717
1307 2ND STREET, PERRY, IOWA 50220

TELEPHONE
WEST DES MOINES515/223-0002
PERRY515/485-3591
FAX
WEST DES MOINES515/223-0430
PERRY515/485-3593

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 (a nonprofit organization) as of and for the year ended September 30, 2008, and have issued our report thereon dated March 16, 2009. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Page Two

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

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 or other matters that are required to be reported under Government Auditing Standards.

We noted certain other matters that we reported to management of Operation Threshold in a separate letter dated March 16, 2009.

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 and Company, P.L.C.

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

March 16, 2009
West Des Moines, Iowa

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WILLIAM H. BOORN, CPA
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OFFICES AT
REGENCY WEST 5
4500 WESTOWN PARKWAY, SUITE 140
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1307 2ND STREET, PERRY, IOWA 50220

TELEPHONE
WEST DES MOINES515/223-0002
PERRY515/465-3591
FAX
WEST DES MOINES515/223-0430
PERRY515/465-3593

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 (a nonprofit organization) 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, 2008. 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, 2008.

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 the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Organization's internal control over compliance.

Page Two

Report on Compliance with Requirements Applicable to Each Major Program and on
Internal Control over Compliance in Accordance with OMB Circular A-133

A control deficiency in an entity's 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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 and Company, P.L.C.

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

March 16, 2009
West Des Moines, Iowa

OPERATION THRESHOLD

Schedule of Findings and Questioned Costs

Year Ended September 30, 2008

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, 2008.
2. No significant deficiencies relating to the audit of the financial statements are reported in the auditor's report on compliance and on internal control over financial reporting.
3. 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.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133.
5. We issued an unqualified opinion in our report on compliance for major programs for the year ended September 30, 2008.
6. The results of our audit disclosed no audit findings relating to major programs which we are required to report under section 510(a) of OMB Circular A-133.
7. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
8. The major federal awards expended by Operation Threshold for the year ended September 30, 2008, are as follows:

<u>Name of Program</u>	<u>CFDA No.</u>	<u>Expenditures</u>
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	\$ 4,691,367
Community Services Block Grant	93.569	<u>506,176</u>
		<u>\$ 5,197,543</u>

Expenditures for the Special Supplemental Nutrition Program for Women, Infants, and Children on this schedule include \$3,817,245 of noncash food vouchers distributed to eligible participants.

9. 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, 2007 Through September 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	CFDA* Number	Grant or Award Number	Expenses
U.S. Department of Health and Human Services			
Passed Through Iowa Department of Human Rights			
Low Income Home Energy Assistance Program	93.568	LIHEAP-08-11-A	\$2,431,841
Home Energy Assistance Program	93.568	HEAP-08-11A	248,965
		HEAP-07-11A	161,279
Total CFDA # 93.568			<u>2,842,085</u>
Community Services Block Grant	93.569	CSBG-08-11-CA	68,298
	93.569	CSBG-07-11-CA	437,878
Total CFDA # 93.569			<u>506,176</u> **
Family Development and Self Sufficiency (53% Federal)	93.558	FaDSS-09-11-FA	34,053
Family Development and Self Sufficiency (53% Federal)		FaDSS-08-11-FA	101,693
Total CFDA # 93.558			<u>135,746</u>
Total U.S. Department of Health and Human Services			<u>\$3,484,007</u>
U.S. Department of Housing and Urban Development			
Passed Through the City of Waterloo			
HOME Investment Partnership Program	14.239	HOME TBRA	\$ 21,887
		Hope 3 Home Funds	1,427
Passed Through the Iowa Department of Economic Development			
HOME Program Promissory Note Dated 3/10/99	14.239	99-HM-204-731	99,891
Total CFDA #14.239			<u>123,205</u>
Passed Through the Iowa Institute for Community Alliances			
Emergency Shelter Grants Program	14.231	08-II-07004	7,991
		07-II-07032	10,327
		07-II-07004	2,904
Total CFDA #14.231			<u>21,222</u>
Passed Through the Iowa Homeownership Education Program			
HUD Counseling	14.169	N/A	20,550
Total U.S. Department of Housing and Urban Development			<u>\$ 164,977</u>
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	5888AO43	\$ 829,122
		5888AO95	45,000
		5888AO43	3,817,245
Noncash - Food Vouchers for Distribution			<u>\$4,691,367</u> **
Total CFDA #10.557 and U.S. Department of Agriculture			
U.S. Department of Energy			
Passed Through Iowa Department of Human Rights			
Weatherization Assistance Programs	81.042	DOE-08-11A	\$ 224,688
		DOE-07-11A	81,351
Total CFDA #81.042 and U.S. Department of Energy			<u>\$ 306,039</u>
Department of Homeland Security			
Passed Through the Iowa Northland Regional Council of Governments			
Emergency Food and Shelter National Board Program	97.024	285800-004	\$ 19,000
		286600-001	2,500
		292400-001	1,960
Total CFDA #97.042 and Department of Homeland Security			<u>\$ 23,460</u>
U.S. Department of Treasury			
Passed Through NeighborWorks America			
National Foreclosure Mitigation Counseling	21.000	PL110-161:95X1350	\$ 68,550
Total Expenditures of Federal Awards			<u>\$8,738,400</u>

*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, 2008

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, 2008

Assets	<u>Total All Funds</u>	<u>Interfund Eliminations</u>	<u>Undesignated and Agency Cost Pool Funds</u>
Current Assets			
Cash and Cash Investments	\$ 859,556	--	709,696
Marketable Securities	23,441	--	23,441
Receivables			
Awards and Contracts	481,634	--	215
Interfund Receivable	--	(54,000)	54,000
Prepaid Expenses	20,414	--	20,404
Inventory	179,027	--	117,445
Total Current Assets	<u>1,564,072</u>	<u>(54,000)</u>	<u>925,201</u>
Noncurrent Assets			
Real Estate Contracts Receivable	12,013	--	--
Restricted Cash	25,265	--	550
Construction in Progress - Housing Programs	270,110	--	--
Total Noncurrent Assets	<u>307,388</u>	<u>--</u>	<u>550</u>
Property and Equipment			
Land, Buildings, and Improvements	1,400,698	--	129,637
Furniture and Equipment	80,780	--	76,388
Accumulated Depreciation	(648,847)	--	(118,900)
Net Property and Equipment	<u>832,631</u>	<u>--</u>	<u>87,125</u>
Total Assets	<u>\$ 2,704,091</u>	<u>(54,000)</u>	<u>1,012,876</u>
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	\$ 123,234	--	26,687
Interfund Payable	--	(54,000)	--
Accrued Expenses	124,762	--	123,319
Mortgages Payable - Current Portion	9,947	--	--
Rent Deposits	25,265	--	550
Due to Funding Sources	231,209	--	22,333
Deferred Revenue	--	--	--
Total Current Liabilities	<u>514,417</u>	<u>(54,000)</u>	<u>172,889</u>
Deferred Revenue - Noncurrent	<u>12,013</u>	<u>--</u>	<u>--</u>
Long-Term Debt			
Mortgages Payable - Net of Current Portion	<u>340,679</u>	<u>--</u>	<u>--</u>
Net Assets			
Temporarily Restricted	435,848	--	--
Unrestricted			
Designated for Program Activities	343,789	--	236,141
Invested in Property and Equipment	540,624	--	87,125
Undesignated	516,721	--	516,721
Total Net Assets	<u>1,836,982</u>	<u>--</u>	<u>839,987</u>
Total Liabilities and Net Assets	<u>\$ 2,704,091</u>	<u>(54,000)</u>	<u>1,012,876</u>

