

**OPERATION THRESHOLD**

**Waterloo, Iowa**

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

**September 30, 2012**

**(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  
Kelly Johnson  
Barbara Smith

Chairperson  
Vice-Chairperson  
Secretary  
Treasurer

**Board Members**

Mike Ferreter  
Scott Jordan  
Kim Ross  
Rev. Larry Doughan  
Kelly McClanahan  
Kelly Johnson

Clyde Moore  
John Miller  
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, 2012, 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 2011 financial statements and, in our report dated January 6, 2012, 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, 2012, 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 8, 2013, 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 financial statements of Operation Threshold 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 financial statements. The additional accompanying supplementary Combining Statements and Schedules of Expenses Compared to Budget which follow are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Schedule of Expenditures of Federal Awards and the additional accompanying supplementary Combining Statements and Schedules of Expenses Compared to Budget which follow are fairly stated in all material respects in relation to the financial statements as a whole.

*Meriwether, Wilson and Company, PLLC*

MERIWETHER, WILSON AND COMPANY, PLLC  
Certified Public Accountants

January 8, 2013  
West Des Moines, Iowa

MEMBERS AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

OPERATION THRESHOLD  
**Statement of Financial Position**  
September 30, 2012  
(With Comparative Totals for 2011)

<b>Assets</b>	<b>Total All Funds</b>	
	2012	2011
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 511,161	367,054
Marketable Securities	14,521	12,219
Receivables		
Grants Receivable	481,980	388,131
Contract Income and Other	65,799	64,514
Prepaid Expenses	72,298	57,682
Weatherization Work in Process	250,306	556,322
Total Current Assets	1,396,065	1,445,922
<b>Noncurrent Assets</b>		
Real Estate Contract Receivable	--	12,701
Restricted Cash	26,221	24,910
Total Noncurrent Assets	26,221	37,611
<b>Property and Equipment</b>		
Land, Buildings, and Improvements	5,829,460	5,792,485
Furniture and Equipment	430,464	448,088
	6,259,924	6,240,573
Accumulated Depreciation	(1,210,407)	(973,928)
Net Property and Equipment	5,049,517	5,266,645
Total Assets	\$ 6,471,803	6,750,178
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 102,884	131,138
Accrued Expenses	129,259	153,714
Secured Construction Loan Payable	952,344	965,305
Current Maturities of Long-Term Debt	12,449	11,545
Tenant Security Deposits	26,221	24,910
Due to Funding Sources	232,512	233,829
Deferred Revenue	36,565	96,374
Total Current Liabilities	1,492,234	1,616,815
<b>Deferred Revenue - Noncurrent</b>	--	12,701
<b>Long-Term Debt</b>		
Mortgages Payable - Net of Current Portion	294,576	307,428
Total Liabilities	1,786,810	1,936,944
<b>Net Assets</b>		
Temporarily Restricted	3,590,751	3,775,230
Unrestricted		
Designated for Program Activities	(263,578)	(319,405)
Invested in Property and Equipment	841,117	798,358
Undesignated	516,703	559,051
Total Net Assets	4,684,993	4,813,234
Total Liabilities and Net Assets	\$ 6,471,803	6,750,178

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, 2012  
(With Comparative Totals for 2011)

	Unrestricted	Temporarily Restricted	Total All Funds	
			2012	2011
<b>Support and Revenue</b>				
Government Awards and Contract Revenue	\$ 7,761,592	--	7,761,592	10,571,652
Contributions, Public Support, and Services	288,388	--	288,388	339,185
Rental Income	330,069	--	330,069	300,378
Investment Income	5,453	--	5,453	4,772
Other Revenue	4,825	13,682	18,507	4,405
Food Vouchers for Distribution	3,270,866	--	3,270,866	3,315,462
	<u>11,661,193</u>	<u>13,682</u>	<u>11,674,875</u>	<u>14,535,854</u>
Net Assets Released from Restrictions - Satisfaction of Usage Restrictions	198,161	(198,161)	--	--
Total Support and Revenue	<u>11,859,354</u>	<u>(184,479)</u>	<u>11,674,875</u>	<u>14,535,854</u>
<b>Functional Expenses</b>				
Program Services				
Women, Infants, and Children	4,183,834	--	4,183,834	4,300,957
Low Income Home Energy Assistance Program	2,733,046	--	2,733,046	3,342,032
Weatherization Assistance Programs	2,370,010	--	2,370,010	3,168,526
ACA MIECHV	321,129	--	321,129	686
Rental Housing Programs	297,922	--	297,922	338,618
Early Head Start Contractual Services	279,119	--	279,119	264,748
Foreclosure Prevention Programs	257,530	--	257,530	245,715
Family Development and Self-Sufficiency	239,792	--	239,792	254,464
Service Centers	239,001	--	239,001	323,751
Storks Nest/Family Nest	104,030	--	104,030	90,149
CSBG Programs (net of co-funding provided)	77,814	--	77,814	88,602
Homelessness Prevention and Rapid Re-housing	54,889	--	54,889	303,856
Other Programs	315,750	--	315,750	328,634
Total Program Services	<u>11,473,866</u>	<u>--</u>	<u>11,473,866</u>	<u>13,050,738</u>
Administrative Support Services				
Management and General	329,250	--	329,250	1,521,209
Total Functional Expenses	<u>11,803,116</u>	<u>--</u>	<u>11,803,116</u>	<u>14,571,947</u>
<b>Change in Net Assets Before Capital Items</b>				
Acquired With Grant Funds	56,238	(184,479)	(128,241)	(36,093)
<b>Capital Items Acquired With Grant Funds</b>	--	--	--	1,216,888
<b>Change in Net Assets</b>	56,238	(184,479)	(128,241)	1,180,795
<b>Net Assets - Beginning of Year</b>	<u>1,038,004</u>	<u>3,775,230</u>	<u>4,813,234</u>	<u>3,632,439</u>
<b>Net Assets - End of Year</b>	<u>\$ 1,094,242</u>	<u>3,590,751</u>	<u>4,684,993</u>	<u>4,813,234</u>

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

## OPERATION THRESHOLD

## Statement of Cash Flows

Year Ended September 30, 2012  
(With Comparative Totals for 2011)

	Total All Funds	
	2012	2011
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ (128,241)	1,180,795
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities		
Depreciation	237,738	179,836
Unrealized (Gain) Loss on Marketable Securities	(2,302)	1,752
(Gain) on Disposal of Assets	(1,258)	(1,260)
(Increase) Decrease in		
Receivables	(95,134)	1,064,782
Prepaid Expenses	(14,616)	(7,371)
Weatherization Work in Process	306,016	(78,184)
Increase (Decrease) in		
Accounts Payable and Accrued Expenses	(52,709)	(864,765)
Rent Deposits and Escrow	1,311	2,110
Due to Funding Sources	(1,317)	3,783
Deferred Revenue	(59,809)	(73,226)
Net Cash Flows from Operating Activities	<u>189,679</u>	<u>1,408,252</u>
<b>Cash Flows from Investing Activities</b>		
Cash Paid for Property and Equipment	(25,652)	(2,227,754)
Proceeds from Disposal of Assets	6,300	6,299
Net Cash Flows from Investing Activities	<u>(19,352)</u>	<u>(2,221,455)</u>
<b>Cash Flows from Financing Activities</b>		
(Increase) in Restricted Cash	(1,311)	(2,110)
Net Borrowings (Payments) on Construction Loan Payable	(12,961)	517,970
Payments on Mortgages Payable	(11,948)	(11,160)
Net Cash Flows from Financing Activities	<u>(26,220)</u>	<u>504,700</u>
<b>Change in Cash and Cash Equivalents</b>	144,107	(308,503)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>367,054</u>	<u>675,557</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 511,161</u>	<u>367,054</u>
<b>Supplemental Disclosure of Cash Flow Data</b>		
Cash Paid During the Years for Interest	<u>\$ 69,226</u>	<u>56,008</u>

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

## OPERATION THRESHOLD

### Notes to Financial Statements

September 30, 2012

#### 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, 2012.

##### 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 gains included as a component of investment income totaled \$2,302 for the year ended September 30, 2012. 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	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 2012.

### **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, 2012. Management and general expenses for 2012 included \$1,216,888 in grant-funded building construction costs; these costs were 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 \$3,044 for the year ended September 30, 2012 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, 2012, the Organization had no uncertain tax positions requiring recognition in the financial statements.

With few exceptions, Operation Threshold is no longer subject to federal and state income tax examinations by tax authorities for years ending before September 30, 2009.

### **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, 2011, from which the summarized information was derived.

Certain reclassifications to the 2011 comparative totals have been made to conform to the 2012 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.

The ACA Maternal, Infant, and Early Childhood Home Visiting Program (ACA MIECHV) is funded by the U.S. Department of Health and Human Services through the Iowa Department of Public Health. The program provides evidence-based home visitation services to improve health and developmental outcomes for at-risk young children, improves coordination of services for at-risk communities, and identifies and provides comprehensive services to improve outcomes for families who reside in at-risk communities.

