Community Housing Initiatives, Inc., and Davenport Manor, Inc.

Graettinger, Iowa

Combined Financial Statements and
Additional Information
Year Ended September 30, 2004

Upper Des Moines Opportunity, Inc. and Related Entities

Combined Financial Statements and Additional Information
Year Ended September 30, 2004

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Independent Auditor's Report

Board of Directors
Upper Des Moines Opportunity, Inc.
Graettinger, Iowa

We have audited the accompanying combined statement of financial position of Upper Des Moines Opportunity, Inc. (a nonprofit organization) and Related Entities [Community Housing Initiatives, Inc. (a nonprofit organization) and Davenport Manor, Inc. (a nonprofit organization)], as of September 30, 2004, and the related combined statements of activities and cash flows for the year then ended. These combined financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States 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 combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Upper Des Moines Opportunity, Inc., Community Housing Initiatives, Inc., and Davenport Manor, Inc. as of September 30, 2004, 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.

As described in Note 1 to the financial statements, Upper Des Moines Opportunity, Inc. Community Housing Initiatives, Inc. and Davenport Manor, Inc. adopted a policy in the current year of preparing its financial statements in accordance with generally accepted accounting principles. Previously, Upper Des Moines Opportunity, Inc. and Community Housing Initiatives, Inc. prepared its financial statements on the basis of accounting prescribed by its funding sources, which was a comprehensive basis of accounting other than generally accepted accounting principles.

In accordance with *Government Auditing Standards,* we have also issued our report dated November 12, 2004 on our consideration of Upper Des Moines Opportunity, Inc., Community Housing Initiatives, Inc. and Davenport Manor, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Wipfli Young is an office of Wipfli LLP.

Our audit was performed for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying schedule of program activity, Schedule D-1 to D-12, schedule of expenditures of federal awards and list of programs, Schedule E-1 to E-6, which includes the requirements of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and Schedules F through K are presented for purpose of additional analysis and are not a required part of the combined financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects, in relation to the combined financial statements taken as a whole.

Wipfli LLP

Wipfli LLP

November 12, 2004
Madison, Wisconsin

Upper Des Moines Opportunity, Inc. and Related Entities

Combined Statement of Financial Position

September 30, 2004

Assets	
Current assets:	
Cash	$ 1,209,746
Custodial cash	101,810
Grants receivable	439,019
Accounts receivable	210,275
Accounts receivable - related parties, net	726,591
Inventory	104,438
Prepaid expenses	10,567
Total current assets	2,802,446
Long-term assets:	
Investment in and advances to partnerships	4,611,919
Investments	175,992
Long-term developer fees and interest receivable	802,817
Restricted cash	98,799
Total long-term assets	5,689,527
Land, buildings, and equipment, net	2,858,956
Total assets	$ 11,350,929
Liabilities and Net Assets	
Current liabilities:	
Current maturities of long-term debt	$ 446,953
Line of credit	102,600
Amount due to Lakes Area Decategorization/ Empowerment Board	101,810
Accounts payable	193,364
Accrued payroll and related expenses	239,408
Accrued other liabilities	109,015
Unearned revenue	462,246
Due to grantor	720,000
Total current liabilities	2,375,396
Long-term liabilities:	
Long-term debt	3,410,020
Security deposits	29,679
Total long-term liabilities	3,439,699
Total liabilities	5,815,095
Net assets:	
Unrestricted	5,523,178
Temporarily restricted	12,656
Total net assets	5,535,834
Total liabilities and net assets	$ 11,350,929

See accompanying notes to combined financial statements.

Upper Des Moines Opportunity, Inc. and Related Entities

Combined Statement of Activities

Year Ended September 30, 2004

	Unrestricted	Temporarily Restricted	Total
Revenue:			
Net grant revenue	$ 9,940,993	$ 0	$ 9,940,993
Program income	264,532	27,302	291,834
Rental income	495,441	0	495,441
Investment loss	(160,473)	0	(160,473)
Title XIX income	167,327	0	167,327
Donations	248,248	0	248,248
Other income	358,521	0	358,521
Management and development fees	1,268,163	0	1,268,163
In kind contributions	677,683	0	677,683
Net assets released from restrictions through satisfaction of program restrictions	25,801	(25,801)	0
Total revenue	13,286,236	1,501	13,287,737
Expenses:			
Salaries	4,129,476	0	4,129,476
Fringe	996,858	0	996,858
Contract services	332,235	0	332,235
Travel	281,616	0	281,616
Space	358,030	0	358,030
Consumable supplies	815,292	0	815,292
Equipment	27,939	0	27,939
Direct client assistance	3,054,721	0	3,054,721
Other operational	1,009,962	0	1,009,962
Indirect	726,047	0	726,047
In kind expense	677,683	0	677,683
Total expenses	12,409,859	0	12,409,859
Change in net assets	876,377	1,501	877,878
Net assets - September 30, 2003, as previously stated	4,176,504	11,155	4,187,659
Change in accounting basis	470,297	0	470,297
Net assets - September 30, 2003, as restated	4,646,801	11,155	4,657,956
Net assets - September 30, 2004	$ 5,523,178	$ 12,656	$ 5,535,834

See accompanying notes to combined financial statements.

Upper Des Moines Opportunity, Inc. and Related Entities

Combined Statement of Cash Flows

Year Ended September 30, 2004

Increase (decrease) in cash:		
Cash flows from operating activities:		
Change in net assets	$	877,878
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Forgiveness of debt	(	46,667)
Depreciation		205,452
Gain on sale of equipment	(	9,951)
Unrealized and realized gain on investments	(	12,206)
Equity method loss		224,448
Changes in operating assets and liabilities:		
Grants receivable	(	23,669)
Custodial cash		105,176
Accounts receivable	(	59,746)
Accounts receivable - related parties	(	312,634)
Inventory		1,465
Long-term developer fees and interest receivable	(	482,097)
Prepaid expenses		3,535
Accounts payable		80,777
Amount due to Lakes Area Decategorization/Empowerment Board	(	105,176)
Accrued payroll and related expenses		19,100
Accrued other liabilities		16,362
Security deposits		189
Due to grantor		50,000
Unearned revenue		63,492
Net cash provided by operating activities		595,728
Cash flows from investing activities:		
Proceeds from sale of equipment		51,219
Deposits into restricted cash	(	155,728)
Withdrawals from restricted cash		126,545
Purchase of investments	(	1,507)
Collections on advances to partnerships		2,025
Issuance of advances to partnerships	(	80,000)
Purchase of property and equipment	(	610,377)
Purchase of investments in and advances to partnerships	(	647,927)
Net cash used in investing activities	(	1,315,750)
Cash flows from financing activities:		
Payments on long-term debt	(	69,009)
Proceeds from long-term debt		731,968
Net cash provided by financing activities		662,959
Net decrease in cash	(	57,063)
Cash - September 30, 2003		1,266,809
Cash - September 30, 2004	$	1,209,746
Supplemental schedule of operating activities:		
Interest paid and expense	$	56,725

See accompanying notes to combined financial statements.

Upper Des Moines Opportunity, Inc. and Related Entities

Notes to Combined Financial Statements

Note 1 Summary of Significant Accounting Policies

Nature of Operations

Upper Des Moines Opportunity, Inc. (UDMO or the "Organization) was organized as a nonprofit organization in 1966. The UDMO's mission is to build partnership within communities to alleviate the conditions and causes of poverty. These activities are performed through a variety of programs in the Iowa counties of Buena Vista, Clay, Dickinson, Emmet, O'Brien, Hamilton, Humboldt, Webster, Wright, Osceola, Palo Alto, and Pocahontas. UDMO is primarily supported through federal, state, and local grants. Low-Income Home Energy Assistance grants are approximately 25% of its total revenue. Head Start grants are approximately 28% of its total revenue.

Community Housing Initiatives, Inc. (CHI) was organized as a nonprofit organization in 1993. CHI was formed to strengthen communities by providing housing to low-income individuals and families. Home Investment Partnerships grants are about 35% of its total revenue.

Davenport Manor, Inc. (Davenport) was organized as a nonprofit organization in 2002. Davenport was formed to strengthen communities by providing housing to low-income individuals and families. A Home Investment Partnerships grant was 15% of its total revenue.

Combined Financial Statements

For financial reporting purposes, the financial statements include the accounts of UDMO and its related organizations, CHI and Davenport (the "Organizations"). The Organizations have similar Boards of Directors. All significant interorganization transactions and accounts are eliminated.

Basis of Presentation

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. UDMO does not have any permanently restricted net assets.

Note 1 Summary of Significant Accounting Policies (Continued)

Significant Policies

All financial statements are prepared using the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue and Expense Recognition/Unearned Revenue

Contributions are recognized when the donor makes a promise to give to Upper Des Moines Opportunity, Inc. and Related Entities that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as released from restrictions.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

A. Grant Awards that are Contributions

Grants that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related allowable expenses are incurred. Amounts received in excess of expenses are reflected as grant funds received in advance.

B. Grant Awards that are Exchange Transactions

Exchange transactions reimburse based on a predetermined rate for services performed. The revenue is recognized as other income in the period the service is performed.

Note 1 Summary of Significant Accounting Policies (Continued)

Accounts Receivable, Advances to Partnership, and Allowance for Doubtful Accounts

Accounts receivable primarily consist of amounts paid on behalf of investment partnerships, developer fees, management fees, and accrued interest. Advances to partnership are note receivables made to investment partnership. Interest on notes receivable is recognized over the term of the note. CHI analyzes the receivables and records an allowance that management believes will reserve for possible losses on existing receivables that may become uncollectible. The evaluations take into consideration such factors as evaluations of the collectibility, prior loss experience, current economic conditions, and the age of the receivable balance. An account is considered uncollectible when all collection efforts prove worthless.

Collateral is generally required for notes receivable.

Inventory

Inventory, which is primarily weatherization inventory, is valued at the lower of cost or market. Cost is determined on the first-in, first-out basis. The costs of inventories are recorded as expenses when consumed.

Investments

Investments in mutual funds are carried at fair value as determined in an active market. Investments in partnerships in which the Organization exercises significant influence over their operating and financial activities are accounted for using the equity method.

Land, Buildings, and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset. The Organizations capitalize equipment purchased with agency funds with a cost greater than $5,000 and a useful life of more than one year. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. If there are no donor restrictions regarding how long a donated asset must be maintained, the Organizations report expirations of donor restrictions when the donated assets are placed in service. The Organizations reclassify temporarily restricted net assets to unrestricted net assets at that time.

Property and equipment purchased with grant funds is owned by the Organization while used in the program for which it was purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the property and equipment purchased with grant funds. Its disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations.

Note 1 Summary of Significant Accounting Policies (Continued)

Income Taxes

UDMO, CHI, and Davenport are exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and a similar section of the Iowa income tax law, which provides tax exemption for corporations organized and operated exclusively for religious, charitable, or educational purposes.

In Kind Contributions

UDMO has recorded in kind contributions for space and professional services on the statement of activities in accordance with Financial Accounting Standard No. 116, *Accounting for Contributions Received and Contributions Made (FAS 116).* FAS 116 requires that only contributions of service received that create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The requirements of FAS 116 are different than the in kind requirements of several of UDMO's grant awards. UDMO received contributions of nonprofessional volunteers during the year with a value of $100,469 primarily for its Head Start program which are not recorded on the statement of activities.

Indirect Cost Rate

To facilitate equitable distribution of common purpose costs benefiting more than one direct cost allocation objective, UDMO has negotiated an indirect cost allocation plan with the Department of Health and Human Services (DHHS). The rate is based upon a percentage of total modified allowable direct costs. A provisioned rate of 22% has been approved until September 30, 2004 by DHHS.

Cost Allocation

UDMO utilizes cost allocation methods to distribute certain direct and indirect costs to its various programs. Costs, which are common to more than one program, have been identified and classified into cost pools. These cost pools have been allocated to the programs based on formulas developed by UDMO for each pool.