OPERATION THRESHOLD
Combining Statement of Financial Position
 September 30, 2008

Total Designated Funds	Weatherization Assistance						
	LIHEAP	CSBG	FaDSS	DOE	HEAP	Inventory	WIC
149,860	1,174	(66,844)	(8,310)	(1,710)	(39,710)	7,678	(69,240)
--	--	--	--	--	--	--	--
481,419	--	68,298	12,376	1,710	39,710	--	241,803
--	--	--	--	--	--	--	--
10	--	--	--	--	--	--	10
61,582	--	--	--	--	--	60,825	--
<u>692,871</u>	<u>1,174</u>	<u>1,454</u>	<u>4,066</u>	<u>--</u>	<u>--</u>	<u>68,503</u>	<u>172,573</u>
12,013	--	--	--	--	--	--	--
24,715	--	--	--	--	--	--	--
270,110	--	--	--	--	--	--	--
<u>306,838</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1,271,061	--	--	--	--	--	--	--
4,392	--	--	--	--	--	--	--
(529,947)	--	--	--	--	--	--	--
<u>745,506</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>1,745,215</u>	<u>1,174</u>	<u>1,454</u>	<u>4,066</u>	<u>--</u>	<u>--</u>	<u>68,503</u>	<u>172,573</u>
96,547	11	1,454	4,066	--	--	16,074	59,404
54,000	--	--	--	--	--	--	--
1,443	--	--	--	--	--	--	--
9,947	--	--	--	--	--	--	--
24,715	--	--	--	--	--	--	--
208,876	1,163	--	--	--	--	--	59,297
--	--	--	--	--	--	--	--
<u>395,528</u>	<u>1,174</u>	<u>1,454</u>	<u>4,066</u>	<u>--</u>	<u>--</u>	<u>16,074</u>	<u>118,701</u>
12,013	--	--	--	--	--	--	--
<u>340,679</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
435,848	--	--	--	--	--	--	--
107,648	--	--	--	--	--	52,429	53,872
453,499	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>996,995</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>52,429</u>	<u>53,872</u>
<u>1,745,215</u>	<u>1,174</u>	<u>1,454</u>	<u>4,066</u>	<u>--</u>	<u>--</u>	<u>68,503</u>	<u>172,573</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2008

Assets	Comm. Dev. HOME New Constr. Re-Use	Comm. Dev. HOME Rehab Re-Use	Comm. Dev. HOME Rehab Funds
Current Assets			
Cash and Cash Investments	\$ (13,201)	33,862	28,762
Marketable Securities	--	--	--
Receivables			
Awards and Contracts	--	--	--
Interfund Receivable	--	--	--
Prepaid Expenses	--	--	--
Inventory	--	--	--
Total Current Assets	(13,201)	33,862	28,762
Noncurrent Assets			
Real Estate Contracts Receivable	--	--	--
Restricted Cash	--	--	--
Construction in Progress - Housing Programs	191,672	--	--
Total Noncurrent Assets	191,672	--	--
Property and Equipment			
Land, Buildings, and Improvements	--	--	--
Furniture and Equipment	--	--	--
Accumulated Depreciation	--	--	--
Net Property and Equipment	--	--	--
Total Assets	\$ 178,471	33,862	28,762
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	\$ --	--	--
Interfund Payable	--	--	--
Accrued Expenses	--	--	--
Mortgages Payable - Current Portion	--	--	--
Rent Deposits	--	--	--
Due to Funding Sources	--	--	--
Deferred Revenue	--	--	--
Total Current Liabilities	--	--	--
Deferred Revenue - Noncurrent	--	--	--
Long-Term Debt			
Mortgages Payable - Net of Current Portion	--	--	--
Net Assets			
Temporarily Restricted	178,471	33,862	28,762
Unrestricted			
Designated for Program Activities	--	--	--
Invested in Property and Equipment	--	--	--
Undesignated	--	--	--
Total Net Assets	178,471	33,862	28,762
Total Liabilities and Net Assets	\$ 178,471	33,862	28,762

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2008

Designated Funds

Comm. Dev. HOME New Constr.	Hope 3 Home	HOME TBRA	LHCB/CASH Course	Home Buyer Education
36,777	94,641	(4,856)	3,778	2,726
--	--	--	--	--
--	--	6,917	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>36,777</u>	<u>94,641</u>	<u>2,061</u>	<u>3,778</u>	<u>2,726</u>
--	12,013	--	--	--
--	--	--	--	--
16,360	--	--	--	--
<u>16,360</u>	<u>12,013</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>53,137</u>	<u>106,654</u>	<u>2,061</u>	<u>3,778</u>	<u>2,726</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	12,013	--	--	--
--	--	--	--	--
--	--	--	--	--
53,137	94,641	--	--	--
--	--	2,061	3,778	2,726
--	--	--	--	--
--	--	--	--	--
<u>53,137</u>	<u>94,641</u>	<u>2,061</u>	<u>3,778</u>	<u>2,726</u>
<u>53,137</u>	<u>106,654</u>	<u>2,061</u>	<u>3,778</u>	<u>2,726</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2008

Assets	Weatherization Assistance Utility Companies	Project Helper	Project Care/Share
Current Assets			
Cash and Cash Investments	\$ (3,740)	1,508	7,689
Marketable Securities	--	--	--
Receivables			
Awards and Contracts	3,740	--	--
Interfund Receivable	--	--	--
Prepaid Expenses	--	--	--
Inventory	--	--	--
Total Current Assets	<u>--</u>	<u>1,508</u>	<u>7,689</u>
Noncurrent Assets			
Real Estate Contracts Receivable	--	--	--
Restricted Cash	--	--	--
Construction in Progress - Housing Programs	--	--	--
Total Noncurrent Assets	<u>--</u>	<u>--</u>	<u>--</u>
Property and Equipment			
Land, Buildings, and Improvements	--	--	--
Furniture and Equipment	--	--	--
Accumulated Depreciation	--	--	--
Net Property and Equipment	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$ --</u>	<u>1,508</u>	<u>7,689</u>
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	\$ --	--	--
Interfund Payable	--	--	--
Accrued Expenses	--	--	--
Mortgages Payable - Current Portion	--	--	--
Rent Deposits	--	--	--
Due to Funding Sources	--	--	--
Deferred Revenue	--	--	--
Total Current Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
Deferred Revenue - Noncurrent	<u>--</u>	<u>--</u>	<u>--</u>
Long-Term Debt			
Mortgages Payable - Net of Current Portion	<u>--</u>	<u>--</u>	<u>--</u>
Net Assets			
Temporarily Restricted	--	--	--
Unrestricted			
Designated for Program Activities	--	1,508	7,689
Invested in Property and Equipment	--	--	--
Undesignated	--	--	--
Total Net Assets	<u>--</u>	<u>1,508</u>	<u>7,689</u>
Total Liabilities and Net Assets	<u>\$ --</u>	<u>1,508</u>	<u>7,689</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2008

