

OPERATION THRESHOLD

Waterloo, Iowa

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

September 30, 2011

(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
Vacant
Barbara Smith

Chairperson
Vice-Chairperson
Secretary
Treasurer

Board Members

Mike Ferrerter
Scott Jordan
Danielle Engle
Rev. Larry Doughan
Kelly McClanahan
Kelly Johnson

Clyde Moore
Denise Hawker
Allen Ricks
Janet Geodken
Gary Gissel
Laroia VanArsdale

Management

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

Executive Director
Community Resources Director
WIC Director
Deputy 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, 2011, 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 2010 financial statements and, in our report dated December 28, 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, 2011, 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 January 6, 2012, 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

January 6, 2012
West Des Moines, Iowa

OPERATION THRESHOLD
Statement of Financial Position
September 30, 2011
(With Comparative Totals for 2010)

Assets	Total All Funds	
	2011	2010
Current Assets		
Cash and Cash Equivalents	\$ 367,054	675,557
Marketable Securities	12,219	13,971
Receivables		
Grants Receivable	388,131	1,329,528
Contract Income and Other	64,514	187,899
Prepaid Expenses	57,682	50,311
Weatherization Work in Process	556,322	478,138
Total Current Assets	1,445,922	2,735,404
Noncurrent Assets		
Real Estate Contract Receivable	12,701	12,803
Restricted Cash	24,910	22,800
Total Noncurrent Assets	37,611	35,603
Property and Equipment		
Land, Buildings, and Improvements	5,792,485	1,699,174
Furniture and Equipment	448,088	194,855
Construction in Progress	--	2,125,087
	6,240,573	4,019,116
Accumulated Depreciation	(973,928)	(795,350)
Net Property and Equipment	5,266,645	3,223,766
Total Assets	\$ 6,750,178	5,994,773
	Liabilities and Net Assets	
Current Liabilities		
Accounts Payable	\$ 131,138	949,487
Accrued Expenses	153,714	200,130
Secured Construction Loan Payable	965,305	447,335
Current Maturities of Long-Term Debt	11,545	11,161
Rent Deposits and Escrow	24,910	22,800
Due to Funding Sources	233,829	230,046
Deferred Revenue	96,374	169,600
Total Current Liabilities	1,616,815	2,030,559
Deferred Revenue - Noncurrent	12,701	12,803
Long-Term Debt		
Mortgages Payable - Net of Current Portion	307,428	318,972
Total Liabilities	1,936,944	2,362,334
Net Assets		
Temporarily Restricted	3,775,230	2,516,539
Unrestricted		
Designated for Program Activities	(319,405)	(7,568)
Invested in Property and Equipment	798,358	579,128
Undesignated	559,051	544,340
Total Net Assets	4,813,234	3,632,439
Total Liabilities and Net Assets	\$ 6,750,178	5,994,773

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, 2011
(With Comparative Totals for 2010)

	Unrestricted	Temporarily Restricted	Total All Funds	
			2011	2010
Support and Revenue				
Government Awards and Contract Revenue	\$ 9,276,244	1,295,408	10,571,652	10,684,452
Contributions, Public Support, and Services	339,185	--	339,185	1,445,546
Rental Income	300,378	--	300,378	306,308
Investment Income	4,772	--	4,772	2,365
Other Revenue	4,405	--	4,405	4,072
Food Vouchers for Distribution	3,315,462	--	3,315,462	3,397,012
	<u>13,240,446</u>	<u>1,295,408</u>	<u>14,535,854</u>	<u>15,839,755</u>
Net Assets Released from Restrictions - Satisfaction of Usage Restrictions	36,717	(36,717)	--	--
Total Support and Revenue	<u>13,277,163</u>	<u>1,258,691</u>	<u>14,535,854</u>	<u>15,839,755</u>
Functional Expenses				
Program Services				
Women, Infants, and Children	4,300,957	--	4,300,957	4,536,663
Low Income Home Energy Assistance Program	3,342,032	--	3,342,032	3,751,972
Weatherization Assistance Programs	3,168,526	--	3,168,526	2,168,228
Rental Housing Programs	338,618	--	338,618	343,983
Service Centers	323,751	--	323,751	322,494
Homelessness Prevention and Rapid Re-housing	303,856	--	303,856	673,943
Early Head Start Contractual Services	264,748	--	264,748	276,210
Family Development and Self-Sufficiency	254,464	--	254,464	227,704
Foreclosure Prevention Programs	245,715	--	245,715	219,545
Storks Nest/Family Nest	90,149	--	90,149	138,030
CSBG Programs (net of co-funding provided)	88,602	--	88,602	687,914
Other Programs	329,320	--	329,320	373,451
Total Program Services	<u>13,050,738</u>	<u>--</u>	<u>13,050,738</u>	<u>13,720,137</u>
Administrative Support Services				
Management and General	1,521,209	--	1,521,209	2,536,463
Total Functional Expenses	<u>14,571,947</u>	<u>--</u>	<u>14,571,947</u>	<u>16,256,600</u>
Change in Net Assets Before Capital Items				
Acquired With Grant Funds	(1,294,784)	1,258,691	(36,093)	(416,845)
Capital Items Acquired With Grant Funds	<u>1,216,888</u>	<u>--</u>	<u>1,216,888</u>	<u>2,131,386</u>
Change in Net Assets	(77,896)	1,258,691	1,180,795	1,714,541
Net Assets - Beginning of Year	<u>1,115,900</u>	<u>2,516,539</u>	<u>3,632,439</u>	<u>1,917,898</u>
Net Assets - End of Year	<u>\$ 1,038,004</u>	<u>3,775,230</u>	<u>4,813,234</u>	<u>3,632,439</u>

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

OPERATION THRESHOLD

Statement of Cash Flows

Year Ended September 30, 2011
(With Comparative Totals for 2010)

	Total All Funds	
	2011	2010
Cash Flows from Operating Activities		
Change in Net Assets	\$ 1,180,795	1,714,541
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities		
Depreciation	179,836	95,172
Unrealized Loss on Marketable Securities	1,752	792
(Gain) Loss on Disposal of Assets	(1,260)	43,191
(Increase) Decrease in		
Receivables	1,064,782	(748,742)
Prepaid Expenses	(7,371)	2,292
Weatherization Work in Process	(78,184)	(150,329)
Increase (Decrease) in		
Accounts Payable and Accrued Expenses	(864,765)	90,859
Rent Deposits and Escrow	2,110	(2,548)
Due to Funding Sources	3,783	-
Deferred Revenue	(73,226)	130,452
Net Cash Flows from Operating Activities	<u>1,408,252</u>	<u>1,175,680</u>
Cash Flows from Investing Activities		
Cash Paid for Property and Equipment	(2,227,754)	(1,437,052)
Proceeds from Disposal of Assets	6,299	12,555
Net Cash Flows from Investing Activities	<u>(2,221,455)</u>	<u>(1,424,497)</u>
Cash Flows from Financing Activities		
(Increase) Decrease in Restricted Cash	(2,110)	2,548
Borrowings on Construction Loan Payable	517,970	447,335
Payments on Mortgages Payable	(11,160)	(10,546)
Net Cash Flows from Financing Activities	<u>504,700</u>	<u>439,337</u>
Change in Cash and Cash Equivalents	(308,503)	190,520
Cash and Cash Equivalents - Beginning of Year	<u>675,557</u>	<u>485,037</u>
Cash and Cash Equivalents - End of Year	<u>\$ 367,054</u>	<u>675,557</u>
Supplemental Disclosure of Cash Flow Data		
Cash Paid During the Years for Interest	<u>\$ 56,008</u>	<u>20,981</u>
Supplemental Disclosure of Noncash Investing		
Construction in Progress Acquired with Accounts Payable	<u>\$ --</u>	<u>797,229</u>

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

OPERATION THRESHOLD

Notes to Financial Statements

September 30, 2011

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, 2011.