Change in Accounting Basis

On October 1, 2003, UDMO and CHI adopted the method of accounting for property purchased with grant funds consistent with generally accepted accounting principles. Under this method, property is reflected as an asset of the Organization, rather than being expensed as purchased. Prior to October 1, 2003, UDMO and CHI accounted for equipment in accordance with the other comprehensive basis of accounting prescribed by their funding sources. The cumulative effect of this change in basis of net assets as of October 1, 2003 was an increase in net assets of $316,496 and $153,801 for UDMO and CHI, respectively.

Note 2 Custodial Cash Amount Due to Lakes Area Decategorization/ Empowerment Board

UDMO acts as a fiscal agent for the Lakes Area Decategorization/Empowerment Board (LADE). The revenue and expenses related to this activity are not included in these financial statements. As of September 30, 2004, the custodial cash balance and amount due to LADE was $101,810.

Note 3 Concentration of Credit Risk

UDMO maintains cash balances at two banks. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $100,000. Balances in excess of $100,000 are secured by the bank as required by the State of Iowa through Chapter 12C of the Iowa Code. UDMO has obtained a bank deposit guaranty bond for up to $2,000,000. As of September 30, 2004, there were no amounts in excess of the FDIC limit and the bank deposit guaranty bond.

CHI also maintains cash balances at one bank. Balances in excess of the FDIC limit that were unsecured were $117,858.

Note 4 Restricted Cash

Restricted cash consists of funds set aside for the housing projects. The Organizations are required to make periodic deposits to various reserve funds established to meet future commitments of the housing projects. These funds are restricted and disbursements must be approved by the funding source. As of September 30, 2004, the restricted cash balance was $98,799.

Note 5 Grants Receivable

This balance consists of amounts due from various agencies as follows:

Federal programs	$	283,469
State programs		143,282
Other		12,268
Total	$	439,019

Note 6 Investments

At September 30, 2004, CHI had investments in a mutual fund totaling $175,992. The cost of the mutual fund investments at September 30, 2004 was $165,266, with a cumulative unrealized gain of $10,726. Investment income (loss) includes the following:

UDMO interest income	$	17,430
CHI interest income		33,869
CHI equity method losses	(	224,448)
CHI realized and unrealized gains		12,206
Davenport interest income		470
Total	($	160,473)

Note 7 Investment in and Advances to Partnerships

UDMO and CHI have investments in and advances to various limited partnerships. There is no active market for the limited partnership interests. The balance as of September 30, 2004 was $1,758,599 (see Note 17). Notes receivable from the various partnerships consist of the following:

Note receivable from Marsh Place Limited Partnership, collateralized by real estate, payable at maturity, including interest at 1%, due March 2020.	$ 423,750
Note receivable from Silver Lake Apartments Limited Partnership, collateralized by real estate, payable in annual installments beginning January 2002 of $836, to the extent of available cash flow from operations, including interest at 3%, due December 2010.	15,000
Note receivable from Silver Lake Apartments Limited Partnership, collateralized by real estate, payable in annual installments of $345, including interest at 3%, due September 2010.	6,000
Note receivable from Siouxland Housing Associates Limited Partnership, collateralized by real estate, payable in annual installments of $5,229, including interest at 3%, due January 2027.	102,500
Note receivable from Woodbury County Community Action Agency (WCCAA). This note is not collateralized and has no due date, however, it requires WCCAA to pay CHI 50% of any repayments WCCAA receives on a loan made to Carnegie Place Limited Partnership with Federal Home Loan Bank funds.	25,000
Note receivable from Graettinger Housing Associates Limited Partnership, collateralized by real estate, payable in annual installments of $2,334, including interest at 2.5%, due January 2022.	43,000
Note receivable from Court View Limited Partnership, collateralized by real estate, payable in annual installments beginning January 2000 of $4,898, to the extent of available cash flow from operations, including interest at 3%, due January 2028.	96,000
Note receivable from Century Plaza Limited Partnership, collateralized by real estate, payable in annual installments beginning October 2001 of $7,950, to the extent of available cash flow from operations, including interest at 1%, due January 2029.	100,000
Note receivable from Lakewood Court Limited Partnership, collateralized by real estate, payable in annual installments beginning January 2000 of $2,121, to the extent of available cash flow from operations, including interest at 5.46%, due January 2029.	30,000

(Continued)

Note 7 **Investment in and Advances to Partnerships** (Continued)

Note receivable from Hartley Housing Associates Limited Partnership, collateralized by real estate, payable in annual installments beginning January 2000 of $2,077, to the extent of available cashflow from operations, including interest at 3%, due January 2029.	40,000
Note receivable from Sibley One Limited Partnership, collateralized by real estate, payable in annual installments beginning May 2001 of $3,059 to the extent of available cash flow from operations, until October 2005 at which time the annual payments are $22,061. The note includes interest at 1% and is due October 2016.	305,873
Note receivable from Hartley Housing Associates Limited Partnership, collateralized by real estate, payable in annual installments beginning May 2001 of $3,150, to the extent of available cashflow from operations, including interest at 1%, due May 2020.	315,000
Note receivable from Century Plaza Limited Partnership, collateralized by real estate, payable at maturity, including interest at 1%, due May 2020.	250,000
Note receivable from Ivy Apartments Limited Partnership, collateralized by real estate, payable in annual installments beginning January 2002 of $1,744, to the extent of available cash flow from operations, including interest at 7%, due January 2031.	45,000
Note receivable from Forest City Limited Partnership, collateralized by real estate, payable in annual installments beginning January 2003 of $3,415, to the extent of available cash flow from operations, including interest at 5%, due January 2032.	52,500
Note receivable from Summerfield Park Limited Partnership, collateralized by real estate, payable in annual installments beginning January 2002 of $4,612, to the extent of available cashflow from operations, including interest at 5%, due January 2026.	65,000
Note receivable from Woodbury Ridge Limited Partnership, collateralized by real estate, payable in annual installments beginning January 2003 of $2,806, to the extent of available cash flow from operations, including interest at 3%, due January 2032.	55,000
Note receivable from Van Allen Limited Partnership, payable in annual installments beginning January 2003 of $700, to the extent of available cash flow from operations, including interest at 5%, due January 2032. This note is uncollateralized.	70,000

(Continued)

Note 7 Investment in and Advances to Partnerships (Continued)

Note receivable from Forest City Limited Partnership, collateralized by real estate, payable in annual installments beginning January 2002, of $4,163, to the extent of available cash flow from operations, including interest at 5%, due January 2032.	64,000
Note receivable from Marsh Place Limited Partnership, collateralized by real estate, payable in annual installments beginning January 2001, of $5,238, to the extent of available cash flow from operations, including interest at 1%, due January 2030.	65,000
Note receivable from Call Terminal Partnership, collateralized by real estate, payable in annual installments beginning December 2004, of $14,530, to the extent of available cash flow from operations, including interest at 1%, due December 2033.	250,000
Note receivable from Van Allen Partnership, collateralized by real estate, payable in annual installments of interest only payments beginning January 2004, to the extent of available cash flow from operations, with an interest rate of 5.23%, due January 2018.	352,000
Mortgage receivable from Silver Lake, LP, non-secured, payable in monthly installment beginning May 2003, of $165, to the extent of available cashflow from operations, including interest at 7%, due April 2006.	2,697
Mortgage receivable from Hamilton Knolls, L.P., collateralized by real estate, payable in annual installments beginning January 1, 2006 of $6,096, to the extent of available cash flow from operations, including interest at 1%, due January 1, 2025.	80,000
Notes receivable	2,853,320
Investments in limited partnerships	1,758,599
Total	$ 4,611,919

Accrued interest receivable as of September 30, 2004 from the above notes was $119,684. See Note 17 for related party information. Payments from the above Limited Partnerships are contingent upon positive cash flows from the entities.

Note 8 Land, Buildings, and Equipment

The balance at September 30, 2004 consists of the following:

Land	$ 380,437
Buildings	2,469,741
Building improvements	35,441
Equipment	1,235,499
	4,121,118
Accumulated depreciation	(1,262,162)
Land, buildings, and equipment, net	$ 2,858,956

Note 9 Lessor Activity

UDMO, CHI, and Davenport own projects that are a mix of low- to moderate-income housing facilities. Leases are all for one year or less.

A summary of the acquisition costs and accumulated depreciation on the above properties is as follows:

Land	$ 380,437
Buildings	2,469,741
Building improvements	35,441
	2,885,619
Accumulated depreciation	(551,105)
Land and building, net	$ 2,334,514

Rental income for the year ended September 30, 2004 was $495,441.

Note 10 Due to Grantor

Amount due to grantor consists of amounts received from the Federal Home Loan Bank of Des Moines, Iowa (FHLB) and the Department of Interior, then loaned to real estate partnerships. The agreements stipulate that any repayments received from the partnerships must be returned to FHLB and the Department of Interior.

Note 11 Long-Term Debt

Long-term debt (mortgages and notes payable) consists of the following:

Note payable to Iowa Department of Economic Development, collateralized by real estate, payable in annual installment of $3,059, including interest of 1%, until October 2005 at which time annual payments of $22,061 begin until the note is due October 2016.	$ 305,873
Note payable to Iowa Finance Authority, collateralized by real estate, payable in quarterly installments of $1,417, including interest at 3%, due February 2013.	42,380
Note payable to Ford Motor Credit, collateralized by an automobile, payable in monthly installment of $605 with 0% interest, due December 2005	9,083
Note payable to GMAC, collateralized by an automobile, payable in monthly installments of $489 with 0% interest, due September 2007.	17,143

(Continued)

Note 11 **Long-Term Debt** (Continued)

Note payable to Chrysler Financial Corporation collateralized by an automobile, payable in monthly installments of $584 with 0% interest, due January 2008.	22,793
Mortgage payable to Northwest Federal Savings Bank with interest at 9.5%. Monthly payments are $1,660 with the outstanding balance due March 2005. The note is collateralized by real estate.	139,215
Note payable to Northwest Federal Savings Bank with interest at 9.75%. Monthly payments are $1,166 with the outstanding balance due April 2013. The note is collateralized by a deed of trust and assignment of rents.	81,072
Mortgage payable to Northwest Federal Savings Bank with interest at 8.9%. Monthly payments are $694 with the outstanding balance due February 2015. The note is collateralized by real estate.	24,405
Mortgage payable to Iowa Department of Economic Development with interest at 1%. Annual interest payments are $3,150, with the outstanding balance due May 2020. The note is collateralized by real estate.	315,000
Mortgage payable to Iowa Department of Economic Development with interest at 1%. Annual interest payments are $2,500, with the outstanding balance due May 2020. The note is collateralized by real estate.	250,000
Mortgage payable to Iowa Department of Economic Development with interest at 1%. Annual interest payments are $4,237, with the outstanding balance due May 2020. The note is collateralized by real estate.	423,750
Note payable to Alliant Energy Investment, Inc., one payment at the end of the term with 0% interest, due January 2019 if there are funds remaining in the Operating Deficit Guaranty Reserve and Commercial Income Guaranty Reserve account of Van Allen, L.P.	160,000
Mortgage payable to Iowa Finance Authority, collateralized by real estate, payable in quarterly installments of $500 with 0% interest, due April 2014.	111,158
Predevelopment loan payable to Enterprise Housing Financial Services, Inc., with interest at 6% collateralized by a portion of the first equity contributions for REM Cares Townhomes, development rights, and a portion of the developer fee, payable January 2005 along with all accrued and unpaid interest.	90,690
Predevelopment loan payable to Enterprise Housing Financial Services, Inc., with interest at 6% collateralized by a portion of the first equity contribution for Hamilton Knolls, development rights, and a portion of the developer fee, payable January 2005 along with all accrued and unpaid interest.	132,072

(Continued)

Note 11 Long-Term Debt (Continued)

Mortgage loan balance of $1,286,653 and construction loan balance of $445,686 payable to Iowa Finance Authority, collateralized by real estate, payable in interest only payments for the construction portion of the loan and monthly payments for the mortgage balance of $4,334 with 2% interest due October 2038	1,732,339
Subtotal	3,856,973
Current maturities of notes payable	(446,953)
Long-term notes payable	$ 3,410,020

Maturities of long-term debt are as follows:

Year Ending September 30	Amount
2005	$ 446,953
2006	81,608
2007	81,518
2008	68,046
2009	64,900
Thereafter	3,113,948
Total	$ 3,856,973

Note 12 Line of Credit

CHI has a revolving line of credit with Farmers Trust and Savings Bank for $250,000. The line expires January 30, 2005. At September 30, 2004, there was $102,600 outstanding on the line of credit. Interest is 6.75%.

