

OPERATION THRESHOLD

Waterloo, Iowa

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

September 30, 2010

(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
Salina Bredow
Barbara Smith

Chairperson
Vice-Chairperson
Secretary
Treasurer

Board Members

Mike Ferreter
Scott Jordan
Danielle Engle
Rev. Larry Doughan
Larola Van Arsdale

Clyde Moore
Denise Hawker
Allen Ricks
Dorothy McGrane

Management

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

Executive Director
Deputy Director
Community Resources Director
WIC Director
Human Resources Director
Planning and Compliance Director
Housing Director

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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, 2010, 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 2009 financial statements and, in our report dated January 15, 2010, 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, 2010, 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 December 28, 2010, on our consideration of Operation Threshold's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 conducted 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, PLLC
MERIWETHER, WILSON AND COMPANY, PLLC
Certified Public Accountants

December 28, 2010
West Des Moines, Iowa

OPERATION THRESHOLD
Statement of Financial Position
 September 30, 2010
 (With Comparative Totals for 2009)

| Assets | Total All Funds | |
|--|-----------------------------------|------------------|
| | 2010 | 2009 |
| Current Assets | | |
| Cash and Cash Equivalents | \$ 675,557 | 485,037 |
| Marketable Securities | 13,971 | 14,763 |
| Receivables | | |
| Grants Receivable | 1,329,528 | 684,993 |
| Contract Income and Other | 187,899 | 83,692 |
| Prepaid Expenses | 50,311 | 52,603 |
| Weatherization Work in Process | 478,138 | 327,809 |
| Total Current Assets | 2,735,404 | 1,648,897 |
| Noncurrent Assets | | |
| Real Estate Contract Receivable | 12,803 | 11,684 |
| Restricted Cash | 22,800 | 25,348 |
| Total Noncurrent Assets | 35,603 | 37,032 |
| Property and Equipment | | |
| Land, Buildings, and Improvements | 1,699,174 | 1,683,850 |
| Furniture and Equipment | 194,855 | 188,557 |
| Construction in Progress | 2,125,087 | -- |
| | 4,019,116 | 1,872,407 |
| Accumulated Depreciation | (795,350) | (732,004) |
| Net Property and Equipment | 3,223,766 | 1,140,403 |
| Total Assets | \$ 5,994,773 | 2,826,332 |
| | Liabilities and Net Assets | |
| Current Liabilities | | |
| Accounts Payable | \$ 949,487 | 118,720 |
| Accrued Expenses | 200,130 | 142,809 |
| Secured Construction Loan Payable | 447,335 | -- |
| Current Maturities of Long-Term Debt | 11,161 | 10,545 |
| Rent Deposits and Escrow | 22,800 | 25,348 |
| Due to Funding Sources | 230,046 | 230,046 |
| Deferred Revenue | 169,600 | 39,148 |
| Total Current Liabilities | 2,030,559 | 566,616 |
| Deferred Revenue - Noncurrent | 12,803 | 11,684 |
| Long-Term Debt | | |
| Mortgages Payable - Net of Current Portion | 318,972 | 330,134 |
| Total Liabilities | 2,362,334 | 908,434 |
| Net Assets | | |
| Temporarily Restricted | 2,516,539 | 809,272 |
| Unrestricted | | |
| Designated for Program Activities | (7,568) | (30,172) |
| Invested in Property and Equipment | 579,128 | 597,112 |
| Undesignated | 544,340 | 541,686 |
| Total Net Assets | 3,632,439 | 1,917,898 |
| Total Liabilities and Net Assets | \$ 5,994,773 | 2,826,332 |

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, 2010
(With Comparative Totals for 2009)

| | Unrestricted | Temporarily Restricted | Total All Funds | |
|--|---------------------|---------------------------|-------------------|-------------------|
| | | | 2010 | 2009 |
| Support and Revenue | | | | |
| Government Awards and Contract Revenue | \$ 9,787,223 | 897,229 | 10,684,452 | 7,333,453 |
| Contributions, Public Support, and Services | 595,546 | 850,000 | 1,445,546 | 564,269 |
| Rental Income | 306,308 | -- | 306,308 | 302,678 |
| Investment Income | 2,365 | -- | 2,365 | 5,694 |
| Other Revenue | 4,072 | -- | 4,072 | 16,444 |
| Food Vouchers for Distribution | 3,397,012 | -- | 3,397,012 | 3,745,752 |
| | <u>14,092,526</u> | <u>1,747,229</u> | <u>15,839,755</u> | <u>11,968,290</u> |
| Net Assets Released from Restrictions - Satisfaction of Usage Restrictions | 39,961 | (39,961) | -- | -- |
| Total Support and Revenue | <u>14,132,487</u> | <u>1,707,268</u> | <u>15,839,755</u> | <u>11,968,290</u> |
| Functional Expenses | | | | |
| Program Services | | | | |
| Women, Infants, and Children | 4,536,663 | -- | 4,536,663 | 4,705,529 |
| Low Income Home Energy Assistance Program | 3,751,972 | -- | 3,751,972 | 3,795,168 |
| Weatherization Assistance Programs | 2,168,228 | -- | 2,168,228 | 1,486,732 |
| CSBG Programs (net of co-funding provided) | 687,914 | -- | 687,914 | 79,096 |
| Homelessness Prevention and Rapid Re-housing | 673,943 | -- | 673,943 | 15,793 |
| Rental Housing Programs | 343,983 | -- | 343,983 | 334,900 |
| Outreach Offices | 322,494 | -- | 322,494 | 332,413 |
| Early Head Start Contractual Services | 276,210 | -- | 276,210 | -- |
| Family Development and Self-Sufficiency | 227,704 | -- | 227,704 | 250,823 |
| Foreclosure Prevention Programs | 177,127 | -- | 177,127 | 145,733 |
| Storks Nest | 74,346 | -- | 74,346 | 87,974 |
| Family Nest | 63,684 | -- | 63,684 | 70,211 |
| Other Programs | 415,869 | -- | 415,869 | 504,731 |
| Total Program Services | <u>13,720,137</u> | <u>--</u> | <u>13,720,137</u> | <u>11,809,103</u> |
| Administrative Support Services | | | | |
| Management and General | 2,536,463 | -- | 2,536,463 | 186,050 |
| Total Functional Expenses | <u>16,256,600</u> | <u>--</u> | <u>16,256,600</u> | <u>11,995,153</u> |
| Change in Net Assets Before Capital Items Acquired With Grant Funds | (2,124,113) | 1,707,268 | (416,845) | (26,863) |
| Capital Items Acquired With Grant Funds | <u>2,131,386</u> | <u>--</u> | <u>2,131,386</u> | <u>107,779</u> |
| Change in Net Assets | 7,273 | 1,707,268 | 1,714,541 | 80,916 |
| Net Assets - Beginning of Year | <u>1,108,627</u> | <u>809,271</u> | <u>1,917,898</u> | <u>1,836,982</u> |
| Net Assets - End of Year | <u>\$ 1,115,900</u> | <u>2,516,539</u> | <u>3,632,439</u> | <u>1,917,898</u> |

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

OPERATION THRESHOLD

Statement of Cash Flows

Year Ended September 30, 2010
(With Comparative Totals for 2009)

| | Total All Funds | |
|--|--------------------|------------------|
| | 2010 | 2009 |
| Cash Flows from Operating Activities | | |
| Change in Net Assets | \$ 1,714,541 | 80,916 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities | | |
| Depreciation | 95,172 | 83,157 |
| Unrealized Loss on Marketable Securities | 792 | 8,678 |
| Loss on Disposal of Assets | 43,191 | -- |
| (Increase) Decrease in | | |
| Receivables | (748,742) | (286,722) |
| Prepaid Expenses | 2,292 | (32,189) |
| Weatherization Work in Process | (150,329) | (148,782) |
| Increase (Decrease) in | | |
| Accounts Payable and Accrued Expenses | 90,859 | 13,533 |
| Rent Deposits and Escrow | (2,548) | 83 |
| Due to Funding Sources | -- | (1,163) |
| Deferred Revenue | 130,452 | 38,819 |
| Net Cash Flows from Operating Activities | <u>1,175,680</u> | <u>(243,670)</u> |
| Cash Flows from Investing Activities | | |
| Cash Paid for Property and Equipment | (1,437,052) | (120,819) |
| Proceeds from Disposal of Assets | 12,555 | -- |
| Net Cash Flows from Investing Activities | <u>(1,424,497)</u> | <u>(120,819)</u> |
| Cash Flows from Financing Activities | | |
| (Increase) Decrease in Restricted Cash | 2,548 | (83) |
| Borrowings on Construction Loan Payable | 447,335 | -- |
| Payments on Mortgages Payable | (10,546) | (9,947) |
| Net Cash Flows from Financing Activities | <u>439,337</u> | <u>(10,030)</u> |
| Change in Cash and Cash Equivalents | 190,520 | (374,519) |
| Cash and Cash Equivalents - Beginning of Year | <u>485,037</u> | <u>859,556</u> |
| Cash and Cash Equivalents - End of Year | <u>\$ 675,557</u> | <u>485,037</u> |
| Supplemental Disclosure of Cash Flow Data | | |
| Cash Paid During the Years for Interest | <u>\$ 20,981</u> | <u>10,792</u> |
| Supplemental Disclosure of Noncash Investing | | |
| Construction in Progress Acquired with Accounts Payable | <u>\$ 797,229</u> | <u>--</u> |

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

OPERATION THRESHOLD

Notes to Financial Statements

September 30, 2010

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 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 agencies. 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 sales of certain properties acquired with grant funding are restricted for construction or purchase of additional properties to be used for eligible low-income families, or other purposes specified by the grantor. Accordingly, such amounts are reflected as temporarily restricted net assets. Net assets that result from re-use funds generated by these grant activities are also considered temporarily restricted for additional housing or other specified purposes.

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, 2010.

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 FASB ASC 958-605-25-16 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 \$792 for the year ended September 30, 2010. Management of the Organization has determined that marketable securities are not material to the financial statements taken as a whole; accordingly, the fair value disclosure provisions of FASB ASC 820-10-50 need not be applied.

Property and Equipment

Property and equipment is recorded at cost. Costs for maintenance, repairs, and minor replacements are charged to expense, while the cost of major replacements, betterments, and acquisitions is capitalized. The Organization's policy is to capitalize discrete items of property and equipment which cost more than \$5,000 and have a useful life of more than one year. 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 was acquired primarily under 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. The Organization follows the policy of expensing amounts paid for property and equipment to the appropriate fund, and then capitalizing the assets acquired through a direct credit to fund balance.

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 2010.

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, 2010. Management and general expenses for 2010 include \$2,096,496 in property and equipment acquired with grant and contract funds; these assets are capitalized through a direct credit to fund balance.

Weatherization Work in Process

Weatherization work in process consists of labor, materials, and support costs incurred on weatherization projects in process as of the year end. These costs will be submitted to the appropriate grantors (and expensed in the financial statements) when the projects are complete.

Advertising

Advertising costs totaling \$8,145 for the year ended September 30, 2010 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.