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 \$1,752 for the year ended September 30, 2011. 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. In addition, in 2011 the Organization capitalized \$137,647 of building furnishings and equipment with unit costs less than \$5,000. 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	15 to 39 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.

The Organization follows generally accepted accounting principles in evaluating impairment of long-lived assets. No impairment losses were recorded by the Organization in 2011.

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, 2011. Management and general expenses for 2011 include \$1,216,888 in grant-funded building construction costs; these costs 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 \$2,772 for the year ended September 30, 2011 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.

The Organization follows generally accepted accounting principles in evaluating its uncertain tax positions. At September 30, 2011, 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, 2008.

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 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, 2010, from which the summarized information was derived.

Certain reclassifications to the 2010 comparative totals have been made to conform to the 2011 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 operation 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 Nutrition 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 education and assistance to low-income women who are pregnant, post-partum, breastfeeding 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 prevention 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.

Service Centers - The Organization maintains service centers in each of the areas served. Programs administered are charged for the non-cofunded expenses of the centers based on the hours spent for the services and the space utilized.

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>
Parents as Teachers	\$ 61,622
Emergency Shelter Grants Program	42,616
Project Care/Share	40,943
Disaster Case Management	35,883
HOME Investment Partnership Program	31,230
Special Projects	25,061
Family Self-Sufficiency	18,698
Volunteer Programs	15,555
Emergency Funds	12,558
Toy Project	11,293
Pocket Change Project	8,860
Grundy County Food Pantry	8,628
United Way Economic Grant	8,287
IHOEP	4,816
School Supplies and Coats	1,868
Other Programs and Local Activities	1,402
	<u>\$ 329,320</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. Certain accounts at these institutions are insured by the FDIC up to \$250,000. At September 30, 2011, the Organization had \$100,812 of cash deposited in excess of the insured limits. The risk is managed by maintaining all depository 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	366,654	--
Restricted Cash Deposits		
Tenant Security Deposits and Escrow	--	24,910
	<u>\$ 367,054</u>	<u>24,910</u>

6. **Receivables**

Grants receivable are summarized as follows:

Funding Source	Program Activity	Amount
Iowa Department of Public Health	WIC	\$ 158,985
Iowa Department of Public Health	WIC Peer Counseling	7,679
Iowa Department of Public Health	Home Visitation Program	686
Iowa Dept. of Agriculture and Land Stewardship	WIC Farmers Market	939
Iowa Department of Human Rights	CSBG	49,232
Iowa Department of Human Rights	HEAP	48,328
Iowa Department of Human Rights	FaDSS	6,684
Together 4 Families	Parents as Teachers	31,268
Iowa Finance Authority/IHOEP	HUD Counseling	26,890
Iowa Finance Authority	HPRP	22,515
INRCOG	Emergency Food and Shelter	9,993
City of Waterloo	HPRP	6,612
Cedar Valley Promise	Stork's Nest	3,222
Iowa Department of Human Services	Volunteer Program	3,900
Together 4 Families	Family Nest	1,267
Prevent Child Abuse Iowa	Family Nest	2,985
City of Waterloo	Weatherization Plus	2,500
City of Waterloo	TBRA	4,446
		<u>\$ 388,131</u>

Contract income and other receivables are summarized as follows:

Funding Source	Program Activity	Amount
Tri-County Child & Development Council, Inc.	Early Head Start	\$ 37,309
Iowa Department of Public Health	WIC Breast Pump	10,845
Various Sources	WX Services	8,962
From the Heart	Special Projects	3,465
Waterloo Housing Authority	Family Self-Sufficiency	1,643
Gregory A. and Jessica Young	Building Sales Contract	1,170
Other Sources	Other Programs	1,120
		<u>\$ 64,514</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:

	Cost	Current Depreciation	Accumulated Depreciation	Net Property and Equipment
Land	\$ 83,740	--	--	83,740
Buildings and Improvements	5,708,745	135,905	828,992	4,879,753
Furniture and Equipment	448,088	43,931	144,936	303,152
	<u>\$ 6,240,573</u>	<u>179,836</u>	<u>973,928</u>	<u>5,266,645</u>

9. **Central Office Building**

Operation Threshold constructed a new central office building for administrative and programmatic purposes to replace its old building, which was extensively damaged by flooding in 2008. The building was completed in 2011 at a cost of \$4,023,620. Grant funds and contributions related to this project total \$2,935,910 through August 31, 2011. Management expects that additional grant funding and proceeds from disposal of the flooded building will total approximately \$865,000, which will be used to reduce the construction loan outstanding.

Management and general expenses for 2011 include \$1,216,888 in building costs and related equipment, which was reimbursed by grantors; this amount has been capitalized through a direct credit to fund balance.

10. **Accrued Expenses**

Accrued expenses are summarized as follows:

Compensated Absences	\$ 77,591
Salaries and Wages	62,349
Interest	8,187
Payroll Taxes, Withholding, and Benefits	5,587
	<u>\$ 153,714</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	59,297
Iowa Department of Human Rights	
Contractor WX Equipment Payments	3,783
	<u>\$ 233,829</u>

12. **Deferred Revenue**

Deferred revenue is summarized as follows:

DOE Weatherization (ARRA)	\$ 34,096
Grundy County - Service Center	21,000
Financial Literacy	20,596
Housing and Fair Lending	14,848
Buchanon County - Service Center	5,834
	<u>\$ 96,374</u>

13. Secured Construction Loan Payable

Operation Threshold obtained a multiple-advance secured bridge loan to facilitate construction of its new building. The loan originally carried a maximum commitment of \$999,000 and was due on demand, or on December 15, 2010 if no demand was made. At the 2010 due date, the note was modified to extend its maturity date to May 13, 2011, provided no demand was made. The commitment amount, interest rate and other provisions remained unchanged.

The note was modified again in August, 2011. The current modified note carried an original balance of \$971,567, has a fixed rate of interest of 6%, and requires monthly payments of \$6,263. The note is secured with a mortgage interest in other properties owned by the Organization. It matures August 15, 2012, with final payment due at maturity.

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 \$190,759.

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 \$97,414 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 \$30,800.

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

2012	\$ 11,545
2013	12,445
2014	13,117
2015	170,641
2016	5,019
2017 through 2022	<u>106,206</u>
	<u>\$ 318,973</u>

Interest expense for the year ended September 30, 2011, totaled \$60,616.

15. 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, 2011 amounted to \$104,354.

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

2012	\$ 6,253
2013	<u>4,690</u>
	<u>\$ 10,943</u>

16. Temporarily Restricted Net Assets

Temporarily restricted net assets are summarized as follows, as of the year-end:

<u>Program and Funder</u>	
Central Office Building - IFA / I-Jobs	\$ 2,870,988
Lexington Square - IFA, IDED and IHC	250,258
HOME Investment Partnership - City of Waterloo	
Community Development HOME	
Rental Houses Funded by Program	245,556
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	94,811
National Foreclosure Mitigation Program	88,727
Local Housing Assistance - IDED	84,414
Conrad Senior Fund	25,000
Grundy County Food Pantry	15,533
Project Care/Share	13,743
	<u>\$ 3,775,230</u>

The central office building must be 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.

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 \$3,372.