Note 13 Operating Leases

UDMO and CHI lease buildings and equipment for offices and operations. The leases are operating leases with lease periods up to 18 years. Building and equipment rental expense for the year ended September 30, 2004 amounted to $176,583 and $15,900, respectively, for UDMO and CHI. Future minimum lease payments under all leases are as follows:

Year Ending September 30	Amount
2005	$ 145,146
2006	65,826
2007	60,255
2008	39,860
2009	22,584
Thereafter	69,102
Total	$ 402,773

Note 14 Pension and Retirement Benefits

UDMO and CHI contribute to the 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 are required to contribute 3.70% of their annual salary and the Organizations are required to contribute 5.75% of annual payroll. Contribution requirements are established by state statute. The Organizations' contributions to IPERS for the year ended September 30, 2004 were $210,354 and $22,378 for UDMO and CHI, respectively.

Note 15 Temporarily Restricted Net Assets

Temporarily restricted net assets of $12,656 consist of restricted funds and program income unspent in state and local programs as of September 30, 2004.

Note 16 Functional Classification of Expenses

The following program and supporting services are reflected in the statement of activities for the year ended September 30, 2004:

Child education	$ 3,639,440
Weatherization/energy assistance	3,049,045
Community services	1,128,393
Health services	895,571
Housing	879,850
Food programs	534,103
Total program activities	10,126,402
Davenport Manor	328,539
CHI	727,005
Outreach	388,125
Corporate	159,248
UDMO rental	55,095
Total discretionary	1,658,012
Management and general	625,445
Total expenses	$ 12,409,859

Note 17 Investment in Limited Partnerships

UDMO and CHI have investments in various partnerships that are recorded under the equity method. UDMO and CHI are 0.5% to 1% general partners in the limited partnerships and receive development fees and ongoing management fees. Related party activity in the asset, liability, revenue, and expense accounts, included in the September 30, 2004 financial statements, are as follows:

Note 17 Investment in Limited Partnerships (Continued)

Statement of Financial Position	Amounts
Investment in partnerships	$ 1,758,599
Accounts receivable - related parties, net	726,591
Long-term developer fees and interest receivable	802,817
Notes receivable	2,853,320

Accounts receivable - related parties balance of $726,591 is net of allowance for doubtful accounts of $140,000:

Statement of Activities	
Interest income	$ 26,449
Development fees	1,018,300
Property management fees	150,536
Partnership management and maintenance fees	35,527
Consulting fees	63,800

Note 18 Investment in Partnerships

UDMO and CHI have investments in various partnerships that are recorded under the equity method. In some instances, even through the ownership interest is only 1%, due to UDMO and CHI's involvement in the operation of the partnerships, they have been reflected on the equity basis. The activity in the real estate partnerships is recorded in the financial statements of UDMO and CHI as follows:

Partnership	Percentage Ownership	Balance 9/30/03	Investment in and Changed in Advances	Share of Income (Losses) for 2004	Balance 9/30/04
Silver Lake	1.00%	$ 0	$ 0	($ 2,050)	($ 2,050)
Soiuxland Housing	1.00%	0	0	(6,292)	(6,292)
Graettinger Housing	0.01%	3,124	0	(1,048)	2,076
Carnegie	0.50%	16,011	0	(3,594)	12,417
Courtview	1.00%	56,469	0	(18,612)	37,857
Lakewood Court	0.01%	6,200	0	(13)	6,187
Marsh Place	0.01%	260,915	0	(165,768)	95,147
Century Plaza	0.01%	71,038	0	(19,578)	51,460
Hartley Housing Assoc	0.01%	63,970	0	(7,138)	56,832
Maplecrest Apartments	0.01%	12,761	0	(24)	12,737
Northwood Court	0.01%	0	0	(25)	(25)
Woodbury Park	0.01%	332	0	(11)	321
Call Terminal	0.01%	248,908	0	(223)	248,685
Ivy Apartments	0.01%	0	0	(10)	(10)
Forest City	0.01%	8,014	0	(10)	8,004
Woodbury Ridge	0.01%	0	0	(10)	(10)
Summerfield Park	0.01%	20,000	0	(17)	19,983
IHC (Washington)	0.01%	212,327	0	(9)	212,318
Van Allen	0.01%	320,000	0	(13)	319,987
Thornbury Way L.P.	0.01%	0	201,915	0	201,915
River City L.P.	0.01%	0	407,000	(3)	406,997
Prairies Townhomes	0.01%	0	40,417	0	40,417
Sibley One	1.00%	33,646	0	0	33,646
Totals		$ 1,333,715	$ 649,332	($ 224,448)	$ 1,758,599

Note 18 Investment in and Advances to Partnerships (Continued)

The aggregate financial status and activity (without any required eliminating entries) of the partnerships, as of and for the year ended September 30, 2004, are as follows:

Assets	$ 49,904,862
Less - liabilities	28,491,788
Equity	$ 21,413,074
Net loss	($ 1,275,997)

Note 19 Change in Accounting Basis

A prior period adjustment in the amount of $470,297 was recorded to account for the change in accounting basis for fixed assets. Net assets for the year ended 2003 were increased by $316,496 and $153,801 for UDMO and CHI, respectively.

In prior years, UDMO recorded all in kind contributions received for grant awards. In the current year, UDMO has only recorded in kind contributions which meet the criteria of FAS 116.

Note 20 Commitments and Contingencies

Contingent Liabilities

UDMO is a 1% general partner in a limited partnership formed to construct low-income housing. The investment in the limited partnership was $33,646 at September 30, 2004.

CHI is a 0.5% to 1% general partner in several limited partnerships formed to construct low-income housing. The investment in the limited partnerships was $1,724,953 at September 30, 2004.

Operating Deficit Guaranty

CHI and UDMO have entered into Operating Deficit Guaranty Agreements with related parties whereby CHI and UDMO are obligated to provide funding in the following amounts to the partnerships to permit the partnerships to meet all reasonable costs of operation throughout the period defined by the agreements. The guarantees have various termination dates. The maximum amounts of the guarantees are as follows:

Note 20 Commitments and Contingencies (Continued)

Operating Deficit Guaranty (Continued)

Related Party	Guaranty
River City, L.P.	$ 683,000
Van Allen, L.P.	400,000
Thornbury Way, L.P	334,000
Court View, L.P.	53,466
Graettinger Housing Associates, L.P	33,595
Hartley Housing Associates, L.P.	22,200
Maplecrest Apartments, L.P.	32,000
Lakewood Court, L.P.	17,700
Call Terminal, L.P	350,000
Ivy Apartments, L.P.	40,000
IHC Forest City, L.P. I	40,000
Summerfield Park, L.P.	40,000
Woodbury Ridge, L.P.	40,000
Century Plaza, L.P.	78,000
Marsh Place, L.P.	92,000
Carnegie Place, L.P.	35,568
Sibley One, L.P.	75,000
Prairie Townhomes, L.P.	56,000

Obligation to Purchase Interest of the Limited Partner

The partnership agreements with the related parties require the general partner to purchase the interest of the limited partner if the construction of the project is not completed by a certain date. The required completion date of the project is as follows:

Related Party	Completion Date
Prairie Townhomes, L.P.	12/31/05

Covenants Related to the Apartment Complex and the Partnership

The partnership agreements with the related parties require the general partner to pay for any construction costs of the apartment complex and required funding of the reserves that need to be made prior to the completion of the construction of the apartment project that exceed the amount that is obtained from debt, equity, rental income, or other means of revenue.

Note 21 Grant Awards

At September 30, 2004, UDMO had commitments under various grants of approximately $3,137,000. These commitments are not recognized in the accompanying financial statements as they are conditional awards.

Additional Information

Upper Des Moines Opportunity, Inc. and Related Entities

Schedule D-1
Schedule of Program Activity
Year Ended September 30, 2004

		FEDERAL PROGRAMS								
		Department of Agriculture								DHUD
		10.557			10.558					14.218
	Total	Women, Infants, and Children 5884A047 (1)	Women, Infants, and Children 1191-02-47 (2)	10.557 Subtotal	Food Reimb. 74-8011 (3)	Food Reimb. 74-8018 (4)	Food Reimb. 74-8018 (5)	Child & Adult Care Food 74-8017 (6)	10.558 Subtotal	LISC Grant (7)
REVENUE										
Net grant revenue	$ 9,940,993	$ 305,978	$ 1,035	$ 307,013	$ 149,289	$ 15,775	$ 33,348	$ 368,679	$ 567,091	$ 12,769
Program income	291,834	0	0	0	0	0	0	0	0	0
Rental income	495,441	0	0	0	0	0	0	0	0	0
Investment loss	(160,473)	0	0	0	0	0	0	0	0	0
Title XIX income	167,327	1,336	0	1,336	0	0	0	0	0	0
Donations	248,248	0	0	0	0	0	0	0	0	0
Other income	358,521	0	0	0	0	0	0	0	0	0
Management and development fees	1,268,163	0	0	0	0	0	0	0	0	0
In kind contributions	778,152	0	0	0	0	0	0	0	0	0
Total Revenue	**13,388,206**	**307,314**	**1,035**	**308,349**	**149,289**	**15,775**	**33,348**	**368,679**	**567,091**	**12,769**
EXPENSES										
Salaries	4,129,476	152,422	0	152,422	12,646	0	5,556	32,682	50,884	4,790
Fringe	996,858	36,966	0	36,966	3,129	0	1,372	7,895	12,396	1,583
Contract services	332,235	40,389	1,026	41,415	0	0	0	0	0	0
Travel	281,616	9,716	0	9,716	0	0	0	5,061	5,061	973
Space	358,030	10,357	0	10,357	0	0	0	4,440	4,440	0
Consumable supplies	815,292	8,713	9	8,722	130,732	15,775	25,165	303,020	474,692	3,396
Equipment	27,939	6,461	0	6,461	0	0	0	0	0	0
Direct client assistance	3,054,721	0	0	0	0	0	0	0	0	0
Other operational	1,009,962	8,757	0	8,757	0	0	0	8,391	8,391	2,027
Indirect	726,047	33,533	0	33,533	2,782	0	1,255	7,190	11,227	0
In kind expense	778,152	0	0	0	0	0	0	0	0	0
Total Expenses	**12,510,328**	**307,314**	**1,035**	**308,349**	**149,289**	**15,775**	**33,348**	**368,679**	**567,091**	**12,769**
Change in Net Assets	**877,878**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net assets (deficit) - September 30, 2003, as previously stated	4,187,659	0	0	0	0	0	0	0	0	0
Change in accounting basis	470,297	0	0	0	0	0	0	0	0	0
Net assets (deficit) - September 30, 2003, as restated	4,657,956	0	0	0	0	0	0	0	0	0
NET ASSETS - SEPTEMBER 30, 2004	**$ 5,535,834**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc. and Related Entities