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 receives funding from Early Childhood Iowa, Together 4 Families, United Way, and others. The program provides parent education to promote child health and well-being to families with children from 0 to 5 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	\$ 88,678
HOME Programs	52,821
Project Care/Share	30,915
Together 4 Families	30,086
Family Self-Sufficiency	24,576
Volunteer Programs	15,985
Emergency Food and Shelter Program (FEMA)	15,000
Special Projects	14,942
Emergency Funds	13,165
Pocket Change Project	9,602
Grundy County Food Pantry	9,510
Toy Project	7,092
School Supplies and Coats	2,957
Other Programs and Local Activities	421
	<u>\$ 315,750</u>

### 3. **Support from Governmental Agencies**

The Organization received approximately 95% 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, 2012, the Organization had \$321,204 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:

	<u>Operating Accounts</u>	<u>Restricted Accounts</u>
Petty Cash	\$ 400	--
Money Market, Checking, and Savings	510,761	--
Restricted Cash Deposits		
Tenant Security Deposits	--	26,221
	<u>\$ 511,161</u>	<u>26,221</u>

6. **Receivables**

Grants receivable are summarized as follows:

<u>Funding Source</u>	<u>Program Activity</u>	<u>Amount</u>
Iowa Department of Public Health	WIC	\$ 193,760
Iowa Department of Public Health	ACA MIECHV	122,698
Iowa Department of Public Health	WIC Peer Counseling	4,926
Iowa Department of Human Rights	DOE Weatherization	96,605
Iowa Department of Human Rights	HEAP Weatherization	25,232
Iowa Department of Human Rights	Utility Cos. Weatherization	19,327
Iowa Department of Human Rights	FaDSS	15,787
Cedar Valley Promise	Stork's Nest	1,825
Iowa Department of Human Services	Volunteer Program	1,820
		<u>\$ 481,980</u>

Contract income and other receivables are summarized as follows:

<u>Funding Source</u>	<u>Program Activity</u>	<u>Amount</u>
Early Childhood Iowa	Together 4 Families	\$ 29,942
Tri-County Child & Development Council, Inc.	Early Head Start	21,468
From the Heart	Special Projects	3,715
Various Tenants	Rental Housing	2,567
Waterloo Housing Authority	Family Self-Sufficiency	2,475
Gregory A. and Jessica Young	Building Sales Contract	1,170
Other Sources	Other Programs	4,462
		<u>\$ 65,799</u>

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

Operation Threshold renovated a house which had originally been donated to its housing program, and then sold the house to an eligible low-income family on a fifteen-year sales contract secured by a mortgage. Because collectability of the sales contract was uncertain, the Organization deferred the revenue resulting from this sale until collection was made. The purchaser of the house sold it in 2012, and Operation Threshold collected on its sales contract, recognizing \$13,682 in revenue. This revenue and the resulting net assets are classified as temporarily restricted for Hope 3 Home.

8. **Property and Equipment**

Property and equipment is summarized as follows:

	<u>Cost</u>	<u>Current Depreciation</u>	<u>Accumulated Depreciation</u>	<u>Net Property and Equipment</u>
Land	\$ 83,740	--	--	83,740
Buildings and Improvements	5,745,720	177,356	1,006,725	4,738,995
Furniture and Equipment	430,464	60,382	203,682	226,782
	<u>\$ 6,259,924</u>	<u>237,738</u>	<u>1,210,407</u>	<u>5,049,517</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 totaled \$2,935,910. Management expects that additional grant funding and proceeds from disposal of the flooded building will total approximately \$560,000.

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	\$ 72,971
Salaries and Wages	51,406
Interest	5,994
Payroll Taxes, Withholdings, and Benefits	(1,112)
	<u>\$ 129,259</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	
LIHEAP Refunds - Regular Assistance	2,466
	<u>\$ 232,512</u>

12. **Deferred Revenue**

Deferred revenue is summarized as follows:

Grundy County - Service Center	\$ 21,000
Housing and Fair Lending	5,357
Rental Income Received in Advance	4,711
Stork's Nest	3,000
Financial Literacy	2,114
Buchanan County - Service Center	383
	<u>\$ 36,565</u>

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

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. The loan was modified to extend its maturity in 2010 and 2011, and a new loan was written (with the same lender) on November 15, 2012.

At September 30, 2012, the note has a fixed rate of interest of 6%, and requires monthly payments of \$6,263. The note is secured with mortgage interests in other properties owned by the Organization. This note's original maturity was August 15, 2012; it was extended three months by the lender. The note required final payment at maturity.

The note was refinanced at 5% on November 15, 2012. The refinancing requires monthly payments of \$6,274 and a final balloon payment of \$928,635 at maturity, on November 15, 2013. This note is also secured with mortgage interests in other properties owned by the Organization.

**14. Long-Term Debt**

The Organization obtained three long-term loans for construction of the Independence Housing Project (Lexington Square). These three loans are currently administered by the Iowa Finance Authority.

The Iowa Housing Corporation originally 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 \$182,840.

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 \$95,985 at the year-end.

The Iowa Finance Authority provided additional original 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 \$28,200.

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

2013	\$ 12,449
2014	13,122
2015	170,645
2016	5,050
2017	5,351
2018 through 2023	<u>100,408</u>
	<u>\$ 307,025</u>

Interest expense related to these loans and the construction loan described above, for the year ended September 30, 2012, totaled \$67,033.

**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, 2012 amounted to \$42,464.

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

2013	<u>\$ 4,690</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	\$ 2,783,980
Lexington Square - IFA, IDED and IHC	236,342
HOME Investment Partnership - City of Waterloo	
Community Development HOME	
Rental Houses Funded by Program	235,734
New Construction Funds	36,777
Rehabilitation Funds	28,762
Rehabilitation Re-Use Funds	24,411
New Construction Re-Use Funds	(13,201)
Hope 3 HOME	107,946
Local Housing Assistance - IDED	84,414
Conrad Senior Fund	25,000
Project Care/Share	13,855
Grundy County Food Pantry	13,482
National Foreclosure Mitigation Program	13,249
	<u>\$ 3,590,751</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 \$2,658.

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 5.78% (5.38% through June 2012) of their annual covered salary to IPERS and the Organization contributes 8.67% (8.07% through June 2012) of annual covered payroll. Contribution requirements are established by state statute. The Organization's contributions to IPERS for the year ended September 30, 2012, totaled \$189,765, equal to the required contribution for the year.

**18. Evaluation of Subsequent Events**

The Organization has evaluated transactions and events occurring after September 30, 2012 for recognition and disclosure in the financial statements. Subsequent events were evaluated through January 8, 2013, 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, 2012, and have issued our report thereon dated January 8, 2013. 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.

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*

MERIWETHER, WILSON AND COMPANY, PLLC  
Certified Public Accountants

January 8, 2013  
West Des Moines, Iowa

**MERIWETHER, WILSON AND COMPANY, PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS

16

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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, 2012. 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, 2012.

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.

The purpose of this report is solely to describe the scope of our testing of compliance with the types of compliance requirements applicable to each of Operation Threshold's major programs and our testing of internal control over compliance and the results of our testing, and to provide an opinion on the Organization's compliance but not to provide an opinion on the effectiveness of the Organization's internal control over compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's compliance with requirements applicable to each major program and its internal control over compliance. Accordingly, this report is not suitable for any other purpose.

*Meriwether, Wilson and Company, PLLC*

MERIWETHER, WILSON AND COMPANY, PLLC  
Certified Public Accountants

January 8, 2013  
West Des Moines, Iowa

OPERATION THRESHOLD  
**Schedule of Findings and Questioned Costs**  
 Year Ended September 30, 2012

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, 2012. The following were audited as major programs:

<u>Major Program</u>	<u>CFDA No.</u>	<u>Expenditures</u>
ARRA - Weatherization Assistance for Low-Income Persons	81.042	\$ 1,455,731
Weatherization Assistance for Low-Income Persons	81.042	<u>432,794</u>
Total CFDA No. 81.042		1,888,525
ACA Maternal, Infant, Early Childhood Home Visitation	93.505	321,129
Low-Income Home Energy Assistance	93.568	<u>2,930,977</u>
		<u><u>\$ 5,140,631</u></u>

8. The dollar threshold used to distinguish between Type A and Type B programs was \$302,690.
9. Operation Threshold did qualify as a low-risk auditee.