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 5.38% (4.50% through June 2011) of their annual covered salary to IPERS and the Organization contributes 8.07% (6.95% through June 2011) of annual covered payroll. Contribution requirements are established by state statute. The Organization's contributions to IPERS for the year ended September 30, 2011, totaled \$187,203, equal to the required contribution for the year.

18. Evaluation of Subsequent Events

The Organization has evaluated events and transactions occurring after September 30, 2011 for recognition and disclosure in the financial statements. Subsequent events were evaluated through January 6, 2012, the date the financial statements were available to be issued.

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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, 2011, and have issued our report thereon dated January 6, 2012. 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

Management of the Organization is responsible for establishing and maintaining effective 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.

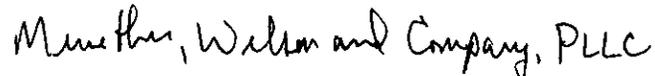
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material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

Page Two

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

January 6, 2012
West Des Moines, Iowa

MERIWETHER, WILSON AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2011. Operation Threshold's major federal programs are identified in the Summary of Independent Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Operation Threshold's management. Our responsibility is to express an opinion on Operation Threshold's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Operation Threshold's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Operation Threshold's compliance with those requirements.

In our opinion, Operation Threshold complied, in all material respects, with the 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, 2011.

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

January 6, 2012
West Des Moines, Iowa

OPERATION THRESHOLD

Schedule of Findings and Questioned Costs

Year Ended September 30, 2011

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, 2011. The following were audited as major programs:

<u>Major Program</u>	<u>CFDA No.</u>	<u>Expenditures</u>
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	
Cash Expenditures		\$ 987,014
Noncash Expenditures - Food Vouchers Distributed		<u>3,315,462</u>
Total CFDA No. 10.557		4,302,476
Homeless Prevention/Rapid Re-Housing (ARRA)	14.257	300,301
Weatherization Assistance for Low-Income Persons (ARRA)	81.042	<u>2,640,292</u>
		<u>\$ 7,243,069</u>

8. The dollar threshold used to distinguish between Type A and Type B programs was \$351,897.
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, 2010 Through September 30, 2011

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-11-11	\$ 3,342,032
Home Energy Assistance Program	93.568	HEAP-11-11A	175,094
Home Energy Assistance Program	93.568	HEAP-10-11A	56,277
Total CFDA # 93.568			<u>3,573,403</u>
Family Development and Self Sufficiency (54% Federal)	93.558	FaDSS-12-11	31,666
Family Development and Self Sufficiency (54% Federal)		FaDSS-11-11	105,745
Total CFDA # 93.558			<u>137,411</u>
Community Services Block Grant	93.569	CSBG-11-11	49,232
Community Services Block Grant	93.569	CSBG-10-11	480,632
Total CFDA # 93.558			<u>529,864</u>
ACA Home Visiting Program	93.505	5882CH02	686
Total U.S. Department of Health and Human Services			<u>4,241,364</u>
U.S. Department of Housing and Urban Development			
Passed Through the City of Waterloo			
HOME Program TBRA	14.239	FY 2012	5,212
HOME Program TBRA	14.239	FY 2011	10,094
	14.239	Hope 3 Home	801
Passed Through the Iowa Department of Economic Development			
HOME Program Promissory Note Dated 3/10/99	14.239	99-HM-204-731	97,414
Total CFDA #14.239			<u>113,521</u>
Passed Through the Iowa Institute for Community Alliances			
Emergency Shelter Grants Program	14.231	11-II-07032	17,000
		11-II-07004	21,000
		10-II-07032	4,616
Total CFDA #14.231			<u>42,616</u>
Passed Through the Iowa Finance Authority			
HUD Counseling	14.169	FY 2010/2011	73,895
Homeless Prevention/Rapid Re-Housing (ARRA)	14.257	S09-DY-09-0001	160,257
Passed Through the City of Waterloo			
Homeless Prevention/Rapid Re-Housing (ARRA)	14.257	S09-DY-09-0001	140,044
Total CFDA #14.257			<u>300,301</u> **
Community Development Block Grant	14.218	FY 2011	13,208
Community Development Block Grant	14.218	FY 2010	2,158
Total CFDA #14.218			<u>15,366</u>
Total U.S. Department of Housing and Urban Development			<u>545,699</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 Nutrition Program			
for Women, Infants, and Children			
WIC	10.557	5881AO43	931,759
WIC Food Breast Pump		5881AO43	20,255
WIC Peer Counseling		5881AO95	35,000
WIC Noncash - Food Vouchers for Distribution		5881AO43	<u>3,315,462</u>
Total CFDA #10.557 and U.S. Department of Agriculture			<u>4,302,476</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>2,640,292</u>
Total CFDA #81.042 and U.S. Department of Energy			<u>2,640,292</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	77
		292400-001	<u>3</u>
Total CFDA #97.024 and Department of Homeland Security			<u>80</u>
Total Expenditures of Federal Awards			<u>\$11,729,911</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, 2011

Assets	Total All Funds	Undesignated and Agency Cost Pool Funds	Total Designated Funds
Current Assets			
Cash and Cash Investments	\$ 367,054	422,893	(55,839)
Marketable Securities	12,219	12,219	--
Receivables			
Governmental Grants	388,131	--	388,131
Contract Income and Other	64,514	8,962	55,552
Prepaid Expenses	57,682	47,037	10,645
Weatherization Work in Process	556,322	217,915	338,407
Total Current Assets	1,445,922	709,026	736,896
Noncurrent Assets			
Real Estate Contracts Receivable	12,701	--	12,701
Restricted Cash	24,910	--	24,910
Total Noncurrent Assets	37,611	--	37,611
Property and Equipment			
Land, Buildings, and Improvements	5,792,485	4,197,256	1,595,229
Furniture and Equipment	448,088	443,698	4,390
Construction in Progress	--	--	--
Accumulated Depreciation	(973,928)	(288,140)	(685,788)
Net Property and Equipment	5,266,645	4,352,814	913,831
Total Assets	\$ 6,750,178	5,061,840	1,688,338
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	\$ 131,138	114,896	16,242
Accrued Expenses	153,714	152,379	1,335
Mortgages Payable - Current Portion	976,850	965,305	11,545
Rent Deposits	24,910	--	24,910
Due to Funding Sources	233,829	26,116	207,713
Deferred Revenue	96,374	--	96,374
Total Current Liabilities	1,616,815	1,258,696	358,119
Deferred Revenue - Noncurrent	12,701	--	12,701
Long-Term Debt			
Mortgages Payable - Net of Current Portion	307,428	--	307,428
Net Assets			
Temporarily Restricted	3,775,230	2,870,988	904,242
Unrestricted			
Designated for Program Activities	(319,405)	(7,236)	(312,169)
Invested in Property and Equipment	798,358	380,341	418,017
Undesignated	559,051	559,051	--
Total Net Assets	4,813,234	3,803,144	1,010,090
Total Liabilities and Net Assets	\$ 6,750,178	5,061,840	1,688,338

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2011

Designated Funds

LIHEAP	CSBG	FaDSS	Weatherization Assistance		
			DOE ARRA	HEAP	Inventory
5,699	(49,232)	(6,574)	35,467	(48,328)	(284,043)
--	--	--	--	--	--
--	--	--	--	--	--
--	49,232	6,684	--	48,328	--
157	--	--	--	--	89
--	--	--	--	--	--
--	--	--	--	--	338,407
<u>5,856</u>	<u>--</u>	<u>110</u>	<u>35,467</u>	<u>--</u>	<u>54,453</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>5,856</u>	<u>--</u>	<u>110</u>	<u>35,467</u>	<u>--</u>	<u>54,453</u>
5,856	--	110	1,371	--	2,024
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>5,856</u>	<u>--</u>	<u>110</u>	<u>34,096</u>	<u>--</u>	<u>--</u>
<u>5,856</u>	<u>--</u>	<u>110</u>	<u>35,467</u>	<u>--</u>	<u>2,024</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	52,429
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>52,429</u>
<u>5,856</u>	<u>--</u>	<u>110</u>	<u>35,467</u>	<u>--</u>	<u>54,453</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2011