Schedule D-2
Schedule of Program Activity
Year Ended September 30, 2004

	FEDERAL PROGRAMS								
	Department of Housing and Urban Development								DOE
	14.239						14.246	14.250	81.042
	Home Invest. Partnerships 03-HM-231-731 (8)	Home Invest. Partnerships 02-HM-215-28 (9)	Home Invest. Partnerships 02-HM-214-731 (10)	Home Invest. Partnerships 04-HM-240-721 (11)	Home Funds (12)	14.239 Subtotal	Econ. Dev Initiative (13)	Capacity Building III (14)	Weatherization DOE 04-160 (15)
REVENUE									
Net grant revenue	$ 550,845	$ 81,428	$ 65,035	$ 78,520	$ 72,000	$ 847,828	$ 15,000	$ 28,596	$ 167,265
Program income	0	0	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0	0	0
Investment loss	0	0	0	0	0	0	0	0	0
Title XIX income	0	0	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0	0	0
Other income	0	0	0	0	0	0	0	0	0
Management and development fees	0	0	0	0	0	0	0	0	0
In kind contributions	0	0	0	0	0	0	0	0	0
Total Revenue	**550,845**	**81,428**	**65,035**	**78,520**	**72,000**	**847,828**	**15,000**	**28,596**	**167,265**
EXPENSES									
Salaries	0	0	0	0	0	0	0	14,492	0
Fringe	0	0	0	0	0	0	0	2,604	0
Contract services	0	0	0	0	0	0	0	9,015	0
Travel	0	0	0	0	0	0	0	0	0
Space	0	0	0	0	0	0	0	0	0
Consumable supplies	0	0	0	0	0	0	0	180	0
Equipment	0	0	0	0	0	0	0	0	0
Direct client assistance	0	0	0	0	0	0	0	0	167,265
Other operational	550,845	81,428	65,035	78,520	72,000	847,828	15,000	2,305	0
Indirect	0	0	0	0	0	0	0	0	0
In kind expense	0	0	0	0	0	0	0	0	0
Total Expenses	**550,845**	**81,428**	**65,035**	**78,520**	**72,000**	**847,828**	**15,000**	**28,596**	**167,265**
Change in Net Assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net assets (deficit) - September 30, 2003, as previously stated	0	0	0	0	0	0	0	0	0
Change in accounting basis	0	0	0	0	0	0	0	0	0
Net assets (deficit) - September 30, 2003, as restated	0	0	0	0	0	0	0	0	0
NET ASSETS - SEPTEMBER 30, 2004	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc. and Related Entities

Schedule D-3
Schedule of Program Activity
Year Ended September 30, 2004

	FEDERAL PROGRAMS									
	DOE		Department of Health and Human Services (DHHS)							
	81.042		93.268	93.558			93.568			
	Weatherization DOE 03-160 (16)	81.042 Subtotal	Abstinence Education (17)	FaDSS 05-16-FO (18)	FaDSS 04-16-FO (19)	93.558 Subtotal	LIHEAP 04-160 (20)	HEAP 04-160 (21)	HEAP 03-160 (22)	93.568 Subtotal
REVENUE										
Net grant revenue	$ 163,628	$ 330,893	$ 0	$ 32,967	$ 104,365	$ 137,332	$ 2,294,475	$ 34,342	$ 309,845	$ 2,638,662
Program income	0	0	604	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0	0	0	0
Investment loss	0	0	0	0	0	0	0	0	0	0
Title XIX income	0	0	0	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0	0	0	0
Other income	0	0	0	0	0	0	0	0	0	0
Management and development fees	0	0	0	0	0	0	0	0	0	0
In kind contributions	0	0	0	0	0	0	0	0	0	0
Total Revenue	**163,628**	**330,893**	**604**	**32,967**	**104,365**	**137,332**	**2,294,475**	**34,342**	**309,845**	**2,638,662**
EXPENSES										
Salaries	0	0	0	18,733	56,178	74,911	124,984	70,830	69,252	265,066
Fringe	0	0	0	4,320	13,889	18,209	30,569	16,991	17,031	64,591
Contract services	0	0	0	0	53	53	0	0	0	0
Travel	0	0	0	1,774	4,851	6,625	1,032	3,426	6,295	10,753
Space	0	0	604	1,856	5,243	7,099	4,516	1,937	2,891	9,344
Consumable supplies	0	0	0	724	6,031	6,755	36,422	3,706	2,861	42,989
Equipment	0	0	0	0	0	0	0	(165)	35,666	35,501
Direct client assistance	163,628	330,893	0	0	0	0	2,064,775	(86,311)	158,326	2,136,790
Other operational	0	0	0	1,439	5,761	7,200	4,681	7,960	2,674	15,315
Indirect	0	0	0	4,121	12,359	16,480	27,496	15,968	14,849	58,313
In kind expense	0	0	0	0	0	0	0	0	0	0
Total Expenses	**163,628**	**330,893**	**604**	**32,967**	**104,365**	**137,332**	**2,294,475**	**34,342**	**309,845**	**2,638,662**
Change in Net Assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net assets (deficit) - September 30, 2003, as previously stated	0	0	0	0	0	0	0	0	0	0
Change in accounting basis	0	0	0	0	0	0	0	0	0	0
Net assets (deficit) - September 30, 2003, as restated	0	0	0	0	0	0	0	0	0	0
NET ASSETS - SEPTEMBER 30, 2004	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc. and Related Entities

Schedule D-4
Schedule of Program Activity
Year Ended September 30, 2004

	FEDERAL PROGRAMS									
	Department of Health and Human Services (DHHS)									
	93.569	93.575			93.600					93.994
	CSBG 04-16-CO (23)	Resource and Referral (24)	Resource and Referral (25)	93.575 Subtotal	Early H.S. 07CH6131/38 (26)	Early H.S. 07CH6131/37 (27)	Head Start 07CH6131/38 (28)	Head Start 07CH6131/37 (29)	93.600 Subtotal	Maternal and Child 5884AO47 (30)
REVENUE										
Net grant revenue	$ 414,717	$ 7,507	$ 39,373	$ 46,880	$ 433,272	$ 406,381	$ 1,181,683	$ 985,847	$ 3,007,183	$ 100,949
Program income	0	0	113	113	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0	0	0	0
Investment loss	0	0	0	0	0	0	0	0	0	0
Title XIX income	0	0	0	0	0	0	0	0	0	151,349
Donations	0	0	0	0	0	640	841	262	1,743	0
Other income	0	0	0	0	0	0	0	0	0	0
Management and development fees	0	0	0	0	0	0	0	0	0	0
In kind contributions	0	0	10,429	10,429	108,318	105,127	302,470	212,392	728,307	0
Total Revenue	**414,717**	**7,507**	**49,915**	**57,422**	**541,590**	**512,148**	**1,484,994**	**1,198,501**	**3,737,233**	**252,298**
EXPENSES										
Salaries	275,809	3,517	16,532	20,049	271,436	241,117	672,766	548,165	1,733,484	144,734
Fringe	66,864	811	4,088	4,899	65,582	59,081	162,697	134,360	421,720	35,287
Contract services	7,296	0	0	0	1,180	846	15,529	12,905	30,460	14,807
Travel	0	427	1,307	1,734	7,718	11,071	32,580	61,395	112,764	4,082
Space	0	282	1,352	1,634	7,359	8,812	35,639	37,471	89,281	6,350
Consumable supplies	0	271	2,656	2,927	8,764	17,811	50,123	50,208	126,906	8,480
Equipment	0	0	0	0	0	0	12,008	1,959	13,967	0
Direct client assistance	1,250	0	0	0	0	0	0	0	0	0
Other operational	2,820	1,425	9,912	11,337	11,517	15,237	53,174	19,050	98,978	6,717
Indirect	60,678	774	3,639	4,413	59,716	53,046	148,008	120,596	381,366	31,841
In kind expense	0	0	10,429	10,429	108,318	105,127	302,470	212,392	728,307	0
Total Expenses	**414,717**	**7,507**	**49,915**	**57,422**	**541,590**	**512,148**	**1,484,994**	**1,198,501**	**3,737,233**	**252,298**
Change in Net Assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net assets (deficit) - September 30, 2003, as previously stated	0	0	0	0	0	0	0	0	0	0
Change in accounting basis	0	0	0	0	0	0	0	0	0	0
Net assets (deficit) - September 30, 2003, as restated	0	0	0	0	0	0	0	0	0	0
NET ASSETS - SEPTEMBER 30, 2004	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc. and Related Entities

Schedule D-5
Schedule of Program Activity
Year Ended September 30, 2004

	FEDERAL PROGRAMS				STATE AND LOCAL PROGRAMS				
	DHHS 93.994		DHS 97.024						
	Dental Sealant 5884DHO7 (31)	93.994 Subtotal	Emergency Food & Shelter (32)	Total Federal Programs	Buena Vista Empowerment (33)	Buena Vista Empowerment (34)	Emmet Empowerment (35)	Lakes Empowerment (36)	Lakes Empowerment (37)
REVENUE									
Net grant revenue	$ 15,000	$ 115,949	$ 35,165	$ 8,505,078	$ 11,408	$ 28,321	$ 5,248	$ 42,628	$ 189,085
Program income	0	0	0	717	0	0	0	0	445
Rental income	0	0	0	0	0	0	0	0	0
Investment loss	0	0	0	0	0	0	0	0	0
Title XIX income	13,544	164,893	0	166,229	0	0	0	0	0
Donations	0	0	0	1,743	0	0	0	0	0
Other income	0	0	0	0	0	0	0	0	0
Management and development fees	0	0	0	0	0	0	0	0	0
In kind contributions	0	0	0	738,736	0	0	0	0	0
Total Revenue	**28,544**	**280,842**	**35,165**	**9,412,503**	**11,408**	**28,321**	**5,248**	**42,628**	**189,530**
EXPENSES									
Salaries	0	144,734	0	2,736,641	6,307	12,896	0	20,901	93,401
Fringe	0	35,287	0	665,119	1,454	3,197	0	4,820	23,090
Contract services	24,125	38,932	451	127,622	0	0	0	84	183
Travel	1,225	5,307	0	152,933	901	5,635	0	4,639	11,347
Space	0	6,350	0	129,109	230	0	0	380	3,391
Consumable supplies	2,917	11,397	0	677,964	302	2,363	1,555	1,589	7,317
Equipment	0	0	0	55,929	0	0	0	0	0
Direct client assistance	0	0	34,543	2,503,476	0	0	0	0	0
Other operational	277	6,994	171	1,027,123	826	1,398	3,693	5,617	30,253
Indirect	0	31,841	0	597,851	1,388	2,832	0	4,598	20,548
In kind expense	0	0	0	738,736	0	0	0	0	0
Total Expenses	**28,544**	**280,842**	**35,165**	**9,412,503**	**11,408**	**28,321**	**5,248**	**42,628**	**189,530**
Change in Net Assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net assets (deficit) - September 30, 2003, as previously stated	0	0	0	0	0	0	0	0	0
Change in accounting basis	0	0	0	0	0	0	0	0	0
Net assets (deficit) - September 30, 2003, as restated	0	0	0	0	0	0	0	0	0
NET ASSETS - SEPTEMBER 30, 2004	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc. and Related Entities

Schedule D-6
Schedule of Program Activity
Year Ended September 30, 2004

	STATE AND LOCAL PROGRAMS										
	Hawk-I (38)	Teammates for Kids (39)	Pocahontas Emergency Funds (40)	Pocahontas Emergency Funds (41)	Lakes Emergency Funds (42)	Life Skills (43)	Life Skills (44)	Decat Coordinators (45)	Decat Coordinators (46)	Child Care Resource and Referral (47)	Child Care Resource and Referral (48)
REVENUE											
Net grant revenue	$ 10,481	$ 9,200	$ 9,109	$ 26,880	$ 5,994	$ 3,093	$ 17,997	$ 3,917	$ 10,921	$ 10,533	$ 30,298
Program income	0	0	0	0	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0	0	0	0	0
Investment loss	0	0	0	0	0	0	0	0	0	0	0
Title XIX income	0	0	0	0	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0	0	0	0	0
Other income	0	0	0	0	0	0	0	0	0	0	0
Management and development fees	0	0	0	0	0	0	0	0	0	0	0
In kind contributions	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	**10,481**	**9,200**	**9,109**	**26,880**	**5,994**	**3,093**	**17,997**	**3,917**	**10,921**	**10,533**	**30,298**
EXPENSES											
Salaries	2,576	0	0	0	0	1,745	11,193	2,385	6,875	5,595	12,099
Fringe	623	0	0	0	0	398	2,778	550	1,699	1,290	3,005
Contract services	6,270	9,151	0	0	3,110	0	0	0	0	0	0
Travel	399	0	0	0	0	172	262	431	687	1,288	1,100
Space	0	0	0	0	0	15	0	0	0	0	0
Consumable supplies	47	49	0	0	0	187	633	0	0	166	2,598
Equipment	0	0	0	0	0	0	0	0	0	0	0
Direct client assistance	0	0	9,109	26,880	2,884	0	0	0	0	0	0
Other operational	0	0	0	0	0	192	668	26	147	963	8,834
Indirect	566	0	0	0	0	384	2,463	525	1,513	1,231	2,662
In kind expense	0	0	0	0	0	0	0	0	0	0	0
Total Expenses	**10,481**	**9,200**	**9,109**	**26,880**	**5,994**	**3,093**	**17,997**	**3,917**	**10,921**	**10,533**	**30,298**
Change in Net Assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net assets (deficit) - September 30, 2003, as previously stated	0	0	0	0	0	0	0	0	0	0	0
Change in accounting basis	0	0	0	0	0	0	0	0	0	0	0
Net assets (deficit) - September 30, 2003, as restated	0	0	0	0	0	0	0	0	0	0	0
NET ASSETS - SEPTEMBER 30, 2004	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