Findings Related to the Financial Statements

None

Findings and Questioned Costs Related to Federal Awards

None

## OPERATION THRESHOLD

## Schedule of Expenditures of Federal Awards

October 1, 2011 Through September 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	CFDA* Number	Grant or Award Number	Expenses
<b>U.S. Department of Health and Human Services</b>			
Passed Through Iowa Department of Human Rights			
Low Income Home Energy Assistance Program	93.568	LIHEAP-12-11	\$ 2,733,046
Home Energy Assistance Program	93.568	HEAP-12-11A	95,058
Home Energy Assistance Program	93.568	HEAP-11-11A	<u>102,873</u>
Total CFDA # 93.568			<u>2,930,977</u> **
Family Development and Self Sufficiency (54% Federal)	93.558	FaDSS-13-11	33,097
Family Development and Self Sufficiency (54% Federal)	93.558	FaDSS-12-11	<u>96,358</u>
Total CFDA # 93.558			<u>129,455</u>
Community Services Block Grant	93.569	CSBG-11-11	<u>423,006</u>
Passed Through Iowa Department of Public Health			
Maternal, Infant, Early Childhood Home Visitation Program	93.505	5882CH02	<u>321,129</u> **
Total U.S. Department of Health and Human Services			<u>3,804,567</u>
<b>U.S. Department of Housing and Urban Development</b>			
Passed Through the City of Waterloo			
HOME Program TBRA	14.239	FY 2012	29,788
HOME Program TBRA	14.239	Hope 3 Home	797
Passed Through the Iowa Department of Economic Development			
HOME Program Promissory Note Dated 3/10/99	14.239	99-HM-204-731	<u>95,985</u>
Total CFDA #14.239			<u>126,570</u>
Passed Through the Iowa Finance Authority			
ARRA - Homeless Prevention/Rapid Re-Housing	14.257	S09-DY-09-0001	44,931
Passed Through the City of Waterloo			
ARRA - Homeless Prevention/Rapid Re-Housing	14.257	S09-DY-09-0001	<u>10,819</u>
Total CFDA #14.257			<u>55,750</u>
Community Development Block Grant	14.218	FY 2012	13,898
Community Development Block Grant	14.218	FY 2011	<u>1,792</u>
Total CFDA #14.218			<u>15,690</u>
Total U.S. Department of Housing and Urban Development			<u>198,010</u>

## OPERATION THRESHOLD

## Schedule of Expenditures of Federal Awards

October 1, 2011 Through September 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	CFDA* Number	Grant or Award Number	Expenses
<b>U.S. Department of Agriculture</b>			
Passed Through Iowa Department of Public Health			
Special Supplemental Nutrition Program			
for Women, Infants, and Children			
WIC	10.557	5882AO43	880,824
WIC Food Breast Pump	10.557	5882AO43	1,879
WIC Peer Counseling	10.557	5882AO95	30,000
WIC Noncash - Food Vouchers for Distribution	10.557	5882AO43	<u>3,270,866</u>
Total CFDA #10.557 and U.S. Department of Agriculture			<u>4,183,569</u>
<b>U.S. Department of Energy</b>			
Passed Through Iowa Department of Human Rights			
ARRA - Weatherization Assistance for Low-Income Persons	81.042	DOE-ARRA-09-11A	1,455,731
Weatherization Assistance for Low-Income Persons	81.042	DOE-12-11A	401,700
Weatherization Assistance for Low-Income Persons	81.042	DOE-11-11A	<u>31,094</u>
Total CFDA #81.042 and U.S. Department of Energy			<u>1,888,525 **</u>
<b>Department of Homeland Security</b>			
Passed Through the Iowa Northland Regional Council of Governments			
Emergency Food and Shelter National Board Program	97.024	285800-004	<u>15,000</u>
Total CFDA #97.024 and Department of Homeland Security			<u>15,000</u>
Total Expenditures of Federal Awards			<u>\$ 10,089,671</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, 2012

<b>Assets</b>	<b>Total All Funds</b>	<b>Undesignated and Agency Cost Pool Funds</b>	<b>Total Designated Funds</b>
<b>Current Assets</b>			
Cash and Cash Investments	\$ 511,161	367,228	143,933
Marketable Securities	14,521	14,521	--
Receivables			
Governmental Grants	481,980	--	481,980
Contract Income and Other	65,799	3,769	62,030
Prepaid Expenses	72,298	62,331	9,967
Weatherization Work in Process	250,306	146,108	104,198
<b>Total Current Assets</b>	<b>1,396,065</b>	<b>593,957</b>	<b>802,108</b>
<b>Noncurrent Assets</b>			
Restricted Cash	26,221	--	26,221
<b>Property and Equipment</b>			
Land, Buildings, and Improvements	5,829,460	4,212,402	1,617,058
Furniture and Equipment	430,464	426,074	4,390
Accumulated Depreciation	(1,210,407)	(455,524)	(754,883)
<b>Net Property and Equipment</b>	<b>5,049,517</b>	<b>4,182,952</b>	<b>866,565</b>
<b>Total Assets</b>	<b>\$ 6,471,803</b>	<b>4,776,909</b>	<b>1,694,894</b>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 102,884	11,299	91,585
Accrued Expenses	129,259	127,964	1,295
Mortgages Payable - Current Portion	964,793	952,344	12,449
Rent Deposits	26,221	--	26,221
Due to Funding Sources	232,512	22,333	210,179
Deferred Revenue	36,565	--	36,565
<b>Total Current Liabilities</b>	<b>1,492,234</b>	<b>1,113,940</b>	<b>378,294</b>
<b>Long-Term Debt</b>			
Mortgages Payable - Net of Current Portion	294,576	--	294,576
<b>Net Assets</b>			
Temporarily Restricted	3,590,751	2,783,980	806,771
Unrestricted			
Designated for Program Activities	(263,578)	(84,342)	(179,236)
Invested in Property and Equipment	841,117	446,628	394,489
Undesignated	516,703	516,703	--
<b>Total Net Assets</b>	<b>4,684,993</b>	<b>3,662,969</b>	<b>1,022,024</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,471,803</b>	<b>4,776,909</b>	<b>1,694,894</b>

## OPERATION THRESHOLD

## Combining Statement of Financial Position - Continued

September 30, 2012

## Designated Funds

LIHEAP	FaDSS	Weatherization Assistance				Inventory
		DOE	HEAP	Utility Companies		
2,512	(14,766)	(96,605)	(23,842)	(19,327)	(42,349)	
--	--	--	--	--	--	
--	15,787	96,605	25,232	19,327	--	
--	--	--	--	--	--	
--	--	--	--	--	--	
--	--	--	--	--	104,198	
<u>2,512</u>	<u>1,021</u>	<u>--</u>	<u>1,390</u>	<u>--</u>	<u>61,849</u>	
--	--	--	--	--	--	
--	--	--	--	--	--	
--	--	--	--	--	--	
<u>2,512</u>	<u>1,021</u>	<u>--</u>	<u>1,390</u>	<u>--</u>	<u>61,849</u>	
46	252	--	1,390	--	9,420	
--	--	--	--	--	--	
--	--	--	--	--	--	
--	--	--	--	--	--	
2,466	--	--	--	--	--	
--	--	--	--	--	--	
<u>2,512</u>	<u>252</u>	<u>--</u>	<u>1,390</u>	<u>--</u>	<u>9,420</u>	
--	--	--	--	--	--	
--	--	--	--	--	--	
--	769	--	--	--	52,429	
--	--	--	--	--	--	
--	--	--	--	--	--	
<u>--</u>	<u>769</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>52,429</u>	
<u>2,512</u>	<u>1,021</u>	<u>--</u>	<u>1,390</u>	<u>--</u>	<u>61,849</u>	

## OPERATION THRESHOLD

## Combining Statement of Financial Position - Continued

September 30, 2012

<b>Assets</b>	<u>Comm. Dev. HOME New Constr. Re-Use</u>	<u>Comm. Dev. HOME Rehab Re-Use</u>
<b>Current Assets</b>		
Cash and Cash Investments	\$ (13,201)	24,411
Marketable Securities	--	--
Receivables		
Governmental Grants	--	--
Contract Income and Other	--	--
Prepaid Expenses	--	--
Weatherization Work in Process	--	--
<b>Total Current Assets</b>	<u>(13,201)</u>	<u>24,411</u>
<b>Noncurrent Assets</b>		
Restricted Cash	--	--
<b>Property and Equipment</b>		
Land, Buildings, and Improvements	--	--
Furniture and Equipment	--	--
Accumulated Depreciation	--	--
<b>Net Property and Equipment</b>	<u>--</u>	<u>--</u>
<b>Total Assets</b>	<u>\$ (13,201)</u>	<u>24,411</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ --	--
Accrued Expenses	--	--
Mortgages Payable - Current Portion	--	--
Rent Deposits	--	--
Due to Funding Sources	--	--
Deferred Revenue	--	--
<b>Total Current Liabilities</b>	<u>--</u>	<u>--</u>
<b>Long-Term Debt</b>		
Mortgages Payable - Net of Current Portion	--	--
<b>Net Assets</b>		
Temporarily Restricted	(13,201)	24,411
Unrestricted		
Designated for Program Activities	--	--
Invested in Property and Equipment	--	--
Undesignated	--	--
<b>Total Net Assets</b>	<u>(13,201)</u>	<u>24,411</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ (13,201)</u>	<u>24,411</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2012

