

**OPERATION THRESHOLD**

**Waterloo, Iowa**

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

**September 30, 2013**

**(With Independent Auditor's Reports Thereon)**

# OPERATION THRESHOLD

Waterloo, Iowa

## Table of Contents

	<u>Pages</u>
Board of Directors and Officers	1
Independent Auditor's Report	2-3
Statement of Financial Position	4
Statement of Activities and Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7-14
Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed In Accordance with <u>Government Auditing Standards</u>	15-16
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by <u>OMB Circular A-133</u>	17-18
Schedule of Findings and Questioned Costs	19
Schedule of Expenditures of Federal Awards	20-21
Combining Statement of Financial Position	22-33
Combining Statement of Activities	34-45
Combining Statement of Financial Position - Undesignated and Agency Cost Pool Funds	46-47
Combining Statement of Activities - Undesignated and Agency Cost Pool Funds	48-49
Schedules of Expenses Compared to Budget	
Community Services Block Grant	50
Low Income Home Energy Assistance Program	51
Weatherization Assistance Programs	52-56
Family Development and Self-Sufficiency Grant	57
Special Supplemental Nutrition Program for Women, Infants, and Children	58

OPERATION THRESHOLD  
**Board of Directors and Officers**

**Officers**

Brian Quirk  
Barry Haskins  
Kelly Johnson  
Barbara Smith

Chairperson  
Vice-Chairperson  
Secretary  
Treasurer

**Board Members**

Dorothy McGrane  
Kim Ross  
Rev. Larry Doughan  
Laroia VanArsdale

John Miller  
Janet Geodken  
Gary Gissel

**Management**

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

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

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Independent Auditor's Report

Board of Directors  
 Operation Threshold  
 Waterloo, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of Operation Threshold (a nonprofit organization), which comprise the Statement of Financial Position as of September 30, 2013, and the related Statements of Activities and Changes in Net Assets and Cash Flows for the year then ended, and the related notes to the financial statements.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*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, 2013, 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.

## Other Matters

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations, and is not a required part of the 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 information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

### *Report on Summarized Comparative Information*

We have previously audited Operation Threshold's 2012 financial statements, and our report dated January 8, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 10, 2014, 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 in considering the Organization's internal control over financial reporting and compliance.

*Meriwether, Wilson and Company, PLLC*

MERIWETHER, WILSON AND COMPANY, PLLC  
Certified Public Accountants

January 10, 2014  
West Des Moines, Iowa

OPERATION THRESHOLD  
**Statement of Financial Position**  
September 30, 2013  
(With Comparative Totals for 2012)

Assets	Total All Funds	
	2013	2012
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 650,107	511,161
Marketable Securities	23,080	14,521
Receivables		
Grants Receivable	622,279	481,980
Contract Income and Other	40,240	65,799
Prepaid Expenses	55,896	72,298
Weatherization Work in Process	84,742	250,306
Total Current Assets	1,476,344	1,396,065
<b>Noncurrent Assets</b>		
Restricted Cash	26,364	26,221
<b>Property and Equipment</b>		
Land, Buildings, and Improvements	5,915,945	5,829,460
Furniture and Equipment	447,436	430,464
	6,363,381	6,259,924
Accumulated Depreciation	(1,441,134)	(1,210,407)
Net Property and Equipment	4,922,247	5,049,517
Total Assets	\$ 6,424,955	6,471,803
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 60,785	102,884
Accrued Expenses	129,237	129,259
Secured Construction Loan Payable	800,807	952,344
Current Maturities of Long-Term Debt	13,122	12,449
Tenant Security Deposits	26,364	26,221
Due to Funding Sources	230,046	232,512
Deferred Revenue	25,485	36,565
Total Current Liabilities	1,285,846	1,492,234
<b>Long-Term Debt</b>		
Mortgages Payable - Net of Current Portion	281,454	294,576
Total Liabilities	1,567,300	1,786,810
<b>Net Assets</b>		
Temporarily Restricted	3,645,275	3,590,751
Unrestricted		
Designated for Program Activities	(133,138)	(263,578)
Invested in Property and Equipment	823,363	841,117
Undesignated	522,155	516,703
Total Net Assets	4,857,655	4,684,993
Total Liabilities and Net Assets	\$ 6,424,955	6,471,803

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, 2013  
(With Comparative Totals for 2012)

	Unrestricted	Temporarily Restricted	Total All Funds	
			2013	2012
<b>Support and Revenue</b>				
Government Awards and Contract Revenue	\$ 7,367,400	--	7,367,400	7,761,592
Contributions, Public Support, and Services	243,622	79,888	323,510	288,388
Rental Income	346,273	--	346,273	330,069
Investment Income	12,454	--	12,454	5,453
Other Revenue	3,558	--	3,558	18,507
Food Vouchers for Distribution	3,170,637	--	3,170,637	3,270,866
	<u>11,143,944</u>	<u>79,888</u>	<u>11,223,832</u>	<u>11,674,875</u>
Net Assets Released from Restrictions - Satisfaction of Usage Restrictions	25,364	(25,364)	--	--
Total Support and Revenue	<u>11,169,308</u>	<u>54,524</u>	<u>11,223,832</u>	<u>11,674,875</u>
<b>Functional Expenses</b>				
Program Services				
Women, Infants, and Children	4,139,716	--	4,139,716	4,183,834
Low Income Home Energy Assistance Program	2,611,677	--	2,611,677	2,733,046
Weatherization Assistance Programs	1,330,958	--	1,330,958	2,370,010
ACA MIECHV	475,000	--	475,000	321,129
Rental Housing Programs	340,943	--	340,943	297,922
Foreclosure Prevention Programs	313,011	--	313,011	257,530
Community Services	275,377	--	275,377	239,001
Early Head Start Contractual Services	271,700	--	271,700	279,119
Family Development and Self-Sufficiency	252,116	--	252,116	239,792
Family Support and Parent Education	134,560	--	134,560	--
Disaster Case Management	119,932	--	119,932	--
CSBG Programs (net of co-funding provided)	91,550	--	91,550	77,814
Nest Program	60,728	--	60,728	104,030
Other Programs	221,985	--	221,985	370,639
Total Program Services	<u>10,639,253</u>	<u>--</u>	<u>10,639,253</u>	<u>11,473,866</u>
Administrative Support Services				
Management and General	411,917	--	411,917	329,250
Total Functional Expenses	<u>11,051,170</u>	<u>--</u>	<u>11,051,170</u>	<u>11,803,116</u>
<b>Change in Net Assets</b>	118,138	54,524	172,662	(128,241)
<b>Net Assets - Beginning of Year</b>	<u>1,094,242</u>	<u>3,590,751</u>	<u>4,684,993</u>	<u>4,813,234</u>
<b>Net Assets - End of Year</b>	<u>\$ 1,212,380</u>	<u>3,645,275</u>	<u>4,857,655</u>	<u>4,684,993</u>

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

## OPERATION THRESHOLD

## Statement of Cash Flows

Year Ended September 30, 2013  
(With Comparative Totals for 2012)

	Total All Funds	
	2013	2012
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 172,662	(128,241)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities		
Depreciation	239,731	237,738
Unrealized (Gain) on Marketable Securities	(8,559)	(2,302)
(Gain) on Disposal of Assets	--	(1,258)
(Increase) Decrease in		
Receivables	(114,740)	(95,134)
Prepaid Expenses	16,402	(14,616)
Weatherization Work in Process	165,564	306,016
Increase (Decrease) in		
Accounts Payable and Accrued Expenses	(42,121)	(52,709)
Rent Deposits and Escrow	143	1,311
Due to Funding Sources	(2,466)	(1,317)
Deferred Revenue	(11,080)	(59,809)
Net Cash Flows from Operating Activities	<u>415,536</u>	<u>189,679</u>
<b>Cash Flows from Investing Activities</b>		
Cash Paid for Property and Equipment	(112,461)	(25,652)
Proceeds from Disposal of Assets	--	6,300
Net Cash Flows from Investing Activities	<u>(112,461)</u>	<u>(19,352)</u>
<b>Cash Flows from Financing Activities</b>		
(Increase) in Restricted Cash	(143)	(1,311)
Payments on Construction Loan Payable	(151,537)	(12,961)
Payments on Mortgages Payable	(12,449)	(11,948)
Net Cash Flows from Financing Activities	<u>(164,129)</u>	<u>(26,220)</u>
<b>Change in Cash and Cash Equivalents</b>	138,946	144,107
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>511,161</u>	<u>367,054</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 650,107</u>	<u>511,161</u>
<b>Supplemental Disclosure of Cash Flow Data</b>		
Cash Paid During the Years for Interest	<u>\$ 61,866</u>	<u>69,226</u>

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

## OPERATION THRESHOLD

### Notes to Financial Statements

September 30, 2013

#### 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 the Code, and it provides education and services to help people meet their basic needs and become self-sufficient. 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 or requirements 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, 2013.