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Upper Des Moines Opportunity, Inc. and Related Entities

Schedule D-7
Schedule of Program Activity
Year Ended September 30, 2004

	STATE AND LOCAL PROGRAMS										
	Elderly (49)	Elderly (50)	Embrace Iowa (51)	Medical Access Assistance (52)	Sibley Wrap (53)	Buena Vista Decat (54)	Buena Vista Decat (55)	Home Repair (56)	Home Repair (57)	Chore Services (58)	Chore Services (59)
REVENUE											
Net grant revenue	$ 12,254	$ 48,229	$ 7,604	$ 6,125	$ 31	$ 12,063	$ 7,151	$ 5,322	$ 40,615	$ 6	$ 37,123
Program income	0	0	0	0	0	0	0	0	0	0	3,774
Rental income	0	0	0	0	0	0	0	0	0	0	0
Investment loss	0	0	0	0	0	0	0	0	0	0	0
Title XIX income	0	0	0	0	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0	0	0	0	0
Other income	0	0	0	0	0	0	0	0	0	0	0
Management and development fees	0	0	0	0	0	0	0	0	0	0	0
In kind contributions	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	**12,254**	**48,229**	**7,604**	**6,125**	**31**	**12,063**	**7,151**	**5,322**	**40,615**	**6**	**40,897**
EXPENSES											
Salaries	1,365	4,053	0	0	0	0	0	0	0	0	0
Fringe	315	1,003	0	0	0	0	0	0	0	0	0
Contract services	10,238	41,779	0	0	0	0	0	0	2,472	0	1,594
Travel	21	345	0	0	0	0	0	0	0	0	0
Space	0	0	0	0	0	0	0	0	0	0	0
Consumable supplies	0	0	0	0	0	0	0	0	0	6	203
Equipment	0	0	0	0	0	0	0	0	0	0	0
Direct client assistance	0	0	7,604	6,125	31	12,063	7,151	5,322	38,143	0	39,100
Other operational	15	157	0	0	0	0	0	0	0	0	0
Indirect	300	892	0	0	0	0	0	0	0	0	0
In kind expense	0	0	0	0	0	0	0	0	0	0	0
Total Expenses	**12,254**	**48,229**	**7,604**	**6,125**	**31**	**12,063**	**7,151**	**5,322**	**40,615**	**6**	**40,897**
Change in Net Assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net assets (deficit) - September 30, 2003, as previously stated	0	0	0	0	0	0	0	0	0	0	0
Change in accounting basis	0	0	0	0	0	0	0	0	0	0	0
Net assets (deficit) - September 30, 2003, as restated	0	0	0	0	0	0	0	0	0	0	0
NET ASSETS - SEPTEMBER 30, 2004	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc. and Related Entities

Schedule D-8
Schedule of Program Activity
Year Ended September 30, 2004

	STATE AND LOCAL PROGRAMS									
	HSOGP 05-II-74003 (60)	HSOGP 04-II-74003 (61)	Safe Harbor (62)	Safe Harbor (63)	Sheldon Wrap (64)	Sheldon Wrap (65)	Child Dev. Spirit Lake UD-05-0495-115 (66)	Child Dev. Spirit Lake UD-04-0495-115 (67)	Clay Wrap Around (68)	Clay Wrap Around (69)
REVENUE										
Net grant revenue	$ 5,804	$ 13,573	$ 2,023	$ 10,925	$ 895	$ 17,846	$ 11,327	$ 42,133	$ 3,087	$ 35,703
Program income	0	0	0	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0	0	0	0
Investment loss	0	0	0	0	0	0	0	0	0	0
Title XIX income	0	0	0	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0	100	0	0
Other income	0	0	0	0	0	0	0	0	0	0
Management and development fees	0	0	0	0	0	0	0	0	0	0
In kind contributions	0	0	0	0	0	0	3,312	5,438	0	0
Total Revenue	**5,804**	**13,573**	**2,023**	**10,925**	**895**	**17,846**	**14,639**	**47,671**	**3,087**	**35,703**
EXPENSES										
Salaries	0	1,226	189	871	384	3,708	6,658	23,676	1,930	19,223
Fringe	0	307	44	217	75	918	1,535	5,870	427	4,755
Contract services	0	0	0	0	0	286	84	263	0	116
Travel	0	0	0	0	0	0	319	999	0	10
Space	0	0	1,200	4,000	299	10,110	247	2,293	300	2,400
Consumable supplies	0	2	0	556	0	0	843	1,573	6	404
Equipment	0	0	0	0	0	0	0	0	0	0
Direct client assistance	5,804	11,768	549	5,089	52	2,008	0	0	0	4,482
Other operational	0	0	0	0	0	0	176	2,350	0	84
Indirect	0	270	41	192	85	816	1,465	5,209	424	4,229
In kind expense	0	0	0	0	0	0	3,312	5,438	0	0
Total Expenses	**5,804**	**13,573**	**2,023**	**10,925**	**895**	**17,846**	**14,639**	**47,671**	**3,087**	**35,703**
Change in Net Assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net assets (deficit) - September 30, 2003, as previously stated	0	0	0	0	0	0	0	0	0	0
Change in accounting basis	0	0	0	0	0	0	0	0	0	0
Net assets (deficit) - September 30, 2003, as restated	0	0	0	0	0	0	0	0	0	0
NET ASSETS - SEPTEMBER 30, 2004	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc. and Related Entities

Schedule D-9
Schedule of Program Activity
Year Ended September 30, 2004

	STATE AND LOCAL PROGRAMS								
	Child Dev. Spencer UD-05-3490-114 (70)	Child Dev. Spencer UD-04-3490-114 (71)	Child Dev. Storm Lake UD-05-0495-116 (72)	Child Dev. Storm Lake UD-04-0495-116 (73)	Project Helper (74)	RIF (75)	I CARE IPS (76)	I CARE IPS (77)	Project Share Utilities (78)
REVENUE									
Net grant revenue	$ 16,877	$ 48,483	$ 11,650	$ 45,079	$ 0	$ 0	$ 0	$ 0	$ 0
Program income	0	0	0	0	7,737	0	3,781	1,176	3,772
Rental income	0	0	0	0	0	0	0	0	0
Investment loss	0	0	0	0	0	0	0	0	0
Title XIX income	0	0	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0	0	0
Other income	0	0	0	0	0	2,197	5,425	(5,425)	3,333
Management and development fees	0	0	0	0	0	0	0	0	0
In kind contributions	3,201	8,681	2,857	284	0	0	0	0	0
Total Revenue	**20,078**	**57,164**	**14,507**	**45,363**	**7,737**	**2,197**	**9,206**	**(4,249)**	**7,105**
EXPENSES									
Salaries	10,209	29,271	7,325	28,476	0	0	0	0	0
Fringe	2,336	7,264	1,689	7,035	0	0	0	0	0
Contract services	84	203	84	372	0	0	0	0	0
Travel	218	54	144	176	0	0	0	0	0
Space	224	1,853	0	0	0	0	0	0	0
Consumable supplies	391	2,398	687	1,948	0	2,197	0	0	0
Equipment	0	0	0	0	0	0	0	0	0
Direct client assistance	0	0	0	0	5,434	0	4,541	842	2,810
Other operational	1,169	1,032	110	807	567	0	0	0	0
Indirect	2,246	6,408	1,611	6,265	0	0	0	0	0
In kind expense	3,201	8,681	2,857	284	0	0	0	0	0
Total Expenses	**20,078**	**57,164**	**14,507**	**45,363**	**6,001**	**2,197**	**4,541**	**842**	**2,810**
Change in Net Assets	**0**	**0**	**0**	**0**	**1,736**	**0**	**4,665**	**(5,091)**	**4,295**
Net assets (deficit) - September 30, 2003, as previously stated	0	0	0	0	1,960	0	0	5,091	0
Change in accounting basis	0	0	0	0	0	0	0	0	0
Net assets (deficit) - September 30, 2003, as restated	0	0	0	0	1,960	0	0	5,091	0
NET ASSETS - SEPTEMBER 30, 2004	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 3,696**	**$ 0**	**$ 4,665**	**$ 0**	**$ 4,295**

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc. and Related Entities

Schedule D-10
Schedule of Program Activity
Year Ended September 30, 2004

	STATE AND LOCAL PROGRAMS									
	Project Share Utilities (79)	FaDSS 05-16-FO (80)	FaDSS 04-16-FO (81)	Maternal and Child 5884AO47 (82)	Aquila 04-160 (83)	Aquila 03-160 (84)	IPL 04-160 (85)	MEC 04-160 (86)	MEC 03-160 (87)	Ham, Hum, Wr Emergency Funds (88)
REVENUE										
Net grant revenue	$ 0	$ 29,235	$ 92,550	$ 29,679	$ 34,185	$ 8,245	$ 36,184	$ 90,694	$ 17,400	$ 9,054
Program income	45	0	5,590	96	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0	0	0	0
Investment loss	0	0	0	0	0	0	0	0	0	0
Title XIX income	0	0	0	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0	0	0	0
Other income	(3,333)	0	0	0	0	0	0	0	0	0
Management and development fees	0	0	0	0	0	0	0	0	0	0
In kind contributions	0	0	0	0	0	0	0	0	0	0
Total Revenue	**(3,288)**	**29,235**	**98,140**	**29,775**	**34,185**	**8,245**	**36,184**	**90,694**	**17,400**	**9,054**
EXPENSES										
Salaries	0	16,613	49,819	17,081	0	0	0	0	0	0
Fringe	0	3,831	12,317	4,164	0	0	0	0	0	0
Contract services	0	0	47	1,747	0	0	0	0	0	0
Travel	0	1,573	4,302	481	0	0	0	0	0	0
Space	0	1,646	4,649	750	0	0	0	0	0	0
Consumable supplies	0	642	5,348	1,001	0	0	0	0	0	0
Equipment	0	0	0	0	0	0	0	0	0	0
Direct client assistance	816	0	0	0	34,185	8,245	36,184	90,694	17,400	9,054
Other operational	0	1,275	10,698	793	0	0	0	0	0	0
Indirect	0	3,655	10,960	3,758	0	0	0	0	0	0
In kind expense	0	0	0	0	0	0	0	0	0	0
Total Expenses	**816**	**29,235**	**98,140**	**29,775**	**34,185**	**8,245**	**36,184**	**90,694**	**17,400**	**9,054**
Change in Net Assets	**(4,104)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net assets (deficit) - September 30, 2003, as previously stated	4,104	0	0	0	0	0	0	0	0	0
Change in accounting basis	0	0	0	0	0	0	0	0	0	0
Net assets (deficit) - September 30, 2003, as restated	4,104	0	0	0	0	0	0	0	0	0
NET ASSETS - SEPTEMBER 30, 2004	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc. and Related Entities