Designated Funds

Comm. Dev. HOME Rehab Funds	Comm. Dev. HOME New Constr.	Hope 3 Home	HOME TBRA	LHCB/ CASH Course
28,762	36,777	107,946	535	765
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>28,762</u>	<u>36,777</u>	<u>107,946</u>	<u>535</u>	<u>765</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>28,762</u>	<u>36,777</u>	<u>107,946</u>	<u>535</u>	<u>765</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>28,762</u>	<u>36,777</u>	<u>107,946</u>	<u>535</u>	<u>765</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>28,762</u>	<u>36,777</u>	<u>107,946</u>	<u>535</u>	<u>765</u>
<u>28,762</u>	<u>36,777</u>	<u>107,946</u>	<u>535</u>	<u>765</u>

## OPERATION THRESHOLD

## Combining Statement of Financial Position - Continued

September 30, 2012

	WIC	ACA MIECHV	WIC Peer Counseling	WIC Farmers Market
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Cash Investments	\$ (60,976)	(57,791)	(3,436)	9,837
Marketable Securities	--	--	--	--
Receivables				
Governmental Grants	193,760	122,698	4,926	--
Contract Income and Other	642	--	--	--
Prepaid Expenses	160	--	--	--
Weatherization Work in Process	--	--	--	--
Total Current Assets	<u>133,586</u>	<u>64,907</u>	<u>1,490</u>	<u>9,837</u>
<b>Noncurrent Assets</b>				
Restricted Cash	--	--	--	--
<b>Property and Equipment</b>				
Land, Buildings, and Improvements	--	--	--	--
Furniture and Equipment	--	--	--	--
Accumulated Depreciation	--	--	--	--
Net Property and Equipment	--	--	--	--
Total Assets	<u>\$ 133,586</u>	<u>64,907</u>	<u>1,490</u>	<u>9,837</u>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 11,524	64,907	2	--
Accrued Expenses	--	--	--	--
Mortgages Payable - Current Portion	--	--	--	--
Rent Deposits	--	--	--	--
Due to Funding Sources	59,297	--	--	--
Deferred Revenue	--	--	--	--
Total Current Liabilities	<u>70,821</u>	<u>64,907</u>	<u>2</u>	<u>--</u>
<b>Long-Term Debt</b>				
Mortgages Payable - Net of Current Portion	--	--	--	--
<b>Net Assets</b>				
Temporarily Restricted	--	--	--	--
Unrestricted				
Designated for Program Activities	62,765	--	1,488	9,837
Invested in Property and Equipment	--	--	--	--
Undesignated	--	--	--	--
Total Net Assets	<u>62,765</u>	<u>--</u>	<u>1,488</u>	<u>9,837</u>
Total Liabilities and Net Assets	<u>\$ 133,586</u>	<u>64,907</u>	<u>1,490</u>	<u>9,837</u>

## OPERATION THRESHOLD

## Combining Statement of Financial Position - Continued

September 30, 2012

## Designated Funds

<u>WIC Special Projects</u>	<u>WIC Special BF Fund</u>	<u>Early Head Start</u>	<u>Project Care/Share</u>	<u>Together 4 Families</u>	<u>Family Nest</u>	<u>Stork's Nest</u>
12,000	575	(21,396)	13,855	(21,610)	3,668	(3,210)
--	--	--	--	--	--	--
--	--	--	--	--	--	1,825
--	--	21,468	--	29,942	--	--
--	--	250	--	25	--	7,276
--	--	--	--	--	--	--
<u>12,000</u>	<u>575</u>	<u>322</u>	<u>13,855</u>	<u>8,357</u>	<u>3,668</u>	<u>5,891</u>
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>12,000</u>	<u>575</u>	<u>322</u>	<u>13,855</u>	<u>8,357</u>	<u>3,668</u>	<u>5,891</u>
--	--	322	--	273	--	12
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	3,000
<u>--</u>	<u>--</u>	<u>322</u>	<u>--</u>	<u>273</u>	<u>--</u>	<u>3,012</u>
--	--	--	--	--	--	--
--	--	--	13,855	--	--	--
12,000	575	--	--	8,084	3,668	2,879
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>12,000</u>	<u>575</u>	<u>--</u>	<u>13,855</u>	<u>8,084</u>	<u>3,668</u>	<u>2,879</u>
<u>12,000</u>	<u>575</u>	<u>322</u>	<u>13,855</u>	<u>8,357</u>	<u>3,668</u>	<u>5,891</u>

## OPERATION THRESHOLD

## Combining Statement of Financial Position - Continued

September 30, 2012

	Canterbury Court Apartments	924 Lafayette Street	Kingswood Apartments
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Investments	\$ (154,919)	18,457	192,028
Marketable Securities	--	--	--
Receivables			
Governmental Grants	--	--	--
Contract Income and Other	1,527	--	1,034
Prepaid Expenses	--	--	--
Weatherization Work in Process	--	--	--
Total Current Assets	<u>(153,392)</u>	<u>18,457</u>	<u>193,062</u>
<b>Noncurrent Assets</b>			
Restricted Cash	<u>16,575</u>	<u>854</u>	<u>3,068</u>
<b>Property and Equipment</b>			
Land, Buildings, and Improvements	621,482	62,785	72,566
Furniture and Equipment	4,390	--	--
Accumulated Depreciation	(333,659)	(39,898)	(42,754)
Net Property and Equipment	<u>292,213</u>	<u>22,887</u>	<u>29,812</u>
Total Assets	<u>\$ 155,396</u>	<u>42,198</u>	<u>225,942</u>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 1,219	--	173
Accrued Expenses	--	--	--
Mortgages Payable - Current Portion	--	--	--
Rent Deposits	16,575	854	3,068
Due to Funding Sources	--	--	--
Deferred Revenue	2,774	--	994
Total Current Liabilities	<u>20,568</u>	<u>854</u>	<u>4,235</u>
<b>Long-Term Debt</b>			
Mortgages Payable - Net of Current Portion	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net Assets</b>			
Temporarily Restricted	--	--	--
Unrestricted			
Designated for Program Activities	(157,385)	18,457	191,895
Invested in Property and Equipment	292,213	22,887	29,812
Undesignated	--	--	--
Total Net Assets	<u>134,828</u>	<u>41,344</u>	<u>221,707</u>
Total Liabilities and Net Assets	<u>\$ 155,396</u>	<u>42,198</u>	<u>225,942</u>

## OPERATION THRESHOLD

## Combining Statement of Financial Position - Continued

September 30, 2012

Designated Funds						
302 Locust Street	1619 Franklin St.	Ankeny Single Family	Lexington Square	316/318 West 3rd Street	313 Cottage Street	118 Irving Street
21,513	5,771	(36,434)	(120,835)	(155,888)	9,956	15,073
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	6	1,170	--	--
--	--	--	--	--	--	--
<u>21,513</u>	<u>5,771</u>	<u>(36,434)</u>	<u>(120,829)</u>	<u>(154,718)</u>	<u>9,956</u>	<u>15,073</u>
285	394	673	3,214	--	523	635
96,857	12,013	68,811	412,433	--	116,076	154,035
--	--	--	--	--	--	--
(65,444)	(8,152)	(54,508)	(176,091)	--	(14,773)	(19,604)
<u>31,413</u>	<u>3,861</u>	<u>14,303</u>	<u>236,342</u>	<u>--</u>	<u>101,303</u>	<u>134,431</u>
<u>53,211</u>	<u>10,026</u>	<u>(21,458)</u>	<u>118,727</u>	<u>(154,718)</u>	<u>111,782</u>	<u>150,139</u>
--	4	--	119	--	--	110
--	--	--	1,295	--	--	--
--	--	--	12,449	--	--	--
285	394	673	3,214	--	523	635
--	--	--	--	--	--	--
7	--	--	936	--	--	--
<u>292</u>	<u>398</u>	<u>673</u>	<u>18,013</u>	<u>--</u>	<u>523</u>	<u>745</u>
--	--	--	294,576	--	--	--
--	--	--	236,342	--	101,303	134,431
21,506	5,767	(36,434)	(430,204)	(154,718)	9,956	14,963
31,413	3,861	14,303	--	--	--	--
--	--	--	--	--	--	--
<u>52,919</u>	<u>9,628</u>	<u>(22,131)</u>	<u>(193,862)</u>	<u>(154,718)</u>	<u>111,259</u>	<u>149,394</u>
<u>53,211</u>	<u>10,026</u>	<u>(21,458)</u>	<u>118,727</u>	<u>(154,718)</u>	<u>111,782</u>	<u>150,139</u>