Assets	<u>Comm. Dev. HOME New Constr. Re-Use</u>	<u>Comm. Dev. HOME Rehab Re-Use</u>	<u>Comm. Dev. HOME Rehab Funds</u>
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, 2011

Designated Funds						
Comm. Dev. HOME New Constr.	IHOEP HUD Counseling	Hope 3 Home	HOME TBRA	Homeless Prevention Rapid Re-Housing	Weatheri- zation Plus	LHCB/ CASH Course
36,777	(26,890)	94,811	(3,876)	(32,682)	(2,500)	765
--	--	--	--	--	--	--
--	26,890	--	4,446	29,127	2,500	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>36,777</u>	<u>--</u>	<u>94,811</u>	<u>570</u>	<u>(3,555)</u>	<u>--</u>	<u>765</u>
--	--	12,701	--	--	--	--
--	--	--	--	--	--	--
--	--	<u>12,701</u>	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>36,777</u>	<u>--</u>	<u>107,512</u>	<u>570</u>	<u>(3,555)</u>	<u>--</u>	<u>765</u>
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>36,777</u>	<u>--</u>	<u>107,512</u>	<u>570</u>	<u>(3,555)</u>	<u>--</u>	<u>765</u>
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>36,777</u>	<u>--</u>	<u>107,512</u>	<u>570</u>	<u>(3,555)</u>	<u>--</u>	<u>765</u>
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>36,777</u>	<u>--</u>	<u>94,811</u>	<u>570</u>	<u>(3,555)</u>	<u>--</u>	<u>765</u>
<u>36,777</u>	<u>--</u>	<u>107,512</u>	<u>570</u>	<u>(3,555)</u>	<u>--</u>	<u>765</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2011

Assets	<u>WIC</u>	<u>WIC Food Breast Pump</u>	<u>WIC Peer Counseling</u>
Current Assets			
Cash and Cash Investments	\$ (48,462)	(10,845)	(6,427)
Marketable Securities	--	--	--
Receivables			
Governmental Grants	158,985	--	7,679
Contract Income and Other	790	10,845	--
Prepaid Expenses	5,545	--	--
Weatherization Work in Process	--	--	--
Total Current Assets	<u>116,858</u>	<u>--</u>	<u>1,252</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>\$ 116,858</u>	<u>--</u>	<u>1,252</u>
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	\$ 215	--	56
Accrued Expenses	--	--	--
Mortgages Payable - Current Portion	--	--	--
Rent Deposits	--	--	--
Due to Funding Sources	59,297	--	--
Deferred Revenue	--	--	--
Total Current Liabilities	<u>59,512</u>	<u>--</u>	<u>56</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	57,346	--	1,196
Invested in Property and Equipment	--	--	--
Undesignated	--	--	--
Total Net Assets	<u>57,346</u>	<u>--</u>	<u>1,196</u>
Total Liabilities and Net Assets	<u>\$ 116,858</u>	<u>--</u>	<u>1,252</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2011

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>
7,922	590	(33,666)	13,743	(31,214)	(3,781)	(1,038)
--	--	--	--	--	--	--
939	--	--	--	31,269	4,251	3,222
--	--	37,308	--	--	--	--
--	--	250	--	25	--	--
--	--	--	--	--	--	--
<u>8,861</u>	<u>590</u>	<u>3,892</u>	<u>13,743</u>	<u>80</u>	<u>470</u>	<u>2,184</u>
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>8,861</u>	<u>590</u>	<u>3,892</u>	<u>13,743</u>	<u>80</u>	<u>470</u>	<u>2,184</u>
--	--	3,892	--	80	470	6
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>3,892</u>	<u>--</u>	<u>80</u>	<u>470</u>	<u>6</u>
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	13,743	--	--	--
8,861	590	--	--	--	--	2,178
--	--	--	--	--	--	--
<u>8,861</u>	<u>590</u>	<u>--</u>	<u>13,743</u>	<u>--</u>	<u>--</u>	<u>2,178</u>
<u>8,861</u>	<u>590</u>	<u>3,892</u>	<u>13,743</u>	<u>80</u>	<u>470</u>	<u>2,184</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2011

	Canterbury Court Apartments	924 Lafayette Street	Kingswood Apartments
Assets			
Current Assets			
Cash and Cash Investments	\$ (222,572)	17,335	176,244
Marketable Securities	--	--	--
Receivables			
Governmental Grants	--	--	--
Contract Income and Other	--	--	--
Prepaid Expenses	--	--	--
Weatherization Work in Process	--	--	--
Total Current Assets	<u>(222,572)</u>	<u>17,335</u>	<u>176,244</u>
Noncurrent Assets			
Real Estate Contracts Receivable	--	--	--
Restricted Cash	15,983	852	2,825
Total Noncurrent Assets	<u>15,983</u>	<u>852</u>	<u>2,825</u>
Property and Equipment			
Land, Buildings, and Improvements	599,653	62,785	72,566
Furniture and Equipment	4,390	--	--
Construction in Progress	--	--	--
Accumulated Depreciation	(305,554)	(37,238)	(38,030)
Net Property and Equipment	<u>298,489</u>	<u>25,547</u>	<u>34,536</u>
Total Assets	<u>\$ 91,900</u>	<u>43,734</u>	<u>213,605</u>
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	\$ 25	4	7
Accrued Expenses	--	--	--
Mortgages Payable - Current Portion	--	--	--
Rent Deposits	15,983	852	2,825
Due to Funding Sources	--	--	--
Deferred Revenue	--	--	--
Total Current Liabilities	<u>16,008</u>	<u>856</u>	<u>2,832</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	(222,597)	17,331	176,237
Invested in Property and Equipment	298,489	25,547	34,536
Undesignated	--	--	--
Total Net Assets	<u>75,892</u>	<u>42,878</u>	<u>210,773</u>
Total Liabilities and Net Assets	<u>\$ 91,900</u>	<u>43,734</u>	<u>213,605</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2011

Designated Funds						
302 Locust Street	1619 Franklin St.	Ankeny Single Family	Lexington Square	316/318 West 3rd Street	313 Cottage Street	118 Irving Street
22,120	5,021	(38,250)	(100,390)	(155,888)	6,314	10,364
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	1,170	--	--
--	--	--	--	--	--	--
<u>22,120</u>	<u>5,021</u>	<u>(38,250)</u>	<u>(100,390)</u>	<u>(154,718)</u>	<u>6,314</u>	<u>10,364</u>
--	--	--	--	--	--	--
285	392	673	2,742	--	523	635
<u>285</u>	<u>392</u>	<u>673</u>	<u>2,742</u>	<u>--</u>	<u>523</u>	<u>635</u>
96,857	12,013	68,811	412,433	--	116,076	154,035
--	--	--	--	--	--	--
--	--	--	--	--	--	--
(61,450)	(7,627)	(49,159)	(162,175)	--	(10,552)	(14,003)
<u>35,407</u>	<u>4,386</u>	<u>19,652</u>	<u>250,258</u>	<u>--</u>	<u>105,524</u>	<u>140,032</u>
<u>57,812</u>	<u>9,799</u>	<u>(17,925)</u>	<u>152,610</u>	<u>(154,718)</u>	<u>112,361</u>	<u>151,031</u>
--	--	47	150	--	--	--
--	--	--	1,335	--	--	--
--	--	--	11,545	--	--	--
285	392	673	2,742	--	523	635
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>285</u>	<u>392</u>	<u>720</u>	<u>15,772</u>	<u>--</u>	<u>523</u>	<u>635</u>
--	--	--	--	--	--	--
--	--	--	307,428	--	--	--
--	--	--	250,258	--	105,524	140,032
22,120	5,021	(38,297)	(420,848)	(154,718)	6,314	10,364
35,407	4,386	19,652	--	--	--	--
--	--	--	--	--	--	--
<u>57,527</u>	<u>9,407</u>	<u>(18,645)</u>	<u>(170,590)</u>	<u>(154,718)</u>	<u>111,838</u>	<u>150,396</u>
<u>57,812</u>	<u>9,799</u>	<u>(17,925)</u>	<u>152,610</u>	<u>(154,718)</u>	<u>112,361</u>	<u>151,031</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2011