Schedule D-11
Schedule of Program Activity
Year Ended September 30, 2004

	STATE AND LOCAL PROGRAMS										
	Resource and Referral (89)	Resource and Referral (90)	NWIRHA Fam. Dev. (91)	NWIRHA Fam. Dev. (92)	Dads Make A Difference (93)	Dads Make A Difference (94)	Kossuth Wrap Around (95)	Kossuth Wrap Around (96)	Community Development (97)	Iowa Finance Authority (98)	Total State and Local Programs
REVENUE											
Net grant revenue	$ 11,261	$ 59,060	$ 16,454	$ 23,023	$ 911	$ 3,272	$ 7,867	$ 16,901	$ 30,000	$ 62,899	$ 1,435,915
Program income	0	169	0	0	0	0	0	0	0	0	26,585
Rental income	0	0	0	0	0	0	0	0	0	0	0
Investment loss	0	0	0	0	0	0	0	0	0	0	0
Title XIX income	0	0	0	0	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0	0	0	0	100
Other income	0	0	0	0	0	0	0	0	0	0	2,197
Management and development fees	0	0	0	0	0	0	0	0	0	0	0
In kind contributions	0	15,643	0	0	0	0	0	0	0	0	39,416
Total Revenue	**11,261**	**74,872**	**16,454**	**23,023**	**911**	**3,272**	**7,867**	**16,901**	**30,000**	**62,899**	**1,504,213**
EXPENSES											
Salaries	5,276	24,799	9,700	13,580	603	1,803	0	0	0	0	453,811
Fringe	1,217	6,131	2,312	3,346	139	446	0	0	0	0	110,597
Contract services	0	0	0	686	0	(1,119)	0	0	0	0	77,734
Travel	641	1,961	1,125	1,090	0	335	0	0	0	0	40,655
Space	423	2,028	0	0	0	0	0	0	0	0	36,438
Consumable supplies	407	3,983	499	533	36	1,171	0	0	0	0	41,640
Equipment	0	0	0	0	0	0	0	0	0	0	0
Direct client assistance	0	0	0	0	0	0	7,867	16,901	0	0	419,137
Other operational	2,137	14,868	602	882	0	240	0	0	30,000	62,899	183,478
Indirect	1,160	5,459	2,216	2,906	133	396	0	0	0	0	99,806
In kind expense	0	15,643	0	0	0	0	0	0	0	0	39,416
Total Expenses	**11,261**	**74,872**	**16,454**	**23,023**	**911**	**3,272**	**7,867**	**16,901**	**30,000**	**62,899**	**1,502,712**
Change in Net Assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,501**
Net assets (deficit) - September 30, 2003, as previously stated	0	0	0	0	0	0	0	0	0	0	11,155
Change in accounting basis	0	0	0	0	0	0	0	0	0	0	0
Net assets (deficit) - September 30, 2003, as restated	0	0	0	0	0	0	0	0	0	0	11,155
NET ASSETS - SEPTEMBER 30, 2004	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 12,656**

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Upper Des Moines Opportunity, Inc. and Related Entities

Schedule D-12
Schedule of Program Activity
Year Ended September 30, 2004

	TOTAL PROGRAM ACTIVITY	DISCRETIONARY						
		CHI (99)	Davenport Manor (100)	Eliminating Entry (101)	Outreach UDMO (102)	Rental UDMO (103)	Corporate UDMO (104)	TOTAL DISCRETIONARY
REVENUE								
Net grant revenue	$ 9,940,993	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Program income	27,302	0	0	0	201,574	0	62,958	264,532
Rental income	0	84,697	328,787	0	0	81,957	0	495,441
Investment loss	0	(178,373)	470	0	5	101	17,324	(160,473)
Title XIX income	166,229	0	0	0	0	0	1,098	1,098
Donations	1,843	0	0	(10,000)	203,886	84	52,435	246,405
Other income	2,197	150,074	16,241	0	47,489	51,334	91,186	356,324
Management and development fees	0	1,305,030	0	(36,867)	0	0	0	1,268,163
In kind contributions	778,152	0	0	0	0	0	0	0
Total Revenue	**10,916,716**	**1,361,428**	**345,498**	**(46,867)**	**452,954**	**133,476**	**225,001**	**2,471,490**
EXPENSES								
Salaries	3,190,452	400,947	4,030	0	69,839	0	464,208	939,024
Fringe	775,716	91,265	149	0	16,916	0	112,812	221,142
Contract services	205,356	29,159	46,572	0	1,592	12,137	37,419	126,879
Travel	193,588	5,463	1,256	0	19,343	0	61,966	88,028
Space	165,547	15,900	0	0	99,590	29,563	47,430	192,483
Consumable supplies	719,604	7,506	30,497	0	13,182	395	44,108	95,688
Equipment	55,929	0	0	0	0	0	(27,990)	(27,990)
Direct client assistance	2,922,613	0	0	0	126,793	0	5,315	132,108
Other operational	1,210,601	186,765	207,866	(46,867)	25,509	25,137	(599,049)	(200,639)
Indirect	697,657	0	0	0	15,361	0	13,029	28,390
In kind expense	778,152	0	0	0	0	0	0	0
Total Expenses	**10,915,215**	**737,005**	**290,370**	**(46,867)**	**388,125**	**67,232**	**159,248**	**1,595,113**
Change in Net Assets	**1,501**	**624,423**	**55,128**	**0**	**64,829**	**66,244**	**65,753**	**876,377**
Net assets (deficit) - September 30, 2003, as previously stated	11,155	3,305,179	(45,340)	0	590,236	8,362	318,067	4,176,504
Change in accounting basis	0	153,801	0	0	0	0	316,496	470,297
Net assets (deficit) - September 30, 2003, as restated	11,155	3,458,980	(45,340)	0	590,236	8,362	634,563	4,646,801
NET ASSETS - SEPTEMBER 30, 2004	**$ 12,656**	**$ 4,083,403**	**$ 9,788**	**$ 0**	**$ 655,065**	**$ 74,606**	**$ 700,316**	**$ 5,523,178**

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc. and Related Entities

Schedule E-1
Schedule of Expenditures of Federal Awards and List of Programs
Year Ended September 30, 2004

Federal Grantor/Program Title	CFDA Number	Funding Source/ Pass-Through Entity	Program Period	Federal Expenditures
DEPARTMENT OF AGRICULTURE				
(1) Women, Infants, and Children 5884A047	10.557	Iowa Department of Public Health	10/01/03-09/30/04	$ 305,978
(2) Women, Infants, and Children 1191-02-47		Iowa Department of Public Health	03/01/02-12/31/04	1,035
		Total Federal Expenditures CFDA 10.557		**307,013**
(3) DPI Food Reimbursement 74-8011	10.558	Iowa Department of Education	10/01/03-09/30/04	149,289
(4) CDC DPI Food Reimbursement 74-8018		Iowa Department of Education	10/01/03-09/30/04	15,775
(5) CDC DPI Food Reimbursement 74-8018		Iowa Department of Education	10/01/03-09/30/04	33,348
(6) Child and Adult Care Food Program 74-8017		Iowa Department of Education	10/01/03-09/30/04	368,679
		Total Federal Expenditures CFDA 10.558		**567,091**
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
(7) Local Initiatives Support Corp.	14.218	Iowa Department of Economic Development	05/01/04-04/30/05	**12,769**
(8) Home Investment Partnerships 03-HM-231-731	14.239	Iowa Department of Economic Development	05/28/03-04/30/05	550,845
(9) Home Investment Partnerships 02-HM-215-28		Iowa Department of Economic Development	04/03/02-07/31/04	81,428
(10) Home Investment Partnerships 02-HM-214-731		Iowa Department of Economic Development	04/03/02-09/30/04	65,035
(11) Home Investment Partnerships 04-HM-240-721		Iowa Department of Economic Development	05/03/04-04/30/06	78,520
(12) Home Funds		Iowa Department of Economic Development	11/15/02-12/31/04	72,000
Home Loans		Iowa Department of Economic Development	10/01/03-09/30/04	1,294,623
		Total Federal Expenditures CFDA 14.239		**2,142,451**
(13) Economic Development Initiative	14.246	Scott County Housing Council	05/20/04-06/01/05	**15,000**
(14) Capacity Building	14.250	Enterprise Foundation	03/28/00-06/30/05	**28,596**
DEPARTMENT OF ENERGY				
(15) Weatherization DOE 04-160	81.042	Iowa Department of Human Rights	04/01/04-03/31/05	167,265
(16) Weatherization DOE 03-160		Iowa Department of Human Rights	04/01/02-03/31/03	163,628
		Total Federal Expenditures CFDA 81.042		**330,893**

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc. and Related Entities

Schedule E-2
Schedule of Expenditures of Federal Awards and List of Programs
Year Ended September 30, 2004

Federal Grantor/Program Title	CFDA Number	Funding Source/ Pass-Through Entity	Program Period	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
(17) Abstinence Education	93.268	Iowa Department of Public Health	10/01/03-09/30/04	**0**
(18) FaDSS 05-16-FO	93.558	Iowa Department of Human Rights	07/01/04-06/30/05	32,967
(19) FaDSS 04-16-FO		Iowa Department of Human Rights	07/01/03-06/30/04	104,365
		Total Federal Expenditures CFDA 93.558		**137,332**
(20) LIHEAP 04-160	93.568	Iowa Department of Human Rights	10/01/03-09/30/04	2,294,475
(21) HEAP 04-160		Iowa Department of Human Rights	04/01/04-03/31/05	34,342
(22) HEAP 03-160		Iowa Department of Human Rights	04/01/03-03/31/04	309,845
		Total Federal Expenditures CFDA 93.568		**2,638,662**
(23) Community Service Block Grant 04-16-CO	93.569	Iowa Department of Human Rights	10/01/03-09/30/04	**414,717**
(24) Resource and Referral	93.575	Iowa Department of Human Services	07/01/04-06/30/05	7,507
(25) Resource and Referral		Iowa Department of Human Services	07/01/03-06/30/04	39,373
		Total Federal Expenditures CFDA 93.575		**46,880**
(26) Early Head Start 07CH6131/38	93.600	Department of Health and Human Services	03/01/04-02/28/05	433,272
(27) Early Head Start 07CH6131/37		Department of Health and Human Services	03/01/03-02/28/04	406,381
(28) Head Start 07CH6131/38		Department of Health and Human Services	03/01/04-02/28/05	1,181,683
(29) Head Start 07CH6131/37		Department of Health and Human Services	03/01/03-02/28/04	985,847
		Total Federal Expenditures CFDA 93.600		**3,007,183**
(30) Maternal and Child Health 5884AO47	93.994	Iowa Department of Public Health	10/01/03-09/30/04	100,949
(31) Dental Sealant 5884DHO7		Iowa Department of Public Health	10/01/03-09/30/04	15,000
		Total Federal Expenditures CFDA 93.994		**115,949**

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc. and Related Entities

Schedule E-3
Schedule of Expenditures of Federal Awards and List of Programs
Year Ended September 30, 2004

Federal Grantor/Program Title	CFDA Number	Funding Source/ Pass-Through Entity	Program Period	Federal Expenditures
DEPARTMENT OF HOMELAND SECURITY				
(32) Emergency Food and Shelter National Board Program	97.024	Department of Homeland Security	10/01/03-09/30/04	**35,165**
		TOTAL FEDERAL EXPENDITURES		**$ 9,799,701**
STATE AND LOCAL PROGRAMS				
(33) Buena Vista Empowerment		Buena Vista Empowerment	07/01/04-06/30/05	
(34) Buena Vista Empowerment		Buena Vista Empowerment	07/01/03-06/30/04	
(35) Emmet Empowerment		Emmet Empowerment	10/01/03-09/30/04	
(36) Lakes Empowerment		Lakes Area Empowerment	07/01/04-06/30/05	
(37) Lakes Empowerment		Lakes Area Empowerment	07/01/03-06/30/04	
(38) Hawk-I		Iowa Department of Human Rights	07/01/03-09/30/04	
(39) Teammates for Kids		Iowa Department of Human Services	01/01/04-12/31/04	
(40) Pocahontas Emergency Funds		Iowa Department of Human Services	07/01/04-06/30/05	
(41) Pocahontas Emergency Funds		Iowa Department of Human Services	07/01/03-06/30/04	
(42) Lakes Emergency Funds		Iowa Department of Human Services	10/01/03-09/30/04	
(43) Life Skills		Iowa Department of Human Services	07/01/04-06/30/05	
(44) Life Skills		Iowa Department of Human Services	07/01/03-06/30/04	
(45) Decat Coordinators		Iowa Department of Human Services	07/01/04-06/30/05	
(46) Decat Coordinators		Iowa Department of Human Services	07/01/03-06/30/04	
(47) Child Care Resource and Referral		Emmet Co. Empowerment	07/01/04-06/30/05	
(48) Child Care Resource and Referral		Emmet Co. Empowerment	07/01/03-06/30/04	
(49) Elderly		Northwest Aging Association	07/01/04-06/30/05	
(50) Elderly		Northwest Aging Association	07/01/03-06/30/04	
(51) Embrace Iowa		ICAA-The Des Moines Register	10/01/03-09/30/04	
(52) Medical Access Assistance		Elderbridge Agency on Aging	07/01/03-06/30/04	
(53) Sibley Wrap		Iowa Department of Human Services	09/01/04-08/31/05	
(54) Buena Vista Decat		Iowa Department of Human Services	07/01/04-06/30/05	