## OPERATION THRESHOLD

## Combining Statement of Financial Position - Continued

September 30, 2012

<b>Assets</b>	<b>Local Housing Assist.</b>	<b>FHLB Affordable Housing</b>	<b>Emergency Funds</b>
<b>Current Assets</b>			
Cash and Cash Investments	\$ 232,830	(66,593)	16,941
Marketable Securities	--	--	--
Receivables			
Governmental Grants	--	--	--
Contract Income and Other	--	--	--
Prepaid Expenses	--	--	--
Weatherization Work in Process	--	--	--
<b>Total Current Assets</b>	<b>232,830</b>	<b>(66,593)</b>	<b>16,941</b>
<b>Noncurrent Assets</b>			
Restricted Cash	--	--	--
<b>Property and Equipment</b>			
Land, Buildings, and Improvements	--	--	--
Furniture and Equipment	--	--	--
Accumulated Depreciation	--	--	--
<b>Net Property and Equipment</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Assets</b>	<b>\$ 232,830</b>	<b>(66,593)</b>	<b>16,941</b>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ --	--	--
Accrued Expenses	--	--	--
Mortgages Payable - Current Portion	--	--	--
Rent Deposits	--	--	--
Due to Funding Sources	148,416	--	--
Deferred Revenue	--	--	--
<b>Total Current Liabilities</b>	<b>148,416</b>	<b>--</b>	<b>--</b>
<b>Long-Term Debt</b>			
Mortgages Payable - Net of Current Portion	--	--	--
<b>Net Assets</b>			
Temporarily Restricted	84,414	--	--
Unrestricted			
Designated for Program Activities	--	(66,593)	16,941
Invested in Property and Equipment	--	--	--
Undesignated	--	--	--
<b>Total Net Assets</b>	<b>84,414</b>	<b>(66,593)</b>	<b>16,941</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 232,830</b>	<b>(66,593)</b>	<b>16,941</b>

## OPERATION THRESHOLD

## Combining Statement of Financial Position - Continued

September 30, 2012

## Designated Funds

<u>Toy Project</u>	<u>Family Self-Sufficiency</u>	<u>Pocket Change Project</u>	<u>Fan Program</u>	<u>School Supplies and Coats</u>	<u>Service Centers</u>
14,923	1,974	5	5	3,410	226,439
--	--	--	--	--	--
--	--	--	--	--	--
--	2,475	--	--	--	--
--	--	--	--	--	2,256
--	--	--	--	--	--
<u>14,923</u>	<u>4,449</u>	<u>5</u>	<u>5</u>	<u>3,410</u>	<u>228,695</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>14,923</u>	<u>4,449</u>	<u>5</u>	<u>5</u>	<u>3,410</u>	<u>228,695</u>
--	--	--	--	--	775
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>21,383</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>22,158</u>
--	--	--	--	--	--
--	--	--	--	--	--
14,923	4,449	5	5	3,410	206,537
--	--	--	--	--	--
--	--	--	--	--	--
<u>14,923</u>	<u>4,449</u>	<u>5</u>	<u>5</u>	<u>3,410</u>	<u>206,537</u>
<u>14,923</u>	<u>4,449</u>	<u>5</u>	<u>5</u>	<u>3,410</u>	<u>228,695</u>

OPERATION THRESHOLD  
**Combining Statement of Financial Position - Continued**

September 30, 2012

<b>Assets</b>	<u>Housing and Fair Lending Pool</u>	<u>Financial Literacy</u>	<u>National Fore- Closure Mitigation</u>
<b>Current Assets</b>			
Cash and Cash Investments	\$ 5,357	2,380	14,132
Marketable Securities	--	--	--
Receivables			
Governmental Grants	--	--	--
Contract Income and Other	--	--	--
Prepaid Expenses	--	--	--
Weatherization Work in Process	--	--	--
<b>Total Current Assets</b>	<u>5,357</u>	<u>2,380</u>	<u>14,132</u>
<b>Noncurrent Assets</b>			
Restricted Cash	--	--	--
<b>Property and Equipment</b>			
Land, Buildings, and Improvements	--	--	--
Furniture and Equipment	--	--	--
Accumulated Depreciation	--	--	--
<b>Net Property and Equipment</b>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Total Assets</b>	<u>\$ 5,357</u>	<u>2,380</u>	<u>14,132</u>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ --	1	883
Accrued Expenses	--	--	--
Mortgages Payable - Current Portion	--	--	--
Rent Deposits	--	--	--
Due to Funding Sources	--	--	--
Deferred Revenue	5,357	2,114	--
<b>Total Current Liabilities</b>	<u>5,357</u>	<u>2,115</u>	<u>883</u>
<b>Long-Term Debt</b>			
Mortgages Payable - Net of Current Portion	--	--	--
<b>Net Assets</b>			
Temporarily Restricted	--	--	13,249
Unrestricted			
Designated for Program Activities	--	265	--
Invested in Property and Equipment	--	--	--
Undesignated	--	--	--
<b>Total Net Assets</b>	<u>--</u>	<u>265</u>	<u>13,249</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 5,357</u>	<u>2,380</u>	<u>14,132</u>

OPERATION THRESHOLD  
**Combining Statement of Financial Position - Continued**

September 30, 2012

Designated Funds

<u>Special Projects</u>	<u>Career Ladders</u>	<u>Conrad Senior Fund</u>	<u>Hawkeye Valley on Aging</u>	<u>Grundy Co. Food Pantry</u>	<u>Volunteer Programs</u>
(3,570)	(51)	25,000	5	13,490	(600)
--	--	--	--	--	--
--	--	--	--	--	1,820
3,715	51	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>145</u>	<u>--</u>	<u>25,000</u>	<u>5</u>	<u>13,490</u>	<u>1,220</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>145</u>	<u>--</u>	<u>25,000</u>	<u>5</u>	<u>13,490</u>	<u>1,220</u>
145	--	--	--	8	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>145</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>8</u>	<u>--</u>
--	--	--	--	--	--
--	--	25,000	--	13,482	--
--	--	--	5	--	1,220
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>25,000</u>	<u>5</u>	<u>13,482</u>	<u>1,220</u>
<u>145</u>	<u>--</u>	<u>25,000</u>	<u>5</u>	<u>13,490</u>	<u>1,220</u>

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD  
**Combining Statement of Activities**

Year Ended September 30, 2012

	Total All Funds	Undesignated and Agency Cost Pool Funds	Total Designated Funds
<b>Support and Revenue</b>			
Government Awards and Contract Revenue	\$ 7,761,592	--	7,761,592
Food Vouchers for Distribution	3,270,866	--	3,270,866
CSBG Co-funding Provided	--	158,595	(158,595)
Rental Income	330,069	--	330,069
Contributions, Public Support, and Services	288,388	23,665	264,723
Investment Income	5,453	5,393	60
Other Revenue	18,507	1,422	17,085
<b>Total Support and Revenue</b>	<u>11,674,875</u>	<u>189,075</u>	<u>11,485,800</u>
<b>Expenses</b>			
Program and General Expenses	8,294,512	2,414,307	5,880,205
Food Vouchers for Distribution	3,270,866	--	3,270,866
Depreciation	237,738	168,643	69,095
Interfund Expense Transfers	--	(2,253,700)	2,253,700
<b>Total Expenses</b>	<u>11,803,116</u>	<u>329,250</u>	<u>11,473,866</u>
<b>Excess (Deficiency) of Support and Revenue Over Expenses</b>	(128,241)	(140,175)	11,934
<b>Net Assets - Beginning of Year</b>	<u>4,813,234</u>	<u>3,803,144</u>	<u>1,010,090</u>
<b>Net Assets - End of Year</b>	<u>\$ 4,684,993</u>	<u>3,662,969</u>	<u>1,022,024</u>

## OPERATION THRESHOLD

## Combining Statement of Activities

Year Ended September 30, 2012

## Iowa Department of Human Rights/Division of Community Action Agencies

LIHEAP	CSBG	FaDSS	Weatherization Assistance				Inventory
			DOE	DOE ARRA	HEAP	Utility Companies	
2,733,046	423,006	239,732	432,794	1,455,731	197,931	267,864	--
--	--	--	--	--	--	--	--
--	(345,192)	--	--	--	--	--	--
--	--	829	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>2,733,046</u>	<u>77,814</u>	<u>240,561</u>	<u>432,794</u>	<u>1,455,731</u>	<u>197,931</u>	<u>267,864</u>	<u>--</u>
2,632,865	6,707	216,415	116,889	434,398	85,205	99,740	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
100,181	71,107	23,377	315,905	1,021,333	112,726	168,124	--
<u>2,733,046</u>	<u>77,814</u>	<u>239,792</u>	<u>432,794</u>	<u>1,455,731</u>	<u>197,931</u>	<u>267,864</u>	<u>--</u>
--	--	769	--	--	--	--	--
--	--	--	--	--	--	--	52,429
--	--	769	--	--	--	--	52,429