##### 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 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 \$8,559 for the year ended September 30, 2013. 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 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 2013.

### **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, 2013.

### **Weatherization Work in Process**

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

### **Advertising**

Advertising costs totaling \$2,605 for the year ended September 30, 2013 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, 2013, 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, 2010.

### **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, 2012, from which the summarized information was derived.

Certain reclassifications to the 2012 comparative totals have been made to conform to the 2013 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) (48% 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.

The Foreclosure Prevention Programs include contract funding originating with the U.S. Department of Treasury and others, passed through the Iowa Finance Authority. These programs provide foreclosure prevention counseling services including housing and loss mitigation counseling to homeowners in Iowa.

The Family Support and Parent Education Services program offers a comprehensive system for delivering family support services including home visitation and parent education programming. In addition, the program administers a coordinated intake system in its service area.

The Disaster Case Management program is funded under a contract with the Iowa Department of Human Services, passed through the Iowa Community Action Association. Operation Threshold provides administration services for the Iowa Individual Assistance Grant Program by processing disaster-related financial assistance applications, claims, and payments.

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.

Community Services - The Organization maintains community 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.

Nest Program - This program is primarily funded through Cedar Valley's Promise Early Childhood Iowa and the United Way. It provides an incentive-based prenatal education program benefiting expectant mothers and 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>
TBRA Programs	\$ 58,225
Embrace Iowa and Project Care/Share	33,149
Volunteer Programs	25,592
Youth Employment	15,627
Grundy County Food Pantry	13,985
Pocket Change Project	13,919
Emergency Food and Shelter Program (FEMA)	13,448
Emergency Funds	13,139
Special Projects	11,254
Operation Santa Claus	8,253
Family Self-Sufficiency	8,246
School Supplies and Coats	4,971
Local Housing Assistance	2,177
	<u>\$221,985</u>

3. **Support from Governmental Agencies**

The Organization received approximately 94% 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 financial institutions. Accounts are insured by FDIC or NCUA up to \$250,000 per depositor, per institution. At September 30, 2013, the Organization had \$486,866 of cash deposited in excess of the insured limits. The risk is managed by maintaining all depository accounts at high quality financial institutions.

5. **Cash and Restricted Cash**

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

	Operating Accounts	Restricted Accounts
Petty Cash	\$ 400	--
Money Market, Checking, and Savings	649,707	--
Restricted Cash Deposits		
Tenant Security Deposits	--	26,364
	<u>\$ 650,107</u>	<u>26,364</u>

6. **Receivables**

Grants receivable are summarized as follows:

Funding Source	Program Activity	Amount
Iowa Department of Public Health	WIC	\$ 196,709
Iowa Department of Public Health	ACA MIECHV	157,054
Iowa Department of Public Health	WIC Peer Counseling	6,904
State of Iowa / FEMA	Disaster Relief	174,595
Together 4 Families ECI	Family Support and Par. Ed.	31,282
Iowa Department of Human Rights	DOE Weatherization	19,140
Iowa Department of Human Rights	HEAP Weatherization	6,781
Iowa Department of Human Rights	Utility Cos. Weatherization	5,011
Iowa Department of Human Rights	LIHEAP	466
Iowa Community Action Association	Disaster Case Management	15,561
Cedar Valley's Promise ECI	Nest Program	4,000
INRCOG	EFSP	474
Iowa Department of Human Services	Volunteer Program	4,302
		<u>\$ 622,279</u>

Contract income and other receivables are summarized as follows:

Funding Source	Program Activity	Amount
Tri-County Child & Development Council, Inc.	Early Head Start	\$ 20,720
City of Waterloo	TBRA Programs	11,567
From the Heart	Special Projects	2,527
IHOEP	Financial Literacy	2,250
IHOEP	Housing and Fair Lending	1,350
Gregory A. and Jessica Young	Building Sales Contract	1,170
Other Sources	Other Programs	656
		<u>\$ 40,240</u>

7. **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	5,832,205	178,765	1,176,486	4,655,719
Furniture and Equipment	447,436	60,966	264,648	182,788
	<u>\$ 6,363,381</u>	<u>239,731</u>	<u>1,441,134</u>	<u>4,922,247</u>

8. **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 \$3,334,625, including \$398,715 of disaster relief recorded in 2013. The 2013 amount represents final approved project costs under the Federal Emergency Management Agency's Public Assistance Disaster Grant Program. Ten percent of the 2013 amount is State funding; the remainder is received under CFDA 97.036, and is included in the 2013 Schedule of Expenditures of Federal Awards. Recognition of this disaster relief award was delayed until final approved amounts for this project were obtained from FEMA.

In October 2013, the City of Waterloo approved a resolution to purchase the old building for \$400,000. Operation Threshold will record this sale when it closes.

9. **Accrued Expenses**

Accrued expenses are summarized as follows:

Compensated Absences	\$ 70,584
Salaries and Wages	59,443
Interest	1,251
Payroll Taxes, Withholdings, and Benefits	<u>(2,041)</u>
	<u>\$ 129,237</u>

10. **Due to Funding Sources**

Amounts due to funding sources consist of the following:

City of Waterloo	
Program Income - LHAP	\$ 148,416
Resale Recapture Proceeds	22,333
Iowa Department of Public Health	
Advance for WIC Program Expenses	<u>59,297</u>
	<u>\$ 230,046</u>

11. **Deferred Revenue**

Deferred revenue is summarized as follows:

Grundy County - Service Center	\$ 20,025
Rental Income Received in Advance	2,072
Housing and Fair Lending	1,044
Buchanan County - Service Center	1,005
Central Office - Service Center	525
FaDSS	<u>814</u>
	<u>\$ 25,485</u>

**12. 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 has been modified or extended each year since then.

At September 30, 2013, the note has a fixed rate of interest of 5%, and requires monthly payments of \$6,274. The note is secured with mortgage interests in other properties owned by the Organization.

The loan was modified on November 15, 2013, to extend its maturity and lower its interest rate. The modification carries an interest rate of 4.25% and requires monthly payments of \$4,912, with a final balloon payment of \$785,327 due at maturity, on May 15, 2014. All other terms of the note remained unchanged.

**13. 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 \$174,557.

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 \$94,445 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 \$25,574.

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

2014	\$ 13,122
2015	170,645
2016	5,050
2017	5,351
2018	5,654
2019 through 2023	<u>94,754</u>
	<u>\$ 294,576</u>

Interest expense related to these loans and the construction loan described above, for the year ended September 30, 2013, totaled \$57,122.

**14. Operating Leases**

The Organization leases office equipment under a noncancelable operating lease expiring in 2018. 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, 2013 amounted to \$43,666.

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

2014	\$ 4,496
2015	4,496
2016	4,496
2017	4,496
2018	3,372
	<u>\$ 21,356</u>

15. **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	\$ 2,835,549
Lexington Square - IFA, IDED and IHC	236,617
HOME Investment Partnership - City of Waterloo	
Community Development HOME	
Rental Houses Funded by Program	225,911
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	82,237
Conrad Senior Fund	25,000
Emergency Funds	18,720
Project Care/Share	13,808
Youth Employment	11,898
Grundy County Food Pantry	10,840
	<u>\$ 3,645,275</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.

16. **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 matches employee contributions up to 4.50% of gross wages. Contributions made by the Organization for this plan for the year totaled \$3,598.

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 5.95% (5.78% through June 2013) of their annual covered salary to IPERS and the Organization contributes 8.93% (8.67% through June 2013) of annual covered payroll. Contribution requirements are established by state statute. The Organization's contributions to IPERS for the year ended September 30, 2013, totaled \$181,165, equal to the required contribution for the year.

17. **Evaluation of Subsequent Events**

The Organization has evaluated transactions and events occurring after September 30, 2013 for recognition and disclosure in the financial statements. Subsequent events were evaluated through January 10, 2014, the date the financial statements were available to be issued.