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc. and Related Entities

Schedule E-4
Schedule of Expenditures of Federal Awards and List of Programs
Year Ended September 30, 2004

Federal Grantor/Program Title	Funding Source/ Pass-Through Entity	Program Period
STATE AND LOCAL PROGRAMS (continued)		
(55) Buena Vista Decat	Iowa Department of Human Services	07/01/03-06/30/04
(56) Home Repair	Elderbridge Agency and Northwest Aging	07/01/04-06/30/05
(57) Home Repair	Elderbridge Agency and Northwest Aging	07/01/03-06/30/04
(58) Chore Services	Elderbridge Agency and Northwest Aging	07/01/04-06/30/05
(59) Chore Services	Elderbridge Agency and Northwest Aging	07/01/03-06/30/04
(60) HSOGP 05-II-74003	Iowa Department of Economic Development	07/01/04-06/30/05
(61) HSOGP 04-II-74003	Iowa Department of Economic Development	07/01/03-06/30/04
(62) Safe Harbor	Iowa Department of Economic Development	07/01/04-06/30/05
(63) Safe Harbor	Iowa Department of Economic Development	07/01/03-06/30/04
(64) Sheldon Wrap	Iowa Department of Human Services	09/01/04-08/31/05
(65) Sheldon Wrap	Iowa Department of Human Services	09/01/03-08/31/04
(66) Child Development - Spirit Lake UD-05-0495-115	Iowa Department of Education	07/01/04-06/30/05
(67) Child Development - Spirit Lake UD-04-0495-115	Iowa Department of Education	07/01/03-06/30/04
(68) Clay Wrap Around	Iowa Department of Education	09/01/04-08/31/05
(69) Clay Wrap Around	Iowa Department of Education	09/01/03-08/31/04
(70) Child Development - Spencer UD-05-3490-114	Iowa Department of Education	07/01/04-06/30/05
(71) Child Development - Spencer UD-04-3490-114	Iowa Department of Education	07/01/03-06/30/04
(72) Child Development - Storm Lake UD-05-0495-116	Iowa Department of Education	07/01/04-06/30/05
(73) Child Development - Storm Lake UD-04-0495-116	Iowa Department of Education	07/01/03-06/30/04
(74) Project Helper	Iowa Department of Human Services/ICAA	10/01/03-09/30/04
(75) RIF	Local Donations	10/01/03-09/30/04
(76) I CARE IPS	Iowa Public Service	01/01/04-12/31/04
(77) I CARE IPS	Iowa Public Service	01/01/03-12/31/03
(78) Project Share Utilities	Various Utilities	01/01/04-12/31/04

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc. and Related Entities

Schedule E-5
Schedule of Expenditures of Federal Awards and List of Programs
Year Ended September 30, 2004

Federal Grantor/Program Title	Funding Source/ Pass-Through Entity	Program Period
STATE AND LOCAL PROGRAMS (continued)		
(79) Project Share Utilities	Various Utilities	01/01/03-12/31/03
(80) FaDSS 05-16-FO	Iowa Department of Human Rights	07/01/04-06/30/05
(81) FaDSS 04-16-FO	Iowa Department of Human Rights	07/01/03-06/30/04
(82) Maternal and Child Health 5884AO47	Iowa Department of Public Health	10/01/03-09/30/04
(83) Aquila 04-160	Iowa Department of Human Rights	01/01/04-12/31/04
(84) Aquila 03-160	Iowa Department of Human Rights	01/01/03-12/31/03
(85) IPL Weatherization 04-160	Iowa Department of Human Rights	01/01/04-12/31/04
(86) MEC Weatherization 04-160	Iowa Department of Human Rights	01/01/04-12/31/04
(87) MEC Weatherization 03-160	Iowa Department of Human Rights	01/01/03-12/31/03
(88) Ham, Hum, Wr Emergency	Iowa Department of Human Services	07/01/03-06/30/04
(89) Resource and Referral	Iowa Department of Human Services	07/01/04-06/30/05
(90) Resource and Referral	Iowa Department of Human Services	07/01/03-06/30/04
(91) NWIRHA Family Development	Northwest Iowa Regional Housing Authority	05/01/04-04/30/05
(92) NWIRHA Family Development	Northwest Iowa Regional Housing Authority	05/01/03-04/30/04
(93) Dads Make a Difference	Webster County Family Development Council	07/01/04-06/30/05
(94) Dads Make a Difference	Webster County Family Development Council	07/01/03-06/30/04
(95) Kossuth Wrap Around	Iowa Department of Human Services	07/01/04-06/30/05
(96) Kossuth Wrap Around	Iowa Department of Human Services	07/01/03-06/30/04
(97) Community Development	City of Clinton	10/01/03-09/30/04
(98) Iowa Finance Authority	Iowa Finance Authority	10/01/03-09/30/04

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc. and Related Entities

Schedule E-6
Schedule of Expenditures of Federal Awards and List of Programs
Year Ended September 30, 2004

Federal Grantor/Program Title	Funding Source/ Pass-Through Entity	Program Period
DISCRETIONARY		
(99) Community Housing Initiatives	Rental activity and management and development fees	10/01/03-09/30/04
(100) Davenport Manor	Rental activity	10/31/03-09/30/04
(101) Eliminating Entry		
(102) Outreach UDMO	Fees, program income, donations	10/01/03-09/30/04
(103) Rental UDMO	Rental activity	10/01/03-09/30/04
(104) Corporate UDMO	Discretionary interest, misc. income activities	10/01/03-09/30/04

Notes to Schedule of Expenditures of Federal Awards and List of Programs

NOTE 1 - This schedule includes the federal grant activity of Upper Des Moines Opportunity, Inc. and Related Entities 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 Non-Profit Organizations.* 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 - The expenses reported on Schedule D-1 to D-11 include both federal and nonfederal expenditures and are for the period October 1, 2003 to September 30, 2004. The federal expenditures represent the amount of federal grant funds expended.

NOTE 3 - The Catalog of Federal and Domestic Assistance number on the Federal Emergency Management Program (FEMA) was changed from 83.523 to 97.024. The change was due to the establishment of the Department of Homeland Security.

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc. and Related Entities

Schedule F
Combining Statements of Financial Position
September 30, 2004

	UDMO	CHI	Davenport Manor	Eliminating	Total
Current assets:					
Cash	$1,033,703	$ 174,928	$ 1,115	$ 0	$ 1,209,746
Custodial cash	101,810	0	0	0	101,810
Grants receivable	439,019	0	0	0	439,019
Accounts receivable	69,926	140,293	56		210,275
Accounts receivable - related parties, net	13,596	744,036	15,000	(46,041)	726,591
Inventory	104,438	0	0	0	104,438
Prepaid expenses	5,613	0	4,954	0	10,567
Total current assets	1,768,105	1,059,257	21,125	(46,041)	2,802,446
Long-term assets:					
Investment in and advances to partnerships	339,519	4,272,400	0	0	4,611,919
Investments	0	175,992	0	0	175,992
Long-term developer fees receivable	0	802,817	0	0	802,817
Restricted cash	7,426	8,488	82,885	0	98,799
Total long-term assets	346,945	5,259,697	82,885	0	5,689,527
Land, building, and equipment, net	604,171	504,221	1,750,564	0	2,858,956
Total assets	$2,719,221	$ 6,823,175	$1,854,574	($ 46,041)	$11,350,929
Current liabilities:					
Current maturities of long-term debt	$ 36,586	$ 383,850	$ 26,517	$ 0	$ 446,953
Line of credit	0	102,600	0	0	102,600
Amount due to Lakes Area Decategorization/ Empowerment Board	101,810	0	0	0	101,810
Accounts payable	46,729	135,222	57,454	(46,041)	193,364
Accrued payroll and related expenses	237,331	2,077	0	0	239,408
Accrued other liabilities	47,760	23,363	37,892	0	109,015
Unearned revenue	462,246	0	0	0	462,246
Due to grantor	0	720,000	0	0	720,000
Total current liabilities	932,462	1,367,112	121,863	(46,041)	2,375,396
Long-term liabilities:					
Long-term debt	337,893	1,366,305	1,705,822	0	3,410,020
Security deposits	6,223	6,355	17,101	0	29,679
Total long-term liabilities	344,116	1,372,660	1,722,923	0	3,439,699
Total liabilities	1,276,578	2,739,772	1,844,786	(46,041)	5,815,095
Net assets:					
Unrestricted	1,429,987	4,083,403	9,788	0	5,523,178
Temporarily restricted	12,656	0	0	0	12,656
Total net assets	1,442,643	4,083,403	9,788	0	5,535,834
Total liabilities and net assets	$2,719,221	$ 6,823,175	$1,854,574	($ 46,041)	$11,350,929

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc. and Related Entities

Schedule G
Combining Statement of Activities
Year Ended September 30, 2004

	UDMO	CHI	Davenport Manor	Eliminating	Total
Revenue:					
Net grant revenue	$ 8,943,901	$ 862,193	$ 134,899	$ 0	$ 9,940,993
Program income	291,834	0	0	0	291,834
Rental income	81,957	84,697	328,787	0	495,441
Investment loss	17,430	(178,373)	470	0	(160,473)
Title XIX income	167,327	0	0	0	167,327
Donations	258,248	0	0	(10,000)	248,248
Other income	192,206	150,074	16,241	0	358,521
Management and development fees	0	1,305,030	0	(36,867)	1,268,163
In kind contributions	677,683	0	0	0	677,683
Total revenue	10,630,586	2,223,621	480,397	(46,867)	13,287,737
Expenses:					
Salaries	3,705,217	420,229	4,030	0	4,129,476
Fringe	901,257	95,452	149	0	996,858
Contract services	247,489	38,174	46,572	0	332,235
Travel	273,924	6,436	1,256	0	281,616
Space	342,130	15,900	0	0	358,030
Consumable supplies	773,713	11,082	30,497	0	815,292
Equipment	27,939	0	0	0	27,939
Direct client assistance	3,054,721	0	0	0	3,054,721
Other operational	(297,861)	1,011,925	342,765	(46,867)	1,009,962
Indirect	726,047	0	0	0	726,047
In kind expense	677,683	0	0	0	677,683
Total expenses	10,432,259	1,599,198	425,269	(46,867)	12,409,859
Change in net assets	198,327	624,423	55,128	0	877,878
Net assets - September 30, 2003, as previously stated	927,820	3,305,179	(45,340)	0	4,187,659
Change in accounting basis	316,496	153,801	0	0	470,297
Net assets - September 30, 2003, as restated	1,244,316	3,458,980	(45,340)	0	4,657,956
Net assets - September 30, 2004	$ 1,442,643	$ 4,083,403	$ 9,788	$ 0	$ 5,535,834

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule H
Schedule of Indirect Cost Account
Year Ended September 30, 2004

Expenditures:		
Salaries	$	404,986
Fringe		98,350
Other professional		1,725
Contracted services		14,853
Auditing		19,572
Travel		48,119
Occupancy		16,932
Stationary		5,246
Reproduction		2,645
Computer supplies		9,680
Office supplies		7,949
Depreciation		17,605
Insurance		34,368
Telephone		4,712
Internet		4,009
Postage		6,248
Miscellaneous		15,619
Service contracts		2,686
Registrations		10,389
Total indirect cost expenses		725,693
Reimbursement		726,047
Current year excess of reimbursements over expenses		354
Net assets - September 30, 2003		1,102
Net assets - September 30, 2004	$	1,456

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule I
Schedule of Computation of Indirect Costs
Year Ended September 30, 2004

Total salaries - regular	$	3,705,598
Indirect cost salaries	(	404,986)
Total direct salaries		3,300,612
Indirect cost rate		22%
Allocable indirect costs		726,135
Amount reimbursed		726,047
Variance	($	88)