On October 1, 2009, the Organization adopted FASB ASC 740-10, *Uncertain Tax Positions*, which requires evaluation of the impact of uncertain tax positions taken or expected to be taken in a tax return and may require recognition of a liability relating to those positions. At September 30, 2010, the Organization had no uncertain tax positions requiring recognition in the financial statements. Operation Threshold is no longer subject to federal and state income tax examinations by tax authorities for years ending before September 30, 2007.

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 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, 2009, from which the summarized information was derived.

Certain reclassifications to the 2009 comparative totals have been made to conform to the 2010 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) (54% 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 Programs originate with the U.S. Department of Treasury and the U.S. Department of Housing and Urban Development, and is passed through the Iowa Finance Authority. These programs provide foreclosure counseling services including housing and loss mitigation counseling to homeowners in Iowa.

The Homelessness Prevention and Rapid Re-Housing Program (HPRP) is funded by the U.S. Department of Housing and Urban Development through the Iowa Finance Authority and the City of Waterloo. The program is focused on housing for homeless and at-risk individuals and provides temporary financial assistance and housing relocation and stabilization services to individuals and families who are homeless or would be homeless but for this assistance.

Operation Threshold provides home-based Early Head Start services under a contracted services agreement with Tri-County Child & Family Development Council, Inc. These services help promote school readiness by enhancing the social and cognitive development of eligible children and families in Buchanan and Grundy counties.

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, United Way, 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> |
|---|-------------------|
| Emergency Shelter Grants Program | \$ 50,517 |
| HOME Investment Partnership Program | 43,732 |
| Special Projects | 42,673 |
| Housing and Fair Lending | 42,418 |
| United Way Economic Grant | 41,713 |
| Project Care/Share | 37,283 |
| Parents as Teachers | 35,936 |
| Emergency Food and Shelter Program (FEMA) | 27,960 |
| Family Self-Sufficiency | 24,537 |
| Emergency Funds | 17,841 |
| Volunteer Programs | 16,128 |
| Pocket Change Project | 9,164 |
| Career Ladders | 6,857 |
| Grundy County Food Pantry | 5,737 |
| School Supplies and Coats | 5,671 |
| Toy Project | 4,986 |
| Other Programs and Local Activities | 2,716 |
| | <u>\$ 415,869</u> |

3. **Support from Governmental Agencies**

The Organization received approximately 88% 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 Organization maintains money market, checking and savings accounts at local banks. Accounts at these institutions are insured by the FDIC up to \$250,000. At September 30, 2010, the Organization had \$713,334 of cash deposited in excess of the insured limits. The risk is managed by maintaining all deposits accounts at high quality financial institutions.

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 | 675,157 | -- |
| Restricted Cash Deposits | | |
| Tenant Security Deposits and Escrow | -- | 22,800 |
| | <u>\$ 675,557</u> | <u>22,800</u> |

6. **Receivables**

Grants receivable are summarized as follows:

| Funding Source | Program Activity | Amount |
|--|-----------------------------|---------------------|
| Iowa Finance Authority / I-Jobs | Central Office Construction | \$ 797,229 |
| Iowa Finance Authority | HPRP | 24,041 |
| IFA/Iowa Homeownership Education Project | HUD Counseling | 4,009 |
| Iowa Department of Public Health | WIC | 286,883 |
| Iowa Department of Public Health | WIC Peer Counseling | 4,835 |
| Iowa Department of Public Health | WIC Breast Pump | 3,565 |
| Iowa Department of Human Rights | CSBG | 96,041 |
| Iowa Department of Human Rights | HEAP | 12,984 |
| City of Waterloo | HPRP | 50,978 |
| City of Waterloo | Weatherization Plus | 12,842 |
| City of Waterloo | TBRA | 6,856 |
| City of Waterloo | WX Plus | 1,208 |
| Iowa Institute for Community Alliances | ESGP | 19,384 |
| INRCOG | Emergency Food and Shelter | 8,673 |
| | | <u>\$ 1,329,528</u> |

Contract income and other receivables are summarized as follows:

| Funding Source | Program Activity | Amount |
|--|------------------------|-------------------|
| Tri-County Child & Development Council, Inc. | Early Head Start | \$ 93,911 |
| Iowa Finance Authority | Foreclosure Mitigation | 69,270 |
| Together 4 Families | Parents as Teachers | 7,277 |
| Cedar Valley Empowerment | Stork's Nest | 4,078 |
| Iowa Department of Human Services | Volunteer Program | 3,900 |
| Prevent Child Abuse Iowa | Family Nest | 1,085 |
| Iowa Department of Public Health | WIC Farmers Market | 1,036 |
| Other Sources | Other Programs | 7,342 |
| | | <u>\$ 187,899</u> |

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

Operation Threshold 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 | \$ 83,740 | -- | -- | 83,740 |
| Buildings and Improvements | 1,615,434 | 67,897 | 693,086 | 922,348 |
| Furniture and Equipment | 194,855 | 27,275 | 102,264 | 92,591 |
| Construction in Progress | <u>2,125,087</u> | <u>--</u> | <u>--</u> | <u>2,125,087</u> |
| | <u>\$ 4,019,116</u> | <u>95,172</u> | <u>795,350</u> | <u>3,223,766</u> |

9. **Construction in Progress**

Operation Threshold is constructing a new central office building for administrative and programmatic purposes to replace its old building, which was extensively damaged by flooding in 2008. The Organization expects the new building to cost approximately \$4.1 million and be completed in the upcoming fiscal year. The building will primarily be financed with grant funds, contributions, and proceeds from disposal of the flooded building. The 2010 financial statements include accounts payable and grants receivable totaling \$797,229 related to this project. Management and general expenses for the year include \$2,096,496 in property and equipment acquired with grant and contract funds; these assets are capitalized through a direct credit to fund balance.

10. **Accrued Expenses**

Accrued expenses are summarized as follows:

| | |
|--|-------------------|
| Salaries and Wages | \$ 118,413 |
| Compensated Absences | 77,718 |
| Interest | 3,580 |
| Payroll Taxes, Withholding, and Benefits | <u>419</u> |
| | <u>\$ 200,130</u> |

11. **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 | <u>59,297</u> |
| | <u>\$ 230,046</u> |

12. **Deferred Revenue**

Deferred revenue is summarized as follows:

| | |
|---------------------------|-------------------|
| DOE Weatherization (ARRA) | \$ 158,953 |
| FaDSS | 5,247 |
| Canterbury Court | <u>5,400</u> |
| | <u>\$ 169,600</u> |

Deferred revenue for Canterbury Court consists of insurance proceeds received in advance of payment for applicable repairs.

13. **Secured Construction Loan Payable and Subsequent Event**

Operation Threshold has obtained a multiple-advance secured bridge loan to facilitate construction of its new building. This loan carries a maximum commitment of \$999,000, has a fixed rate of interest of 6%, requires monthly payments of accrued interest, and is due on demand, or on December 15, 2010 if no demand is made. This note is secured with a mortgage interest in other properties owned by the Organization. At the due date, the note was modified to extend its maturity date to May 13, 2011, provided no demand is made. The commitment amount, interest rate and other provisions remained unchanged.

14. Long-Term Debt

The Organization obtained three long-term loans for construction of the Independence Housing Project (Lexington Square). The Iowa Housing Corporation 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 \$198,330.

The Iowa Department of Economic Development 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 \$98,429 at the year end.

The Iowa Finance Authority 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 \$33,374.

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

| | |
|-------------------|-------------------|
| 2011 | \$ 11,161 |
| 2012 | 11,545 |
| 2013 | 12,445 |
| 2014 | 13,117 |
| 2015 | 170,641 |
| 2016 through 2022 | <u>111,224</u> |
| | <u>\$ 330,133</u> |

Interest expense for the year ended September 30, 2010, totaled \$23,151.

15. Temporarily Restricted Net Assets

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

| <u>Program and Funder</u> | |
|--|---------------------|
| Central Office Building - IFA / I-Jobs | \$ 1,677,752 |
| Lexington Square - IFA, IDED and IHC | 264,174 |
| HOME Investment Partnership - City of Waterloo | |
| Community Development HOME | |
| Rental Houses Funded by Program | 255,378 |
| New Construction Funds | 36,777 |
| Rehabilitation Re-Use Funds | 33,862 |
| Rehabilitation Funds | 28,762 |
| New Construction Re-Use Funds | (13,201) |
| Hope 3 HOME | 94,612 |
| Local Housing Assistance - IDED | 84,414 |
| Conrad Senior Fund | 25,000 |
| Project Care/Share | 15,906 |
| United Way Economic Grant | 8,287 |
| IHOEP P.R.O.U.D. Program | <u>4,816</u> |
| | <u>\$ 2,516,539</u> |

The central office building must be constructed, operated and maintained in accordance with the funding agreement, and Operation Threshold may not sell, assign or encumber the property without consent of the funder.

16. Operating Leases

The Organization leases office equipment under a noncancelable operating lease expiring in 2013. The Organization also leases facilities and equipment for administrative and program purposes under leases running annually with options to renew, and management expects that in most cases these leases will be renewed under similar terms or replaced with similar leases. Total lease expense for the year ended September 30, 2010 amounted to \$104,354.

Minimum future lease payments due under the noncancelable lease as of the year-end date are as follows:

| | |
|------|------------------|
| 2011 | \$ 6,253 |
| 2012 | 6,253 |
| 2013 | 4,690 |
| | <u>\$ 17,196</u> |

17. 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 4.50% of gross wages. Contributions made by the Organization for this plan for the year totaled \$3,639.

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 4.50% (4.30% through June 2010) of their annual covered salary to IPERS and the Organization contributes 6.95% (6.65% through June 2010) of annual covered payroll. Contribution requirements are established by state statute. The Organization's contributions to IPERS for the year ended September 30, 2010, totaled \$162,082, equal to the required contribution for the year.

18. Evaluation of Subsequent Events

The Organization has evaluated events and transactions occurring after September 30, 2010 for recognition and disclosure in the financial statements. Subsequent events were evaluated through December 28, 2010, the date the financial statements were issued.

MERIWETHER, WILSON AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

14

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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 (a nonprofit organization) as of and for the year ended September 30, 2010, and have issued our report thereon dated December 28, 2010. 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

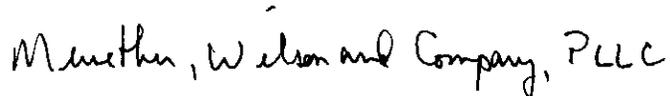
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material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

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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.

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, PLLC
Certified Public Accountants

December 28, 2010
West Des Moines, Iowa

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

Independent Auditor's Report

Board of Directors
Operation Threshold
Waterloo, Iowa

Compliance

We have audited Operation Threshold's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Operation Threshold's major federal programs for the year ended September 30, 2010. 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. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010.