MERIWETHER, WILSON AND COMPANY, PLLC  
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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

Independent Auditor's Report

Board of Directors  
Operation Threshold  
Waterloo, Iowa

We have audited, in accordance with the 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, the financial statements of Operation Threshold (a nonprofit organization), which comprise the Statement of Financial Position as of September 30, 2013, and the related Statements of Activities and Changes in Net Assets, and Cash Flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 10, 2014.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Operation Threshold's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*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. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance,

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Meriwether, Wilson and Company, PLLC*

MERIWETHER, WILSON AND COMPANY, PLLC  
Certified Public Accountants

January 10, 2014  
West Des Moines, Iowa

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133**

Independent Auditor's Report

Board of Directors  
Operation Threshold  
Waterloo, Iowa

Report on Compliance for Each Major Federal Program

We have audited Operation Threshold's (a nonprofit organization) 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, 2013. Operation Threshold's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

*Management's Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

*Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of Operation Threshold's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Not-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 on compliance for each major federal program. However, our audit does not provide a legal determination of Operation Threshold's compliance.

*Opinion on Each Major Federal Program*

In our opinion, Operation Threshold complied, in all material respects, with the types of 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, 2013.

Report on Internal Control Over Compliance

Management of Operation Threshold is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Operation Threshold's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 Operation Threshold'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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Meriwether, Wilson and Company, PLLC*

MERIWETHER, WILSON AND COMPANY, PLLC  
Certified Public Accountants

January 10, 2014  
West Des Moines, Iowa

## OPERATION THRESHOLD

**Schedule of Findings and Questioned Costs**

Year Ended September 30, 2013

Summary of Auditor's Results

1. The auditor's report expresses an unmodified 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 unmodified 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, 2013. The following were audited as major programs:

<u>Major Program</u>	<u>CFDA No.</u>	<u>Expenditures</u>
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	
Cash Expenditures		\$ 952,098
Noncash Expenditures - Food Vouchers Distributed		<u>3,170,637</u>
Total CFDA No. 10.557		\$ 4,122,735
Family Development and Self-Sufficiency	93.558	128,463
Community Services Block Grant	93.569	470,602
Disaster Grants - Public Assistance	97.036	<u>356,295</u>
		<u>\$ 5,078,095</u>

8. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
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, 2012 Through September 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	CFDA* Number	Grant or Award Number	Expenses
U.S. Department of Health and Human Services			
Passed Through Iowa Department of Human Rights			
Low Income Home Energy Assistance Program	93.568	LIHEAP-13-11	\$ 2,611,677
Home Energy Assistance Program	93.568	HEAP-13-11A	413,182
Home Energy Assistance Program	93.568	HEAP-12-11A	<u>410,343</u>
Total CFDA # 93.568			<u>3,435,202</u>
Family Development and Self Sufficiency (48% Federal)	93.558	FaDSS-14-11	24,889
Family Development and Self Sufficiency (54% Federal)	93.558	FaDSS-13-11	<u>103,574</u>
Total CFDA # 93.558			<u>128,463</u> **
Community Services Block Grant	93.569	CSBG-12-11	<u>470,602</u> **
Passed Through Iowa Department of Public Health			
Maternal, Infant, Early Childhood Home Visitation Program	93.505	5883CH02	<u>475,000</u>
Total U.S. Department of Health and Human Services			<u>4,509,267</u>
U.S. Department of Housing and Urban Development			
Passed Through the City of Waterloo			
HOME Program TBRA	14.239	FY 2014	11,567
HOME Program TBRA	14.239	FY 2013	30,855
Passed Through the Iowa Department of Economic Development			
HOME Program Promissory Note Dated 3/10/99	14.239	99-HM-204-731	<u>94,445</u>
Total CFDA #14.239			<u>136,867</u>
Passed Through the City of Waterloo			
Community Development Block Grant	14.218	FY 2013	10,000
Community Development Block Grant	14.218	FY 2012	<u>102</u>
Total CFDA #14.218			<u>10,102</u>
Total U.S. Department of Housing and Urban Development			<u>146,969</u>
U.S. Department of Energy			
Passed Through Iowa Department of Human Rights			
Weatherization Assistance for Low-Income Persons	81.042	DOE-13-11A	144,921
Weatherization Assistance for Low-Income Persons	81.042	DOE-12-11A	<u>48,680</u>
Total CFDA #81.042 and U.S. Department of Energy			<u>193,601</u>

## OPERATION THRESHOLD

**Schedule of Expenditures of Federal Awards**

October 1, 2012 Through September 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	CFDA* Number	Grant or Award Number	Expenses
U.S. Department of Agriculture			
Passed Through Iowa Department of Public Health			
Special Supplemental Nutrition Program			
for Women, Infants, and Children			
WIC	10.557	5883AO43	905,347
WIC Food Breast Pump	10.557	5883AO43	7,151
WIC Peer Counseling	10.557	5883AO43	39,600
WIC Noncash - Food Vouchers for Distribution	10.557	5883AO43	<u>3,170,637</u>
Total CFDA #10.557 and U.S. Department of Agriculture			<u>4,122,735</u> **
U.S. Department of Homeland Security			
Passed Through the Federal Emergency Management Agency			
Disaster Grants - Public Assistance (90% Federal)	97.036	013-UFONG-00	<u>356,295</u> **
Passed Through the Iowa Northland Regional Council of Governments			
Emergency Food and Shelter National Board Program	97.024	285800-004	12,500
Emergency Food and Shelter National Board Program	97.024	286600-001	<u>948</u>
Total CFDA #97.024			<u>13,448</u>
Total Department of Homeland Security			<u>369,743</u>
Total Expenditures of Federal Awards			<u>\$ 9,342,315</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.

**Note 2: Disaster Grants - Public Assistance**

Disaster Grants - Public Assistance (CFDA No. 97.036) are listed on this Schedule based on amounts received in the current fiscal year as reimbursements of expenditures made in various years back to 2009.

SEE INDEPENDENT AUDITOR'S REPORT

## OPERATION THRESHOLD

## Combining Statement of Financial Position

September 30, 2013

<b>Assets</b>	<u>Total All Funds</u>	<u>Undesignated and Agency Cost Pool Funds</u>	<u>Total Designated Funds</u>
<b>Current Assets</b>			
Cash and Cash Investments	\$ 650,107	469,942	180,165
Marketable Securities	23,080	23,080	--
Receivables			
Governmental Grants	622,279	174,595	447,684
Contract Income and Other	40,240	--	40,240
Prepaid Expenses	55,896	43,909	11,987
Weatherization Work in Process	84,742	48,265	36,477
<b>Total Current Assets</b>	<u>1,476,344</u>	<u>759,791</u>	<u>716,553</u>
<b>Noncurrent Assets</b>			
Restricted Cash	<u>26,364</u>	<u>--</u>	<u>26,364</u>
<b>Property and Equipment</b>			
Land, Buildings, and Improvements	5,915,945	4,228,297	1,687,648
Furniture and Equipment	447,436	443,046	4,390
Accumulated Depreciation	(1,441,134)	(625,184)	(815,950)
<b>Net Property and Equipment</b>	<u>4,922,247</u>	<u>4,046,159</u>	<u>876,088</u>
<b>Total Assets</b>	<u>\$ 6,424,955</u>	<u>4,805,950</u>	<u>1,619,005</u>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 60,785	2,895	57,890
Accrued Expenses	129,237	127,986	1,251
Mortgages Payable - Current Portion	813,929	800,807	13,122
Rent Deposits	26,364	--	26,364
Due to Funding Sources	230,046	22,333	207,713
Deferred Revenue	25,485	--	25,485
<b>Total Current Liabilities</b>	<u>1,285,846</u>	<u>954,021</u>	<u>331,825</u>
<b>Long-Term Debt</b>			
Mortgages Payable - Net of Current Portion	<u>281,454</u>	<u>--</u>	<u>281,454</u>
<b>Net Assets</b>			
Temporarily Restricted	3,645,275	2,835,549	809,726
Unrestricted			
Designated for Program Activities	(133,138)	84,422	(217,560)
Invested in Property and Equipment	823,363	409,803	413,560
Undesignated	522,155	522,155	--
<b>Total Net Assets</b>	<u>4,857,655</u>	<u>3,851,929</u>	<u>1,005,726</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 6,424,955</u>	<u>4,805,950</u>	<u>1,619,005</u>