<u>WIC Peer Counseling</u>	<u>WIC Farmers Market</u>	<u>WIC Special BF Fund</u>	<u>WIC Food Br Pump</u>	<u>Family Nest</u>	<u>Stork's Nest</u>
789	1,549	635	(3,452)	(5,162)	(8,375)
--	--	--	--	--	--
1,034	--	--	3,452	19,935	16,607
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	757
<u>1,823</u>	<u>1,549</u>	<u>635</u>	<u>--</u>	<u>14,773</u>	<u>8,989</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>1,823</u>	<u>1,549</u>	<u>635</u>	<u>--</u>	<u>14,773</u>	<u>8,989</u>
1,823	--	--	--	846	1,448
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>1,823</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>846</u>	<u>1,448</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	1,549	635	--	13,927	7,541
--	--	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>1,549</u>	<u>635</u>	<u>--</u>	<u>13,927</u>	<u>7,541</u>
<u>1,823</u>	<u>1,549</u>	<u>635</u>	<u>--</u>	<u>14,773</u>	<u>8,989</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2008

	Canterbury Court Apartments	924 Lafayette Street
Assets		
Current Assets		
Cash and Cash Investments	\$ (219,175)	11,319
Marketable Securities	--	--
Receivables		
Awards and Contracts	--	--
Interfund Receivable	--	--
Prepaid Expenses	--	--
Inventory	--	--
Total Current Assets	<u>(219,175)</u>	<u>11,319</u>
Noncurrent Assets		
Real Estate Contracts Receivable	--	--
Restricted Cash	16,246	850
Construction in Progress - Housing Programs	--	--
Total Noncurrent Assets	<u>16,246</u>	<u>850</u>
Property and Equipment		
Land, Buildings, and Improvements	480,607	62,785
Furniture and Equipment	4,392	--
Accumulated Depreciation	(237,393)	(29,255)
Net Property and Equipment	<u>247,606</u>	<u>33,530</u>
Total Assets	<u>\$ 44,677</u>	<u>45,699</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 1,264	83
Interfund Payable	--	--
Accrued Expenses	--	--
Mortgages Payable - Current Portion	--	--
Rent Deposits	16,246	850
Due to Funding Sources	--	--
Deferred Revenue	--	--
Total Current Liabilities	<u>17,510</u>	<u>933</u>
Deferred Revenue - Noncurrent	<u>--</u>	<u>--</u>
Long-Term Debt		
Mortgages Payable - Net of Current Portion	<u>--</u>	<u>--</u>
Net Assets		
Temporarily Restricted	--	--
Unrestricted		
Designated for Program Activities	(220,439)	11,236
Invested in Property and Equipment	247,606	33,530
Undesignated	--	--
Total Net Assets	<u>27,167</u>	<u>44,766</u>
Total Liabilities and Net Assets	<u>\$ 44,677</u>	<u>45,699</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2008

	Designated Funds					
Kingswood Apartments	302 Locust Street	1619 Franklin St.	Ankeny Single Family	Lexington Square	316/318 West 3rd Street	
141,917	16,546	7,429	(24,418)	(46,726)	(91,296)	
--	--	--	--	--	--	
--	--	--	--	--	--	
--	--	--	--	--	--	
--	--	--	--	--	--	
<u>141,917</u>	<u>16,546</u>	<u>7,429</u>	<u>(24,418)</u>	<u>(46,726)</u>	<u>(91,296)</u>	
--	--	--	--	--	--	
2,282	285	386	679	2,989	998	
--	--	--	--	--	--	
<u>2,282</u>	<u>285</u>	<u>386</u>	<u>679</u>	<u>2,989</u>	<u>998</u>	
49,982	96,857	12,013	68,811	412,433	87,573	
--	--	--	--	--	--	
<u>(27,497)</u>	<u>(49,361)</u>	<u>(5,854)</u>	<u>(33,111)</u>	<u>(120,426)</u>	<u>(27,050)</u>	
<u>22,485</u>	<u>47,496</u>	<u>6,159</u>	<u>35,700</u>	<u>292,007</u>	<u>60,523</u>	
<u>166,684</u>	<u>64,327</u>	<u>13,974</u>	<u>11,961</u>	<u>248,270</u>	<u>(29,775)</u>	
276	102	25	24	144	276	
--	--	--	--	--	54,000	
--	--	--	--	1,443	--	
--	--	--	--	9,947	--	
2,282	285	386	679	2,989	998	
--	--	--	--	--	--	
--	--	--	--	--	--	
<u>2,558</u>	<u>387</u>	<u>411</u>	<u>703</u>	<u>14,523</u>	<u>55,274</u>	
--	--	--	--	--	--	
--	--	--	--	340,679	--	
--	--	--	--	(106,932)	--	
141,641	16,444	7,404	(24,442)	--	(145,572)	
22,485	47,496	6,159	35,700	--	60,523	
--	--	--	--	--	--	
<u>164,126</u>	<u>63,940</u>	<u>13,563</u>	<u>11,258</u>	<u>(106,932)</u>	<u>(85,049)</u>	
<u>166,684</u>	<u>64,327</u>	<u>13,974</u>	<u>11,961</u>	<u>248,270</u>	<u>(29,775)</u>	

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2008

Assets	Local Housing Assist.	FHLB Affordable Housing
Current Assets		
Cash and Cash Investments	\$ 232,831	(66,593)
Marketable Securities	--	--
Receivables		
Awards and Contracts	--	--
Interfund Receivable	--	--
Prepaid Expenses	--	--
Inventory	--	--
Total Current Assets	<u>232,831</u>	<u>(66,593)</u>
Noncurrent Assets		
Real Estate Contracts Receivable	--	--
Restricted Cash	--	--
Construction in Progress - Housing Programs	62,078	--
Total Noncurrent Assets	<u>62,078</u>	<u>--</u>
Property and Equipment		
Land, Buildings, and Improvements	--	--
Furniture and Equipment	--	--
Accumulated Depreciation	--	--
Net Property and Equipment	<u>--</u>	<u>--</u>
Total Assets	<u>\$ 294,909</u>	<u>(66,593)</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ --	--
Interfund Payable	--	--
Accrued Expenses	--	--
Mortgages Payable - Current Portion	--	--
Rent Deposits	--	--
Due to Funding Sources	148,416	--
Deferred Revenue	--	--
Total Current Liabilities	<u>148,416</u>	<u>--</u>
Deferred Revenue - Noncurrent	<u>--</u>	<u>--</u>
Long-Term Debt		
Mortgages Payable - Net of Current Portion	<u>--</u>	<u>--</u>
Net Assets		
Temporarily Restricted	146,493	--
Unrestricted		
Designated for Program Activities	--	(66,593)
Invested in Property and Equipment	--	--
Undesignated	--	--
Total Net Assets	<u>146,493</u>	<u>(66,593)</u>
Total Liabilities and Net Assets	<u>\$ 294,909</u>	<u>(66,593)</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2008

