

Upper Des Moines Opportunity, Inc.
Graettinger, Iowa

Financial Statements and Additional Information
Year Ended September 30, 2011

Upper Des Moines Opportunity, Inc.

Financial Statements and Additional Information
Year Ended September 30, 2011

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Independent Auditor's Report

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

We have audited the accompanying statement of financial position of Upper Des Moines Opportunity, Inc. (a nonprofit organization) as of September 30, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Upper Des Moines Opportunity, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Upper Des Moines Opportunity, Inc. as of September 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2012, on our consideration of Upper Des Moines Opportunity, 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.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of program activity, Schedules A-1 to A-12, schedule of expenditures of federal awards and list of programs, Schedules B-1 to B-4, which includes the requirements of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Schedules C through E, and Schedules F-1 through F-15 are presented for purpose of additional analysis and are not a required part of the basic financial statements. The information in schedules E, F-2, F-4, F-7, F-9, F-11, F-13, and F-15, which includes periods that ended prior to the year ended September 30, 2011, was audited by us and we expressed an unqualified opinion on that information and has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.


Wipfli LLP

January 27, 2012
Madison, Wisconsin

Upper Des Moines Opportunity, Inc.

Statement of Financial Position

September 30, 2011

<i>Assets</i>	
Current assets:	
Cash	\$ 737,286
Certificates of deposit	162,177
Grants receivable	868,170
Accounts receivable	103,015
Inventory	203,864
Prepaid expenses	54,734
Notes receivable, current portion	7,295
Total current assets	2,136,541
Long-term assets:	
Investment in and advances to partnership	349,519
Notes receivable, less current portion	6,469
Restricted cash	5,934
Total long-term assets	361,922
Property and equipment, net	850,208
TOTAL ASSETS	\$ 3,348,671
<i>Liabilities and Net Assets</i>	
Current liabilities:	
Accounts payable	\$ 122,673
Accrued payroll and related expenses	378,652
Accrued other liabilities	52,124
Grant funds received in advance	265,876
Total current liabilities	819,325
Long-term liabilities:	
Note payable	305,873
Security deposits	5,934
Total long-term liabilities	311,807
Total liabilities	1,131,132
Net assets:	
Unrestricted	1,945,591
Temporarily restricted	271,948
Total net assets	2,217,539
TOTAL LIABILITIES AND NET ASSETS	\$ 3,348,671

See accompanying notes to financial statements.

Upper Des Moines Opportunity, Inc.

Statement of Activities

Year Ended September 30, 2011

	Unrestricted	Temporarily Restricted	Total
Revenue:			
Grant revenue	\$ 16,604,021	\$ 0	\$ 16,604,021
Program income	217,734	16,122	233,856
Rental income	85,983	0	85,983
Interest income	10,641	0	10,641
Title XIX income	26,527	0	26,527
Donations	304,014	0	304,014
Other income	93,397	0	93,397
In-kind contributions	922,041	0	922,041
Net assets released from restrictions	20,467	(20,467)	0
Total revenue	18,284,825	(4,345)	18,280,480
Expenses:			
Program activities:			
Weatherization/energy assistance	7,328,882	0	7,328,882
Child education	5,343,335	0	5,343,335
Community services	2,443,245	0	2,443,245
Food programs	756,251	0	756,251
Health services	506,765	0	506,765
Housing	314,244	0	314,244
UDMO rental	83,205	0	83,205
Total program expenses	16,775,927	0	16,775,927
Supportive services:			
Management and general	956,333	0	956,333
Outreach	455,580	0	455,580
Corporate	102,616	0	102,616
Fund-raising	1,664	0	1,664
Total support services	1,516,193	0	1,516,193
Total expenses	18,292,120	0	18,292,120
Change in net assets	(7,295)	(4,345)	(11,640)
Net assets - Beginning of year	1,952,886	276,293	2,229,179
Net assets - End of year	\$ 1,945,591	\$ 271,948	\$ 2,217,539

See accompanying notes to financial statements.

Upper Des Moines Opportunity, Inc.