## OPERATION THRESHOLD

## Combining Statement of Financial Position - Continued

September 30, 2013

## Designated Funds

LIHEAP	FaDSS	Weatherization Assistance				Inventory
		DOE	HEAP	Utility Companies		
(522)	1,150	(19,140)	(6,781)	(5,011)	15,952	
--	--	--	--	--	--	
466	--	19,140	6,781	5,011	--	
--	--	--	--	--	--	
56	32	--	--	--	--	
--	--	--	--	--	36,477	
--	<u>1,182</u>	--	--	--	<u>52,429</u>	
--	--	--	--	--	--	
--	--	--	--	--	--	
--	--	--	--	--	--	
--	<u>1,182</u>	--	--	--	<u>52,429</u>	
--	312	--	--	--	--	
--	--	--	--	--	--	
--	--	--	--	--	--	
--	--	--	--	--	--	
--	814	--	--	--	--	
--	<u>1,126</u>	--	--	--	--	
--	--	--	--	--	--	
--	--	--	--	--	--	
--	56	--	--	--	52,429	
--	--	--	--	--	--	
--	<u>56</u>	--	--	--	<u>52,429</u>	
--	<u>1,182</u>	--	--	--	<u>52,429</u>	

## OPERATION THRESHOLD

## Combining Statement of Financial Position - Continued

September 30, 2013

<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	--	--
Total Current Assets	<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	--	--
Net Property and Equipment	<u>--</u>	<u>--</u>
Total Assets	<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	--	--
Total Current Liabilities	<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	--	--
Total Net Assets	<u>(13,201)</u>	<u>24,411</u>
Total Liabilities and Net Assets	<u>\$ (13,201)</u>	<u>24,411</u>



## OPERATION THRESHOLD

## Combining Statement of Financial Position - Continued

September 30, 2013

<b>Assets</b>	<u>WIC</u>	<u>ACA MIECHV</u>	<u>WIC Peer Counseling</u>	<u>WIC Farmers Market</u>
<b>Current Assets</b>				
Cash and Cash Investments	\$ (68,298)	(109,349)	(5,470)	11,854
Marketable Securities	--	--	--	--
Receivables				
Governmental Grants	196,709	157,054	6,904	--
Contract Income and Other	656	--	--	--
Prepaid Expenses	375	10	18	--
Weatherization Work in Process	--	--	--	--
<b>Total Current Assets</b>	<u>129,442</u>	<u>47,715</u>	<u>1,452</u>	<u>11,854</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>	<u>--</u>
<b>Total Assets</b>	<u>\$ 129,442</u>	<u>47,715</u>	<u>1,452</u>	<u>11,854</u>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 4,594	47,715	--	--
Accrued Expenses	--	--	--	--
Mortgages Payable - Current Portion	--	--	--	--
Rent Deposits	--	--	--	--
Due to Funding Sources	59,297	--	--	--
Deferred Revenue	--	--	--	--
<b>Total Current Liabilities</b>	<u>63,891</u>	<u>47,715</u>	<u>--</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	65,551	--	1,452	11,854
Invested in Property and Equipment	--	--	--	--
Undesignated	--	--	--	--
<b>Total Net Assets</b>	<u>65,551</u>	<u>--</u>	<u>1,452</u>	<u>11,854</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 129,442</u>	<u>47,715</u>	<u>1,452</u>	<u>11,854</u>

## OPERATION THRESHOLD

## Combining Statement of Financial Position - Continued

September 30, 2013

## Designated Funds

<u>WIC Special Projects</u>	<u>WIC Special BF Fund</u>	<u>Early Head Start</u>	<u>Embrace Iowa/ Project Care/Share</u>	<u>Family Support &amp; Parent Ed.</u>	<u>Nest Program</u>
1,671	575	(20,968)	13,808	(27,794)	(9,378)
--	--	--	--	--	--
--	--	--	--	31,282	4,000
--	--	20,720	--	--	--
--	--	286	--	66	6,055
--	--	--	--	--	--
<u>1,671</u>	<u>575</u>	<u>38</u>	<u>13,808</u>	<u>3,554</u>	<u>677</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>1,671</u>	<u>575</u>	<u>38</u>	<u>13,808</u>	<u>3,554</u>	<u>677</u>
--	--	38	--	--	10
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>38</u>	<u>--</u>	<u>--</u>	<u>10</u>
--	--	--	--	--	--
--	--	--	13,808	--	--
1,671	575	--	--	3,554	667
--	--	--	--	--	--
--	--	--	--	--	--
<u>1,671</u>	<u>575</u>	<u>--</u>	<u>13,808</u>	<u>3,554</u>	<u>667</u>
<u>1,671</u>	<u>575</u>	<u>38</u>	<u>13,808</u>	<u>3,554</u>	<u>677</u>

## OPERATION THRESHOLD

## Combining Statement of Financial Position - Continued

September 30, 2013

<b>Assets</b>	<u>Canterbury Court Apartments</u>	<u>924 Lafayette Street</u>	<u>Kingswood Apartments</u>
<b>Current Assets</b>			
Cash and Cash Investments	\$ (133,179)	14,587	196,894
Marketable Securities	--	--	--
Receivables			
Governmental Grants	--	--	--
Contract Income and Other	--	--	--
Prepaid Expenses	1,805	--	167
Weatherization Work in Process	--	--	--
Total Current Assets	<u>(131,374)</u>	<u>14,587</u>	<u>197,061</u>
<b>Noncurrent Assets</b>			
Restricted Cash	<u>16,623</u>	<u>857</u>	<u>3,191</u>
<b>Property and Equipment</b>			
Land, Buildings, and Improvements	663,159	67,921	80,563
Furniture and Equipment	4,390	--	--
Accumulated Depreciation	<u>(362,937)</u>	<u>(42,730)</u>	<u>(42,340)</u>
Net Property and Equipment	<u>304,612</u>	<u>25,191</u>	<u>38,223</u>
Total Assets	<u>\$ 189,861</u>	<u>40,635</u>	<u>238,475</u>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 114	--	3
Accrued Expenses	--	--	--
Mortgages Payable - Current Portion	--	--	--
Rent Deposits	16,623	857	3,191
Due to Funding Sources	--	--	--
Deferred Revenue	1,076	--	996
Total Current Liabilities	<u>17,813</u>	<u>857</u>	<u>4,190</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	(132,564)	14,587	196,062
Invested in Property and Equipment	304,612	25,191	38,223
Undesignated	--	--	--
Total Net Assets	<u>172,048</u>	<u>39,778</u>	<u>234,285</u>
Total Liabilities and Net Assets	<u>\$ 189,861</u>	<u>40,635</u>	<u>238,475</u>

## OPERATION THRESHOLD

## Combining Statement of Financial Position - Continued

September 30, 2013

Designated Funds						
302 Locust Street	1619 Franklin St.	Ankeny Single Family	Lexington Square	316/318 West 3rd Street	313 Cottage Street	118 Irving Street
14,665	6,041	(35,187)	(152,607)	(155,888)	8,370	17,239
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	1,170	--	--
--	--	--	--	--	--	--
<u>14,665</u>	<u>6,041</u>	<u>(35,187)</u>	<u>(152,607)</u>	<u>(154,718)</u>	<u>8,370</u>	<u>17,239</u>
<u>286</u>	<u>396</u>	<u>673</u>	<u>3,207</u>	<u>--</u>	<u>496</u>	<u>635</u>
101,556	12,013	65,212	427,113	--	116,076	154,035
--	--	--	--	--	--	--
<u>(69,558)</u>	<u>(8,612)</u>	<u>(55,077)</u>	<u>(190,496)</u>	<u>--</u>	<u>(18,994)</u>	<u>(25,206)</u>
<u>31,998</u>	<u>3,401</u>	<u>10,135</u>	<u>236,617</u>	<u>--</u>	<u>97,082</u>	<u>128,829</u>
<u>46,949</u>	<u>9,838</u>	<u>(24,379)</u>	<u>87,217</u>	<u>(154,718)</u>	<u>105,948</u>	<u>146,703</u>
2	--	--	--	--	--	--
--	--	--	1,251	--	--	--
--	--	--	13,122	--	--	--
286	396	673	3,207	--	496	635
--	--	--	--	--	--	--
<u>288</u>	<u>396</u>	<u>673</u>	<u>17,580</u>	<u>--</u>	<u>496</u>	<u>635</u>
--	--	--	281,454	--	--	--
--	--	--	236,617	--	97,082	128,829
14,663	6,041	(35,187)	(448,434)	(154,718)	8,370	17,239
31,998	3,401	10,135	--	--	--	--
--	--	--	--	--	--	--
<u>46,661</u>	<u>9,442</u>	<u>(25,052)</u>	<u>(211,817)</u>	<u>(154,718)</u>	<u>105,452</u>	<u>146,068</u>
<u>46,949</u>	<u>9,838</u>	<u>(24,379)</u>	<u>87,217</u>	<u>(154,718)</u>	<u>105,948</u>	<u>146,703</u>