## OPERATION THRESHOLD

## Combining Statement of Activities - Continued

Year Ended September 30, 2012

	Comm. Dev. HOME New Constr. Re-Use	Comm. Dev. HOME Rehab Re-Use	Comm. Dev. HOME Rehab Funds
<b>Support and Revenue</b>			
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>
<b>Expenses</b>			
Program and General Expenses	--	--	--
Food Vouchers for Distribution	--	--	--
Depreciation	--	--	--
Interfund Expense Transfers	--	9,451	--
Total Expenses	<u>--</u>	<u>9,451</u>	<u>--</u>
<b>Excess (Deficiency) of Support and Revenue over Expenses</b>	--	(9,451)	--
<b>Net Assets - Beginning of Year</b>	<u>(13,201)</u>	<u>33,862</u>	<u>28,762</u>
<b>Net Assets - End of Year</b>	<u>\$ (13,201)</u>	<u>24,411</u>	<u>28,762</u>

## OPERATION THRESHOLD

## Combining Statement of Activities - Continued

Year Ended September 30, 2012

## Housing and Urban Development

Comm. Dev. HOME New Constr.	Hope 3 Home	HOME TBRA	Homeless Prevention Rapid Re-Housing	Weatherization Plus	LHCB/CASH Course
--	--	29,788	55,750	15,690	--
--	--	--	--	--	--
--	--	--	--	--	--
--	250	12,750	2,694	--	--
--	--	--	--	--	--
--	13,682	--	--	--	--
--	<u>13,932</u>	<u>42,538</u>	<u>58,444</u>	<u>15,690</u>	--
--	797	42,573	48,264	15,690	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	6,625	--	--
--	<u>797</u>	<u>42,573</u>	<u>54,889</u>	<u>15,690</u>	--
--	13,135	(35)	3,555	--	--
<u>36,777</u>	<u>94,811</u>	<u>570</u>	<u>(3,555)</u>	--	<u>765</u>
<u>36,777</u>	<u>107,946</u>	<u>535</u>	<u>--</u>	<u>--</u>	<u>765</u>

## OPERATION THRESHOLD

## Combining Statement of Activities - Continued

Year Ended September 30, 2012

	Iowa Department of Public Health				
	WIC	ACA MIECHV	WIC Food Breast Pump	WIC Peer Counseling	WIC Farmers Market
<b>Support and Revenue</b>					
Government Awards and Contract Revenue	\$ 880,824	321,129	1,879	30,000	976
Food Vouchers for Distribution	3,270,866	--	--	--	--
CSBG Co-funding Provided	--	--	--	--	--
Rental Income	--	--	--	--	--
Contributions, Public Support, and Services	5,469	--	--	492	--
Investment Income	--	--	--	--	--
Other Revenue	--	--	--	--	--
<b>Total Support and Revenue</b>	<b>4,157,159</b>	<b>321,129</b>	<b>1,879</b>	<b>30,492</b>	<b>976</b>
<b>Expenses</b>					
Program and General Expenses	755,721	299,706	1,879	22,111	--
Food Vouchers for Distribution	3,270,866	--	--	--	--
Depreciation	--	--	--	--	--
Interfund Expense Transfers	125,153	21,423	--	8,089	--
<b>Total Expenses</b>	<b>4,151,740</b>	<b>321,129</b>	<b>1,879</b>	<b>30,200</b>	<b>--</b>
<b>Excess (Deficiency) of Support and Revenue over Expenses</b>	<b>5,419</b>	<b>--</b>	<b>--</b>	<b>292</b>	<b>976</b>
<b>Net Assets - Beginning of Year</b>	<b>57,346</b>	<b>--</b>	<b>--</b>	<b>1,196</b>	<b>8,861</b>
<b>Net Assets - End of Year</b>	<b>\$ 62,765</b>	<b>--</b>	<b>--</b>	<b>1,488</b>	<b>9,837</b>

## OPERATION THRESHOLD

## Combining Statement of Activities - Continued

Year Ended September 30, 2012

## Local Government and Miscellaneous Funding Sources

<u>WIC Special Projects</u>	<u>WIC Special BF Fund</u>	<u>Early Head Start</u>	<u>Project Care/Share</u>	<u>OT Family Development</u>	<u>Parents as Teachers</u>	<u>Together 4 Families</u>	<u>Family Nest</u>	<u>Stork's Nest</u>
--	--	279,119	--	--	88,678	29,942	43,956	24,515
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--
12,000	--	--	31,027	421	--	8,228	30,447	9,481
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--
<u>12,000</u>	<u>--</u>	<u>279,119</u>	<u>31,027</u>	<u>421</u>	<u>88,678</u>	<u>38,170</u>	<u>74,403</u>	<u>33,996</u>
--	15	252,658	30,915	2,087	82,835	24,489	61,326	20,964
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--
--	--	26,461	--	(1,666)	5,843	5,597	9,409	12,331
--	<u>15</u>	<u>279,119</u>	<u>30,915</u>	<u>421</u>	<u>88,678</u>	<u>30,086</u>	<u>70,735</u>	<u>33,295</u>
12,000	(15)	--	112	--	--	8,084	3,668	701
--	<u>590</u>	<u>--</u>	<u>13,743</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,178</u>
<u>12,000</u>	<u>575</u>	<u>--</u>	<u>13,855</u>	<u>--</u>	<u>--</u>	<u>8,084</u>	<u>3,668</u>	<u>2,879</u>

## OPERATION THRESHOLD

## Combining Statement of Activities - Continued

Year Ended September 30, 2012

	Canterbury Court Apartments	924 Lafayette Street	Kingswood Apartments
<b>Support and Revenue</b>			
Government Awards and Contract Revenue	\$ --	--	--
Food Vouchers for Distribution	--	--	--
CSBG Co-funding Provided	--	--	--
Rental Income	206,133	9,920	40,655
Contributions, Public Support, and Services	--	--	--
Investment Income	60	--	--
Other Revenue	2,936	--	377
<b>Total Support and Revenue</b>	<u>209,129</u>	<u>9,920</u>	<u>41,032</u>
<b>Expenses</b>			
Program and General Expenses	84,580	6,127	18,003
Food Vouchers for Distribution	--	--	--
Depreciation	28,105	2,660	4,724
Interfund Expense Transfers	37,508	2,667	7,371
<b>Total Expenses</b>	<u>150,193</u>	<u>11,454</u>	<u>30,098</u>
<b>Excess (Deficiency) of Support and Revenue over Expenses</b>	58,936	(1,534)	10,934
<b>Net Assets - Beginning of Year</b>	<u>75,892</u>	<u>42,878</u>	<u>210,773</u>
<b>Net Assets - End of Year</b>	<u>\$ 134,828</u>	<u>41,344</u>	<u>221,707</u>

## OPERATION THRESHOLD

## Combining Statement of Activities - Continued

Year Ended September 30, 2012

Local Government and Miscellaneous Funding Sources						
<u>302</u> <u>Locust</u> <u>Street</u>	<u>1619</u> <u>Franklin</u> <u>Street</u>	<u>Ankeny</u> <u>Single</u> <u>Family</u>	<u>Lexington</u> <u>Square</u>	<u>316/318</u> <u>West 3rd</u> <u>Street</u>	<u>313</u> <u>Cottage</u> <u>Street</u>	<u>118</u> <u>Irving</u> <u>Street</u>
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
10,140	5,532	8,009	36,529	--	5,952	7,199
--	--	--	--	--	--	--
--	--	--	--	--	--	--
55	--	--	--	--	35	--
<u>10,195</u>	<u>5,532</u>	<u>8,009</u>	<u>36,529</u>	<u>--</u>	<u>5,987</u>	<u>7,199</u>
7,618	3,627	3,356	30,651	--	811	658
--	--	--	--	--	--	--
3,994	525	5,349	13,916	--	4,221	5,601
3,191	1,159	2,790	15,234	--	1,534	1,942
<u>14,803</u>	<u>5,311</u>	<u>11,495</u>	<u>59,801</u>	<u>--</u>	<u>6,566</u>	<u>8,201</u>
(4,608)	221	(3,486)	(23,272)	--	(579)	(1,002)
<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>52,919</u>	<u>9,628</u>	<u>(22,131)</u>	<u>(193,862)</u>	<u>(154,718)</u>	<u>111,259</u>	<u>149,394</u>

## OPERATION THRESHOLD

## Combining Statement of Activities - Continued

Year Ended September 30, 2012

	Local Housing Assist.	FHLB Affordable Housing	Emergency Funds
<b>Support and Revenue</b>			
Government Awards and Contract Revenue	\$ --	--	--
Food Vouchers for Distribution	--	--	--
CSBG Co-funding Provided	--	--	--
Rental Income	--	--	--
Contributions, Public Support, and Services	--	--	16,747
Investment Income	--	--	--
Other Revenue	--	--	--
<b>Total Support and Revenue</b>	<u>    --</u>	<u>    --</u>	<u>16,747</u>
<b>Expenses</b>			
Program and General Expenses	--	--	13,165
Food Vouchers for Distribution	--	--	--
Depreciation	--	--	--
Interfund Expense Transfers	--	--	--
<b>Total Expenses</b>	<u>    --</u>	<u>    --</u>	<u>13,165</u>
<b>Excess (Deficiency) of Support and Revenue over Expenses</b>	--	--	3,582
<b>Capital Items Acquired With Grant Funds</b>	--	--	--
<b>Net Assets - Beginning of Year</b>	<u>84,414</u>	<u>(66,593)</u>	<u>13,359</u>
<b>Net Assets - End of Year</b>	<u><u>\$ 84,414</u></u>	<u><u>(66,593)</u></u>	<u><u>16,941</u></u>