Internal Control over Compliance

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

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, PLLC

MERIWETHER, WILSON AND COMPANY, PLLC
Certified Public Accountants

December 28, 2010
West Des Moines, Iowa

OPERATION THRESHOLD
Schedule of Findings and Questioned Costs

Year Ended September 30, 2010

Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Operation Threshold.
2. Internal Control Over Financial Reporting
 - No material weaknesses were identified.
 - No significant deficiencies were reported.
3. No instances of noncompliance material to the financial statements of Operation Threshold were noted during the audit.
4. Internal Control Over Major Programs
 - No material weaknesses were identified.
 - No significant deficiencies were reported.
5. The auditor's report on compliance for the major federal award programs for Operation Threshold expresses an unqualified opinion on all major federal programs.
6. The results of our audit disclosed no audit findings, which we are required to report in accordance with Section 510(a) of OMB Circular A-133.
7. Operation Threshold received major federal awards as defined by OMB A-133 during the year ended September 30, 2010. The following were audited as major programs:

| <u>Major Program</u> | <u>CFDA No.</u> | <u>Expenditures</u> |
|---|-----------------|---------------------------|
| Community Services Block Grant | 93.569 | \$ 485,691 |
| Community Services Block Grant (ARRA) | 93.710 | <u>713,915</u> |
| Total CSBG Cluster | | 1,199,606 |
| Weatherization Assistance (ARRA) | 81.042 | 1,118,879 |
| Low-Income Home Energy Assistance | 93.568 | 4,480,617 |
| Homeless Prevention/Rapid Re-Housing (ARRA) | 14.257 | <u>566,298</u> |
| | | <u><u>\$7,365,400</u></u> |

8. The dollar threshold used to distinguish between Type A and Type B programs was \$368,510.
9. Operation Threshold qualified 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, 2009 Through September 30, 2010

| 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-10-11-A | \$ 3,751,972 |
| Home Energy Assistance Program | 93.568 | HEAP-10-11A | 358,984 |
| Home Energy Assistance Program | 93.568 | HEAP-09-11A | 369,661 |
| Total CFDA # 93.568 | | | <u>4,480,617 **</u> |
| Family Development and Self Sufficiency (54% Federal) | 93.558 | FaDSS-11-11 | 22,294 |
| Family Development and Self Sufficiency (54% Federal) | | FaDSS-10-11-FA | 88,960 |
| Total CFDA # 93.558 | | | <u>111,254</u> |
| Community Services Block Grant Cluster | 93.569 | CSBG-09-11-CA | 485,691 ** |
| Community Services Block Grant Cluster (ARRA) | 93.710 | CSBG-R9-11 | 713,915 ** |
| Total U.S. Department of Health and Human Services | | | <u>5,791,477</u> |
| U.S. Department of Housing and Urban Development | | | |
| Passed Through the City of Waterloo | | | |
| HOME Investment Partnership Program | 14.239 | HOME TBRA Hope 3 Home | 32,906 2,055 |
| Passed Through the Iowa Department of Economic Development | | | |
| HOME Program Promissory Note Dated 3/10/99 | 14.239 | 99-HM-204-731 | 98,429 |
| Total CFDA #14.239 | | | <u>133,390</u> |
| Passed Through the Iowa Institute for Community Alliances | | | |
| Emergency Shelter Grants Program | 14.231 | 10-HES-001 09-HES-001 10-II-07032 10-II-07004 | 10,091 21,042 6,384 13,000 |
| Total CFDA #14.231 | | | <u>50,517</u> |
| Passed Through the Iowa Finance Authority | | | |
| HUD Counseling | 14.169 | 09-10 | 40,912 |
| Homeless Prevention/Rapid Re-Housing (ARRA) | 14.257 | S09-DY-09-0001 | 165,214 |
| Passed Through the City of Waterloo | | | |
| Homeless Prevention/Rapid Re-Housing (ARRA) | 14.257 | S09-DY-09-0001 | 401,084 |
| Total CFDA #14.257 | | | <u>566,298 **</u> |
| Community Development Block Grant | 14.218 | FY 2010 | 29,020 |
| Total U.S. Department of Housing and Urban Development | | | <u>820,137</u> |

OPERATION THRESHOLD

Schedule of Expenditures of Federal Awards

October 1, 2009 Through September 30, 2010

| Federal Grantor/Pass-Through Grantor/Program Title | CFDA* Number | Grant or Award Number | Expenses |
|--|-----------------|--------------------------|---------------------|
| U.S. Department of Agriculture | | | |
| Passed Through Iowa Department of Public Health | | | |
| Special Supplemental Food Program for Women, Infants, and Children | | | |
| WIC | 10.557 | 5880AO43 | 1,067,052 |
| WIC Food Breast Pump | | 5880AO43 | 11,145 |
| WIC Peer Counseling | | 5889AO95 | 50,000 |
| WIC Noncash - Food Vouchers for Distribution | | 5889AO43 | <u>3,397,012</u> |
| Total CFDA #10.557 and U.S. Department of Agriculture | | | <u>4,525,209</u> |
| U.S. Department of Energy | | | |
| Passed Through Iowa Department of Human Rights | | | |
| Weatherization Assistance for Low-Income Persons (ARRA) | 81.042 | DOE-ARRA-09-11A | <u>1,118,879</u> |
| Total CFDA #81.042 and U.S. Department of Energy | | | <u>1,118,879</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 | 16,711 |
| | | 286600-001 | 4,691 |
| | | 292400-001 | <u>2,509</u> |
| Total CFDA #97.024 | | | <u>23,911</u> |
| Emerg. Food and Shelter National Board Program (ARRA) | 97.114 | 285800-004 | 858 |
| Emerg. Food and Shelter National Board Program (ARRA) | | 286600-001 | 1,443 |
| Emerg. Food and Shelter National Board Program (ARRA) | | 292400-001 | <u>1,748</u> |
| Total CFDA #97.114 | | | <u>4,049</u> |
| Total Department of Homeland Security | | | <u>27,960</u> |
| Total Expenditures of Federal Awards | | | <u>\$12,283,662</u> |

*Catalog of Federal Domestic Assistance

**Audited as a Major Program

Note 1: Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Operation Threshold, Inc. 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 Organization. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD

Combining Statement of Financial Position

September 30, 2010

| Assets | <u>Total All Funds</u> | <u>Undesignated and Agency Cost Pool Funds</u> | <u>Total Designated Funds</u> |
|--|----------------------------|--|---------------------------------------|
| Current Assets | | | |
| Cash and Cash Investments | \$ 675,557 | 706,129 | (30,572) |
| Marketable Securities | 13,971 | 13,971 | - |
| Receivables | | | |
| Governmental Grants | 1,329,528 | 797,229 | 532,299 |
| Contract Income and Other | 187,899 | 1,053 | 186,846 |
| Prepaid Expenses | 50,311 | 42,025 | 8,286 |
| Weatherization Work in Process | 478,138 | 254,378 | 223,760 |
| Total Current Assets | <u>2,735,404</u> | <u>1,814,785</u> | <u>920,619</u> |
| Noncurrent Assets | | | |
| Real Estate Contracts Receivable | 12,803 | -- | 12,803 |
| Restricted Cash | 22,800 | -- | 22,800 |
| Total Noncurrent Assets | <u>35,603</u> | <u>--</u> | <u>35,603</u> |
| Property and Equipment | | | |
| Land, Buildings, and Improvements | 1,699,174 | 173,637 | 1,525,537 |
| Furniture and Equipment | 194,855 | 190,465 | 4,390 |
| Construction in Progress | 2,125,087 | 2,125,087 | - |
| Accumulated Depreciation | (795,350) | (176,655) | (618,695) |
| Net Property and Equipment | <u>3,223,766</u> | <u>2,312,534</u> | <u>911,232</u> |
| Total Assets | <u>\$ 5,994,773</u> | <u>4,127,319</u> | <u>1,867,454</u> |
| Liabilities and Net Assets | | | |
| Current Liabilities | | | |
| Accounts Payable | \$ 949,487 | 817,423 | 132,064 |
| Accrued Expenses | 200,130 | 198,756 | 1,374 |
| Mortgages Payable - Current Portion | 458,496 | 447,335 | 11,161 |
| Rent Deposits | 22,800 | -- | 22,800 |
| Due to Funding Sources | 230,046 | 22,333 | 207,713 |
| Deferred Revenue | 169,600 | -- | 169,600 |
| Total Current Liabilities | <u>2,030,559</u> | <u>1,485,847</u> | <u>544,712</u> |
| Deferred Revenue - Noncurrent | <u>12,803</u> | <u>--</u> | <u>12,803</u> |
| Long-Term Debt | | | |
| Mortgages Payable - Net of Current Portion | <u>318,972</u> | <u>--</u> | <u>318,972</u> |
| Net Assets | | | |
| Temporarily Restricted | 2,516,539 | 1,677,752 | 838,787 |
| Unrestricted | | | |
| Designated for Program Activities | (7,568) | 231,933 | (239,501) |
| Invested in Property and Equipment | 579,128 | 187,447 | 391,681 |
| Undesignated | 544,340 | 544,340 | -- |
| Total Net Assets | <u>3,632,439</u> | <u>2,641,472</u> | <u>990,967</u> |
| Total Liabilities and Net Assets | <u>\$ 5,994,773</u> | <u>4,127,319</u> | <u>1,867,454</u> |

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2010

Designated Funds

| LIHEAP | CSBG | CSBG ARRA | FaDSS | Weatherization Assistance | | |
|--------------|-----------|--------------|--------------|---------------------------|-----------|---------------|
| | | | | DOE ARRA | HEAP | Inventory |
| 6,958 | (96,041) | 3,591 | 5,056 | 159,001 | (12,984) | (166,198) |
| -- | -- | -- | -- | -- | -- | -- |
| -- | 96,041 | -- | -- | -- | 12,984 | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | 600 | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | 223,760 |
| <u>6,958</u> | <u>--</u> | <u>3,591</u> | <u>5,656</u> | <u>159,001</u> | <u>--</u> | <u>57,562</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>6,958</u> | <u>--</u> | <u>3,591</u> | <u>5,656</u> | <u>159,001</u> | <u>--</u> | <u>57,562</u> |
| 6,958 | -- | 3,591 | 409 | 48 | -- | 5,133 |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | 5,247 | 158,953 | -- | -- |
| <u>6,958</u> | <u>--</u> | <u>3,591</u> | <u>5,656</u> | <u>159,001</u> | <u>--</u> | <u>5,133</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> |
| -- | -- | -- | -- | -- | -- | 52,429 |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>52,429</u> |
| <u>6,958</u> | <u>--</u> | <u>3,591</u> | <u>5,656</u> | <u>159,001</u> | <u>--</u> | <u>57,562</u> |