## OPERATION THRESHOLD

## Combining Statement of Financial Position - Continued

September 30, 2013

<b>Assets</b>	<u>Local Housing Assist.</u>	<u>FHLB Affordable Housing</u>	<u>Emergency Funds</u>
<b>Current Assets</b>			
Cash and Cash Investments	\$ 230,653	(66,593)	18,720
Marketable Securities	--	--	--
Receivables			
Governmental Grants	--	--	--
Contract Income and Other	--	--	--
Prepaid Expenses	--	--	--
Weatherization Work in Process	--	--	--
Total Current Assets	<u>230,653</u>	<u>(66,593)</u>	<u>18,720</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	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$ 230,653</u>	<u>(66,593)</u>	<u>18,720</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	148,416	--	--
Deferred Revenue	--	--	--
Total Current Liabilities	<u>148,416</u>	<u>--</u>	<u>--</u>
<b>Long-Term Debt</b>			
Mortgages Payable - Net of Current Portion	--	--	--
<b>Net Assets</b>			
Temporarily Restricted	82,237	--	18,720
Unrestricted			
Designated for Program Activities	--	(66,593)	--
Invested in Property and Equipment	--	--	--
Undesignated	--	--	--
Total Net Assets	<u>82,237</u>	<u>(66,593)</u>	<u>18,720</u>
Total Liabilities and Net Assets	<u>\$ 230,653</u>	<u>(66,593)</u>	<u>18,720</u>

## OPERATION THRESHOLD

## Combining Statement of Financial Position - Continued

September 30, 2013

## Designated Funds

<u>Disaster Case Management</u>	<u>Operation Santa Claus</u>	<u>Pocket Change Project</u>	<u>Fan Program</u>	<u>School Supplies and Coats</u>	<u>Community Services</u>
(15,561)	11,995	60	5	7,932	229,779
--	--	--	--	--	--
15,561	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	3,078
--	--	--	--	--	--
<u>--</u>	<u>11,995</u>	<u>60</u>	<u>5</u>	<u>7,932</u>	<u>232,857</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>11,995</u>	<u>60</u>	<u>5</u>	<u>7,932</u>	<u>232,857</u>
--	--	--	--	--	4,765
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>21,555</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>26,320</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--
--	11,995	60	5	7,932	206,537
--	--	--	--	--	--
<u>--</u>	<u>11,995</u>	<u>60</u>	<u>5</u>	<u>7,932</u>	<u>206,537</u>
<u>--</u>	<u>11,995</u>	<u>60</u>	<u>5</u>	<u>7,932</u>	<u>232,857</u>

OPERATION THRESHOLD  
**Combining Statement of Financial Position - Continued**  
September 30, 2013

<b>Assets</b>	<b>Emergency Food and Shelter (FEMA)</b>	<b>Housing and Fair Lending Pool</b>	<b>Financial Literacy</b>
<b>Current Assets</b>			
Cash and Cash Investments	\$ (474)	(306)	(2,256)
Marketable Securities	--	--	--
Receivables			
Governmental Grants	474	--	--
Contract Income and Other	--	1,350	2,250
Prepaid Expenses	--	--	6
Weatherization Work in Process	--	--	--
<b>Total Current Assets</b>	<b>--</b>	<b>1,044</b>	<b>--</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>\$ --</b>	<b>1,044</b>	<b>--</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	--	--	--
Deferred Revenue	--	1,044	--
<b>Total Current Liabilities</b>	<b>--</b>	<b>1,044</b>	<b>--</b>
<b>Long-Term Debt</b>			
Mortgages Payable - Net of Current Portion	--	--	--
<b>Net Assets</b>			
Temporarily Restricted	--	--	--
Unrestricted			
Designated for Program Activities	--	--	--
Invested in Property and Equipment	--	--	--
Undesignated	--	--	--
<b>Total Net Assets</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ --</b>	<b>1,044</b>	<b>--</b>

OPERATION THRESHOLD  
**Combining Statement of Financial Position - Continued**  
September 30, 2013

Designated Funds						
National Fore- Closure Mitigation	Special Projects	Youth Employ- ment	Conrad Senior Fund	Hawkeye Valley on Aging	Grundy Co. Food Pantry	Volunteer Programs
(1,967)	(2,527)	11,922	25,000	5	10,850	(4,282)
--	--	--	--	--	--	--
--	--	--	--	--	--	4,302
--	2,527	--	--	--	--	--
33	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>(1,934)</u>	<u>--</u>	<u>11,922</u>	<u>25,000</u>	<u>5</u>	<u>10,850</u>	<u>20</u>
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>(1,934)</u>	<u>--</u>	<u>11,922</u>	<u>25,000</u>	<u>5</u>	<u>10,850</u>	<u>20</u>
283	--	24	--	--	10	20
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>283</u>	<u>--</u>	<u>24</u>	<u>--</u>	<u>--</u>	<u>10</u>	<u>20</u>
--	--	--	--	--	--	--
--	--	11,898	25,000	--	10,840	--
(2,217)	--	--	--	5	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>(2,217)</u>	<u>--</u>	<u>11,898</u>	<u>25,000</u>	<u>5</u>	<u>10,840</u>	<u>--</u>
<u>(1,934)</u>	<u>--</u>	<u>11,922</u>	<u>25,000</u>	<u>5</u>	<u>10,850</u>	<u>20</u>

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD  
**Combining Statement of Activities**  
 Year Ended September 30, 2013

	Total All Funds	Undesignated and Agency Cost Pool Funds	Total Designated Funds
<b>Support and Revenue</b>			
Government Awards and Contract Revenue	\$ 7,367,400	398,715	6,968,685
Food Vouchers for Distribution	3,170,637	--	3,170,637
CSBG Co-funding Provided	--	158,450	(158,450)
Rental Income	346,273	--	346,273
Contributions, Public Support, and Services	323,510	30,981	292,529
Investment Income	12,454	12,412	42
Other Revenue	3,558	319	3,239
<b>Total Support and Revenue</b>	<u>11,223,832</u>	<u>600,877</u>	<u>10,622,955</u>
<b>Expenses</b>			
Program and General Expenses	7,640,802	1,824,726	5,816,076
Food Vouchers for Distribution	3,170,637	--	3,170,637
Depreciation	239,731	169,660	70,071
Interfund Expense Transfers	--	(1,582,469)	1,582,469
<b>Total Expenses</b>	<u>11,051,170</u>	<u>411,917</u>	<u>10,639,253</u>
<b>Excess (Deficiency) of Support and Revenue Over Expenses</b>	172,662	188,960	(16,298)
<b>Net Assets - Beginning of Year</b>	<u>4,684,993</u>	<u>3,662,969</u>	<u>1,022,024</u>
<b>Net Assets - End of Year</b>	<u>\$ 4,857,655</u>	<u>3,851,929</u>	<u>1,005,726</u>

## OPERATION THRESHOLD

## Combining Statement of Activities

Year Ended September 30, 2013

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

LIHEAP	CSBG	FaDSS	Weatherization Assistance			
			DOE	HEAP	Utility Companies	Inventory
2,611,677	470,602	243,657	193,601	823,525	303,730	--
--	--	--	--	--	--	--
--	(379,052)	--	--	--	--	--
--	--	--	--	--	--	--
--	--	7,746	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>2,611,677</u>	<u>91,550</u>	<u>251,403</u>	<u>193,601</u>	<u>823,525</u>	<u>303,730</u>	<u>--</u>
2,531,868	14,496	216,326	43,879	265,171	100,576	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
79,809	77,054	35,790	149,722	558,354	203,154	--
<u>2,611,677</u>	<u>91,550</u>	<u>252,116</u>	<u>193,601</u>	<u>823,525</u>	<u>303,730</u>	<u>--</u>
--	--	(713)	--	--	--	--
--	--	769	--	--	--	52,429
--	--	56	--	--	--	52,429