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule J
Schedule of Federal and Iowa Department of Human Rights Grant Expenses of Completed Contracts Overlapping Fiscal Years
Year Ended September 30, 2004

Program	Grant Number	Grant Period	Expenses			Program Budget
			Prior Year	Current Year	Total	
DOE - Weatherization Assistance	DOE-03-160	04/01/03-03/31/04	$ 142,825	$ 163,628	$ 306,453	$ 306,453
Family Development and Self-Sufficiency	FaDSS 04-16-FO	07/01/03-06/30/04	59,525	196,915	256,440	256,440
HEAP Weatherization	03-160	04/01/03-03/31/04	9,133	309,845	318,978	365,150
Aquila Weatherization	03-160	01/01/03-12/31/03	25,782	8,245	34,027	34,029
MEC Weatherization	03-160	01/01/03-12/31/03	69,600	17,400	87,000	87,000
IPL Weatherization	03-160	01/01/03-12/31/03	84,479	0	84,479	84,480
Resource and Referral	N/A	07/01/03-06/30/04	30,261	98,433	128,694	128,694
Early Head Start	07CH6131/37	03/01/03-02/28/04	431,577	406,381	837,958	837,958
Head Start	07CH6131/37	03/01/03-02/28/04	1,147,161	985,847	2,133,008	2,133,008

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule K-1
Schedule of Revenue and Expenses Compared to Budget
Expenses of Completed DOE Weatherization (Contract No. DOE 04-160)
Year Ended March 31, 2005

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	$ 311,187	$ 167,265	$ 143,922
Program expenses:			
Administration	22,403	12,042	10,361
Health and safety	57,756	26,452	31,304
Support	74,870	63,161	11,709
Labor	78,079	34,594	43,485
Material	78,079	31,016	47,063
Totals	$ 311,187	$ 167,265	$ 143,922

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule K-2
Schedule of Revenue and Expenses Compared to Budget
Expenses of Completed DOE Weatherization (Contract No. DOE 03-160)
Year Ended March 31, 2004

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	$ 306,453	$ 306,453	$ 0
Program expenses:			
Administration	27,583	27,583	0
Health and safety	43,573	53,926	(10,353)
Support	61,003	79,731	(18,728)
Labor	87,147	71,908	15,239
Material	87,147	73,305	13,842
Totals	$ 306,453	$ 306,453	$ 0

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule K-3
Schedule of Revenue and Expenses Compared to Budget
Expenses of Completed HEAP Weatherization (Contract No. HEAP 04-160)
Year Ended March 31, 2005

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	$ 395,622	$ 34,342	$ 361,280
Program expenses:			
Administration	20,486	0	20,486
Health and safety	71,890	8,253	63,637
Support	93,190	19,025	74,165
Labor	97,184	0	97,184
Material	97,184	1,976	95,208
Equipment	10,600	0	10,600
Pollution Occurrence Insurance	5,088	5,088	0
Totals	$ 395,622	$ 34,342	$ 361,280

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule K-4
Schedule of Revenue and Expenses Compared to Budget
Expenses of Completed HEAP Weatherization (Contract No. HEAP 03-160)
Year Ended March 31, 2004

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	$ 365,150	$ 318,978	$ 46,172
Program expenses:			
Administration	18,918	4,421	14,497
Health and safety	145,418	82,850	62,568
Support	103,969	89,071	14,898
Labor	39,151	70,756	(31,605)
Material	39,151	53,937	(14,786)
Equipment	18,543	17,943	600
Totals	$ 365,150	$ 318,978	$ 46,172

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule K-5
Schedule of Revenue and Expenses Compared to Budget
Expenses of Completed Low-Income Home Emergency Assistance Program
Contract No. LIHEAP 04-160
Year Ended September 30, 2004

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	$ 2,302,032	$ 2,294,475	$ 7,557
Program expenses:			
Administration	179,713	179,713	0
Regular assistance	1,720,099	1,715,740	4,359
E.C.I.P. - furnace repair	74,047	70,849	3,198
E.C.I.P. - emergency delivery	34,431	34,431	0
Emergency temp. shelter/blankets	555	555	0
Client services	49,987	49,987	0
Summer deliverable fuel payments	243,200	243,200	0
Totals	$ 2,302,032	$ 2,294,475	$ 7,557

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule K-6
Schedule of Revenue and Expenses Compared to Budget
Expenses of Completed Family Development and Self-Sufficiency
Contract No. FaDSS 05-16-FO
Year Ended June 30, 2005

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	$ 256,440	$ 62,202	$ 194,238
Program expenses:			
Administration	32,456	7,776	24,680
Personnel:			
Salaries	147,525	35,346	112,179
Benefits	36,881	8,151	28,730
Travel	10,047	3,347	6,700
Space/utilities	13,089	3,502	9,587
Other	16,442	4,080	12,362
Totals	$ 256,440	$ 62,202	$ 194,238

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule K-7
Schedule of Revenue and Expenses Compared to Budget
Expenses of Completed Family Development and Self-Sufficiency
Contract No. FaDSS 04-16-FO
Year Ended June 30, 2004

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	$ 256,440	$ 256,440	$ 0
Program expenses:			
Administration	31,532	31,237	295
Personnel:			
Salaries	139,825	141,984	(2,159)
Benefits	35,831	34,879	952
Travel	11,852	11,751	101
Space/utilities	13,089	12,116	973
Other	24,311	24,473	(162)
Totals	$ 256,440	$ 256,440	$ 0

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule K-8
Schedule of Revenue and Expenses Compared to Budget
Expenses of Completed Aquila Weatherization (Contract No. AQU 04-160)
Year Ended December 31, 2004

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	$ 34,185	$ 34,185	$ 0
Program expenses:			
Administration	954	1,093	(139)
Support	1,935	1,796	139
Labor	15,648	12,388	3,260
Material	15,648	18,908	(3,260)
Totals	$ 34,185	$ 34,185	$ 0

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule K-9
Schedule of Revenue and Expenses Compared to Budget
Expenses of Completed Aquila Weatherization (Contract No. AQU 03-160)
Year Ended December 31, 2003

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	$ 34,029	$ 34,027	$ 2
Program expenses:			
Administration	1,701	1,700	1
Labor	16,164	15,526	638
Material	16,164	16,801	(637)
Totals	$ 34,029	$ 34,027	$ 2

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule K-10
Schedule of Revenue and Expenses Compared to Budget
Expenses of Completed IPL Weatherization (Contract No. 04-160)
Year Ended December 31, 2004

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	$ 95,840	$ 36,184	$ 59,656
Program expenses:			
Administration	6,762	1,681	5,081
Support	13,729	6,878	6,851
Labor	37,674	13,979	23,695
Material	37,675	13,646	24,029
Totals	$ 95,840	$ 36,184	$ 59,656

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule K-11
Schedule of Revenue and Expenses Compared to Budget
Expenses of Completed IPL Weatherization (Contract No. 03-160)
Year Ended December 31, 2003

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	$ 84,480	$ 84,479	$ 1
Program expenses:			
Administration	5,280	5,319	(39)
Support	15,840	15,801	39
Labor	31,680	32,467	(787)
Material	31,680	30,892	788
Totals	$ 84,480	$ 84,479	$ 1

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule K-12
Schedule of Revenue and Expenses Compared to Budget
Expenses of Completed MEC Weatherization (Contract No. 04-160)
Year Ended December 31, 2004

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	$ 105,100	$ 90,694	$ 14,406
Program expenses:			
Administration	5,255	2,133	3,122
Support	10,510	11,471	(961)
Labor	44,668	32,768	11,900
Material	44,667	44,322	345
Totals	$ 105,100	$ 90,694	$ 14,406

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule K-13
Schedule of Revenue and Expenses Compared to Budget
Expenses of Completed MEC Weatherization (Contract No. 03-160)
Year Ended December 31, 2003

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	$ 87,000	$ 87,000	$ 0
Program expenses:			
Administration	4,350	3,676	674
Support	8,700	9,374	(674)
Labor	36,975	36,201	774
Material	36,975	37,749	(774)
Totals	$ 87,000	$ 87,000	$ 0

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule K-14
Schedule of Revenue and Expenses Compared to Budget
Expenses of Completed Community Service Block Grant
(Contract No. CSBG 04-16-CO)
Year Ended September 30, 2004

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	$ 414,717	$ 414,717	$ 0
Program expenses:			
Consultants	2,570	2,570	0
Co-funded programs	412,147	412,147	0
Other	0	0	0
Totals	$ 414,717	$ 414,717	$ 0

See Independent Auditor's Report.

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Board of Directors
Upper Des Moines Opportunity, Inc.,
Community Housing Initiatives, Inc.,
and Davenport Manor, Inc.
Graettinger, Iowa

We have audited the financial statements of Upper Des Moines Opportunity, Inc., Community Housing Initiatives, Inc., and Davenport Manor, Inc. (nonprofit organizations) as of and for the year ended September 30, 2004, and have issued our report thereon dated November 12, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Upper Des Moines Opportunity, Inc., Community Housing Initiatives, Inc., and Davenport Manor, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Upper Des Moines Opportunity, Inc., Community Housing Initiatives, Inc., and Davenport Manor, Inc.'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 and other matters that are required to be reported under *Government Auditing Standards.*

Wipfli Young is an office of Wipfli LLP.

This report is intended solely for the information and use of management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wipfli LLP

Wipfli LLP

November 12, 2004
Madison, Wisconsin

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Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance

Board of Directors
Upper Des Moines Opportunity, Inc.,
Community Housing Initiatives, Inc.,
and Davenport Manor, Inc.
Graettinger, Iowa

Compliance

We have audited the compliance of Upper Des Moines Opportunity, Inc., Community Housing Initiatives, Inc., and Davenport Manor, Inc. (nonprofit organizations) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2004. Upper Des Moines Opportunity, Inc., Community Housing Initiatives, Inc., and Davenport Manor, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Upper Des Moines Opportunity, Inc., Community Housing Initiatives, Inc., and Davenport Manor, Inc.'s management. Our responsibility is to express an opinion on Upper Des Moines Opportunity, Inc., Community Housing Initiatives, Inc., and Davenport Manor, Inc.'s compliance based on our audit.

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

In our opinion, Upper Des Moines Opportunity, Inc., Community Housing Initiatives, Inc., and Davenport Manor, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2004.

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Internal Control Over Compliance

The management of Upper Des Moines Opportunity, Inc., Community Housing Initiatives, Inc., and Davenport Manor, Inc. are responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Upper Des Moines Opportunity, Inc., Community Housing Initiatives, Inc., and Davenport Manor, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to the major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wipfli LLP

November 12, 2004
Madison, Wisconsin

Upper Des Moines Opportunity, Inc. and Related Entities

Schedule of Findings and Questioned Costs

A. Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Upper Des Moines Opportunity, Inc., Community Housing Initiatives, Inc., and Davenport Manor, Inc.

2. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters.

3. No instances of noncompliance material to the financial statements of Upper Des Moines Opportunity, Inc., Community Housing Initiatives, Inc., and Davenport Manor, Inc. were disclosed during the audit.

4. No reportable conditions were disclosed during the audit of the major federal award programs as reported in the Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance.

5. The auditor's report on compliance for the major federal award programs for Upper Des Moines Opportunity, Inc., Community Housing Initiatives, Inc., and Davenport Manor, Inc. expresses an unqualified opinion.

6. There were no audit findings relative to the major federal award programs for Upper Des Moines Opportunity, Inc., Community Housing Initiatives, Inc., and Davenport Manor, Inc.

7. The programs tested as major programs were the Department of Housing and Urban Development CFDA #14.239 and the Department of Health and Human Services CFDA #93.600.

8. The threshold for distinguishing Types A and B programs was $300,000.

9. Upper Des Moines Opportunity, Inc., Community Housing Initiatives, Inc., and Davenport Manor, Inc. were determined to be a low-risk auditee.

B. Findings – Financial Statements Audit

None

C. Findings and Questioned Costs – Major Federal Award Programs Audit

Findings: None

Questioned Costs: None