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2010

| 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 | | | |
| Governmental Grants | -- | -- | -- |
| Contract Income and Other | -- | -- | -- |
| Prepaid Expenses | -- | -- | -- |
| Weatherization Work in Process | -- | -- | -- |
| Total Current Assets | <u>(13,201)</u> | <u>33,862</u> | <u>28,762</u> |
| Noncurrent Assets | | | |
| Real Estate Contracts Receivable | -- | -- | -- |
| Restricted Cash | -- | -- | -- |
| Total Noncurrent Assets | <u>--</u> | <u>--</u> | <u>--</u> |
| Property and Equipment | | | |
| Land, Buildings, and Improvements | -- | -- | -- |
| Furniture and Equipment | -- | -- | -- |
| Construction in Progress | -- | -- | -- |
| Accumulated Depreciation | -- | -- | -- |
| Net Property and Equipment | <u>--</u> | <u>--</u> | <u>--</u> |
| Total Assets | <u>\$ (13,201)</u> | <u>33,862</u> | <u>28,762</u> |
| Liabilities and Net Assets | | | |
| Current Liabilities | | | |
| Accounts 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 | (13,201) | 33,862 | 28,762 |
| Unrestricted | | | |
| Designated for Program Activities | -- | -- | -- |
| Invested in Property and Equipment | -- | -- | -- |
| Undesignated | -- | -- | -- |
| Total Net Assets | <u>(13,201)</u> | <u>33,862</u> | <u>28,762</u> |
| Total Liabilities and Net Assets | <u>\$ (13,201)</u> | <u>33,862</u> | <u>28,762</u> |

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2010

| Designated Funds | | | | | |
|--------------------------------------|----------------|--------------|---|-----------------------------|-------------------------|
| Comm. Dev. HOME New Constr. | Hope 3 Home | HOME TBRA | Homeless Prevention Rapid Re-Housing | Weatheri- zation Plus | LHCB/ CASH Course |
| 36,777 | 94,612 | (3,705) | (67,402) | (14,050) | 1,401 |
| -- | -- | -- | -- | -- | -- |
| -- | -- | 6,854 | 75,020 | 14,050 | -- |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| <u>36,777</u> | <u>94,612</u> | <u>3,149</u> | <u>7,618</u> | <u>--</u> | <u>1,401</u> |
| -- | 12,803 | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| -- | <u>12,803</u> | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| <u>36,777</u> | <u>107,415</u> | <u>3,149</u> | <u>7,618</u> | <u>--</u> | <u>1,401</u> |
| -- | -- | -- | 7,618 | -- | -- |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | <u>7,618</u> | <u>--</u> | <u>--</u> |
| -- | <u>12,803</u> | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| 36,777 | 94,612 | -- | -- | -- | -- |
| -- | -- | 3,149 | -- | -- | 1,401 |
| -- | -- | -- | -- | -- | -- |
| <u>36,777</u> | <u>94,612</u> | <u>3,149</u> | <u>--</u> | <u>--</u> | <u>1,401</u> |
| <u>36,777</u> | <u>107,415</u> | <u>3,149</u> | <u>7,618</u> | <u>--</u> | <u>1,401</u> |

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2010

| Assets | <u>WIC</u> | <u>WIC Food Breast Pump</u> | <u>WIC Peer Counseling</u> |
|--|-------------------|---------------------------------|------------------------------------|
| Current Assets | | | |
| Cash and Cash Investments | \$ (127,010) | (3,565) | (2,331) |
| Marketable Securities | -- | -- | -- |
| Receivables | | | |
| Governmental Grants | 286,883 | 3,565 | 4,836 |
| Contract Income and Other | 872 | -- | -- |
| Prepaid Expenses | 810 | -- | -- |
| Weatherization Work in Process | -- | -- | -- |
| Total Current Assets | <u>161,555</u> | <u>--</u> | <u>2,505</u> |
| Noncurrent Assets | | | |
| Real Estate Contracts Receivable | -- | -- | -- |
| Restricted Cash | -- | -- | -- |
| Total Noncurrent Assets | <u>--</u> | <u>--</u> | <u>--</u> |
| Property and Equipment | | | |
| Land, Buildings, and Improvements | -- | -- | -- |
| Furniture and Equipment | -- | -- | -- |
| Construction in Progress | -- | -- | -- |
| Accumulated Depreciation | -- | -- | -- |
| Net Property and Equipment | <u>--</u> | <u>--</u> | <u>--</u> |
| Total Assets | <u>\$ 161,555</u> | <u>--</u> | <u>2,505</u> |
| Liabilities and Net Assets | | | |
| Current Liabilities | | | |
| Accounts Payable | \$ 46,446 | -- | 1,309 |
| Accrued Expenses | -- | -- | -- |
| Mortgages Payable - Current Portion | -- | -- | -- |
| Rent Deposits | -- | -- | -- |
| Due to Funding Sources | 59,297 | -- | -- |
| Deferred Revenue | -- | -- | -- |
| Total Current Liabilities | <u>105,743</u> | <u>--</u> | <u>1,309</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 | 55,812 | -- | 1,196 |
| Invested in Property and Equipment | -- | -- | -- |
| Undesignated | -- | -- | -- |
| Total Net Assets | <u>55,812</u> | <u>--</u> | <u>1,196</u> |
| Total Liabilities and Net Assets | <u>\$ 161,555</u> | <u>--</u> | <u>2,505</u> |

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2010

Designated Funds

| <u>WIC Farmers Market</u> | <u>WIC Special BF Fund</u> | <u>Early Head Start</u> | <u>Project Care/Share</u> | <u>Parents as Teachers</u> | <u>Family Nest</u> | <u>Stork's Nest</u> |
|-----------------------------------|------------------------------------|---------------------------------|-------------------------------|--------------------------------|------------------------|-------------------------|
| 5,959 | 605 | (57,714) | 15,906 | (7,277) | 15,368 | (5,315) |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| 1,036 | -- | 93,912 | -- | 7,277 | 1,085 | 4,078 |
| -- | -- | 250 | -- | 25 | -- | 150 |
| -- | -- | -- | -- | -- | -- | -- |
| <u>6,995</u> | <u>605</u> | <u>36,448</u> | <u>15,906</u> | <u>25</u> | <u>16,453</u> | <u>(1,087)</u> |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| <u>6,995</u> | <u>605</u> | <u>36,448</u> | <u>15,906</u> | <u>25</u> | <u>16,453</u> | <u>(1,087)</u> |
| -- | -- | 36,448 | -- | 25 | 325 | 14 |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | <u>36,448</u> | -- | <u>25</u> | <u>325</u> | <u>14</u> |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | 15,906 | -- | -- | -- |
| 6,995 | 605 | -- | -- | -- | 16,128 | (1,101) |
| -- | -- | -- | -- | -- | -- | -- |
| <u>6,995</u> | <u>605</u> | <u>--</u> | <u>15,906</u> | <u>--</u> | <u>16,128</u> | <u>(1,101)</u> |
| <u>6,995</u> | <u>605</u> | <u>36,448</u> | <u>15,906</u> | <u>25</u> | <u>16,453</u> | <u>(1,087)</u> |

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2010

| Assets | <u>Canterbury Court Apartments</u> | <u>924 Lafayette Street</u> | <u>Kingswood Apartments</u> |
|--|--|-------------------------------------|---------------------------------|
| Current Assets | | | |
| Cash and Cash Investments | \$ (159,733) | 13,601 | 157,464 |
| Marketable Securities | -- | -- | -- |
| Receivables | | | |
| Governmental Grants | -- | -- | -- |
| Contract Income and Other | -- | -- | -- |
| Prepaid Expenses | -- | -- | -- |
| Weatherization Work in Process | -- | -- | -- |
| Total Current Assets | <u>(159,733)</u> | <u>13,601</u> | <u>157,464</u> |
| Noncurrent Assets | | | |
| Real Estate Contracts Receivable | -- | -- | -- |
| Restricted Cash | 14,409 | 850 | 2,290 |
| Total Noncurrent Assets | <u>14,409</u> | <u>850</u> | <u>2,290</u> |
| Property and Equipment | | | |
| Land, Buildings, and Improvements | 529,961 | 62,785 | 72,566 |
| Furniture and Equipment | 4,390 | -- | -- |
| Construction in Progress | -- | -- | -- |
| Accumulated Depreciation | (279,555) | (34,577) | (33,306) |
| Net Property and Equipment | <u>254,796</u> | <u>28,208</u> | <u>39,260</u> |
| Total Assets | <u>\$ 109,472</u> | <u>42,659</u> | <u>199,014</u> |
| Liabilities and Net Assets | | | |
| Current Liabilities | | | |
| Accounts Payable | \$ 120 | 53 | 1,221 |
| Accrued Expenses | -- | -- | -- |
| Mortgages Payable - Current Portion | -- | -- | -- |
| Rent Deposits | 14,409 | 850 | 2,290 |
| Due to Funding Sources | -- | -- | -- |
| Deferred Revenue | 5,400 | -- | -- |
| Total Current Liabilities | <u>19,929</u> | <u>903</u> | <u>3,511</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 | (165,254) | 13,548 | 156,243 |
| Invested in Property and Equipment | 254,797 | 28,208 | 39,260 |
| Undesignated | -- | -- | -- |
| Total Net Assets | <u>89,543</u> | <u>41,756</u> | <u>195,503</u> |
| Total Liabilities and Net Assets | <u>\$ 109,472</u> | <u>42,659</u> | <u>199,014</u> |

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2010

| Designated Funds | | | | | | |
|-------------------------|-------------------------|----------------------------|---------------------|-------------------------------|--------------------------|-------------------------|
| 302 Locust Street | 1619 Franklin St. | Ankeny Single Family | Lexington Square | 316/318 West 3rd Street | 313 Cottage Street | 118 Irving Street |
| 18,021 | 3,215 | (20,634) | (89,498) | (156,865) | 2,540 | 5,661 |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 2,000 | -- | -- |
| -- | -- | -- | 1,362 | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| <u>18,021</u> | <u>3,215</u> | <u>(20,634)</u> | <u>(88,136)</u> | <u>(154,865)</u> | <u>2,540</u> | <u>5,661</u> |
| -- | -- | -- | -- | -- | -- | -- |
| 285 | 390 | 681 | 2,737 | -- | 523 | 635 |
| <u>285</u> | <u>390</u> | <u>681</u> | <u>2,737</u> | <u>--</u> | <u>523</u> | <u>635</u> |
| 96,857 | 12,013 | 68,811 | 412,433 | -- | 116,076 | 154,035 |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| <u>(57,420)</u> | <u>(7,036)</u> | <u>(43,809)</u> | <u>(148,259)</u> | <u>--</u> | <u>(6,331)</u> | <u>(8,402)</u> |
| <u>39,437</u> | <u>4,977</u> | <u>25,002</u> | <u>264,174</u> | <u>--</u> | <u>109,745</u> | <u>145,633</u> |
| <u>57,743</u> | <u>8,582</u> | <u>5,049</u> | <u>178,775</u> | <u>(154,865)</u> | <u>112,808</u> | <u>151,929</u> |
| -- | 61 | 84 | 58 | -- | -- | -- |
| -- | -- | -- | 1,374 | -- | -- | -- |
| -- | -- | -- | 11,161 | -- | -- | -- |
| 285 | 390 | 681 | 2,737 | -- | 523 | 635 |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| <u>285</u> | <u>451</u> | <u>765</u> | <u>15,330</u> | <u>--</u> | <u>523</u> | <u>635</u> |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | 318,972 | -- | -- | -- |
| -- | -- | -- | 264,174 | -- | 109,745 | 145,633 |
| 18,021 | 3,154 | (20,718) | (419,701) | (154,865) | 2,540 | 5,661 |
| 39,437 | 4,977 | 25,002 | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| <u>57,458</u> | <u>8,131</u> | <u>4,284</u> | <u>(155,527)</u> | <u>(154,865)</u> | <u>112,285</u> | <u>151,294</u> |
| <u>57,743</u> | <u>8,582</u> | <u>5,049</u> | <u>178,775</u> | <u>(154,865)</u> | <u>112,808</u> | <u>151,929</u> |