## OPERATION THRESHOLD

## Combining Statement of Activities - Continued

Year Ended September 30, 2013

	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	--	--	--
Total Expenses	<u>--</u>	<u>--</u>	<u>--</u>
<b>Excess (Deficiency) of Support and Revenue over Expenses</b>	--	--	--
<b>Net Assets - Beginning of Year</b>	<u>(13,201)</u>	<u>24,411</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, 2013

<u>Housing and Urban Development</u>				<u>Miscellaneous</u>
Comm. Dev. HOME New Constr.	Hope 3 Home	TBRA Programs	Weatherization Plus	LHCB/CASH Course
--	--	42,422	10,102	--
--	--	--	--	--
--	--	--	--	--
--	--	15,351	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>57,773</u>	<u>10,102</u>	<u>--</u>
--	--	58,225	10,102	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>58,225</u>	<u>10,102</u>	<u>--</u>
--	--	(452)	--	--
<u>36,777</u>	<u>107,946</u>	<u>535</u>	<u>--</u>	<u>765</u>
<u>36,777</u>	<u>107,946</u>	<u>83</u>	<u>--</u>	<u>765</u>

## OPERATION THRESHOLD

## Combining Statement of Activities - Continued

Year Ended September 30, 2013

	Iowa Department of Public Health			
	WIC	ACA MIECHV	WIC Food Breast Pump	WIC Peer Counseling
<b>Support and Revenue</b>				
Government Awards and Contract Revenue	\$ 905,347	475,000	7,151	39,600
Food Vouchers for Distribution	3,170,637	--	--	--
CSBG Co-funding Provided	--	--	--	--
Rental Income	--	--	--	--
Contributions, Public Support, and Services	9,402	--	--	--
Investment Income	--	--	--	--
Other Revenue	--	--	--	--
<b>Total Support and Revenue</b>	<b>4,085,386</b>	<b>475,000</b>	<b>7,151</b>	<b>39,600</b>
<b>Expenses</b>				
Program and General Expenses	771,191	440,240	7,151	29,951
Food Vouchers for Distribution	3,170,637	--	--	--
Depreciation	--	--	--	--
Interfund Expense Transfers	140,772	34,760	--	9,685
<b>Total Expenses</b>	<b>4,082,600</b>	<b>475,000</b>	<b>7,151</b>	<b>39,636</b>
<b>Excess (Deficiency) of Support and Revenue over Expenses</b>	<b>2,786</b>	<b>--</b>	<b>--</b>	<b>(36)</b>
<b>Net Assets - Beginning of Year</b>	<b>62,765</b>	<b>--</b>	<b>--</b>	<b>1,488</b>
<b>Net Assets - End of Year</b>	<b>\$ 65,551</b>	<b>--</b>	<b>--</b>	<b>1,452</b>

## OPERATION THRESHOLD

## Combining Statement of Activities - Continued

Year Ended September 30, 2013

Local Government and Miscellaneous Funding Sources						
WIC Farmers Market	WIC Special Projects	WIC Special BF Fund	Early Head Start	Embrace Iowa/ Project Care/Share	Family Support & Parent Ed.	Nest Program
--	--	--	271,700	--	120,376	29,405
--	--	--	--	--	--	--
--	--	--	--	--	--	--
2,017	--	--	--	33,102	9,654	25,443
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>2,017</u>	<u>--</u>	<u>--</u>	<u>271,700</u>	<u>33,102</u>	<u>130,030</u>	<u>54,848</u>
--	10,329	--	243,020	33,149	111,129	42,596
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	28,680	--	23,431	18,132
--	<u>10,329</u>	<u>--</u>	<u>271,700</u>	<u>33,149</u>	<u>134,560</u>	<u>60,728</u>
2,017	(10,329)	--	--	(47)	(4,530)	(5,880)
<u>9,837</u>	<u>12,000</u>	<u>575</u>	<u>--</u>	<u>13,855</u>	<u>8,084</u>	<u>6,547</u>
<u>11,854</u>	<u>1,671</u>	<u>575</u>	<u>--</u>	<u>13,808</u>	<u>3,554</u>	<u>667</u>

## OPERATION THRESHOLD

## Combining Statement of Activities - Continued

Year Ended September 30, 2013

	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	217,791	10,413	43,401
Contributions, Public Support, and Services	3,168	--	--
Investment Income	42	--	--
Other Revenue	2,840	--	381
<b>Total Support and Revenue</b>	<u>223,841</u>	<u>10,413</u>	<u>43,782</u>
<b>Expenses</b>			
Program and General Expenses	108,658	4,831	18,404
Food Vouchers for Distribution	--	--	--
Depreciation	29,278	2,832	4,990
Interfund Expense Transfers	48,685	4,316	7,810
<b>Total Expenses</b>	<u>186,621</u>	<u>11,979</u>	<u>31,204</u>
<b>Excess (Deficiency) of Support and Revenue over Expenses</b>	37,220	(1,566)	12,578
<b>Net Assets - Beginning of Year</b>	<u>134,828</u>	<u>41,344</u>	<u>221,707</u>
<b>Net Assets - End of Year</b>	<u>\$ 172,048</u>	<u>39,778</u>	<u>234,285</u>

## OPERATION THRESHOLD

## Combining Statement of Activities - Continued

Year Ended September 30, 2013

Local Government and Miscellaneous Funding Sources						
302 Locust Street	1619 Franklin Street	Ankeny Single Family	Lexington Square	316/318 West 3rd Street	313 Cottage Street	118 Irving Street
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
10,176	5,532	7,968	39,045	--	4,699	7,248
--	--	--	--	--	--	--
--	--	--	--	--	--	--
18	--	--	--	--	--	--
<u>10,194</u>	<u>5,532</u>	<u>7,968</u>	<u>39,045</u>	<u>--</u>	<u>4,699</u>	<u>7,248</u>
5,568	2,521	1,438	28,144	--	2,901	1,690
--	--	--	--	--	--	--
4,114	460	4,169	14,405	--	4,221	5,602
6,770	2,737	5,282	14,451	--	3,384	3,282
<u>16,452</u>	<u>5,718</u>	<u>10,889</u>	<u>57,000</u>	<u>--</u>	<u>10,506</u>	<u>10,574</u>
(6,258)	(186)	(2,921)	(17,955)	--	(5,807)	(3,326)
<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>46,661</u>	<u>9,442</u>	<u>(25,052)</u>	<u>(211,817)</u>	<u>(154,718)</u>	<u>105,452</u>	<u>146,068</u>

## OPERATION THRESHOLD

## Combining Statement of Activities - Continued

Year Ended September 30, 2013

	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	--	--	14,918
Investment Income	--	--	--
Other Revenue	--	--	--
<b>Total Support and Revenue</b>	<u>    --</u>	<u>    --</u>	<u>14,918</u>
<b>Expenses</b>			
Program and General Expenses	2,177	--	13,139
Food Vouchers for Distribution	--	--	--
Depreciation	--	--	--
Interfund Expense Transfers	--	--	--
<b>Total Expenses</b>	<u>2,177</u>	<u>    --</u>	<u>13,139</u>
<b>Excess (Deficiency) of Support and Revenue over Expenses</b>	(2,177)	--	1,779
<b>Capital Items Acquired With Grant Funds</b>	--	--	--
<b>Net Assets - Beginning of Year</b>	<u>84,414</u>	<u>(66,593)</u>	<u>16,941</u>
<b>Net Assets - End of Year</b>	<u>\$ 82,237</u>	<u>(66,593)</u>	<u>18,720</u>

## OPERATION THRESHOLD

## Combining Statement of Activities - Continued

Year Ended September 30, 2013

## Local Government and Miscellaneous Funding Sources

<u>Disaster Case Management</u>	<u>Operation Santa Claus</u>	<u>Family Self- Sufficiency</u>	<u>Pocket Change Project</u>	<u>Fan Program</u>	<u>School Supplies and Coats</u>	<u>Community Services</u>
119,932	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	220,602
--	--	--	--	--	--	--
--	5,325	3,797	13,974	--	9,493	54,775
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>119,932</u>	<u>5,325</u>	<u>3,797</u>	<u>13,974</u>	<u>--</u>	<u>9,493</u>	<u>275,377</u>
119,932	8,253	7,658	13,919	--	4,971	206,681
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	588	--	--	--	68,696
<u>119,932</u>	<u>8,253</u>	<u>8,246</u>	<u>13,919</u>	<u>--</u>	<u>4,971</u>	<u>275,377</u>
--	(2,928)	(4,449)	55	--	4,522	--
--	--	--	--	--	--	--
--	14,923	4,449	5	5	3,410	206,537
--	11,995	--	60	5	7,932	206,537