Assets	<u>Local Housing Assist.</u>	<u>FHLB Affordable Housing</u>	<u>Emergency Funds</u>
Current Assets			
Cash and Cash Investments	\$ 232,830	(66,593)	13,359
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>13,359</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>13,359</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)	13,359
Invested in Property and Equipment	--	--	--
Undesignated	--	--	--
Total Net Assets	<u>84,414</u>	<u>(66,593)</u>	<u>13,359</u>
Total Liabilities and Net Assets	<u>\$ 232,830</u>	<u>(66,593)</u>	<u>13,359</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2011

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>Service Centers</u>
8,289	(1,643)	2	5	(9,993)	4,582	229,991
--	--	--	--	--	--	--
--	--	--	--	9,993	--	--
--	1,643	--	--	--	--	--
--	--	--	--	--	--	4,825
--	--	--	--	--	--	--
<u>8,289</u>	<u>--</u>	<u>2</u>	<u>5</u>	<u>--</u>	<u>4,582</u>	<u>234,816</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>8,289</u>	<u>--</u>	<u>2</u>	<u>5</u>	<u>--</u>	<u>4,582</u>	<u>234,816</u>
--	--	--	--	--	--	1,417
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	26,834
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>28,251</u>
--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--	--
8,289	--	2	5	--	4,582	206,565
--	--	--	--	--	--	--
<u>8,289</u>	<u>--</u>	<u>2</u>	<u>5</u>	<u>--</u>	<u>4,582</u>	<u>206,565</u>
<u>8,289</u>	<u>--</u>	<u>2</u>	<u>5</u>	<u>--</u>	<u>4,582</u>	<u>234,816</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2011

Assets	Emergency Food and Shelter (FEMA)	Housing and Fair Lending Pool	Financial Literacy	National Fore- Closure Mitigation
Current Assets				
Cash and Cash Investments	\$ (35)	15,329	20,861	88,727
Marketable Securities	--	--	--	--
Receivables				
Governmental Grants	--	--	--	--
Contract Income and Other	35	--	--	--
Prepaid Expenses	--	--	--	--
Weatherization Work in Process	--	--	--	--
Total Current Assets	<u>--</u>	<u>15,329</u>	<u>20,861</u>	<u>88,727</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>15,329</u>	<u>20,861</u>	<u>88,727</u>
Liabilities and Net Assets				
Current Liabilities				
Accounts Payable	\$ --	481	--	--
Accrued Expenses	--	--	--	--
Mortgages Payable - Current Portion	--	--	--	--
Rent Deposits	--	--	--	--
Due to Funding Sources	--	--	--	--
Deferred Revenue	--	14,848	20,596	--
Total Current Liabilities	<u>--</u>	<u>15,329</u>	<u>20,596</u>	<u>--</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	--	--	--	88,727
Unrestricted				
Designated for Program Activities	--	--	265	--
Invested in Property and Equipment	--	--	--	--
Undesignated	--	--	--	--
Total Net Assets	<u>--</u>	<u>--</u>	<u>265</u>	<u>88,727</u>
Total Liabilities and Net Assets	<u>\$ --</u>	<u>15,329</u>	<u>20,861</u>	<u>88,727</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2011

Designated Funds

Special Projects	IHOEP	Career Ladders	Home Visitation	Conrad Senior Fund	Hawkeye Valley on Aging	Grundy Co. Food Pantry	Volunteer Programs
(3,447)	--	(51)	(686)	25,000	5	15,547	(3,855)
--	--	--	--	--	--	--	--
--	--	--	686	--	--	--	3,900
3,464	--	51	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>17</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>25,000</u>	<u>5</u>	<u>15,547</u>	<u>45</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>--</u>	<u>--</u>
<u>17</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>25,000</u>	<u>5</u>	<u>15,547</u>	<u>45</u>
17	--	--	--	--	--	14	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>14</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--	--	--
--	--	--	--	25,000	--	15,533	--
--	--	--	--	--	5	--	45
--	--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>25,000</u>	<u>5</u>	<u>15,533</u>	<u>45</u>
<u>17</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>25,000</u>	<u>5</u>	<u>15,547</u>	<u>45</u>

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD
Combining Statement of Activities
 Year Ended September 30, 2011

	<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	\$ 10,571,652	1,206,681	9,364,971
Food Vouchers for Distribution	3,315,462	--	3,315,462
CSBG Co-funding Provided	--	163,699	(163,699)
Rental Income	300,378	--	300,378
Contributions, Public Support, and Services	339,185	89,572	249,613
Investment Income	4,772	4,586	186
Other Revenue	4,405	1,455	2,950
Total Support and Revenue	<u>14,535,854</u>	<u>1,465,993</u>	<u>13,069,861</u>
Expenses			
Program and General Expenses	11,076,649	4,122,391	6,954,258
Food Vouchers for Distribution	3,315,462	--	3,315,462
Depreciation	179,836	112,743	67,093
Interfund Expense Transfers	--	(2,713,925)	2,713,925
Total Expenses	<u>14,571,947</u>	<u>1,521,209</u>	<u>13,050,738</u>
Excess (Deficiency) of Support and Revenue Over Expenses	(36,093)	(55,216)	19,123
Capital Items Acquired With Grant Funds	1,216,888	1,216,888	--
Net Assets - Beginning of Year	<u>3,632,439</u>	<u>2,641,472</u>	<u>990,967</u>
Net Assets - End of Year	<u>\$ 4,813,234</u>	<u>3,803,144</u>	<u>1,010,090</u>

OPERATION THRESHOLD

Combining Statement of Activities

Year Ended September 30, 2011

Iowa Department of Human Rights/Division of Community Action Agencies

LIHEAP	CSBG	FaDSS	Weatherization Assistance			Utility Companies
			DOE ARRA	HEAP	Inventory	
3,342,032	529,864	254,464	2,640,292	231,371	--	281,497
--	--	--	--	--	--	--
--	(441,262)	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>3,342,032</u>	<u>88,602</u>	<u>254,464</u>	<u>2,640,292</u>	<u>231,371</u>	<u>--</u>	<u>281,497</u>
3,251,154	9,569	238,441	686,157	217,013	--	90,891
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>90,878</u>	<u>79,033</u>	<u>16,023</u>	<u>1,954,135</u>	<u>14,358</u>	<u>--</u>	<u>190,606</u>
<u>3,342,032</u>	<u>88,602</u>	<u>254,464</u>	<u>2,640,292</u>	<u>231,371</u>	<u>--</u>	<u>281,497</u>
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	52,429	--
--	--	--	--	--	<u>52,429</u>	--

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2011

	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	--	--	--
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, 2011