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2010

| Assets | Local Housing Assist. | FHLB Affordable Housing | Emergency Funds |
|--|--------------------------------------|--|----------------------------|
| Current Assets | | | |
| Cash and Cash Investments | \$ 232,830 | (66,593) | 14,755 |
| Marketable Securities | -- | -- | -- |
| Receivables | | | |
| Governmental Grants | -- | -- | -- |
| Contract Income and Other | -- | -- | -- |
| Prepaid Expenses | -- | -- | -- |
| Weatherization Work in Process | -- | -- | -- |
| Total Current Assets | <u>232,830</u> | <u>(66,593)</u> | <u>14,755</u> |
| Noncurrent Assets | | | |
| Real Estate Contracts Receivable | -- | -- | -- |
| Restricted Cash | -- | -- | -- |
| Total Noncurrent Assets | <u>--</u> | <u>--</u> | <u>--</u> |
| Property and Equipment | | | |
| Land, Buildings, and Improvements | -- | -- | -- |
| Furniture and Equipment | -- | -- | -- |
| Construction in Progress | -- | -- | -- |
| Accumulated Depreciation | -- | -- | -- |
| Net Property and Equipment | <u>--</u> | <u>--</u> | <u>--</u> |
| Total Assets | <u>\$ 232,830</u> | <u>(66,593)</u> | <u>14,755</u> |
| Liabilities and Net Assets | | | |
| Current Liabilities | | | |
| Accounts 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> | <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 | 84,414 | -- | -- |
| Unrestricted | | | |
| Designated for Program Activities | -- | (66,593) | 14,755 |
| Invested in Property and Equipment | -- | -- | -- |
| Undesignated | -- | -- | -- |
| Total Net Assets | <u>84,414</u> | <u>(66,593)</u> | <u>14,755</u> |
| Total Liabilities and Net Assets | <u>\$ 232,830</u> | <u>(66,593)</u> | <u>14,755</u> |

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2010

Designated Funds

| <u>Toy Project</u> | <u>Family Self-Sufficiency</u> | <u>Pocket Change Project</u> | <u>Fan Program</u> | <u>Emergency Shelter Grants Program</u> | <u>School Supplies and Coats</u> | <u>Outreach Offices</u> |
|--------------------|--------------------------------|------------------------------|--------------------|---|----------------------------------|-------------------------|
| 9,297 | 324 | 644 | 5 | (19,384) | 3,961 | 234,711 |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 19,384 | -- | -- |
| -- | 6 | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | 4,339 |
| -- | -- | -- | -- | -- | -- | -- |
| <u>9,297</u> | <u>330</u> | <u>644</u> | <u>5</u> | <u>--</u> | <u>3,961</u> | <u>239,050</u> |
| -- | -- | -- | -- | -- | -- | -- |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| <u>9,297</u> | <u>330</u> | <u>644</u> | <u>5</u> | <u>--</u> | <u>3,961</u> | <u>239,050</u> |
| -- | 294 | -- | -- | -- | -- | 17,794 |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| <u>--</u> | <u>294</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>17,794</u> |
| -- | -- | -- | -- | -- | -- | -- |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| -- | -- | -- | -- | -- | -- | -- |
| 9,297 | 36 | 644 | 5 | -- | 3,961 | 221,256 |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| <u>9,297</u> | <u>36</u> | <u>644</u> | <u>5</u> | <u>--</u> | <u>3,961</u> | <u>221,256</u> |
| <u>9,297</u> | <u>330</u> | <u>644</u> | <u>5</u> | <u>--</u> | <u>3,961</u> | <u>239,050</u> |

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2010

| Assets | <u>Emergency Food and Shelter (FEMA)</u> | <u>IHOEP HUD Counseling</u> | <u>Housing and Fair Lending Pool</u> | <u>National Fore- Closure Mitigation</u> |
|--|--|-------------------------------------|--|--|
| Current Assets | | | | |
| Cash and Cash Investments | \$ (8,673) | (2,404) | (15,675) | (69,690) |
| Marketable Securities | -- | -- | -- | -- |
| Receivables | | | | |
| Governmental Grants | 8,673 | 4,009 | -- | -- |
| Contract Income and Other | -- | -- | -- | 69,270 |
| Prepaid Expenses | -- | -- | 300 | 450 |
| Weatherization Work in Process | -- | -- | -- | -- |
| Total Current Assets | <u>--</u> | <u>1,605</u> | <u>(15,375)</u> | <u>30</u> |
| Noncurrent Assets | | | | |
| Real Estate Contracts Receivable | -- | -- | -- | -- |
| Restricted Cash | -- | -- | -- | -- |
| Total Noncurrent Assets | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Property and Equipment | | | | |
| Land, Buildings, and Improvements | -- | -- | -- | -- |
| Furniture and Equipment | -- | -- | -- | -- |
| Construction in Progress | -- | -- | -- | -- |
| Accumulated Depreciation | -- | -- | -- | -- |
| Net Property and Equipment | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Total Assets | <u>\$ --</u> | <u>1,605</u> | <u>(15,375)</u> | <u>30</u> |
| Liabilities and Net Assets | | | | |
| Current Liabilities | | | | |
| Accounts Payable | \$ -- | 1,605 | 820 | 30 |
| Accrued Expenses | -- | -- | -- | -- |
| Mortgages Payable - Current Portion | -- | -- | -- | -- |
| Rent Deposits | -- | -- | -- | -- |
| Due to Funding Sources | -- | -- | -- | -- |
| Deferred Revenue | -- | -- | -- | -- |
| Total Current Liabilities | <u>--</u> | <u>1,605</u> | <u>820</u> | <u>30</u> |
| Deferred Revenue - Noncurrent | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Long-Term Debt | | | | |
| Mortgages Payable - Net of Current Portion | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Net Assets | | | | |
| Temporarily Restricted | -- | -- | -- | -- |
| Unrestricted | | | | |
| Designated for Program Activities | -- | -- | (16,195) | -- |
| Invested in Property and Equipment | -- | -- | -- | -- |
| Undesignated | -- | -- | -- | -- |
| Total Net Assets | <u>--</u> | <u>--</u> | <u>(16,195)</u> | <u>--</u> |
| Total Liabilities and Net Assets | <u>\$ --</u> | <u>1,605</u> | <u>(15,375)</u> | <u>30</u> |

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2010

| Designated Funds | | | | | | | |
|------------------|--------------|---------------------------|----------------|--------------------|-------------------------|------------------------|--------------------|
| Special Projects | IHOEP | United Way Economic Grant | Career Ladders | Conrad Senior Fund | Hawkeye Valley on Aging | Grundy Co. Food Pantry | Volunteer Programs |
| (1,773) | 4,816 | 8,287 | (51) | 25,000 | 5 | 18,099 | (3,900) |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| 3,359 | -- | -- | 51 | -- | -- | -- | 3,900 |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| <u>1,586</u> | <u>4,816</u> | <u>8,287</u> | <u>--</u> | <u>25,000</u> | <u>5</u> | <u>18,099</u> | <u>--</u> |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| <u>1,586</u> | <u>4,816</u> | <u>8,287</u> | <u>--</u> | <u>25,000</u> | <u>5</u> | <u>18,099</u> | <u>--</u> |
| 1,586 | -- | -- | -- | -- | -- | 14 | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| <u>1,586</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>14</u> | <u>--</u> |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | 4,816 | 8,287 | -- | 25,000 | -- | -- | -- |
| -- | -- | -- | -- | -- | 5 | 18,085 | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | <u>4,816</u> | <u>8,287</u> | <u>--</u> | <u>25,000</u> | <u>5</u> | <u>18,085</u> | <u>--</u> |
| <u>1,586</u> | <u>4,816</u> | <u>8,287</u> | <u>--</u> | <u>25,000</u> | <u>5</u> | <u>18,099</u> | <u>--</u> |

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD

Combining Statement of Activities

Year Ended September 30, 2010

| | <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 | \$ 10,684,452 | 897,229 | 9,787,223 |
| Food Vouchers for Distribution | 3,397,012 | -- | 3,397,012 |
| CSBG Co-funding Provided | -- | 116,919 | (116,919) |
| Rental Income | 306,308 | -- | 306,308 |
| Contributions, Public Support, and Services | 1,445,546 | 1,076,097 | 369,449 |
| Investment Income | 2,365 | 2,306 | 59 |
| Other Revenue | 4,072 | 951 | 3,121 |
| Total Support and Revenue | <u>15,839,755</u> | <u>2,093,502</u> | <u>13,746,253</u> |
| Expenses | | | |
| Program and General Expenses | 12,764,416 | 4,499,686 | 8,264,730 |
| Food Vouchers for Distribution | 3,397,012 | -- | 3,397,012 |
| Depreciation | 95,172 | 31,606 | 63,566 |
| Interfund Expense Transfers | -- | (1,994,829) | 1,994,829 |
| Total Expenses | <u>16,256,600</u> | <u>2,536,463</u> | <u>13,720,137</u> |
| Excess (Deficiency) of Support and Revenue Over Expenses | (416,845) | (442,961) | 26,116 |
| Capital Items Acquired With Grant Funds | 2,131,386 | 2,096,496 | 34,890 |
| Transfers | -- | 34,890 | (34,890) |
| Net Assets - Beginning of Year | <u>1,917,898</u> | <u>953,047</u> | <u>964,851</u> |
| Net Assets - End of Year | <u>\$ 3,632,439</u> | <u>2,641,472</u> | <u>990,967</u> |

OPERATION THRESHOLD

Combining Statement of Activities

Year Ended September 30, 2010

Iowa Department of Human Rights/Division of Community Action Agencies

| LIHEAP | CSBG | CSBG ARRA | FaDSS | Weatherization Assistance | | | Utility Companies |
|------------------|----------------|----------------|----------------|---------------------------|----------------|---------------|----------------------|
| | | | | DOE ARRA | HEAP | Inventory | |
| 3,751,972 | 485,691 | 713,915 | 206,026 | 1,118,879 | 728,645 | -- | 273,438 |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | (383,025) | (128,667) | 21,022 | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | 656 | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| <u>3,751,972</u> | <u>102,666</u> | <u>585,248</u> | <u>227,704</u> | <u>1,118,879</u> | <u>728,645</u> | <u>--</u> | <u>273,438</u> |
| 3,664,755 | 32,261 | 544,621 | 212,131 | 305,647 | 261,046 | -- | 94,482 |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| 87,217 | 70,405 | 40,627 | 15,573 | 813,232 | 467,599 | -- | 178,956 |
| <u>3,751,972</u> | <u>102,666</u> | <u>585,248</u> | <u>227,704</u> | <u>1,118,879</u> | <u>728,645</u> | <u>--</u> | <u>273,438</u> |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 6,299 | -- | -- | -- |
| -- | -- | -- | -- | (6,299) | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | 52,429 | -- |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>52,429</u> | <u>--</u> |