## OPERATION THRESHOLD

## Combining Statement of Activities - Continued

Year Ended September 30, 2013

	Emergency Food and Shelter (FEMA)	Housing and Fair Lending Pool	Financial Literacy
<b>Support and Revenue</b>			
Government Awards and Contract Revenue	\$ 13,448	78,914	--
Food Vouchers for Distribution	--	--	--
CSBG Co-funding Provided	--	--	--
Rental Income	--	--	--
Contributions, Public Support, and Services	--	--	32,138
Investment Income	--	--	--
Other Revenue	--	--	--
Total Support and Revenue	<u>13,448</u>	<u>78,914</u>	<u>32,138</u>
<b>Expenses</b>			
Program and General Expenses	13,448	78,914	25,623
Food Vouchers for Distribution	--	--	--
Depreciation	--	--	--
Interfund Expense Transfers	--	--	6,780
Total Expenses	<u>13,448</u>	<u>78,914</u>	<u>32,403</u>
<b>Excess (Deficiency) of Support and Revenue over Expenses</b>	--	--	(265)
<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>--</u>

## OPERATION THRESHOLD

## Combining Statement of Activities - Continued

Year Ended September 30, 2013

Local Government and Miscellaneous Funding Sources						
<u>National Fore- Closure Mitigation</u>	<u>Youth Employ- ment</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>
177,124	7,000	--	--	--	--	24,372
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
9,104	20,525	11,254	--	--	11,343	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>186,228</u>	<u>27,525</u>	<u>11,254</u>	<u>--</u>	<u>--</u>	<u>11,343</u>	<u>24,372</u>
157,091	15,043	11,245	--	--	13,985	20,443
--	--	--	--	--	--	--
--	--	--	--	--	--	--
44,603	584	9	--	--	--	5,149
<u>201,694</u>	<u>15,627</u>	<u>11,254</u>	<u>--</u>	<u>--</u>	<u>13,985</u>	<u>25,592</u>
(15,466)	11,898	--	--	--	(2,642)	(1,220)
13,249	--	--	25,000	5	13,482	1,220
<u>(2,217)</u>	<u>11,898</u>	<u>--</u>	<u>25,000</u>	<u>5</u>	<u>10,840</u>	<u>--</u>

SEE INDEPENDENT AUDITOR'S REPORT

## OPERATION THRESHOLD

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

September 30, 2013

<b>Assets</b>	<u>Total</u>	<u>Payroll Clearing</u>	<u>Agency</u>	<u>Equipment</u>
<b>Current Assets</b>				
Cash and Cash Investments	\$ 469,942	123,533	504,496	50,916
Marketable Securities	23,080	--	23,080	--
Receivables				
Governmental Grants	174,595	--	--	--
Prepaid Expenses	43,909	4,513	18,721	588
Weatherization Work in Process	48,265	--	--	--
<b>Total Current Assets</b>	<u>759,791</u>	<u>128,046</u>	<u>546,297</u>	<u>51,504</u>
<b>Property and Equipment</b>				
Land, Buildings, and Improvements	4,228,297	--	4,184,297	--
Furniture and Equipment	443,046	--	137,647	305,399
Accumulated Depreciation	(625,184)	--	(414,087)	(211,097)
<b>Net Property and Equipment</b>	<u>4,046,159</u>	<u>--</u>	<u>3,907,857</u>	<u>94,302</u>
<b>Total Assets</b>	<u>\$ 4,805,950</u>	<u>128,046</u>	<u>4,454,154</u>	<u>145,806</u>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 2,895	60	41	114
Accrued Expenses	127,986	127,986	--	--
Secured Construction Loan Payable	800,807	--	--	--
Due to Funding Sources	22,333	--	--	--
<b>Total Current Liabilities</b>	<u>954,021</u>	<u>128,046</u>	<u>41</u>	<u>114</u>
<b>Net Assets</b>				
Temporarily Restricted	2,835,549	--	3,636,356	--
Unrestricted				
Designated for Program Activities	84,422	--	24,101	51,390
Invested in Property and Equipment	409,803	--	271,501	94,302
Undesignated	522,155	--	522,155	--
<b>Total Net Assets</b>	<u>3,851,929</u>	<u>--</u>	<u>4,454,113</u>	<u>145,692</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 4,805,950</u>	<u>128,046</u>	<u>4,454,154</u>	<u>145,806</u>

## OPERATION THRESHOLD

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

September 30, 2013

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>
22,113	10,995	14,623	(348)	4,129	(238,698)	(36,079)	2,115	12,147
--	--	--	--	--	--	--	--	--
--	--	--	--	--	174,595	--	--	--
1,928	407	35	348	3,008	1,939	12,419	3	--
--	--	--	--	--	--	48,265	--	--
<u>24,041</u>	<u>11,402</u>	<u>14,658</u>	<u>--</u>	<u>7,137</u>	<u>(62,164)</u>	<u>24,605</u>	<u>2,118</u>	<u>12,147</u>
--	--	--	--	--	44,000	--	--	--
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--
--	--	--	--	--	44,000	--	--	--
<u>24,041</u>	<u>11,402</u>	<u>14,658</u>	<u>--</u>	<u>7,137</u>	<u>(18,164)</u>	<u>24,605</u>	<u>2,118</u>	<u>12,147</u>
--	--	12	--	27	1,192	1,247	202	--
--	--	--	--	--	--	--	--	--
--	--	--	--	--	800,807	--	--	--
--	--	--	--	--	--	--	--	22,333
--	--	12	--	27	801,999	1,247	202	22,333
--	--	--	--	--	(800,807)	--	--	--
24,041	11,402	14,646	--	7,110	(63,356)	23,358	1,916	(10,186)
--	--	--	--	--	44,000	--	--	--
--	--	--	--	--	--	--	--	--
<u>24,041</u>	<u>11,402</u>	<u>14,646</u>	<u>--</u>	<u>7,110</u>	<u>(820,163)</u>	<u>23,358</u>	<u>1,916</u>	<u>(10,186)</u>
<u>24,041</u>	<u>11,402</u>	<u>14,658</u>	<u>--</u>	<u>7,137</u>	<u>(18,164)</u>	<u>24,605</u>	<u>2,118</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, 2013

	<u>Total</u>	<u>Agency</u>	<u>Equipment</u>	<u>Wellness</u>
<b>Support and Revenue</b>				
Government Awards and Contract Revenue	\$ 398,715	--	--	--
CSBG Co-funding Provided	158,450	--	--	4,820
Contributions, Public Support, and Services	30,981	11,838	--	--
Investment Income	12,412	12,412	--	--
Other Revenue	319	319	--	--
<b>Total Support and Revenue</b>	<u>600,877</u>	<u>24,569</u>	<u>--</u>	<u>4,820</u>
<b>Expenses</b>				
Management and General Expenses	1,824,726	3,209	32,931	4,820
Depreciation	169,660	128,358	41,302	--
Interfund Expense Transfers	(1,582,469)	13	(46,488)	--
<b>Total Expenses</b>	<u>411,917</u>	<u>131,580</u>	<u>27,745</u>	<u>4,820</u>
<b>Excess (Deficiency) of Support and Revenue over Expenses</b>	188,960	(107,011)	(27,745)	--
<b>Net Assets - Beginning of Year</b>	<u>3,662,969</u>	<u>4,561,124</u>	<u>173,437</u>	<u>--</u>
<b>Net Assets - End of Year</b>	<u>\$ 3,851,929</u>	<u>4,454,113</u>	<u>145,692</u>	<u>--</u>