Designated Funds

<u>Emergency Funds</u>	<u>Toy Project</u>	<u>Family Self-Sufficiency</u>	<u>Pocket Change Project</u>	<u>Emergency Shelter Grants Program</u>	<u>School Supplies</u>	<u>Outreach Offices</u>
2,714	2,687	(442)	766	(7,991)	2,122	235,852
--	--	--	--	--	--	--
--	--	4,698	--	7,991	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>2,714</u>	<u>2,687</u>	<u>4,256</u>	<u>766</u>	<u>--</u>	<u>2,122</u>	<u>235,852</u>
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>2,714</u>	<u>2,687</u>	<u>4,256</u>	<u>766</u>	<u>--</u>	<u>2,122</u>	<u>235,852</u>
13	--	--	--	--	--	7,592
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>13</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>7,592</u>
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
2,701	2,687	4,256	766	--	2,122	228,260
--	--	--	--	--	--	--
<u>2,701</u>	<u>2,687</u>	<u>4,256</u>	<u>766</u>	<u>--</u>	<u>2,122</u>	<u>228,260</u>
<u>2,714</u>	<u>2,687</u>	<u>4,256</u>	<u>766</u>	<u>--</u>	<u>2,122</u>	<u>235,852</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2008

	<u>IHOEP</u>	<u>IHOEP Anti- Predatory Lending</u>	<u>IHOEP HUD Counseling</u>
Assets			
Current Assets			
Cash and Cash Investments	\$(228)	500	(5,776)
Marketable Securities	--	--	--
Receivables			
Awards and Contracts	--	--	5,776
Interfund Receivable	--	--	--
Prepaid Expenses	--	--	--
Inventory	--	--	--
Total Current Assets	<u>(228)</u>	<u>500</u>	<u>--</u>
Noncurrent Assets			
Real Estate Contracts Receivable	--	--	--
Restricted Cash	--	--	--
Construction in Progress - Housing Programs	--	--	--
Total Noncurrent Assets	<u>--</u>	<u>--</u>	<u>--</u>
Property and Equipment			
Land, Buildings, and Improvements	--	--	--
Furniture and Equipment	--	--	--
Accumulated Depreciation	--	--	--
Net Property and Equipment	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$(228)</u>	<u>500</u>	<u>--</u>
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	\$ --	--	--
Interfund Payable	--	--	--
Accrued Expenses	--	--	--
Mortgages Payable - Current Portion	--	--	--
Rent Deposits	--	--	--
Due to Funding Sources	--	--	--
Deferred Revenue	--	--	--
Total Current Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
Deferred Revenue - Noncurrent	<u>--</u>	<u>--</u>	<u>--</u>
Long-Term Debt			
Mortgages Payable - Net of Current Portion	<u>--</u>	<u>--</u>	<u>--</u>
Net Assets			
Temporarily Restricted	--	500	--
Unrestricted			
Designated for Program Activities	(228)	--	--
Invested in Property and Equipment	--	--	--
Undesignated	--	--	--
Total Net Assets	<u>(228)</u>	<u>500</u>	<u>--</u>
Total Liabilities and Net Assets	<u>\$(228)</u>	<u>500</u>	<u>--</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2008

Fore-closure Prevention	From the Heart	Anti-Predatory Lending	Workforce Career Ladders	Parents as Teachers	Hawkeye Valley on Aging	Grundy Co. Food Pantry	Volunteer Programs
(12,716)	(16,701)	--	6,954	(14,778)	169	1,015	(3,089)
--	--	--	--	--	--	--	--
12,774	16,701	--	--	14,783	--	--	3,114
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>58</u>	<u>--</u>	<u>--</u>	<u>6,954</u>	<u>5</u>	<u>169</u>	<u>1,015</u>	<u>25</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>58</u>	<u>--</u>	<u>--</u>	<u>6,954</u>	<u>5</u>	<u>169</u>	<u>1,015</u>	<u>25</u>
58	--	430	40	5	--	1,064	25
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>58</u>	<u>--</u>	<u>430</u>	<u>40</u>	<u>5</u>	<u>--</u>	<u>1,064</u>	<u>25</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	6,914	--	--	--	--
--	--	(430)	--	--	169	(49)	--
--	--	--	--	--	--	--	--
--	--	(430)	6,914	--	169	(49)	--
<u>58</u>	<u>--</u>	<u>--</u>	<u>6,954</u>	<u>5</u>	<u>169</u>	<u>1,015</u>	<u>25</u>

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD
Combining Statement of Activities
 Year Ended September 30, 2008

	<u>Total All Funds</u>	<u>Undesignated and Agency Cost Pool Funds</u>	<u>Total Designated Funds</u>
Support and Revenue			
Government Awards and Contract Revenue	\$ 5,334,988	--	5,334,988
Food Vouchers for Distribution	3,817,245	--	3,817,245
CSBG Co-funding Provided	--	131,071	(131,071)
Rental Income	299,802	5,376	294,426
Contributions, Public Support, and Services	448,587	55,408	393,179
Proceeds from Sales of Properties	50,666	--	50,666
Investment Income	(3,309)	(3,701)	392
Other Revenue	7,250	1,377	5,873
Total Support and Revenue	<u>9,955,229</u>	<u>189,531</u>	<u>9,765,698</u>
Expenses			
Program and General Expenses	6,092,185	1,416,264	4,675,921
Food Vouchers for Distribution	3,817,245	--	3,817,245
Depreciation	81,643	29,955	51,688
Interfund Expense Transfers	--	(1,183,757)	1,183,757
Total Expenses	<u>9,991,073</u>	<u>262,462</u>	<u>9,728,611</u>
Excess (Deficiency) of Support and Revenue Over Expenses Before Capital Additions	(35,844)	(72,931)	37,087
Disposals of Capital Assets			
Acquired With Grant Funds	(154,242)	--	(154,242)
Net Assets - Beginning of Year	<u>2,027,068</u>	<u>912,918</u>	<u>1,114,150</u>
Net Assets - End of Year	<u>\$ 1,836,982</u>	<u>839,987</u>	<u>996,995</u>