Statement of Cash Flows Year Ended September 30, 2011

Increase (decrease) in cash:	
Cash flows from operating activities:	
Change in net assets	(\$ 11,640)
<hr/>	
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	206,392
Changes in operating assets and liabilities:	
Grants receivable	248,793
Accounts receivable	(23,741)
Inventory	(75,183)
Prepaid expenses	20,025
Accounts payable	(84,609)
Accrued payroll and related expenses	(10,199)
Accrued other liabilities	(14,278)
Grant funds received in advance	(17,321)
Security deposits	(1,045)
<hr/>	
Net cash provided by operating activities	237,194
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Cash flows from investing activities:	
Release of restricted cash	7,187
Purchase of certificates of deposit	(1,626)
Collection of notes receivable	7,113
Purchase of property and equipment	(113,979)
<hr/>	
Net cash used in investing activities	(101,305)
<hr/>	
Net change in cash	135,889
Cash - Beginning of year	601,397
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Cash - End of year	\$ 737,286
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Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

Nature of Operations

Upper Des Moines Opportunity, Inc. (UDMO) was organized as a nonprofit organization in 1966. UDMO's mission is to build a 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. The Low-Income Home Energy Assistance and Head Start grants account for approximately 27% and 24% of its total revenue, respectively.

Basis of Presentation

The basic financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Classification of Net Assets

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of UDMO 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 UDMO 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 UDMO. Generally, the donors of these assets permit UDMO to use all or part of the income earned on any related investments for general or specific purposes. Currently, UDMO does not have any permanently restricted net assets.

Use of Estimates

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

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies (Continued)**

Revenue Recognition/Grant Funds Received in Advance

Contributions are recognized when the donor makes a promise to give to UDMO 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. 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. 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.

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 in the period the service is performed.

Accounts Receivable, Notes Receivable, and Allowance for Doubtful Accounts

UDMO 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 collectability, prior loss experience, current economic conditions, and the age of the receivable balance. An account is considered uncollectible when all collection efforts prove worthless. Currently, management believes all to be collectible; therefore, there is no allowance.

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.

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies (Continued)**

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset. UDMO capitalizes 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, UDMO reports expirations of donor restrictions when the donated assets are placed in service and reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Property and equipment purchased with grant funds are owned by UDMO while used in the program for which they were 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. The net book value of grant-funded equipment was \$476,895.

Income Taxes

UDMO is 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.

UDMO is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. UDMO has determined there are no amounts to record as assets or liabilities related to uncertain tax positions. Federal returns for the tax year 2007, and beyond remain subject to examination by the Internal Revenue Service.

In-Kind Contributions

In-kind contributions for space and professional services are recorded in the statement of activities as revenue and expenses in the period they are received. During the year ended September 30, 2011, UDMO received contributions of nonprofessional volunteers with a value of \$673,509 for its Head Start, Fatherhood, Parent Partner, and Power Up Youth programs. Nonprofessional volunteer services are not recorded in the statement of activities.

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

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 provisional rate of 20.0% was approved for the fiscal year ended September 30, 2011.

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.

Note 2 Custodial Cash/Amount Due from 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, 2011, the amount due from LADE, and included in accounts receivable, was \$30,940.

Note 3 Concentration of Credit Risk

UDMO maintains cash balances and certificates of deposit at a bank. Balances up to \$250,000 are insured by the Federal Deposit Insurance Corporation (FDIC). Balances in non-interest bearing accounts have unlimited insurance under the Dodd-Frank Act until December 31, 2012. Management believes this financial institution has a strong credit rating and credit risk related to deposits is minimal.

Note 4 Restricted Cash

Restricted cash consists of funds set aside for security deposits for the housing project. These funds are restricted and disbursements must be for the repayment of security deposits. As of September 30, 2011, the restricted cash balance was \$5,934.

Note 5 Grants Receivable

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

Federal programs	\$ 727,375
State programs	140,795
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Total	<u>\$ 868,170</u>

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 6 Notes Receivable

Notes receivable consist of the following:

Note receivable from Graettinger Economic Development, due in monthly installments of \$331, including interest of 3%, due October 2013.	\$ 8,004
Note receivable from Graettinger Drive-up, due in monthly installments of \$300, with 2% interest, due May 2013.	5,760
Subtotal	13,764
Less - current portion	7,295
<u>Note receivable, long-term</u>	<u>\$ 6,469</u>

As of September 30, 2011, Graettinger Economic Development and Graettinger Drive-up were current on their payments to UDMO.