## OPERATION THRESHOLD

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

Year Ended September 30, 2013

Undesignated and Agency Cost Pools

Fiscal	Personnel	Admin. Services	Planning and Compliance	I.T. Services	Bldg. Operations	WX Admin Support	Housing Support	Home Repair
--	--	--	--	--	398,715	--	--	--
--	--	--	97,534	50,500	--	5,596	--	--
--	40	--	--	--	4,893	6,232	5,800	2,178
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--
--	40	--	97,534	50,500	403,608	11,828	5,800	2,178
205,624	64,599	234,016	101,006	80,328	155,825	894,537	45,653	2,178
--	--	--	--	--	--	--	--	--
(205,624)	(64,559)	(234,016)	(3,472)	(36,938)	(171,526)	(780,006)	(39,853)	--
--	40	--	97,534	43,390	(15,701)	114,531	5,800	2,178
--	--	--	--	7,110	419,309	(102,703)	--	--
24,041	11,402	14,646	--	--	(1,239,472)	126,061	1,916	(10,186)
24,041	11,402	14,646	--	7,110	(820,163)	23,358	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-12-11  
(Contract Period 10/01/11 - 9/30/13)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 10/01/12 - 9/30/13</u>
Space / Utilities	\$ 18,000	18,216
Equipment Costs	500	--
Consultants	500	112
Co-Funded Programs	384,817	379,052
Other Costs	<u>66,785</u>	<u>73,222</u>
 Total	 <u><u>\$ 470,602</u></u>	 <u><u>470,602</u></u>

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD  
Iowa Department of Human Rights

**Schedule of Expenses Compared to Budget**

**Low Income Home Energy Assistance Program**

Contract No. LIHEAP-13-11  
(Contract Period 10/01/12 - 9/30/13)

Cost Category	Approved Budget	Actual Expenses 10/01/12 - 9/30/13
Assistance Awards		
Regular Assistance	\$ 2,153,401	2,147,509
Energy Crisis Intervention	126,602	126,602
Client Services Assessment and Resolution	35,330	35,330
Summer Deliverable Fuel	66,697	66,697
Administration	235,539	235,539
 Total Grant Expenses	 \$ 2,617,569	 2,611,677

OPERATION THRESHOLD  
Iowa Department of Human Rights

**Schedule of Expenses Compared to Budget**

**Weatherization Assistance Programs**

Contract No. DOE-13-11A  
(Contract Period 8/01/13 - 3/31/14)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 8/01/13 - 9/30/13</u>
Administration	\$ 19,364	14,666
Health and Safety	60,688	31,825
Support	81,220	40,410
Labor	84,591	39,408
Materials	84,591	18,612
	<u>\$ 330,454</u>	<u>144,921</u>

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

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/01/12 - 9/30/13</u>	<u>4/01/12 - 9/30/12</u>
Administration	\$ 22,519	22,519	2,434	20,085
Health and Safety	85,572	101,119	16,184	84,935
Support	108,091	140,658	24,767	115,891
Labor	117,099	115,713	2,149	113,564
Materials	117,099	70,371	3,146	67,225
	<u>\$ 450,380</u>	<u>450,380</u>	<u>48,680</u>	<u>401,700</u>

SEE INDEPENDENT AUDITOR'S REPORT

OPERATION THRESHOLD  
Iowa Department of Human Rights

**Schedule of Expenses Compared to Budget**

**Weatherization Assistance Programs**

Contract No. HEAP-13-11A  
(Contract Period 1/01/13 - 12/31/13)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/01/13 - 9/30/13</u>
Administration	\$ 48,427	21,939
Health and Safety	168,406	129,523
Support	217,997	138,968
Labor	226,650	71,288
Materials	226,650	41,679
Equipment/Training	19,312	9,785
<b>Total</b>	<b><u><u>\$ 907,442</u></u></b>	<b><u><u>413,182</u></u></b>

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

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/01/12 - 12/31/12</u>	<u>1/01/12 - 9/30/12</u>
Administration	\$ 37,766	26,370	21,472	4,898
Health and Safety	135,194	133,681	111,082	22,599
Support	171,983	141,707	102,365	39,342
Labor	184,396	117,160	101,390	15,770
Materials	184,396	79,195	69,278	9,917
Equipment/Training	16,600	7,288	4,756	2,532
<b>Total</b>	<b><u><u>\$ 730,335</u></u></b>	<b><u><u>505,401</u></u></b>	<b><u><u>410,343</u></u></b>	<b><u><u>95,058</u></u></b>

OPERATION THRESHOLD  
Iowa Department of Human Rights

**Schedule of Expenses Compared to Budget**

**Weatherization Assistance Programs**

Contract No. IPL-13-11A  
(Contract Period 1/01/13 - 12/30/13)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/01/13 - 9/30/13</u>
Administration	\$ 1,478	1,378
Support	2,956	2,505
Labor	12,562	13,550
Materials	<u>12,562</u>	<u>11,502</u>
<b>Total</b>	<b><u><u>\$ 29,558</u></u></b>	<b><u><u>28,935</u></u></b>

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

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Total</u>	<u>Actual Expenses</u>	
			<u>10/1/2012 - 12/30/12</u>	<u>1/1/2012 - 9/30/2012</u>
Administration	\$ 1,478	1,478	730	748
Support	2,956	2,131	771	1,360
Labor	12,562	14,949	7,337	7,612
Materials	<u>12,562</u>	<u>11,000</u>	<u>5,007</u>	<u>5,993</u>
<b>Total</b>	<b><u><u>\$ 29,558</u></u></b>	<b><u><u>29,558</u></u></b>	<b><u><u>13,845</u></u></b>	<b><u><u>15,713</u></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. MEC-13-11A  
(Contract Period 1/01/13 - 12/30/13)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/01/13 - 9/30/13</u>
Administration	\$ 12,829	12,187
Support	25,658	21,412
Labor	109,047	128,124
Materials	<u>109,047</u>	<u>94,216</u>
 Total	 <u>\$ 256,581</u>	 <u>255,939</u>

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OPERATION THRESHOLD  
Iowa Department of Human Rights

**Schedule of Expenses Compared to Budget**

**Weatherization Assistance Programs**

Contract No. BHE-13-11A  
(Contract Period 1/01/13 - 12/30/13)

Cost Category	Approved Budget	Actual Expenses 1/01/13 - 9/30/13
Administration	\$ 444	239
Support	887	434
Labor	3,773	1,924
Materials	3,773	2,414
 Total	 \$ 8,877	 5,011

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-14-11  
(Contract Period 7/01/13 - 06/30/14)

Cost Category	Approved Budget	Actual Expenses 7/01/13 - 9/30/13
Grant Expenses		
Administrative	\$ 20,760	5,932
Personnel	229,010	37,417
Travel	5,772	1,639
Space/Utilities	7,149	1,993
Other	13,996	4,800
Third Party Payments	4,000	72
Total Grant Expenses	280,687	51,853
Local Funds		
Other	1,000	--
Total Expenses	\$ 281,687	51,853

Contract No. FaDSS-13-11  
(Contract Period 7/01/12 - 09/30/13)

Cost Category	Approved Budget	Actual Expenses		
		Total	10/01/12 - 9/30/13	7/01/12 - 9/30/12
Grant Expenses				
Administrative	\$ 23,065	28,346	21,665	6,681
Personnel	218,026	204,439	155,580	48,859
Travel	3,011	3,118	1,911	1,207
Space/Utilities	2,445	2,539	996	1,543
Other	4,548	12,801	9,800	3,001
Third Party Payments	2,000	1,852	1,852	--
Total Grant Expenses	253,095	253,095	191,804	61,291
Local Funds				
Administrative	2,772	--	--	--
Travel	1,931	1,655	1,655	--
Space/Utilities	1,500	3,666	3,666	--
Other	2,287	3,169	2,986	183
Total	\$ 261,585	261,585	200,111	61,474

OPERATION THRESHOLD  
Iowa Department of Public Health

**Schedule of Expenses Compared to Budget**

**Special Supplemental Nutrition Program for Women, Infants, and Children**

Contract No. 5883A043

(Contract Period 10/01/12 - 9/30/13)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 10/01/12 - 9/30/13</u>
Cash Grant Expenses		
Salaries/Fringe	\$ 684,205	635,861
Contracted Providers	4,952	7,758
Other	127,403	188,297
Indirect	88,787	73,431
Total Cash Grant Expenses	<u>905,347</u>	<u>905,347</u>
Noncash Expenses		
Food Vouchers Distributed		<u>3,170,637</u>
Total Expenses		<u><u>\$4,075,984</u></u>

SEE INDEPENDENT AUDITOR'S REPORT