Housing and Urban Development

Comm. Dev. HOME New Constr.	IHOEP HUD Counseling	Hope 3 Home	HOME TBRA	Homeless Prevention Rapid Re-Housing	Weatherization Plus	LHCB/CASH Course
--	73,895	--	15,306	300,301	15,366	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	1,000	12,544	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	<u>73,895</u>	<u>1,000</u>	<u>27,850</u>	<u>300,301</u>	<u>15,366</u>	<u>--</u>
--	68,352	801	30,429	279,120	15,366	636
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	5,543	--	--	24,736	--	--
--	<u>73,895</u>	<u>801</u>	<u>30,429</u>	<u>303,856</u>	<u>15,366</u>	<u>636</u>
--	--	199	(2,579)	(3,555)	--	(636)
--	--	--	--	--	--	--
<u>36,777</u>	--	<u>94,612</u>	<u>3,149</u>	--	--	<u>1,401</u>
<u>36,777</u>	--	<u>94,811</u>	<u>570</u>	<u>(3,555)</u>	--	<u>765</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2011

	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	\$ 931,759	20,255	35,000	1,866	--
Food Vouchers for Distribution	3,315,462	--	--	--	--
CSBG Co-funding Provided	--	--	--	--	--
Rental Income	--	--	--	--	--
Contributions, Public Support, and Services	--	--	--	--	--
Investment Income	--	--	--	--	--
Other Revenue	--	--	--	--	--
Total Support and Revenue	<u>4,247,221</u>	<u>20,255</u>	<u>35,000</u>	<u>1,866</u>	<u>--</u>
Expenses					
Program and General Expenses	824,472	20,255	26,980	--	15
Food Vouchers for Distribution	3,315,462	--	--	--	--
Depreciation	--	--	--	--	--
Interfund Expense Transfers	105,753	--	8,020	--	--
Total Expenses	<u>4,245,687</u>	<u>20,255</u>	<u>35,000</u>	<u>--</u>	<u>15</u>
Excess (Deficiency) of Support and Revenue over Expenses	1,534	--	--	1,866	(15)
Capital Items Acquired With Grant Funds	--	--	--	--	--
Net Assets - Beginning of Year	<u>55,812</u>	<u>--</u>	<u>1,196</u>	<u>6,995</u>	<u>605</u>
Net Assets - End of Year	<u>\$ 57,346</u>	<u>--</u>	<u>1,196</u>	<u>8,861</u>	<u>590</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2011

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>
264,748	--	--	61,622	20,660	25,810
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	38,780	--	--	17,965	12,865
--	--	--	--	--	--
--	--	--	--	--	--
<u>264,748</u>	<u>38,780</u>	<u>--</u>	<u>61,622</u>	<u>38,625</u>	<u>38,675</u>
244,261	40,943	2,791	57,625	61,166	32,731
--	--	--	--	--	--
--	--	--	--	--	--
20,487	--	(2,791)	3,997	(6,413)	2,665
<u>264,748</u>	<u>40,943</u>	<u>--</u>	<u>61,622</u>	<u>54,753</u>	<u>35,396</u>
--	(2,163)	--	--	(16,128)	3,279
--	--	--	--	--	--
--	15,906	--	--	16,128	(1,101)
<u>--</u>	<u>13,743</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,178</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2011

	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	179,711	10,577	41,950
Contributions, Public Support, and Services	--	--	--
Investment Income	39	--	--
Other Revenue	2,659	--	277
Total Support and Revenue	<u>182,409</u>	<u>10,577</u>	<u>42,227</u>
Expenses			
Program and General Expenses	128,636	4,944	16,745
Food Vouchers for Distribution	--	--	--
Depreciation	25,999	2,661	4,724
Interfund Expense Transfers	41,425	1,850	5,488
Total Expenses	<u>196,060</u>	<u>9,455</u>	<u>26,957</u>
Excess (Deficiency) of Support and Revenue over Expenses	(13,651)	1,122	15,270
Capital Items Acquired With Grant Funds	--	--	--
Net Assets - Beginning of Year	<u>89,543</u>	<u>41,756</u>	<u>195,503</u>
Net Assets - End of Year	<u>\$ 75,892</u>	<u>42,878</u>	<u>210,773</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2011

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	5,071	2,028	39,100	--	5,258	6,543
--	--	--	--	--	--	--
--	--	--	--	147	--	--
14	--	--	--	--	--	--
<u>10,154</u>	<u>5,071</u>	<u>2,028</u>	<u>39,100</u>	<u>147</u>	<u>5,258</u>	<u>6,543</u>
3,946	2,465	14,690	29,219	--	328	333
--	--	--	--	--	--	--
4,030	591	5,350	13,916	--	4,221	5,601
2,109	739	4,917	11,028	--	1,156	1,507
<u>10,085</u>	<u>3,795</u>	<u>24,957</u>	<u>54,163</u>	<u>--</u>	<u>5,705</u>	<u>7,441</u>
69	1,276	(22,929)	(15,063)	147	(447)	(898)
--	--	--	--	--	--	--
<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>57,527</u>	<u>9,407</u>	<u>(18,645)</u>	<u>(170,590)</u>	<u>(154,718)</u>	<u>111,838</u>	<u>150,396</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2011

	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	--	--	11,162	10,285
Investment Income	--	--	--	--
Other Revenue	--	--	--	--
Total Support and Revenue	<u>--</u>	<u>--</u>	<u>11,162</u>	<u>10,285</u>
Expenses				
Program and General Expenses	--	--	12,558	11,293
Food Vouchers for Distribution	--	--	--	--
Depreciation	--	--	--	--
Interfund Expense Transfers	--	--	--	--
Total Expenses	<u>--</u>	<u>--</u>	<u>12,558</u>	<u>11,293</u>
Excess (Deficiency) of Support and Revenue over Expenses	--	--	(1,396)	(1,008)
Capital Items Acquired With Grant Funds	--	--	--	--
Net Assets - Beginning of Year	<u>84,414</u>	<u>(66,593)</u>	<u>14,755</u>	<u>9,297</u>
Net Assets - End of Year	<u>\$ 84,414</u>	<u>(66,593)</u>	<u>13,359</u>	<u>8,289</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2011

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>Disaster Case Mgmt</u>	<u>School Supplies and Coats</u>	<u>Service Centers</u>
--	--	--	42,616	35,883	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	277,563
--	--	--	--	--	--	--
18,662	8,218	--	--	--	2,489	31,497
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>18,662</u>	<u>8,218</u>	<u>--</u>	<u>42,616</u>	<u>35,883</u>	<u>2,489</u>	<u>309,060</u>
19,782	8,860	--	37,816	34,672	1,868	230,121
--	--	--	--	--	--	--
--	--	--	--	--	--	--
(1,084)	--	--	4,800	1,211	--	93,630
<u>18,698</u>	<u>8,860</u>	<u>--</u>	<u>42,616</u>	<u>35,883</u>	<u>1,868</u>	<u>323,751</u>
(36)	(642)	--	--	--	621	(14,691)
--	--	--	--	--	--	--
<u>36</u>	<u>644</u>	<u>5</u>	<u>--</u>	<u>--</u>	<u>3,961</u>	<u>221,256</u>
<u>--</u>	<u>2</u>	<u>5</u>	<u>--</u>	<u>--</u>	<u>4,582</u>	<u>206,565</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2011