## OPERATION THRESHOLD

## Combining Statement of Activities - Continued

Year Ended September 30, 2012

## Local Government and Miscellaneous Funding Sources

<u>Toy Project</u>	<u>Family Self- Sufficiency</u>	<u>Pocket Change Project</u>	<u>Fan Program</u>	<u>School Supplies and Coats</u>	<u>Service Centers</u>
--	--	--	--	--	27,500
--	--	--	--	--	--
--	--	--	--	--	186,597
--	--	--	--	--	--
13,726	29,025	9,605	--	1,785	24,876
--	--	--	--	--	--
--	--	--	--	--	--
<u>13,726</u>	<u>29,025</u>	<u>9,605</u>	<u>--</u>	<u>1,785</u>	<u>238,973</u>
7,092	20,666	9,602	--	2,957	158,052
--	--	--	--	--	--
--	--	--	--	--	--
--	3,910	--	--	--	80,949
<u>7,092</u>	<u>24,576</u>	<u>9,602</u>	<u>--</u>	<u>2,957</u>	<u>239,001</u>
6,634	4,449	3	--	(1,172)	(28)
--	--	--	--	--	--
8,289	--	2	5	4,582	206,565
<u>14,923</u>	<u>4,449</u>	<u>5</u>	<u>5</u>	<u>3,410</u>	<u>206,537</u>

## OPERATION THRESHOLD

## Combining Statement of Activities - Continued

Year Ended September 30, 2012

	Emergency Food and Shelter (FEMA)	Housing and Fair Lending Pool	Financial Literacy
<b>Support and Revenue</b>			
Government Awards and Contract Revenue	\$ 15,000	--	--
Food Vouchers for Distribution	--	--	--
CSBG Co-funding Provided	--	--	--
Rental Income	--	--	--
Contributions, Public Support, and Services	--	8,987	23,483
Investment Income	--	--	--
Other Revenue	--	--	--
Total Support and Revenue	<u>15,000</u>	<u>8,987</u>	<u>23,483</u>
<b>Expenses</b>			
Program and General Expenses	15,000	8,987	17,710
Food Vouchers for Distribution	--	--	--
Depreciation	--	--	--
Interfund Expense Transfers	--	--	5,773
Total Expenses	<u>15,000</u>	<u>8,987</u>	<u>23,483</u>
<b>Excess (Deficiency) of Support and Revenue over Expenses</b>	--	--	--
<b>Net Assets - Beginning of Year</b>	<u>--</u>	<u>--</u>	<u>265</u>
<b>Net Assets - End of Year</b>	<u>\$ --</u>	<u>--</u>	<u>265</u>

## OPERATION THRESHOLD

## Combining Statement of Activities - Continued

Year Ended September 30, 2012

## Local Government and Miscellaneous Funding Sources

<u>National Fore- Closure Mitigation</u>	<u>Special Projects</u>	<u>Conrad Senior Fund</u>	<u>Hawkeye Valley on Aging</u>	<u>Grundy Co. Food Pantry</u>	<u>Volunteer Programs</u>
149,582	--	--	--	--	17,160
--	--	--	--	--	--
--	--	--	--	--	--
--	14,942	--	--	7,459	--
--	--	--	--	--	--
<u>149,582</u>	<u>14,942</u>	<u>--</u>	<u>--</u>	<u>7,459</u>	<u>17,160</u>
181,320	14,344	--	--	9,510	12,120
--	--	--	--	--	--
--	--	--	--	--	--
<u>43,740</u>	<u>598</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,865</u>
<u>225,060</u>	<u>14,942</u>	<u>--</u>	<u>--</u>	<u>9,510</u>	<u>15,985</u>
(75,478)	--	--	--	(2,051)	1,175
<u>88,727</u>	<u>--</u>	<u>25,000</u>	<u>5</u>	<u>15,533</u>	<u>45</u>
<u>13,249</u>	<u>--</u>	<u>25,000</u>	<u>5</u>	<u>13,482</u>	<u>1,220</u>

SEE INDEPENDENT AUDITOR'S REPORT

## OPERATION THRESHOLD

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

September 30, 2012

<b>Assets</b>	<u>Total</u>	<u>Payroll Clearing</u>	<u>Agency</u>	<u>Equipment</u>
<b>Current Assets</b>				
Cash and Cash Investments	\$ 367,228	105,999	503,669	54,472
Marketable Securities	14,521	--	14,521	--
Receivables				
Other Receivables	3,769	--	--	--
Prepaid Expenses	62,331	17,266	22,645	552
Weatherization Work in Process	146,108	--	--	--
<b>Total Current Assets</b>	<u>593,957</u>	<u>123,265</u>	<u>540,835</u>	<u>55,024</u>
<b>Property and Equipment</b>				
Land, Buildings, and Improvements	4,212,402	--	4,168,402	--
Furniture and Equipment	426,074	--	137,647	288,427
Accumulated Depreciation	(455,524)	--	(285,729)	(169,795)
<b>Net Property and Equipment</b>	<u>4,182,952</u>	<u>--</u>	<u>4,020,320</u>	<u>118,632</u>
<b>Total Assets</b>	<u>\$ 4,776,909</u>	<u>123,265</u>	<u>4,561,155</u>	<u>173,656</u>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 11,299	--	31	219
Accrued Expenses	127,964	123,265	--	--
Secured Construction Loan Payable	952,344	--	--	--
<b>Total Current Liabilities</b>	<u>1,113,940</u>	<u>123,265</u>	<u>31</u>	<u>219</u>
<b>Net Assets</b>				
Temporarily Restricted	2,783,980	--	3,736,324	--
Unrestricted				
Designated for Program Activities	(84,342)	--	24,101	54,805
Invested in Property and Equipment	446,628	--	283,996	118,632
Undesignated	516,703	--	516,703	--
<b>Total Net Assets</b>	<u>3,662,969</u>	<u>--</u>	<u>4,561,124</u>	<u>173,437</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 4,776,909</u>	<u>123,265</u>	<u>4,561,155</u>	<u>173,656</u>

## OPERATION THRESHOLD

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

September 30, 2012

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>
22,238	11,028	14,667	(333)	(1,641)	(329,958)	(26,990)	1,930	12,147
--	--	--	--	--	--	--	--	--
--	--	--	--	--	3,769	--	--	--
1,815	375	--	335	1,642	3,929	13,772	--	--
--	--	--	--	--	--	146,108	--	--
<u>24,053</u>	<u>11,403</u>	<u>14,667</u>	<u>2</u>	<u>1</u>	<u>(322,260)</u>	<u>132,890</u>	<u>1,930</u>	<u>12,147</u>
--	--	--	--	--	44,000	--	--	--
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--
--	--	--	--	--	44,000	--	--	--
<u>24,053</u>	<u>11,403</u>	<u>14,667</u>	<u>2</u>	<u>1</u>	<u>(278,260)</u>	<u>132,890</u>	<u>1,930</u>	<u>12,147</u>
12	1	21	2	1	4,169	6,829	14	--
--	--	--	--	--	4,699	--	--	--
--	--	--	--	--	952,344	--	--	--
--	--	--	--	--	--	--	--	22,333
<u>12</u>	<u>1</u>	<u>21</u>	<u>2</u>	<u>1</u>	<u>961,212</u>	<u>6,829</u>	<u>14</u>	<u>22,333</u>
--	--	--	--	--	(952,344)	--	--	--
--	--	--	--	--	--	--	--	--
24,041	11,402	14,646	--	--	(331,128)	126,061	1,916	(10,186)
--	--	--	--	--	44,000	--	--	--
--	--	--	--	--	--	--	--	--
<u>24,041</u>	<u>11,402</u>	<u>14,646</u>	<u>--</u>	<u>--</u>	<u>(1,239,472)</u>	<u>126,061</u>	<u>1,916</u>	<u>(10,186)</u>
<u>24,053</u>	<u>11,403</u>	<u>14,667</u>	<u>2</u>	<u>1</u>	<u>(278,260)</u>	<u>132,890</u>	<u>1,930</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, 2012