OPERATION THRESHOLD

Combining Statement of Activities

Year Ended September 30, 2008

Iowa Department of Human Rights/Division of Community Action Agencies						Ia. Dept. of Public Health
LIHEAP	CSBG	FaDSS	Weatherization Assistance			WIC
			DOE	HEAP	Inventory	
2,431,841	506,176	256,124	306,039	410,244	--	829,122
--	--	--	--	--	--	3,817,245
--	(404,673)	--	--	--	--	--
--	--	--	--	--	--	12,466
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>2,431,841</u>	<u>101,503</u>	<u>256,124</u>	<u>306,039</u>	<u>410,244</u>	<u>--</u>	<u>4,658,833</u>
2,339,084	36,694	240,070	83,124	135,637	4,676	735,593
--	--	--	--	--	--	3,817,245
--	--	--	--	--	--	--
92,757	64,809	16,054	222,915	274,607	--	89,976
<u>2,431,841</u>	<u>101,503</u>	<u>256,124</u>	<u>306,039</u>	<u>410,244</u>	<u>4,676</u>	<u>4,642,814</u>
--	--	--	--	--	(4,676)	16,019
--	--	--	--	--	--	(13,418)
--	--	--	--	--	57,105	51,271
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>52,429</u>	<u>53,872</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2008

	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	\$ --	--	--
Food Vouchers for Distribution	--	--	--
CSBG Co-funding Provided	--	--	--
Rental Income	--	--	--
Contributions, Public Support, and Services	--	--	--
Proceeds from Sales of Properties	50,666	--	--
Investment Income	--	--	--
Other Revenue	--	--	--
Total Support and Revenue	<u>50,666</u>	<u>--</u>	<u>--</u>
Expenses			
Program and General Expenses	--	--	--
Food Vouchers for Distribution	--	--	--
Depreciation	--	--	--
Interfund Expense Transfers	--	--	--
Total Expenses	<u>--</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Support and Revenue over Expenses	50,666	--	--
Net Disposals of Capital Assets Acquired With Grant Funds	(107,774)	--	--
Net Assets - Beginning of Year	<u>235,579</u>	<u>33,862</u>	<u>28,762</u>
Net Assets - End of Year	<u>\$ 178,471</u>	<u>33,862</u>	<u>28,762</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2008

Housing and Urban Development

Comm. Dev. HOME New Constr.	Hope 3 Home	HOME TBRA	LHCB/CASH Course	Home Buyer Education	Waterloo Housing Partnership
--	--	21,888	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	1,850	13,668	200	5,000	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>1,850</u>	<u>35,556</u>	<u>200</u>	<u>5,000</u>	<u>--</u>
--	1,427	41,560	173	1,828	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	496	479
<u>--</u>	<u>1,427</u>	<u>41,560</u>	<u>173</u>	<u>2,324</u>	<u>479</u>
--	423	(6,004)	27	2,676	(479)
(742)	--	--	--	--	--
<u>53,879</u>	<u>94,218</u>	<u>8,065</u>	<u>3,751</u>	<u>50</u>	<u>479</u>
<u>53,137</u>	<u>94,641</u>	<u>2,061</u>	<u>3,778</u>	<u>2,726</u>	<u>--</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2008

	Weatherization Assistance Utility Companies	Project Helper
Support and Revenue		
Government Awards and Contract Revenue	\$ 281,051	--
Food Vouchers for Distribution	--	--
CSBG Co-funding Provided	--	--
Rental Income	--	--
Contributions, Public Support, and Services	--	962
Proceeds from Sales of Properties	--	--
Investment Income	--	--
Other Revenue	--	--
Total Support and Revenue	<u>281,051</u>	<u>962</u>
Expenses		
Program and General Expenses	85,427	913
Food Vouchers for Distribution	--	--
Depreciation	--	--
Interfund Expense Transfers	195,624	--
Total Expenses	<u>281,051</u>	<u>913</u>
Excess (Deficiency) of Support and Revenue over Expenses	--	49
Net Disposals of Capital Assets Acquired With Grant Funds	--	--
Net Assets - Beginning of Year	<u>--</u>	<u>1,459</u>
Net Assets - End of Year	<u>\$ --</u>	<u>1,508</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2008

Local Government and Miscellaneous Funding Sources

<u>Project Care/Share</u>	<u>WIC Peer Counseling</u>	<u>WIC Farmers Market</u>	<u>WIC Special BF Fund</u>	<u>WIC Food Br Pump</u>	<u>Family Nest</u>	<u>Stork's Nest</u>
--	45,000	1,549	--	--	70,337	45,913
--	--	--	--	--	--	--
--	2,275	--	--	--	--	--
--	--	--	--	--	--	--
36,858	1,000	--	--	10,745	4,243	28,289
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>36,858</u>	<u>48,275</u>	<u>1,549</u>	<u>--</u>	<u>10,745</u>	<u>74,580</u>	<u>74,202</u>
36,845	40,042	--	15	10,745	60,224	60,768
--	--	--	--	--	--	--
--	--	--	--	--	--	--
(451)	8,233	--	--	--	12,680	9,591
<u>36,394</u>	<u>48,275</u>	<u>--</u>	<u>15</u>	<u>10,745</u>	<u>72,904</u>	<u>70,359</u>
464	--	1,549	(15)	--	1,676	3,843
--	--	--	--	--	--	--
<u>7,225</u>	<u>--</u>	<u>--</u>	<u>650</u>	<u>--</u>	<u>12,251</u>	<u>3,698</u>
<u>7,689</u>	<u>--</u>	<u>1,549</u>	<u>635</u>	<u>--</u>	<u>13,927</u>	<u>7,541</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2008

	<u>Canterbury Court Apartments</u>	<u>924 Lafayette Street</u>
Support and Revenue		
Government Awards and Contract Revenue	\$ --	--
Food Vouchers for Distribution	--	--
CSBG Co-funding Provided	--	--
Rental Income	177,330	9,700
Contributions, Public Support, and Services	--	--
Proceeds from Sales of Properties	--	--
Investment Income	392	--
Other Revenue	5,368	--
Total Support and Revenue	<u>183,090</u>	<u>9,700</u>
Expenses		
Program and General Expenses	81,483	2,303
Food Vouchers for Distribution	--	--
Depreciation	19,481	2,661
Interfund Expense Transfers	47,912	2,112
Total Expenses	<u>148,876</u>	<u>7,076</u>
Excess (Deficiency) of Support and Revenue over Expenses	34,214	2,624
Net Disposals of Capital Assets Acquired With Grant Funds	--	--
Net Assets - Beginning of Year	<u>(7,047)</u>	<u>42,142</u>
Net Assets - End of Year	<u>\$ 27,167</u>	<u>44,766</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2008