	Emergency Food and Shelter (FEMA)	Housing and Fair Lending Pool	Financial Literacy	National Fore- Closure Mitigation
Support and Revenue				
Government Awards and Contract Revenue	\$ 80	--	--	223,998
Food Vouchers for Distribution	--	--	--	--
CSBG Co-funding Provided	--	--	--	--
Rental Income	--	--	--	--
Contributions, Public Support, and Services	--	49,543	3,466	--
Investment Income	--	--	--	--
Other Revenue	--	--	--	--
Total Support and Revenue	<u>80</u>	<u>49,543</u>	<u>3,466</u>	<u>223,998</u>
Expenses				
Program and General Expenses	80	37,103	9,206	100,350
Food Vouchers for Distribution	--	--	--	--
Depreciation	--	--	--	--
Interfund Expense Transfers	--	(3,755)	(6,005)	34,921
Total Expenses	<u>80</u>	<u>33,348</u>	<u>3,201</u>	<u>135,271</u>
Excess (Deficiency) of Support and Revenue over Expenses	--	16,195	265	88,727
Capital Items Acquired With Grant Funds	--	--	--	--
Net Assets - Beginning of Year	<u>--</u>	<u>(16,195)</u>	<u>--</u>	<u>--</u>
Net Assets - End of Year	<u>\$ --</u>	<u>--</u>	<u>265</u>	<u>88,727</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2011

Local Government and Miscellaneous Funding Sources

Special Projects	IHOEP	United Way Economic Grant	Home Visitation	Conrad Senior Fund	Hawkeye Valley on Aging	Grundy Co. Food Pantry	Volunteer Programs
--	--	--	686	--	--	--	15,600
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
25,061	--	--	--	--	--	6,076	--
--	--	--	--	--	--	--	--
<u>25,061</u>	<u>--</u>	<u>--</u>	<u>686</u>	<u>--</u>	<u>--</u>	<u>6,076</u>	<u>15,600</u>
25,061	4,816	787	550	--	--	8,628	10,233
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	7,500	136	--	--	--	5,322
<u>25,061</u>	<u>4,816</u>	<u>8,287</u>	<u>686</u>	<u>--</u>	<u>--</u>	<u>8,628</u>	<u>15,555</u>
--	(4,816)	(8,287)	--	--	--	(2,552)	45
--	--	--	--	--	--	--	--
<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>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>25,000</u>	<u>5</u>	<u>15,533</u>	<u>45</u>

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD

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

September 30, 2011

Assets	<u>Total</u>	<u>Payroll Clearing</u>	<u>Agency</u>	<u>Equipment</u>	<u>Wellness</u>
Current Assets					
Cash and Cash Investments	\$ 422,893	150,157	552,628	41,318	1,080
Marketable Securities	12,219	--	12,219	--	--
Receivables					
Contract Income and Other	8,962	--	--	--	--
Prepaid Expenses	47,037	6,781	19,322	552	--
Weatherization Work in Process	217,915	--	--	--	--
Total Current Assets	<u>709,026</u>	<u>156,938</u>	<u>584,169</u>	<u>41,870</u>	<u>1,080</u>
Property and Equipment					
Land, Buildings, and Improvements	4,197,256	--	129,637	--	
Furniture and Equipment	443,698	--	--	294,716	
Construction in Progress	--	--	--	--	
Accumulated Depreciation	(288,140)	--	(83,114)	(130,335)	
Net Property and Equipment	<u>4,352,814</u>	<u>--</u>	<u>46,523</u>	<u>164,381</u>	<u>--</u>
 Total Assets	 <u>\$ 5,061,840</u>	 <u>156,938</u>	 <u>630,692</u>	 <u>206,251</u>	 <u>1,080</u>
Liabilities and Net Assets					
Current Liabilities					
Accounts Payable	\$ 114,896	11,411	1,017	--	1,080
Accrued Expenses	152,379	145,527	--	--	--
Secured Construction Loan Payable	965,305	--	--	--	--
Due to Funding Sources	26,116	--	--	--	--
Total Current Liabilities	<u>1,258,696</u>	<u>156,938</u>	<u>1,017</u>	<u>--</u>	<u>1,080</u>
Net Assets					
Temporarily Restricted	2,870,988	--	--	--	--
Unrestricted					
Designated for Program Activities	(7,236)	--	24,101	41,870	--
Invested in Property and Equipment	380,341	--	46,523	164,381	--
Undesignated	559,051	--	559,051	--	--
Total Net Assets	<u>3,803,144</u>	<u>--</u>	<u>629,675</u>	<u>206,251</u>	<u>--</u>
 Total Liabilities and Net Assets	 <u>\$ 5,061,840</u>	 <u>156,938</u>	 <u>630,692</u>	 <u>206,251</u>	 <u>1,080</u>

OPERATION THRESHOLD

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

September 30, 2011

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>Building Operations</u>	<u>WX Admin. Support</u>	<u>Housing Support</u>	<u>Home Repair</u>
22,226	11,402	14,261	(20)	(200)	(284,176)	(99,907)	1,977	12,147
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	8,962	--	--
1,815	--	514	20	210	4,051	13,772	--	--
--	--	--	--	--	--	217,915	--	--
<u>24,041</u>	<u>11,402</u>	<u>14,775</u>	<u>--</u>	<u>10</u>	<u>(280,125)</u>	<u>140,742</u>	<u>1,977</u>	<u>12,147</u>
--	--	--	--	--	4,067,619	--	--	--
--	--	--	--	--	148,982	--	--	--
--	--	--	--	--	--	--	--	--
--	--	--	--	--	(74,691)	--	--	--
--	--	--	--	--	<u>4,141,910</u>	--	--	--
<u>24,041</u>	<u>11,402</u>	<u>14,775</u>	<u>--</u>	<u>10</u>	<u>3,861,785</u>	<u>140,742</u>	<u>1,977</u>	<u>12,147</u>
--	--	129	--	10	90,290	10,898	61	--
--	--	--	--	--	6,852	--	--	--
--	--	--	--	--	965,305	--	--	--
--	--	--	--	--	--	3,783	--	22,333
--	--	<u>129</u>	<u>--</u>	<u>10</u>	<u>1,062,447</u>	<u>14,681</u>	<u>61</u>	<u>22,333</u>
--	--	--	--	--	2,870,988	--	--	--
--	--	--	--	--	--	--	--	--
24,041	11,402	14,646	--	--	(241,087)	126,061	1,916	(10,186)
--	--	--	--	--	169,437	--	--	--
--	--	--	--	--	--	--	--	--
<u>24,041</u>	<u>11,402</u>	<u>14,646</u>	<u>--</u>	<u>--</u>	<u>2,799,338</u>	<u>126,061</u>	<u>1,916</u>	<u>(10,186)</u>
<u>24,041</u>	<u>11,402</u>	<u>14,775</u>	<u>--</u>	<u>10</u>	<u>3,861,785</u>	<u>140,742</u>	<u>1,977</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, 2011

	<u>Total</u>	<u>Agency</u>	<u>Equipment</u>	<u>Wellness</u>
Support and Revenue				
Government Awards and Contract Revenue	\$ 1,206,681	--	--	--
CSBG Co-funding Provided	163,699	--	--	5,886
Contributions, Public Support, and Services	89,572	16,917	--	--
Investment Income	4,586	4,586	--	--
Other Revenue	1,455	195	1,260	--
Total Support and Revenue	<u>1,465,993</u>	<u>21,698</u>	<u>1,260</u>	<u>5,886</u>
Expenses				
Management and General Expenses	4,122,391	6,988	33,421	5,886
Depreciation	112,743	4,331	33,721	--
Interfund Expense Transfers	(2,713,925)	--	(40,883)	--
Total Expenses	<u>1,521,209</u>	<u>11,319</u>	<u>26,259</u>	<u>5,886</u>
Excess (Deficiency) of Support and Revenue over Expenses	(55,216)	10,379	(24,999)	--
Capital Items Acquired With Grant Funds	1,216,888	--	104,251	--
Net Assets - Beginning of Year	<u>2,641,472</u>	<u>619,296</u>	<u>126,999</u>	<u>--</u>
Net Assets - End of Year	<u>\$ 3,803,144</u>	<u>629,675</u>	<u>206,251</u>	<u>--</u>