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2010

| | 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 | -- | -- | -- |
| Investment Income | -- | -- | -- |
| Other Revenue | -- | -- | -- |
| Total Support and Revenue | <u> --</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 | -- | -- | -- |
| Capital Items Acquired With Grant Funds | -- | -- | -- |
| Transfers | -- | -- | -- |
| Net Assets - Beginning of Year | <u> (13,201)</u> | <u> 33,862</u> | <u> 28,762</u> |
| Net Assets - End of Year | <u> \$ (13,201)</u> | <u> 33,862</u> | <u> 28,762</u> |

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2010

Housing and Urban Development

| Comm. Dev. HOME New Constr. | Hope 3 Home | HOME TBRA | Homeless Prevention Rapid Re-Housing | Weatherization Plus | LHCB/CASH Course | Home Buyer Education |
|--------------------------------------|----------------|---------------|---|------------------------|---------------------|----------------------------|
| -- | -- | 32,906 | 566,298 | 19,020 | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | 107,645 | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | 1,300 | 10,875 | -- | 28,246 | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| <u>--</u> | <u>1,300</u> | <u>43,781</u> | <u>673,943</u> | <u>47,266</u> | <u>--</u> | <u>--</u> |
| -- | 2,055 | 41,677 | 646,325 | 47,266 | 1,383 | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | 27,618 | -- | -- | (562) |
| <u>--</u> | <u>2,055</u> | <u>41,677</u> | <u>673,943</u> | <u>47,266</u> | <u>1,383</u> | <u>(562)</u> |
| -- | (755) | 2,104 | -- | -- | (1,383) | 562 |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| <u>36,777</u> | <u>95,367</u> | <u>1,045</u> | <u>--</u> | <u>--</u> | <u>2,784</u> | <u>(562)</u> |
| <u>36,777</u> | <u>94,612</u> | <u>3,149</u> | <u>--</u> | <u>--</u> | <u>1,401</u> | <u>--</u> |

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2010

| | Iowa Department of Public Health | | | | |
|---|----------------------------------|-------------------------------|---------------------------|--------------------------|---------------------------|
| | WIC | WIC Food Breast Pump | WIC Peer Counseling | WIC Farmers Market | WIC Special BF Fund |
| Support and Revenue | | | | | |
| Government Awards and Contract Revenue | \$ 1,067,052 | 11,145 | 50,000 | 3,510 | -- |
| Food Vouchers for Distribution | 3,397,012 | -- | -- | -- | -- |
| CSBG Co-funding Provided | -- | -- | -- | -- | -- |
| Rental Income | -- | -- | -- | -- | -- |
| Contributions, Public Support, and Services | 4,525 | -- | -- | -- | -- |
| Investment Income | -- | -- | -- | -- | -- |
| Other Revenue | -- | -- | -- | -- | -- |
| Total Support and Revenue | 4,468,589 | 11,145 | 50,000 | 3,510 | -- |
| Expenses | | | | | |
| Program and General Expenses | 984,967 | 11,145 | 44,641 | -- | 15 |
| Food Vouchers for Distribution | 3,397,012 | -- | -- | -- | -- |
| Depreciation | -- | -- | -- | -- | -- |
| Interfund Expense Transfers | 92,548 | -- | 6,335 | -- | -- |
| Total Expenses | 4,474,527 | 11,145 | 50,976 | -- | 15 |
| Excess (Deficiency) of Support and Revenue over Expenses | (5,938) | -- | (976) | 3,510 | (15) |
| Capital Items Acquired With Grant Funds | 13,982 | -- | -- | -- | -- |
| Transfers | (13,982) | -- | -- | -- | -- |
| Net Assets - Beginning of Year | 61,750 | -- | 2,172 | 3,485 | 620 |
| Net Assets - End of Year | \$ 55,812 | -- | 1,196 | 6,995 | 605 |

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2010

Local Government and Miscellaneous Funding Sources

| <u>Early Head Start</u> | <u>Project Care/Share</u> | <u>OT Family Development</u> | <u>Parents as Teachers</u> | <u>Family Nest</u> | <u>Stork's Nest</u> |
|---------------------------------|-------------------------------|--------------------------------------|--------------------------------|------------------------|-------------------------|
| 276,210 | -- | -- | 35,786 | 48,034 | 52,425 |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| -- | 19,846 | -- | 150 | 15,677 | 13,601 |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| <u>276,210</u> | <u>19,846</u> | <u>--</u> | <u>35,936</u> | <u>63,711</u> | <u>66,026</u> |
| 264,487 | 37,283 | 231 | 34,013 | 48,015 | 66,014 |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| 11,723 | -- | (231) | 1,923 | 15,669 | 8,332 |
| <u>276,210</u> | <u>37,283</u> | <u>--</u> | <u>35,936</u> | <u>63,684</u> | <u>74,346</u> |
| -- | (17,437) | -- | -- | 27 | (8,320) |
| 7,305 | -- | -- | -- | -- | -- |
| (7,305) | -- | -- | -- | -- | -- |
| -- | 33,343 | -- | -- | 16,101 | 7,219 |
| -- | 15,906 | -- | -- | 16,128 | (1,101) |

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2010

| | Canterbury Court Apartments | 924 Lafayette Street | Kingswood Apartments |
|---|-----------------------------------|----------------------------|-------------------------|
| Support and Revenue | | | |
| Government Awards and Contract Revenue | \$ -- | -- | -- |
| Food Vouchers for Distribution | -- | -- | -- |
| CSBG Co-funding Provided | -- | -- | -- |
| Rental Income | 183,118 | 9,875 | 40,327 |
| Contributions, Public Support, and Services | -- | -- | -- |
| Investment Income | 59 | -- | -- |
| Other Revenue | 1,755 | -- | 235 |
| Total Support and Revenue | <u>184,932</u> | <u>9,875</u> | <u>40,562</u> |
| Expenses | | | |
| Program and General Expenses | 88,439 | 6,677 | 19,370 |
| Food Vouchers for Distribution | -- | -- | -- |
| Depreciation | 22,094 | 2,661 | 3,511 |
| Interfund Expense Transfers | 36,423 | 2,433 | 5,751 |
| Total Expenses | <u>146,956</u> | <u>11,771</u> | <u>28,632</u> |
| Excess (Deficiency) of Support and Revenue over Expenses | 37,976 | (1,896) | 11,930 |
| Capital Items Acquired With Grant Funds | -- | -- | -- |
| Transfers | -- | -- | -- |
| Net Assets - Beginning of Year | <u>51,567</u> | <u>43,652</u> | <u>183,573</u> |
| Net Assets - End of Year | <u>\$ 89,543</u> | <u>41,756</u> | <u>195,503</u> |

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2010

| Local Government and Miscellaneous Funding Sources | | | | | | |
|--|----------------------------|----------------------------|---------------------|-------------------------------|--------------------------|-------------------------|
| 302 Locust Street | 1619 Franklin Street | Ankeny Single Family | Lexington Square | 316/318 West 3rd Street | 313 Cottage Street | 118 Irving Street |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| 10,140 | 5,322 | 8,076 | 35,545 | -- | 6,276 | 7,629 |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| 23 | -- | -- | -- | 1,023 | 85 | -- |
| <u>10,163</u> | <u>5,322</u> | <u>8,076</u> | <u>35,545</u> | <u>1,023</u> | <u>6,361</u> | <u>7,629</u> |
| 5,240 | 7,388 | 3,824 | 30,464 | 46,813 | 1,427 | 550 |
| -- | -- | -- | -- | -- | -- | -- |
| 4,029 | 591 | 5,349 | 13,917 | 1,592 | 4,221 | 5,601 |
| 2,444 | 2,162 | 2,294 | 11,475 | 4,028 | 1,619 | 1,596 |
| <u>11,713</u> | <u>10,141</u> | <u>11,467</u> | <u>55,856</u> | <u>52,433</u> | <u>7,267</u> | <u>7,747</u> |
| (1,550) | (4,819) | (3,391) | (20,311) | (51,410) | (906) | (118) |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| <u>59,008</u> | <u>12,950</u> | <u>7,675</u> | <u>(135,216)</u> | <u>(103,455)</u> | <u>113,191</u> | <u>151,412</u> |
| <u>57,458</u> | <u>8,131</u> | <u>4,284</u> | <u>(155,527)</u> | <u>(154,865)</u> | <u>112,285</u> | <u>151,294</u> |

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2010

| | Local Housing Assist. | FHLB Affordable Housing | Emergency Funds | Toy Project |
|---|-----------------------------|-------------------------------|--------------------|----------------|
| Support and Revenue | | | | |
| Government Awards and Contract Revenue | \$ -- | -- | -- | -- |
| Food Vouchers for Distribution | -- | -- | -- | -- |
| CSBG Co-funding Provided | -- | -- | -- | -- |
| Rental Income | -- | -- | -- | -- |
| Contributions, Public Support, and Services | -- | -- | 19,700 | 9,748 |
| Investment Income | -- | -- | -- | -- |
| Other Revenue | -- | -- | -- | -- |
| Total Support and Revenue | <u>--</u> | <u>--</u> | <u>19,700</u> | <u>9,748</u> |
| Expenses | | | | |
| Program and General Expenses | -- | -- | 17,841 | 4,986 |
| Food Vouchers for Distribution | -- | -- | -- | -- |
| Depreciation | -- | -- | -- | -- |
| Interfund Expense Transfers | -- | -- | -- | -- |
| Total Expenses | <u>--</u> | <u>--</u> | <u>17,841</u> | <u>4,986</u> |
| Excess (Deficiency) of Support and Revenue over Expenses | -- | -- | 1,859 | 4,762 |
| Capital Items Acquired With Grant Funds | -- | -- | -- | -- |
| Transfers | -- | -- | -- | -- |
| Net Assets - Beginning of Year | <u>84,414</u> | <u>(66,593)</u> | <u>12,896</u> | <u>4,535</u> |
| Net Assets - End of Year | <u>\$ 84,414</u> | <u>(66,593)</u> | <u>14,755</u> | <u>9,297</u> |