Local Government and Miscellaneous Funding Sources					
Kingswood Apartments	302 Locust Street	1619 Franklin St.	Ankeny Single Family	Lexington Square	316/318 West 3rd Street
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
36,392	6,439	5,414	7,976	36,010	15,165
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
375	1	--	--	64	8
<u>36,767</u>	<u>6,440</u>	<u>5,414</u>	<u>7,976</u>	<u>36,074</u>	<u>15,173</u>
16,754	7,662	2,761	2,826	25,837	15,620
--	--	--	--	--	--
2,476	4,030	590	5,349	13,916	3,185
8,512	4,904	1,399	3,626	17,394	7,268
<u>27,742</u>	<u>16,596</u>	<u>4,750</u>	<u>11,801</u>	<u>57,147</u>	<u>26,073</u>
9,025	(10,156)	664	(3,825)	(21,073)	(10,900)
--	--	--	--	--	--
<u>155,101</u>	<u>74,096</u>	<u>12,899</u>	<u>15,083</u>	<u>(85,859)</u>	<u>(74,149)</u>
<u>164,126</u>	<u>63,940</u>	<u>13,563</u>	<u>11,258</u>	<u>(106,932)</u>	<u>(85,049)</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2008

	Local Housing Assist.	FHLB Affordable Housing	Emergency Funds
Support and Revenue			
Government Awards and Contract Revenue	\$ --	--	--
Food Vouchers for Distribution	--	--	--
CSBG Co-funding Provided	--	--	--
Rental Income	--	--	--
Contributions, Public Support, and Services	--	--	7,609
Proceeds from Sales of Properties	--	--	--
Investment Income	--	--	--
Other Revenue	--	--	--
Total Support and Revenue	<u>--</u>	<u>--</u>	<u>7,609</u>
Expenses			
Program and General Expenses	--	--	9,004
Food Vouchers for Distribution	--	--	--
Depreciation	--	--	--
Interfund Expense Transfers	--	--	(100)
Total Expenses	<u>--</u>	<u>--</u>	<u>8,904</u>
Excess (Deficiency) of Support and Revenue over Expenses	--	--	(1,295)
Net Disposals of Capital Assets			
Acquired With Grant Funds	(32,308)	--	--
Net Assets - Beginning of Year	<u>178,801</u>	<u>(66,593)</u>	<u>3,996</u>
Net Assets - End of Year	<u>\$ 146,493</u>	<u>(66,593)</u>	<u>2,701</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2008

Local Government and Miscellaneous Funding Sources

<u>Toy Project</u>	<u>Family Self- Sufficiency</u>	<u>Pocket Change Project</u>	<u>Emergency Shelter Grants Program</u>	<u>Teen Trust</u>	<u>School Supplies</u>	<u>Outreach Offices</u>
--	--	--	21,222	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	271,327
--	--	--	--	--	--	--
3,687	27,811	7,831	--	1,000	1,002	82,866
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>3,687</u>	<u>27,811</u>	<u>7,831</u>	<u>21,222</u>	<u>1,000</u>	<u>1,002</u>	<u>354,193</u>
5,372	19,988	7,179	17,723	1,000	383	290,060
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	3,567	--	3,499	--	--	63,960
<u>5,372</u>	<u>23,555</u>	<u>7,179</u>	<u>21,222</u>	<u>1,000</u>	<u>383</u>	<u>354,020</u>
(1,685)	4,256	652	--	--	619	173
--	--	--	--	--	--	--
<u>4,372</u>	<u>--</u>	<u>114</u>	<u>--</u>	<u>--</u>	<u>1,503</u>	<u>228,087</u>
<u>2,687</u>	<u>4,256</u>	<u>766</u>	<u>--</u>	<u>--</u>	<u>2,122</u>	<u>228,260</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2008

	Emergency Food and Shelter (FEMA)	IHOEP	IHOEP Anti- Predatory Lending	IHOEP HUD Counseling
Support and Revenue				
Government Awards and Contract Revenue	\$ 23,460	--	--	20,550
Food Vouchers for Distribution	--	--	--	--
CSBG Co-funding Provided	--	--	--	--
Rental Income	--	--	--	--
Contributions, Public Support, and Services	--	--	5,000	--
Proceeds from Sales of Properties	--	--	--	--
Investment Income	--	--	--	--
Other Revenue	--	--	--	--
Total Support and Revenue	<u>23,460</u>	<u>--</u>	<u>5,000</u>	<u>20,550</u>
Expenses				
Program and General Expenses	23,460	278	1,500	--
Food Vouchers for Distribution	--	--	--	--
Depreciation	--	--	--	--
Interfund Expense Transfers	--	527	3,000	20,550
Total Expenses	<u>23,460</u>	<u>805</u>	<u>4,500</u>	<u>20,550</u>
Excess (Deficiency) of Support and Revenue over Expenses	--	(805)	500	--
Net Disposals of Capital Assets Acquired With Grant Funds	--	--	--	--
Net Assets - Beginning of Year	--	<u>577</u>	--	--
Net Assets - End of Year	<u>\$ --</u>	<u>(228)</u>	<u>500</u>	<u>--</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2008

Local Government and Miscellaneous Funding Sources

Fore-closure Prevention	From the Heart	Anti-Predatory Lending	OT Family Development	Workforce Career Ladders	Parents as Teachers	Hawkeye Valley on Aging	Food Assist. Program	Grundy Co. Food Pantry	Volunteer Programs
--	--	--	--	--	45,461	--	--	--	19,011
--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--
68,550	36,705	9,341	--	22,500	--	--	--	3,996	--
--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--
--	--	57	--	--	--	--	--	--	--
68,550	36,705	9,398	--	22,500	45,461	--	--	3,996	19,011
61,495	36,705	33,741	1,159	36,825	40,535	--	--	7,988	11,435
--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--
7,055	--	(15,974)	(1,159)	5,433	4,926	--	--	--	7,576
68,550	36,705	17,767	--	42,258	45,461	--	--	7,988	19,011
--	--	(8,369)	--	(19,758)	--	--	--	(3,992)	--
--	--	--	--	--	--	--	--	--	--
--	--	7,939	--	26,672	--	169	--	3,943	--
--	--	(430)	--	6,914	--	169	--	(49)	--

SEE INDEPENDENT AUDITOR'S REPORT.