OPERATION THRESHOLD

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

Year Ended September 30, 2011

Undesignated and Agency Cost Pools

Fiscal	Personnel	Admin. Services	Planning and Compliance	I.T. Services	Bldg. Operations	WX Admin Support	Housing Support	Home Repair
--	--	--	--	--	1,206,681	--	--	--
--	--	--	112,123	45,690	--	--	--	--
--	--	--	--	--	48,656	4,400	19,599	--
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--
--	--	--	112,123	45,690	1,255,337	4,400	19,599	--
214,776	71,167	258,307	112,005	87,105	1,317,156	1,966,548	49,032	--
--	--	--	--	--	74,691	--	--	--
(214,776)	(71,167)	(258,307)	118	(41,415)	(95,914)	(1,962,148)	(29,433)	--
--	--	--	112,123	45,690	1,295,933	4,400	19,599	--
--	--	--	--	--	(40,596)	--	--	--
--	--	--	--	--	1,112,637	--	--	--
24,041	11,402	14,646	--	--	1,727,297	126,061	1,916	(10,186)
24,041	11,402	14,646	--	--	2,799,338	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

Contract No. CSBG-11-11
(Contract Period 10/01/10 - 12/31/11)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 10/01/10-9/30/11</u>
Space Costs	\$ 10,000	1,462
Equipment Costs	500	--
Consultants	500	--
Co-Funded Programs	392,453	41,044
Other Costs	<u>68,785</u>	<u>6,726</u>
Total	<u><u>\$472,238</u></u>	<u><u>49,232</u></u>

Community Services Block Grant

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

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 10/01/10-9/30/11</u>
Space Costs	\$ 10,700	8,961
Equipment Costs	1,000	--
Consultants	500	--
Co-Funded Programs	404,147	400,958
Other Costs	<u>64,285</u>	<u>70,713</u>
Total	<u><u>\$480,632</u></u>	<u><u>480,632</u></u>

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Low Income Home Energy Assistance Program

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

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 10/01/10 - 9/30/11</u>
Assistance Awards		
Regular Assistance	\$ 2,817,791	2,800,996
Energy Crisis Intervention	177,841	177,841
Client Services Assessment and Resolution	48,640	48,640
Summer Deliverable Fuel	80,474	80,474
Administration	<u>234,081</u>	<u>234,081</u>
 Total Grant Expenses	 <u>\$ 3,358,827</u>	 <u>3,342,032</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 4/01/09 - 3/31/12)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>4/01/09 - 9/30/11</u>	<u>10/01/10 - 9/30/11</u>	<u>4/01/09 - 9/30/10</u>
Administration	\$ 249,779	216,513	145,502	71,011
Health and Safety	772,594	747,341	533,718	213,623
Support	996,672	873,275	595,740	277,535
Labor	1,046,853	1,114,923	778,667	336,256
Materials	1,046,853	600,745	425,478	175,267
Administration - Equipment	102,230	102,230	(48)	102,278
Training and Technical Assistance	330,221	217,444	161,235	56,209
Total	<u>\$ 4,545,202</u>	<u>3,872,471</u>	<u>2,640,292</u>	<u>1,232,179</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-11-11A
(Contract Period 1/01/11 - 12/31/11)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/01/11 - 9/30/11</u>
Administration	\$ 31,090	8,347
Health and Safety	114,905	143,862
Support	148,951	400
Labor	155,335	3,339
Materials	155,335	6,692
Equipment/Training	19,054	12,454
Total	<u>\$624,670</u>	<u>175,094</u>

Contract No. HEAP-10-11A
(Contract Period 1/01/10 - 12/31/10)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/01/10 - 12/31/10</u>	<u>1/01/10 - 9/30/10</u>
Administration	\$ 23,570	21,668	2,518	19,150
Health and Safety	81,616	148,038	42,954	105,084
Support	105,798	127,750	--	127,750
Labor	110,332	54,167	872	53,295
Materials	110,332	44,914	3,116	41,798
Equipment/Training	27,778	18,724	6,817	11,907
Total	<u>\$ 459,426</u>	<u>415,261</u>	<u>56,277</u>	<u>358,984</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-11-11A
(Contract Period 1/01/11 - 12/30/11)

Cost Category	Approved Budget	Actual Expenses 1/01/11 - 9/30/11
Administration	\$ 1,478	1,478
Support	2,956	2,209
Labor	12,562	14,402
Materials	12,562	11,469
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-11-11A
(Contract Period 1/01/11 - 12/30/11)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/01/11 - 9/30/11</u>
Administration	\$ 12,174	12,174
Support	24,350	20,773
Labor	103,483	112,753
Materials	<u>103,483</u>	<u>97,790</u>
 Total	 <u>\$ 243,490</u>	 <u>243,490</u>

OPERATION THRESHOLD
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Weatherization Assistance Programs

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

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/01/11 - 9/30/11</u>
Administration	\$ 422	422
Support	845	232
Labor	3,591	4,541
Materials	<u>3,591</u>	<u>3,254</u>
Total	<u>\$ 8,449</u>	<u>8,449</u>

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-12-11
(Contract Period 7/01/11 - 06/30/12)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 7/01/11 - 9/30/11</u>
Grant Expenses		
Administrative	\$ 19,303	5,564
Personnel	212,394	49,520
Travel	1,564	951
Space/Utilities	1,500	1,352
Other	2,320	1,253
Total Grant Expenses	<u>237,081</u>	<u>58,640</u>
Local Funds		
Administrative	2,772	--
Personnel	--	--
Travel	1,931	--
Space/Utilities	1,500	--
Other	2,287	183
Total Expenses	<u>\$ 245,571</u>	<u>58,823</u>

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

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/01/10 - 6/30/11</u>	<u>7/01/10 - 9/30/10</u>
Grant Expenses				
Administrative	\$ 22,075	21,429	17,472	3,957
Personnel	190,874	189,115	153,157	35,958
Travel	2,797	3,076	1,734	1,342
Space/Utilities	289	310	310	--
Other	18,046	19,851	19,851	--
Third Party Payments	3,000	3,300	3,300	--
Total Grant Expenses	<u>237,081</u>	<u>237,081</u>	<u>195,824</u>	<u>41,257</u>
Local Funds				
Personnel	7,317	7,317	--	7,317
Travel	1,170	1,600	1,600	--
Space/Utilities	2,670	5,004	3,367	1,637
Other	7,260	6,212	2,428	3,784
Third Party Payments	662	1,104	1,095	9
Total	<u>\$ 256,160</u>	<u>258,318</u>	<u>204,314</u>	<u>54,004</u>

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD
Iowa Department of Public Health

Schedule of Expenses Compared to Budget

Special Supplemental Nutrition Program for Women, Infants, and Children

Contract No. 5881A043

(Contract Period 10/01/10 - 9/30/11)

Cost Category	Approved Budget	Actual Expenses 10/01/10 - 9/30/11
Cash Grant Expenses		
Salary/Fringe	\$ 797,320	774,342
Other	72,104	93,199
Indirect	62,335	64,218
Total Cash Grant Expenses	931,759	931,759
Noncash Expenses		
Food Vouchers Distributed		3,315,462
Local Funds		
Other		3,575
Total Expenses		\$4,250,796

SEE INDEPENDENT AUDITOR'S REPORT