	<u>Total</u>	<u>Agency</u>	<u>Equipment</u>	<u>Wellness</u>
<b>Support and Revenue</b>				
CSBG Co-funding Provided	\$ 158,595	--	--	3,723
Contributions, Public Support, and Services	23,665	12,514	--	--
Investment Income	5,393	5,393	--	--
Other Revenue	1,422	116	1,258	--
<b>Total Support and Revenue</b>	<u>189,075</u>	<u>18,023</u>	<u>1,258</u>	<u>3,723</u>
<b>Expenses</b>				
Management and General Expenses	2,414,307	3,043	37,149	3,723
Depreciation	168,643	127,925	40,718	--
Interfund Expense Transfers	(2,253,700)	(9,440)	(43,795)	--
<b>Total Expenses</b>	<u>329,250</u>	<u>121,528</u>	<u>34,072</u>	<u>3,723</u>
<b>Excess (Deficiency) of Support and Revenue over Expenses</b>	(140,175)	(103,505)	(32,814)	--
<b>Net Assets - Beginning of Year</b>	<u>3,803,144</u>	<u>4,664,629</u>	<u>206,251</u>	<u>--</u>
<b>Net Assets - End of Year</b>	<u>\$ 3,662,969</u>	<u>4,561,124</u>	<u>173,437</u>	<u>--</u>

## OPERATION THRESHOLD

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

Year Ended September 30, 2012

Undesignated and Agency Cost Pools

Fiscal	Personnel	Admin. Services	Planning and Compliance	I.T. Services	Bldg. Operations	WX Admin Support	Housing Support	Home Repair
--	--	--	98,456	44,945	--	--	11,471	--
--	--	83	--	--	4,268	--	6,800	--
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	48	--
--	--	83	98,456	44,945	4,268	--	18,319	--
204,240	78,139	248,741	100,622	79,216	158,289	1,459,021	42,124	--
--	--	--	--	--	--	--	--	--
(204,240)	(78,139)	(248,658)	(2,166)	(34,271)	(150,165)	(1,459,021)	(23,805)	--
--	--	83	98,456	44,945	8,124	--	18,319	--
--	--	--	--	--	(3,856)	--	--	--
24,041	11,402	14,646	--	--	(1,235,616)	126,061	1,916	(10,186)
24,041	11,402	14,646	--	--	(1,239,472)	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 - 9/30/12)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>10/1/2010 - 9/30/2012</u>	<u>10/1/2011 - 9/30/2012</u>	<u>10/1/2010 - 9/30/2011</u>
Space Costs	\$ 16,425	16,169	14,707	1,462
Equipment Costs	500	--	--	--
Consultants	500	519	519	--
Co-Funded Programs	386,028	386,236	345,192	41,044
Other Costs	68,785	69,314	62,588	6,726
<b>Total</b>	<b>\$ 472,238</b>	<b>472,238</b>	<b>423,006</b>	<b>49,232</b>

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-12-11  
(Contract Period 10/01/11 - 9/30/12)

Cost Category	Approved Budget	Actual Expenses 10/01/11 - 9/30/12
Assistance Awards		
Regular Assistance	\$ 2,250,010	2,223,576
Energy Crisis Intervention	137,678	137,678
Client Services Assessment and Resolution	38,909	38,909
Summer Deliverable Fuel	81,471	81,471
Administration	251,412	251,412
 Total Grant Expenses	 \$ 2,759,480	 2,733,046

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 - 3/31/12</u>	<u>10/1/2011 - 3/31/12</u>	<u>4/01/09 - 9/30/11</u>
Administration	\$ 288,929	288,929	72,416	216,513
Health and Safety	913,534	1,007,775	260,434	747,341
Support	1,192,422	1,152,342	279,067	873,275
Labor	1,250,433	1,580,197	465,274	1,114,923
Materials	1,250,433	866,508	265,763	600,745
Administration - Equipment	102,230	102,230	--	102,230
Training and Technical Assistance	330,221	330,221	112,777	217,444
<b>Total</b>	<b><u>\$ 5,328,202</u></b>	<b><u>5,328,202</u></b>	<b><u>1,455,731</u></b>	<b><u>3,872,471</u></b>

Contract No. DOE-12-11A  
(Contract Period 4/01/12 - 3/31/13)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 4/01/12 - 9/30/12</u>
Administration	\$ 20,085	20,085
Health and Safety	76,323	84,935
Support	96,408	115,891
Labor	104,442	113,564
Materials	104,442	67,225
	<b><u>\$ 401,700</u></b>	<b><u>401,700</u></b>

Contract No. DOE-11-11A  
(Contract Period 4/01/11 - 3/31/12)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 10/01/11 - 3/31/12</u>
Administration	\$ 19,364	1,821
Health and Safety	60,688	6,118
Support	81,220	7,589
Labor	84,591	9,405
Materials	84,591	6,161
	<b><u>\$ 330,454</u></b>	<b><u>31,094</u></b>

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD  
Iowa Department of Human Rights

**Schedule of Expenses Compared to Budget**

**Weatherization Assistance Programs**

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

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/01/12 - 9/30/12</u>
Administration	\$ 37,766	4,898
Health and Safety	135,194	22,599
Support	171,983	39,342
Labor	184,396	15,770
Materials	184,396	9,917
Equipment/Training	16,600	2,532
<b>Total</b>	<b><u>\$ 730,335</u></b>	<b><u>95,058</u></b>

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

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/01/11 - 12/31/11</u>	<u>1/01/11 - 9/30/11</u>
Administration	\$ 31,090	11,287	2,940	8,347
Health and Safety	114,905	197,377	53,515	143,862
Support	148,951	43,616	43,216	400
Labor	155,335	4,216	877	3,339
Materials	155,335	9,017	2,325	6,692
Equipment/Training	19,054	12,454	--	12,454
<b>Total</b>	<b><u>\$ 624,670</u></b>	<b><u>277,967</u></b>	<b><u>102,873</u></b>	<b><u>175,094</u></b>

OPERATION THRESHOLD  
Iowa Department of Human Rights

**Schedule of Expenses Compared to Budget**

**Weatherization Assistance Programs**

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

Cost Category	Approved Budget	Actual Expenses 1/01/12 - 9/30/12
Administration	\$ 1,478	748
Support	2,956	1,360
Labor	12,562	7,612
Materials	12,562	5,993
Total	\$ 29,558	15,713

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD  
Iowa Department of Human Rights

**Schedule of Expenses Compared to Budget**

**Weatherization Assistance Programs**

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

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/01/12 - 9/30/12</u>
Administration	\$ 12,174	12,174
Support	24,350	20,925
Labor	103,483	114,846
Materials	<u>103,483</u>	<u>95,545</u>
Total	<u>\$ 243,490</u>	<u>243,490</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-12-11A  
(Contract Period 1/01/12 - 12/30/12)

Cost Category	Approved Budget	Actual Expenses 1/01/12 - 9/30/12
Administration	\$ 433	433
Support	866	533
Labor	3,681	3,393
Materials	3,681	4,302
Total	\$ 8,661	8,661

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-13-11  
(Contract Period 7/01/12 - 06/30/13)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 7/01/12 - 9/30/12</u>
Grant Expenses		
Administrative	\$ 23,065	6,681
Personnel	218,026	48,859
Travel	3,011	1,207
Space/Utilities	2,445	1,543
Other	4,548	3,001
Third Party Payments	2,000	
Total Grant Expenses	<u>253,095</u>	<u>61,291</u>
Local Funds		
Administrative	--	--
Personnel	--	--
Travel	2,761	--
Space/Utilities	3,194	--
Other	2,535	--
Total Expenses	<u>\$ 261,585</u>	<u>61,291</u>

Contract No. FaDSS-12-11  
(Contract Period 7/01/11 - 06/30/12)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/01/11 - 6/30/12</u>	<u>7/01/11 - 9/30/11</u>
Grant Expenses				
Administrative	\$ 19,303	24,092	18,528	5,564
Personnel	212,394	206,847	157,327	49,520
Travel	1,564	2,093	1,142	951
Space/Utilities	1,500	1,500	148	1,352
Other	2,320	2,549	1,296	1,253
Total Grant Expenses	<u>237,081</u>	<u>237,081</u>	<u>178,441</u>	<u>58,640</u>
Local Funds				
Administrative	2,772	--	--	--
Personnel	--	--	--	--
Travel	1,931	2,761	2,761	--
Space/Utilities	1,500	3,194	3,194	--
Other	2,287	2,535	2,352	183
Total	<u>\$ 245,571</u>	<u>245,571</u>	<u>186,748</u>	<u>58,823</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. 5882A043

(Contract Period 10/01/11 - 9/30/12)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 10/01/11 - 9/30/12</u>
Cash Grant Expenses		
Salaries/Fringe	\$ 664,466	674,176
Contracted Providers	1,600	941
Other	162,637	136,691
Indirect	65,655	69,016
Total Cash Grant Expenses	<u>894,358</u>	<u>880,824</u>
Noncash Expenses		
Food Vouchers Distributed		<u>3,270,866</u>
Total Expenses		<u><u>\$4,151,690</u></u>

SEE INDEPENDENT AUDITOR'S REPORT