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2010

Local Government and Miscellaneous Funding Sources

| <u>Family Self- Sufficiency</u> | <u>Pocket Change Project</u> | <u>Fan Program</u> | <u>Emergency Shelter Grants Program</u> | <u>Teen Trust</u> | <u>School Supplies and Coats</u> | <u>Outreach Offices</u> |
|---|--------------------------------------|------------------------|---|-----------------------|--|-----------------------------|
| -- | -- | -- | 50,517 | 1,500 | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | 266,106 |
| 18,390 | 7,807 | -- | -- | -- | 6,369 | 62,869 |
| -- | -- | -- | -- | -- | -- | -- |
| <u>18,390</u> | <u>7,807</u> | <u>--</u> | <u>50,517</u> | <u>1,500</u> | <u>6,369</u> | <u>328,975</u> |
| 21,358 | 9,164 | 45 | 45,717 | 1,502 | 5,671 | 251,625 |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| 3,179 | -- | -- | 4,800 | -- | -- | 70,869 |
| <u>24,537</u> | <u>9,164</u> | <u>45</u> | <u>50,517</u> | <u>1,502</u> | <u>5,671</u> | <u>322,494</u> |
| (6,147) | (1,357) | (45) | -- | (2) | 698 | 6,481 |
| -- | -- | -- | -- | -- | -- | 7,304 |
| -- | -- | -- | -- | -- | -- | (7,304) |
| <u>6,183</u> | <u>2,001</u> | <u>50</u> | <u>--</u> | <u>2</u> | <u>3,263</u> | <u>214,775</u> |
| <u>36</u> | <u>644</u> | <u>5</u> | <u>--</u> | <u>--</u> | <u>3,961</u> | <u>221,256</u> |

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2010

| | Emergency Food and Shelter (FEMA) | Housing and Fair Lending Pool | IHOEP HUD Counseling | National Fore- Closure Mitigation |
|---|--|--|----------------------------|--|
| Support and Revenue | | | | |
| Government Awards and Contract Revenue | \$ 27,960 | 10,000 | 40,912 | 184,254 |
| Food Vouchers for Distribution | -- | -- | -- | -- |
| CSBG Co-funding Provided | -- | -- | -- | -- |
| Rental Income | -- | -- | -- | -- |
| Contributions, Public Support, and Services | -- | 16,473 | -- | -- |
| Investment Income | -- | -- | -- | -- |
| Other Revenue | -- | -- | -- | -- |
| Total Support and Revenue | <u>27,960</u> | <u>26,473</u> | <u>40,912</u> | <u>184,254</u> |
| Expenses | | | | |
| Program and General Expenses | 27,960 | 45,393 | 34,196 | 117,445 |
| Food Vouchers for Distribution | -- | -- | -- | -- |
| Depreciation | -- | -- | -- | -- |
| Interfund Expense Transfers | -- | (2,975) | 6,716 | 18,770 |
| Total Expenses | <u>27,960</u> | <u>42,418</u> | <u>40,912</u> | <u>136,215</u> |
| Excess (Deficiency) of Support and Revenue over Expenses | -- | (15,945) | -- | 48,039 |
| Capital Items Acquired With Grant Funds | -- | -- | -- | -- |
| Transfers | -- | -- | -- | -- |
| Net Assets - Beginning of Year | <u>--</u> | <u>(250)</u> | <u>--</u> | <u>(48,039)</u> |
| Net Assets - End of Year | <u>\$ --</u> | <u>(16,195)</u> | <u>--</u> | <u>--</u> |

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2010

Local Government and Miscellaneous Funding Sources

| Special Projects | IHOEP | United Way Economic Grant | Career Ladders | Conrad Senior Fund | Hawkeye Valley on Aging | Grundy Co. Food Pantry | Volunteer Programs |
|------------------|--------------|---------------------------|----------------|--------------------|-------------------------|------------------------|--------------------|
| -- | -- | -- | 15,000 | -- | -- | -- | 16,128 |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| 42,673 | 5,000 | 50,000 | 52 | 25,000 | -- | 10,492 | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| <u>42,673</u> | <u>5,000</u> | <u>50,000</u> | <u>15,052</u> | <u>25,000</u> | <u>--</u> | <u>10,492</u> | <u>16,128</u> |
| 42,673 | 184 | 41,713 | 23,368 | -- | 164 | 5,737 | 13,336 |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | (16,511) | -- | -- | -- | 2,792 |
| <u>42,673</u> | <u>184</u> | <u>41,713</u> | <u>6,857</u> | <u>--</u> | <u>164</u> | <u>5,737</u> | <u>16,128</u> |
| -- | 4,816 | 8,287 | 8,195 | 25,000 | (164) | 4,755 | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | (8,195) | -- | 169 | 13,330 | -- |
| <u>--</u> | <u>4,816</u> | <u>8,287</u> | <u>--</u> | <u>25,000</u> | <u>5</u> | <u>18,085</u> | <u>--</u> |

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD

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

September 30, 2010

| Assets | <u>Total</u> | <u>Payroll Clearing</u> | <u>Agency</u> | <u>Equipment</u> |
|---|---------------------|-----------------------------|----------------|------------------|
| Current Assets | | | | |
| Cash and Cash Investments | \$ 706,129 | 191,592 | 539,712 | 33,947 |
| Marketable Securities | 13,971 | -- | 13,971 | -- |
| Receivables | | | | |
| Contract Income and Other | 798,282 | 53 | -- | -- |
| Prepaid Expenses | 42,025 | 7,118 | 14,765 | 621 |
| Weatherization Work in Process | 254,378 | -- | -- | -- |
| Total Current Assets | <u>1,814,785</u> | <u>198,763</u> | <u>568,448</u> | <u>34,568</u> |
| Property and Equipment | | | | |
| Land, Buildings, and Improvements | 173,637 | -- | 129,637 | -- |
| Furniture and Equipment | 190,465 | -- | -- | 190,465 |
| Construction in Progress | 2,125,087 | -- | -- | -- |
| Accumulated Depreciation | (176,655) | -- | (78,782) | (97,873) |
| Net Property and Equipment | <u>2,312,534</u> | <u>--</u> | <u>50,855</u> | <u>92,592</u> |
| Total Assets | <u>\$ 4,127,319</u> | <u>198,763</u> | <u>619,303</u> | <u>127,160</u> |
| Liabilities and Net Assets | | | | |
| Current Liabilities | | | | |
| Accounts Payable | \$ 817,423 | 2,213 | 7 | 161 |
| Accrued Expenses | 198,756 | 196,550 | -- | -- |
| Secured Construction Loan Payable | 447,335 | -- | -- | -- |
| Due to Funding Sources | 22,333 | -- | -- | -- |
| Total Current Liabilities | <u>1,485,847</u> | <u>198,763</u> | <u>7</u> | <u>161</u> |
| Net Assets | | | | |
| Temporarily Restricted | 1,677,752 | -- | -- | -- |
| Unrestricted | | | | |
| Designated for Program Activities | 231,933 | -- | 24,101 | 34,407 |
| Invested in Property and Equipment | 187,447 | -- | 50,855 | 92,592 |
| Undesignated | 544,340 | -- | 544,340 | -- |
| Total Net Assets | <u>2,641,472</u> | <u>--</u> | <u>619,296</u> | <u>126,999</u> |
| Total Liabilities and Net Assets | <u>\$ 4,127,319</u> | <u>198,763</u> | <u>619,303</u> | <u>127,160</u> |

OPERATION THRESHOLD

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

September 30, 2010

Undesignated and Agency Cost Pools

| <u>Fiscal</u> | <u>Personnel</u> | <u>Admin. Services</u> | <u>I.T. Services</u> | <u>Building Operations</u> | <u>WX Admin. Support</u> | <u>Housing Support</u> | <u>Home Repair</u> |
|---------------|------------------|----------------------------|--------------------------|--------------------------------|----------------------------------|----------------------------|------------------------|
| 22,401 | 11,533 | 18,075 | 3,777 | 3,934 | (133,045) | 2,056 | 12,147 |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 798,229 | -- | -- | -- |
| 1,650 | -- | -- | -- | 3,500 | 14,371 | -- | -- |
| -- | -- | -- | -- | -- | 254,378 | -- | -- |
| <u>24,051</u> | <u>11,533</u> | <u>18,075</u> | <u>3,777</u> | <u>805,663</u> | <u>135,704</u> | <u>2,056</u> | <u>12,147</u> |
| -- | -- | -- | -- | 44,000 | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 2,125,087 | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | <u>2,169,087</u> | -- | -- | -- |
| <u>24,051</u> | <u>11,533</u> | <u>18,075</u> | <u>3,777</u> | <u>2,974,750</u> | <u>135,704</u> | <u>2,056</u> | <u>12,147</u> |
| 10 | 131 | 3,429 | 3,777 | 797,912 | 9,643 | 140 | -- |
| -- | -- | -- | -- | 2,206 | -- | -- | -- |
| -- | -- | -- | -- | 447,335 | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | 22,333 |
| <u>10</u> | <u>131</u> | <u>3,429</u> | <u>3,777</u> | <u>1,247,453</u> | <u>9,643</u> | <u>140</u> | <u>22,333</u> |
| -- | -- | -- | -- | 1,677,752 | -- | -- | -- |
| 24,041 | 11,402 | 14,646 | -- | 5,545 | 126,061 | 1,916 | (10,186) |
| -- | -- | -- | -- | 44,000 | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| <u>24,041</u> | <u>11,402</u> | <u>14,646</u> | <u>--</u> | <u>1,727,297</u> | <u>126,061</u> | <u>1,916</u> | <u>(10,186)</u> |
| <u>24,051</u> | <u>11,533</u> | <u>18,075</u> | <u>3,777</u> | <u>2,974,750</u> | <u>135,704</u> | <u>2,056</u> | <u>12,147</u> |

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD

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

Year Ended September 30, 2010

| | <u>Total</u> | <u>Agency</u> | <u>Equipment</u> | <u>Wellness</u> |
|---|---------------------|----------------|------------------|-----------------|
| Support and Revenue | | | | |
| Government Awards and Contract Revenue | \$ 897,229 | -- | -- | -- |
| CSBG Co-funding Provided | 116,919 | | | 2,995 |
| Contributions, Public Support, and Services | 1,076,097 | 11,468 | 39,460 | -- |
| Investment Income | 2,306 | 2,306 | -- | -- |
| Other Revenue | 951 | 951 | -- | -- |
| Total Support and Revenue | <u>1,196,273</u> | <u>14,725</u> | <u>39,460</u> | <u>2,995</u> |
| Expenses | | | | |
| Management and General Expenses | 4,499,686 | 12,071 | 40,938 | 2,995 |
| Depreciation | 31,606 | 4,331 | 27,275 | -- |
| Interfund Expense Transfers | (1,994,829) | -- | -- | -- |
| Total Expenses | <u>2,536,463</u> | <u>16,402</u> | <u>68,213</u> | <u>2,995</u> |
| Excess (Deficiency) of Support and Revenue over Expenses | (442,961) | (1,677) | (28,753) | -- |
| Capital Items Acquired With Grant Funds | 2,096,496 | -- | -- | -- |
| Transfers | 34,890 | -- | 6,299 | -- |
| Net Assets - Beginning of Year | <u>953,047</u> | <u>620,973</u> | <u>149,453</u> | -- |
| Net Assets - End of Year | <u>\$ 2,641,472</u> | <u>619,296</u> | <u>126,999</u> | -- |