OPERATION THRESHOLD

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

September 30, 2008

Assets	<u>Total</u>	<u>Payroll Clearing</u>	<u>Agency</u>
Current Assets			
Cash and Cash Investments	\$ 709,696	124,602	461,041
Marketable Securities	23,441	--	23,441
Receivables			
Awards and Contracts	215	--	--
Interfund	54,000	--	54,000
Prepaid Expenses	20,404	1,122	5,601
Weatherization Inventory	117,445	--	--
Total Current Assets	<u>925,201</u>	<u>125,724</u>	<u>544,083</u>
Noncurrent Assets			
Restricted Cash	<u>550</u>	<u>--</u>	<u>--</u>
Property and Equipment			
Land, Buildings, and Improvements	129,637	--	129,637
Furniture and Equipment	76,388	--	--
Accumulated Depreciation	(118,900)	--	(70,119)
Net Property and Equipment	<u>87,125</u>	<u>--</u>	<u>59,518</u>
 Total Assets	 <u>\$ 1,012,876</u>	 <u>125,724</u>	 <u>603,601</u>
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	\$ 26,687	2,405	3,261
Accrued Expenses	123,319	123,319	--
Rent Deposits	550	--	--
Due to Funding Sources	22,333	--	--
Total Current Liabilities	<u>172,889</u>	<u>125,724</u>	<u>3,261</u>
Net Assets			
Temporarily Restricted	--	--	--
Unrestricted			
Designated for Program Activities	236,141	--	24,101
Invested in Property and Equipment	87,125	--	59,518
Undesignated	516,721	--	516,721
Total Net Assets	<u>839,987</u>	<u>--</u>	<u>600,340</u>
 Total Liabilities and Net Assets	 <u>\$ 1,012,876</u>	 <u>125,724</u>	 <u>603,601</u>

OPERATION THRESHOLD

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

September 30, 2008

Undesignated and Agency Cost Pools								
<u>Equipment</u>	<u>Fiscal</u>	<u>Personnel</u>	<u>Admin. Services</u>	<u>Planning and Compliance</u>	<u>Building Operations</u>	<u>WX Admin. Support</u>	<u>Housing Support</u>	<u>Home Repair</u>
26,391	22,609	11,672	15,673	179	11,303	17,696	2,345	16,185
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	8	--	207
--	--	--	--	--	--	--	--	--
621	1,650	--	--	--	--	11,410	--	--
--	--	--	--	--	--	117,445	--	--
<u>27,012</u>	<u>24,259</u>	<u>11,672</u>	<u>15,673</u>	<u>179</u>	<u>11,303</u>	<u>146,559</u>	<u>2,345</u>	<u>16,392</u>
--	--	--	--	--	--	--	--	550
--	--	--	--	--	--	--	--	--
76,388	--	--	--	--	--	--	--	--
(48,781)	--	--	--	--	--	--	--	--
<u>27,607</u>	--	--	--	--	--	--	--	--
<u>54,619</u>	<u>24,259</u>	<u>11,672</u>	<u>15,673</u>	<u>179</u>	<u>11,303</u>	<u>146,559</u>	<u>2,345</u>	<u>16,942</u>
999	218	270	1,866	179	(3,438)	20,498	429	--
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	550
--	--	--	--	--	--	--	--	22,333
<u>999</u>	<u>218</u>	<u>270</u>	<u>1,866</u>	<u>179</u>	<u>(3,438)</u>	<u>20,498</u>	<u>429</u>	<u>22,883</u>
--	--	--	--	--	--	--	--	--
26,013	24,041	11,402	13,807	--	14,741	126,061	1,916	(5,941)
27,607	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--
<u>53,620</u>	<u>24,041</u>	<u>11,402</u>	<u>13,807</u>	<u>--</u>	<u>14,741</u>	<u>126,061</u>	<u>1,916</u>	<u>(5,941)</u>
<u>54,619</u>	<u>24,259</u>	<u>11,672</u>	<u>15,673</u>	<u>179</u>	<u>11,303</u>	<u>146,559</u>	<u>2,345</u>	<u>16,942</u>

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD

**Combining Statement of Activities -
Undesignated and Agency Cost Pool Funds**

Year Ended September 30, 2008

	<u>Total</u>	<u>Agency</u>	<u>Equipment</u>
Support and Revenue			
CSBG Co-funding Provided	\$ 131,071	--	--
Rental Income	5,376	--	--
Contributions, Public Support, and Services	55,408	6,207	37,712
Investment Income	(3,701)	(3,701)	--
Other Revenue	1,377	1,377	--
Total Support and Revenue	<u>189,531</u>	<u>3,883</u>	<u>37,712</u>
Expenses			
Management and General Expenses	1,416,264	58,471	35,777
Depreciation	29,955	--	20,054
Interfund Expense Transfers	<u>(1,183,757)</u>	--	--
Total Expenses	<u>262,462</u>	<u>58,471</u>	<u>55,831</u>
Excess (Deficiency) of Support and Revenue over Expenses	(72,931)	(54,588)	(18,119)
Net Assets - Beginning of Year	<u>912,918</u>	<u>654,928</u>	<u>71,739</u>
Net Assets - End of Year	<u>\$ 839,987</u>	<u>600,340</u>	<u>53,620</u>

OPERATION THRESHOLD

**Combining Statement of Activities -
Undesignated and Agency Cost Pool Funds**

Year Ended September 30, 2008

Undesignated and Agency Cost Pools

<u>Wellness</u>	<u>Fiscal</u>	<u>Personnel</u>	<u>Admin. Services</u>	<u>Planning and Compliance</u>	<u>Bldg. Operations</u>	<u>WX Admin Support</u>	<u>Housing Support</u>	<u>Home Repair</u>
1,953	--	--	--	92,249	--	--	36,869	--
--	--	--	--	--	--	--	--	5,376
--	--	--	--	--	--	7,289	4,200	--
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--
<u>1,953</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>92,249</u>	<u>--</u>	<u>7,289</u>	<u>41,069</u>	<u>5,376</u>
1,953	154,088	71,588	218,410	80,275	79,534	636,020	75,072	5,076
--	--	--	--	--	9,901	--	--	--
--	(154,088)	(71,588)	(218,410)	11,974	(89,435)	(628,207)	(34,003)	--
<u>1,953</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>92,249</u>	<u>--</u>	<u>7,813</u>	<u>41,069</u>	<u>5,076</u>
--	--	--	--	--	--	(524)	--	300
--	24,041	11,402	13,807	--	14,741	126,585	1,916	(6,241)
--	24,041	11,402	13,807	--	14,741	126,061	1,916	(5,941)

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Community Services Block Grant

Contract No. CSBG-08-11-CA
(Contract Period 10/01/07 - 12/30/08)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 10/01/07 - 9/30/08</u>
Space Costs	\$ 13,960	1,411
Equipment Costs	1,060	--
Consultants	15,000	--
Co-Funded Programs	367,551	58,707
Other Costs	56,300	8,180
 Total	 <u>\$453,871</u>	 <u>68,298</u>

Contract No. CSBG-07-11-CA
(Contract Period 10/01/06 - 9/30/08)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 10/01/07 - 9/30/08</u>
Space Costs	\$ 13,960	13,975
Equipment Costs	1,060	--
Consultants	15,000	16,500
Co-Funded Programs	351,558	345,966
Other Costs	56,300	61,437
 Total	 <u>\$437,878</u>	 <u>437,878</u>

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Low Income Home Energy Assistance Program

Contract No. LIHEAP-08-11-A
(Contract Period 10/01/07 - 9/30/08)