Note 7 Investments in and Advances to Partnerships

UDMO has investments in and advances to a limited partnership that are recorded under the equity method. UDMO is a 1% general partner in the limited partnership. There is no active market for the limited partnership interest. The note receivable from the partnership consists of the following:

Note receivable from Sibley One Limited Partnership, collateralized by real estate, with interest of 1%, payable to UDMO in annual interest payment installments of \$3,120, beginning in October 2011, and a balloon payment for the principal amount owed, due in October 2016.	\$ 305,873
<u>Investment in limited partnership</u>	<u>43,646</u>
<u>Total</u>	<u>\$ 349,519</u>

Note 8 Property and Equipment

The balance at September 30, 2011, consists of the following:

Land	\$ 117,990
Buildings	1,033,252
Equipment	1,113,989
	2,265,231
<u>Accumulated depreciation</u>	<u>(1,415,023)</u>
<u>Property and equipment, net</u>	<u>\$ 850,208</u>

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 9 Lessor Activity

UDMO owns a project that is 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	\$	80,635
Buildings		596,812
		<u>677,447</u>
Accumulated depreciation	(<u>622,285</u>)
Land and building, net	\$	<u>55,162</u>

Total rental income for the year ended September 30, 2011, was \$85,983.

Note 10 Note Payable

Note payable in the amount of \$305,873 to Iowa Department of Economic Development, interest of 1%, collateralized by real estate, payable in annual interest payment installments of \$3,120, beginning October 2011, and a balloon payment for principal amount owed, due in October 2016.

Note 11 Operating Leases

UDMO leases 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, 2011, was \$205,777. Future minimum lease payments under all operating leases are as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2012	\$ 130,266
2013	29,848
2014	20,016
2015	2,118
2016	<u>256</u>
Total	<u>\$ 182,504</u>

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 12 Pension and Retirement Benefits

UDMO contributes to the Iowa Public Employees' Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the state of Iowa. IPERS provides retirement and death benefits, which are established by state statute, to plan members and beneficiaries.

Plan members were required to contribute 4.50% of annual salary and UDMO was required to contribute 6.95% of payroll from October 1, 2010 to June 30, 2011. Beginning July 1, 2011, plan members were required to contribute 5.38% of their annual salary and UDMO was required to contribute 8.07% of annual payroll. Contribution requirements are established by state statute. UDMO's contribution to IPERS for the year ended September 30, 2011, was \$387,505.

UDMO also has a defined contribution retirement plan authorized under Section 403(b) of the Internal Revenue Code. The plan is open to all employees of UDMO. The retirement benefits are fully vested upon contribution to the plan. UDMO does not make contributions to the plan.

Note 13 Temporarily Restricted Net Assets

Temporarily restricted net assets of \$271,948 consist of restricted funds unspent in state and local programs and temporarily restricted donations as of September 30, 2011.

Note 14 Grant Awards

At September 30, 2011, UDMO had received future funding commitments under various grants of approximately \$4,700,000. These commitments are not recognized in the accompanying financial statements as revenue and receivables as they are conditional awards.

Note 15 Commitments and Contingencies

UDMO participates in a number of federally assisted and state grant programs. These programs are subject to program compliance audits by the grantors and their representatives. Any disallowed costs may constitute a liability of UDMO. UDMO is also required to match 25% of the grant funds received from the Head Start program with local resources. UDMO believes that it is in substantial compliance with all grant requirements, including those related to matching and disallowed costs, and any noncompliance, if any, would not be significant.

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 16 **Subsequent Event**

Subsequent events have been evaluated through January 27, 2012, which is the date the financial statements were available to be issued.

Subsequent to September 30, 2011, UDMO withdrew as general partner of the Sibley One Limited Partnership that is discussed in Note 7. An unrelated third party will be the replacement general partner. The note receivable from Sibley One Limited Partnership and the note payable to Iowa Department of Economic Development, both in the amount of \$305,873, will be assigned to the unrelated third party. In addition, UDMO will write off its \$43,646 investment in the limited partnership during the year ended September 30, 2012.

Additional Information

Upper Des Moines Opportunity, Inc.