OPERATION THRESHOLD

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

Year Ended September 30, 2010

Undesignated and Agency Cost Pools

| <u>Fiscal</u> | <u>Personnel</u> | <u>Admin. Services</u> | <u>Planning and Compliance</u> | <u>I.T. Services</u> | <u>Bldg. Operations</u> | <u>WX Admin Support</u> | <u>Housing Support</u> | <u>Home Repair</u> |
|---------------|------------------|----------------------------|--|--------------------------|-----------------------------|---------------------------------|----------------------------|------------------------|
| -- | -- | -- | -- | -- | 897,229 | -- | -- | -- |
| -- | -- | -- | 100,891 | 13,033 | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | 898,443 | 99,719 | 27,007 | -- |
| -- | -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | 100,891 | 13,033 | 1,795,672 | 99,719 | 27,007 | -- |
| 203,371 | 62,749 | 234,118 | 90,103 | 51,602 | 2,285,067 | 1,458,111 | 58,561 | -- |
| -- | -- | -- | -- | -- | -- | -- | -- | -- |
| (203,371) | (62,749) | (234,118) | 10,788 | (38,569) | (76,864) | (1,358,392) | (31,554) | -- |
| -- | -- | -- | 100,891 | 13,033 | 2,208,203 | 99,719 | 27,007 | -- |
| -- | -- | -- | -- | -- | (412,531) | -- | -- | -- |
| -- | -- | -- | -- | -- | 2,096,496 | -- | -- | -- |
| -- | -- | -- | -- | -- | 28,591 | -- | -- | -- |
| 24,041 | 11,402 | 14,646 | -- | -- | 14,741 | 126,061 | 1,916 | (10,186) |
| 24,041 | 11,402 | 14,646 | -- | -- | 1,727,297 | 126,061 | 1,916 | (10,186) |

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Community Services Block Grant / ARRA

Contract No. CSBG-R9-11
(Contract Period 4/10/09 - 9/30/10)

| <u>Cost Category</u> | <u>Approved Budget</u> | <u>Total</u> | <u>Actual Expenses</u> | |
|------------------------|----------------------------|-----------------------|-------------------------------|------------------------------|
| | | | <u>10/01/09 - 9/30/10</u> | <u>4/10/09 - 9/30/09</u> |
| Consultants | \$ 10,000 | 7,940 | 7,940 | -- |
| Co-Funded Programs | 141,436 | 128,679 | 128,679 | -- |
| New CSBG ARRA Programs | <u>568,286</u> | <u>583,103</u> | <u>577,296</u> | <u>5,807</u> |
| Total | <u>\$719,722</u> | <u>719,722</u> | <u>713,915</u> | <u>5,807</u> |

Community Services Block Grant

Contract No. CSBG-09-11-CA
(Contract Period 10/01/08 - 9/30/10)

| <u>Cost Category</u> | <u>Approved Budget</u> | <u>Actual Expenses 10/01/09-9/30/10</u> |
|----------------------|----------------------------|---|
| Space Costs | \$ 9,500 | 7,088 |
| Equipment Costs | 500 | -- |
| Consultants | 19,586 | 19,086 |
| Co-Funded Programs | 389,325 | 386,238 |
| Other Costs | <u>66,780</u> | <u>73,279</u> |
| Total | <u>\$485,691</u> | <u>485,691</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-10-11-A
(Contract Period 10/01/09 - 9/30/10)

| <u>Cost Category</u> | <u>Approved Budget</u> | <u>Actual Expenses 10/01/09 - 9/30/10</u> |
|---|----------------------------|---|
| Assistance Awards | | |
| Regular Assistance | \$ 3,270,480 | 3,252,794 |
| Energy Crisis Intervention | 172,579 | 172,101 |
| Client Services Assessment and Resolution | 67,736 | 67,736 |
| Summer Deliverable Fuel | 43,617 | 43,617 |
| Administration | <u>215,724</u> | <u>215,724</u> |
| Total Grant Expenses | <u>\$ 3,770,136</u> | <u>3,751,972</u> |

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Weatherization Assistance Programs / ARRA

Contract No. DOE-ARRA-09-11A
(Contract Period 4/10/09 - 3/31/12)

| <u>Cost Category</u> | <u>Approved Budget</u> | <u>Actual Expenses</u> | | |
|-----------------------------------|----------------------------|------------------------------|-------------------------------|------------------------------|
| | | <u>4/10/09 - 9/30/10</u> | <u>10/01/09 - 9/30/10</u> | <u>4/10/09 - 9/30/09</u> |
| Administration | \$ 249,779 | 71,011 | 71,011 | -- |
| Health and Safety | 722,594 | 213,623 | 213,623 | -- |
| Support | 931,672 | 277,535 | 277,535 | -- |
| Labor | 979,353 | 336,256 | 336,256 | -- |
| Materials | 979,353 | 175,267 | 175,267 | -- |
| Administration - Equipment | 102,230 | 102,278 | 13,769 | 88,509 |
| Training and Technical Assistance | 690,221 | 56,209 | 31,418 | 24,791 |
| Total | <u>\$ 4,655,202</u> | <u>1,232,179</u> | <u>1,118,879</u> | <u>113,300</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-10-11A
(Contract Period 1/01/10 - 12/31/10)

| <u>Cost Category</u> | <u>Approved Budget</u> | <u>Actual Expenses 1/01/10 - 9/30/10</u> |
|----------------------|----------------------------|--|
| Administration | \$ 23,570 | 19,150 |
| Health and Safety | 81,616 | 105,084 |
| Support | 105,798 | 127,750 |
| Labor | 110,332 | 53,295 |
| Materials | 110,332 | 41,798 |
| Equipment/Training | 17,778 | 11,907 |
| Total | <u>\$449,426</u> | <u>358,984</u> |

Contract No. HEAP-09-11A
(Contract Period 1/01/09 - 12/31/09)

| <u>Cost Category</u> | <u>Approved Budget</u> | <u>Total</u> | <u>Actual Expenses</u> | |
|----------------------|----------------------------|----------------|--------------------------------|------------------------------|
| | | | <u>10/01/09 - 12/31/09</u> | <u>1/01/09 - 9/30/09</u> |
| Administration | \$ 43,613 | 42,709 | 20,201 | 22,508 |
| Health and Safety | 148,743 | 177,168 | 92,561 | 84,607 |
| Support | 192,815 | 205,478 | 89,249 | 116,229 |
| Labor | 201,078 | 216,214 | 100,075 | 116,139 |
| Materials | 201,078 | 141,546 | 67,463 | 74,083 |
| Equipment/Training | 18,659 | 10,881 | 112 | 10,769 |
| Total | <u>\$ 805,986</u> | <u>793,996</u> | <u>369,661</u> | <u>424,335</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-10-11A
(Contract Period 1/01/10 - 12/30/10)

| <u>Cost Category</u> | <u>Approved Budget</u> | <u>Actual Expenses 1/01/10 - 9/30/10</u> |
|----------------------|----------------------------|--|
| Administration | \$ 1,478 | 1,478 |
| Support | 2,956 | 2,540 |
| Labor | 12,562 | 13,696 |
| Materials | 12,562 | 11,844 |
| Total | \$ 29,558 | 29,558 |

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Weatherization Assistance Programs

Contract No. MEC-10-11A
(Contract Period 1/01/10 - 12/30/10)

| <u>Cost Category</u> | <u>Approved Budget</u> | <u>Actual Expenses 1/01/10 - 9/30/10</u> |
|----------------------|----------------------------|--|
| Administration | | |
| Support | \$ 11,782 | 11,782 |
| Labor | 23,564 | 20,152 |
| Materials | 100,145 | 108,559 |
| | <u>100,145</u> | <u>95,143</u> |
| Total | <u>\$ 235,636</u> | <u>235,636</u> |

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Weatherization Assistance Programs

Contract No. BHE-10-11A
(Contract Period 1/01/10 - 12/30/10)

| Cost Category | Approved Budget | Actual Expenses 1/01/10 - 9/30/10 |
|----------------|--------------------|--------------------------------------|
| Administration | \$ 412 | 412 |
| Support | 824 | 565 |
| Labor | 3,504 | 5,024 |
| Materials | 3,504 | 2,243 |
| Total | \$ 8,244 | 8,244 |

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Family Development and Self-Sufficiency

Contract No. FaDSS-11-11
(Contract Period 7/01/10 - 06/30/11)

| Cost Category | Approved Budget | Actual Expenses 7/01/10- 9/30/10 |
|-----------------------------|--------------------|-------------------------------------|
| Grant Expenses | | |
| Administrative | \$ 22,075 | 3,957 |
| Personnel | 220,165 | 35,986 |
| Travel | 3,574 | 1,342 |
| Space/Utilities | 2,670 | -- |
| Other | 9,428 | -- |
| Third Party Payments | 662 | |
| Total Grant Expenses | 258,574 | 41,285 |
| Local Funds | | |
| Personnel | 7,317 | 7,317 |
| Travel | 1,170 | -- |
| Space/Utilities | 2,670 | 1,637 |
| Other | 7,260 | 3,784 |
| Third Party Payments | 662 | 9 |
| Total Expenses | \$ 277,653 | 54,032 |

Contract No. FaDSS-10-11-FA
(Contract Period 7/01/09 - 06/30/10)

| Cost Category | Approved Budget | Actual Expenses | | |
|-----------------------------|--------------------|-----------------|-----------------------|----------------------|
| | | Total | 10/01/09 - 6/30/10 | 7/01/09 - 9/30/09 |
| Grant Expenses | | | | |
| Administrative | \$ 22,075 | 18,694 | 14,140 | 4,554 |
| Personnel | 196,982 | 200,000 | 147,895 | 52,105 |
| Travel | 3,258 | 3,584 | 2,706 | 878 |
| Space/Utilities | 778 | 778 | -- | 778 |
| Other | 1,017 | 1,054 | -- | 1,054 |
| Total Grant Expenses | 224,110 | 224,110 | 164,741 | 59,369 |
| Local Funds | | | | |
| Personnel | 24,392 | -- | -- | -- |
| Travel | -- | 102 | 102 | -- |
| Space/Utilities | 1,322 | 4,315 | 4,222 | 93 |
| Other | 6,506 | 11,287 | 6,473 | 4,814 |
| Third Party Payments | 662 | 1,508 | 1,280 | 228 |
| Total | \$ 256,992 | 241,322 | 176,818 | 64,504 |

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. 5880A043

(Contract Period 10/01/09 - 9/30/10)

| Cost Category | Approved Budget | Actual Expenses 10/01/09 - 9/30/10 |
|-----------------------------|--------------------|---------------------------------------|
| Cash Grant Expenses | | |
| Salary/Fringe | \$ 687,236 | 793,941 |
| Contracted/Outside Services | 25,000 | 6,263 |
| Other | 219,580 | 204,212 |
| Indirect | 135,236 | 62,636 |
| Total Cash Grant Expenses | 1,067,052 | 1,067,052 |
| Noncash Expenses | | |
| Food Vouchers Distributed | | 3,397,012 |
| Local Funds | | |
| Salary/Fringe | | 2,490 |
| Other | | 7,825 |
| Indirect | | 148 |
| Total Local Funds | | 10,463 |
| Total Expenses | | \$4,474,527 |

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