Cost Category	Approved Budget	Actual Expenses 10/01/07 - 9/30/08
Assistance Awards		
Regular Assistance	\$ 1,972,622	1,965,937
Energy Crisis Intervention	137,422	136,687
Client Services Assessment and Resolution	47,152	47,152
Developmental Assessment and Resolution	32,000	11,600
Summer Deliverable Fuel	100,717	100,717
Administration	169,748	169,748
 Total Grant Expenses	 \$ 2,459,661	 2,431,841

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Weatherization Assistance Programs

Contract No. DOE-08-11A
(Contract Period 4/01/08 - 3/31/09)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 4/01/08 - 9/30/08</u>
Administration	\$ 21,810	18,658
Health and Safety	48,387	39,575
Support	62,723	33,304
Labor	65,412	75,905
Materials	<u>65,412</u>	<u>57,246</u>
Total	<u>\$ 263,744</u>	<u>224,688</u>

Contract No. DOE-07-11A
(Contract Period 4/01/07 - 3/31/08)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Total</u>	<u>Actual Expenses</u>	
			<u>10/01/07 - 3/31/08</u>	<u>4/01/07 - 9/30/07</u>
Administration	\$ 19,939	19,939	7,755	12,184
Health and Safety	43,409	47,520	19,467	28,053
Support	56,272	46,547	12,745	33,802
Labor	58,684	73,504	19,619	53,885
Materials	<u>58,684</u>	<u>49,478</u>	<u>21,765</u>	<u>27,713</u>
Total	<u>\$ 236,988</u>	<u>236,988</u>	<u>81,351</u>	<u>155,637</u>

SEE INDEPENDENT AUDITOR'S REPORT.

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Weatherization Assistance Programs

Contract No. HEAP-08-11A
(Contract Period 4/01/08 - 3/31/09)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 4/01/08 - 9/30/08</u>
Administration	\$ 21,647	13,344
Health and Safety	76,355	75,335
Support	98,979	77,256
Labor	103,221	44,285
Materials	103,221	31,323
Equipment/Training	16,767	7,422
Total	<u>\$ 420,190</u>	<u>248,965</u>

Contract No. HEAP-07-11A
(Contract Period 4/01/07 - 3/31/08)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Total</u>	<u>Actual Expenses</u>	
			<u>10/01/07 - 3/31/08</u>	<u>4/01/07 - 9/30/07</u>
Administration	\$ 16,820	14,320	8,531	5,789
Health and Safety	58,052	61,417	42,798	18,619
Support	75,253	78,286	24,688	53,598
Labor	78,477	67,077	53,891	13,186
Materials	78,477	35,978	29,964	6,014
Equipment/Training	18,349	11,583	1,407	10,176
Total	<u>\$ 325,428</u>	<u>268,661</u>	<u>161,279</u>	<u>107,382</u>

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Weatherization Assistance Programs

Contract No. IPL-08-11A
(Contract Period 1/01/08 - 12/31/08)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/01/08 - 9/30/08</u>
Administration	\$ 1,640	545
Support	3,280	992
Labor	13,937	4,269
Materials	13,937	5,648
Total	\$ 32,794	11,454

Contract No. IPL-07-11A
(Contract Period 1/01/07 - 12/31/07)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/01/07 - 12/31/07</u>	<u>1/01/07 - 9/30/07</u>
Administration	\$ 1,640	1,640	1,056	584
Support	3,280	2,320	1,258	1,062
Labor	13,937	13,899	8,362	5,537
Materials	13,937	14,935	9,857	5,078
Total	\$ 32,794	32,794	20,533	12,261

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Weatherization Assistance Programs

Contract No. MEC-08-11A
(Contract Period 1/01/08 - 12/31/08)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/01/08 - 9/30/08</u>
Administration	\$ 9,687	9,687
Support	19,374	16,501
Labor	82,341	87,945
Materials	82,341	79,610
Total	<u>\$ 193,743</u>	<u>193,743</u>

Contract No. MEC-07-11A
(Contract Period 1/01/07 - 12/31/07)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/01/07 - 12/31/07</u>	<u>1/01/07 - 9/30/07</u>
Administration	\$ 9,687	9,687	2,795	6,892
Health and Safety	--	300	--	300
Support	19,374	16,268	3,972	12,296
Labor	82,342	99,635	25,159	74,476
Materials	82,342	67,855	17,084	50,771
Total	<u>\$ 193,745</u>	<u>193,745</u>	<u>49,010</u>	<u>144,735</u>

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Weatherization Assistance Programs

Contract No. AQU-08-11A
(Contract Period 1/01/08 - 12/31/08)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/01/08 - 9/30/08</u>
Administration	\$ 347	301
Support	694	546
Labor	2,949	3,244
Materials	2,949	2,220
Total	\$ 6,939	6,311

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

**Family Development and Self-Sufficiency
Demonstration Grant**

Contract No. FaDSS-09-11-FA
(Contract Period 7/01/08 - 06/30/09)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 7/01/08- 9/30/08</u>
Grant Expenses		
Administrative	\$ 23,060	8,169
Personnel	215,806	52,419
Travel	6,192	1,867
Space/Utilities	778	778
Other	1,017	1,017
Third Party Payments	1,162	--
Total Grant Expenses	<u>248,015</u>	<u>64,250</u>
Local Funds		
Travel	540	--
Space/Utilities	1,422	2,238
Other	5,366	4,638
Third Party Payments	1,162	30
Total Expenses	<u>\$ 256,505</u>	<u>71,156</u>

Contract No. FaDSS-08-11-FA
(Contract Period 7/01/07 - 09/30/08)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/01/07 - 9/30/08</u>	<u>7/01/07 - 9/30/07</u>
Grant Expenses				
Administrative	\$ 24,976	24,773	17,798	6,975
Personnel	203,219	205,057	156,560	48,497
Travel	6,450	6,514	4,622	1,892
Space/Utilities	778	778	--	778
Other	15,968	13,630	11,342	2,288
Third Party Payments	2,200	1,626	1,552	74
Total Grant Expenses	<u>253,591</u>	<u>252,378</u>	<u>191,874</u>	<u>60,504</u>
Local Funds				
Administrative	1,000	--	--	--
Space/Utilities	1,627	1,468	1,402	66
Other	4,901	4,974	4,974	--
Third Party Payments	962	1,048	1,048	--
Total	<u>\$ 262,081</u>	<u>259,868</u>	<u>199,298</u>	<u>60,570</u>

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. 5888A043

(Contract Period 10/01/07 - 9/30/08)

Cost Category	Approved Budget	Actual Expenses 10/01/07 - 9/30/08
Cash Grant Expenses		
Salary/Fringe	\$ 663,387	663,387
Contracted/Outside Services	3,344	3,344
Other	96,070	96,070
Indirect	66,321	66,321
Total Cash Grant Expenses	829,122	829,122
Noncash Expenses		
Food Vouchers Distributed		3,817,245
Total Expenses		4,646,367

SEE INDEPENDENT AUDITOR'S REPORT