Schedule A-1
 Schedule of Program Activity
 Year Ended September 30, 2011

	FEDERAL PROGRAMS						
	Department of Agriculture						
	Total	10.557		10.557 Subtotal	10.558		10.558 Subtotal
		Women, Infants, and Children 5881A047 (1)	Women, Infants, and Children 1191-05-47 (2)		Food Reimbursement 74-8011 (3)	Child & Adult Care Food 74-8017 (4)	
REVENUE							
Grant revenue	\$ 16,604,021	\$ 511,982	\$ 463	\$ 512,445	\$ 240,211	\$ 557,659	\$ 797,870
Program income	233,856	6,394	0	6,394	0	100	100
Rental income	85,983	0	0	0	0	0	0
Interest income	10,641	0	0	0	0	0	0
Title XIX income	26,527	0	0	0	0	0	0
Donations	304,014	0	0	0	0	0	0
Other income	93,397	0	0	0	0	0	0
In-kind contributions	922,041	0	0	0	0	0	0
Total Revenue	18,280,480	518,376	463	518,839	240,211	557,759	797,970
EXPENSES							
Salaries	5,551,176	271,488	309	271,797	35,618	47,878	83,496
Fringe	1,625,809	79,274	92	79,366	10,744	13,907	24,651
Contract services	291,045	32,021	0	32,021	0	0	0
Travel	346,815	11,166	0	11,166	0	9,563	9,563
Space	389,066	13,376	0	13,376	0	3,663	3,663
Consumable supplies	616,408	19,241	0	19,241	16,980	3,217	20,197
Equipment lease	13,725	24,609	0	24,609	0	0	0
Direct client assistance	7,212,133	0	0	0	0	0	0
Other operational	331,395	12,904	0	12,904	169,745	469,955	639,700
Indirect	992,507	54,297	62	54,359	7,124	9,576	16,700
In-kind expense	922,041	0	0	0	0	0	0
Total Expenses	18,292,120	518,376	463	518,839	240,211	557,759	797,970
Change in Net Assets	(11,640)	0	0	0	0	0	0
Net assets - Beginning of year	2,229,179	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 2,217,539	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Upper Des Moines Opportunity, Inc.

Schedule A-2

Schedule of Program Activity

Year Ended September 30, 2011

	FEDERAL PROGRAMS					
	Department of HUD		Department of Energy	Department of Health and Human Services		
	14.239	14.257-ARRA	81.042-ARRA	93.086	93.087	93.276
	Home Investment Partnership Program 10-HM-212	Homeless Prevention & Rapid Rehousing S09-DY-19-0001	Weatherization DOE-ARRA-09-160	Fatherhood 90FR0082/05	Parent Partner 90CU0049/04	Power Up Youth 5H79SP014497-04
(5)	(6)	(7)	(8)	(9)	(10)	
REVENUE						
Grant revenue	\$ 42,508	\$ 289,071	\$ 2,269,881	\$ 181,627	\$ 523,708	\$ 95,174
Program income	0	0	0	0	4,629	3,709
Rental income	0	0	0	0	0	0
Investment income	0	0	0	0	0	0
Title XIX income	0	0	0	0	0	0
Donations	0	0	0	0	3,177	0
Other income	0	0	0	364	550	1,787
In-kind contributions	0	0	0	24,782	144,294	117,975
Total Revenue	42,508	289,071	2,269,881	206,773	676,358	218,645
EXPENSES						
Salaries	0	72,120	251,077	93,028	248,300	39,745
Fringe	0	21,273	73,599	27,743	72,550	11,702
Contract services	40,910	0	16,648	8,705	48,178	17,780
Travel	96	5,897	29,640	12,887	67,794	7,712
Space	1,221	0	5,464	3,794	11,592	1,200
Consumable supplies	231	2,892	14,570	12,875	6,732	284
Equipment lease	0	0	3,324	0	0	0
Direct client assistance	0	169,562	1,810,303	0	0	0
Other operational	50	2,903	15,041	4,353	27,258	14,298
Indirect	0	14,424	50,215	18,606	49,660	7,949
In-kind expense	0	0	0	24,782	144,294	117,975
Total Expenses	42,508	289,071	2,269,881	206,773	676,358	218,645
Change in Net Assets	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule A-3

Schedule of Program Activity

Year Ended September 30, 2011

	FEDERAL PROGRAMS						
	Department of Health and Human Services						
	93.558			93.568			
	FaDSS 12-16-FO (11)	FaDSS 11-16-FO (12)	93.558 Subtotal	LIHEAP 11-160 (13)	HEAP 11-160 (14)	HEAP 10-160 (15)	93.568 Subtotal
REVENUE							
Grant revenue	\$ 28,136	\$ 111,663	\$ 139,799	\$ 4,413,574	\$ 246,282	\$ 186,201	\$ 4,846,057
Program income	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0
Interest income	0	0	0	0	0	0	0
Title XIX income	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0
Other income	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0
Total Revenue	28,136	111,663	139,799	4,413,574	246,282	186,201	4,846,057
EXPENSES							
Salaries	16,913	63,727	80,640	193,829	39,192	43,777	276,798
Fringe	4,600	19,181	23,781	57,956	11,402	13,264	82,622
Contract services	0	0	0	0	238	0	238
Travel	2,124	8,155	10,279	1,489	2,998	2,134	6,621
Space	387	3,484	3,871	5,668	801	1,206	7,675
Consumable supplies	111	2,310	2,421	14,700	1,287	7,406	23,393
Equipment lease	0	0	0	0	0	20	20
Direct client assistance	0	0	0	4,090,950	180,143	107,585	4,378,678
Other operational	597	2,082	2,679	10,216	2,382	2,054	14,652
Indirect	3,404	12,724	16,128	38,766	7,839	8,755	55,360
In-kind expense	0	0	0	0	0	0	0
Total Expenses	28,136	111,663	139,799	4,413,574	246,282	186,201	4,846,057
Change in Net Assets	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule A-4

Schedule of Program Activity

Year Ended September 30, 2011

	FEDERAL PROGRAMS						
	Department of Health and Human Services						
	93.569	93.575			93.600		
	CSBG 11-16-CO (16)	Wrap DCFS 09-089-32 (17)	Wrap DCFS 09-089-32 (18)	Resource and Referral (19)	93.575 Subtotal	Early Head Start 07CH6131/45 (20)	Early Head Start 07CH6131/44 (21)
REVENUE							
Grant revenue	\$ 431,862	\$ 21,585	\$ 176,699	\$ 129,935	\$ 328,219	\$ 473,741	\$ 386,005
Program income	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0
Investment income	0	0	0	0	0	0	0
Title XIX income	0	0	0	0	0	0	0
Donations	0	0	0	0	0	162	1,628
Other income	0	0	0	0	0	0	182
In-kind contributions	0	0	0	46,059	46,059	135,434	94,005
Total Revenue	431,862	21,585	176,699	175,994	374,278	609,337	481,820
EXPENSES							
Salaries	287,712	13,833	93,923	71,963	179,719	289,005	209,610
Fringe	86,253	2,894	28,234	21,634	52,762	83,518	63,294
Contract services	0	0	0	0	0	1,333	1,254
Travel	0	0	14	10,743	10,757	7,613	9,632
Space	0	1,615	16,406	5,774	23,795	4,047	3,928
Consumable supplies	0	0	10,618	2,031	12,649	14,633	38,970
Equipment lease	0	0	0	0	0	0	0
Direct client assistance	0	0	0	0	0	0	0
Other operational	354	477	8,719	3,397	12,593	15,953	19,205
Indirect	57,543	2,766	18,785	14,393	35,944	57,801	41,922
In-kind expense	0	0	0	46,059	46,059	135,434	94,005
Total Expenses	431,862	21,585	176,699	175,994	374,278	609,337	481,820
Change in Net Assets	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule A-5
 Schedule of Program Activity
 Year Ended September 30, 2011

	FEDERAL PROGRAMS						
	Department of Health and Human Services						
	93.600			93.708-ARRA	93.709-ARRA	93.600, 93.708-ARRA, & 93.709-ARRA Cluster	Total Federal Programs
	Head Start 07CH6131/45 (22)	Head Start 07CH6131/44 (23)	93.600 Subtotal	Head Start Expansion 07SH6131/02 (24)	Early H.S. Expansion 07SA6131/02 (25)	ARRA Cluster Subtotal	
REVENUE							
Grant revenue	\$ 1,182,511	\$ 1,159,115	\$ 3,201,372	\$ 145,846	\$ 1,037,904	\$ 4,385,122	\$ 14,843,343
Program income	0	0	0	0	0	0	14,832
Rental income	0	0	0	0	0	0	0
Investment income	0	0	0	0	0	0	0
Title XIX income	0	0	0	0	0	0	0
Donations	108	1,050	2,948	0	0	2,948	6,125
Other income	5,718	5,758	11,658	0	0	11,658	14,359
In-kind contributions	388,893	389,557	1,007,889	39,890	174,477	1,222,256	1,555,366
Total Revenue	1,577,230	1,555,480	4,223,867	185,736	1,212,381	5,621,984	16,434,025
EXPENSES							
Salaries	679,722	563,838	1,742,175	84,074	535,062	2,361,311	4,245,743
Fringe	192,743	170,113	509,668	24,555	157,121	691,344	1,247,646
Contract services	8,359	8,267	19,213	200	22,739	42,152	206,632
Travel	31,625	14,357	63,227	645	36,493	100,365	272,777
Space	27,753	22,689	58,417	0	11,962	70,379	146,030
Consumable supplies	57,040	207,292	317,935	18,035	43,756	379,726	495,211
Equipment lease	0	35,368	35,368	0	31,769	67,137	95,090
Direct client assistance	0	0	0	0	0	0	6,358,543
Other operational	55,151	31,231	121,540	1,522	91,990	215,052	961,837
Indirect	135,944	112,768	348,435	16,815	107,012	472,262	849,150
In-kind expense	388,893	389,557	1,007,889	39,890	174,477	1,222,256	1,555,366
Total Expenses	1,577,230	1,555,480	4,223,867	185,736	1,212,381	5,621,984	16,434,025
Change in Net Assets	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

Upper Des Moines Opportunity, Inc.

Schedule A-6

Schedule of Program Activity

Year Ended September 30, 2011

	STATE AND LOCAL PROGRAMS						
	Emmet Co. Empowerment	Comm School 4 year old Programs	Comm School 4 year old Programs	Lakes Empowerment	Lakes Empowerment	Dental Sealant	Hometown Care Alliant
	(26)	(27)	(28)	(29)	(30)	(31)	(32)
REVENUE							
Grant revenue	\$ 22,612	\$ 46,206	\$ 253,757	\$ 16,455	\$ 168,958	\$ 0	\$ 21,649
Program income	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0
Investment income	0	0	0	0	0	0	0
Title XIX income	0	0	0	0	0	22,026	0
Donations	0	0	0	0	0	0	0
Other income	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0
Total Revenue	22,612	46,206	253,757	16,455	168,958	22,026	21,649
EXPENSES							
Salaries	0	30,681	150,979	9,324	78,222	8,993	0
Fringe	0	7,740	45,457	2,314	23,515	2,747	0
Contract services	0	280	400	0	0	1,281	0
Travel	0	161	280	824	14,307	307	0
Space	0	0	0	547	2,945	0	0
Consumable supplies	0	573	23,004	802	8,341	0	0
Equipment lease	0	0	0	0	0	0	0
Direct client assistance	0	0	0	0	0	0	21,649
Other operational	22,612	635	3,441	779	25,984	1,902	0
Indirect	0	6,136	30,196	1,865	15,644	1,799	0
In-kind expense	0	0	0	0	0	0	0
Total Expenses	22,612	46,206	253,757	16,455	168,958	17,029	21,649
Change in Net Assets	0	0	0	0	0	4,997	0
Net assets - Beginning of year	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	(4,997)	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule A-7

Schedule of Program Activity

Year Ended September 30, 2011

	STATE AND LOCAL PROGRAMS						
	PAK Empowerment (33)	Linking Families CCR & R (34)	Embrace Iowa (35)	Home Repair (36)	Home Repair (37)	Chore Services (38)	HSOGP 11-II-74003 (39)
REVENUE							
Grant revenue	\$ 1,465	\$ 26,312	\$ 14,278	\$ 4,318	\$ 37,175	\$ 34,645	\$ 14,241
Program income	0	0	0	0	0	5,067	0
Rental income	0	0	0	0	0	0	0
Investment income	0	0	0	0	0	0	0
Title XIX income	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0
Other income	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0
Total Revenue	1,465	26,312	14,278	4,318	37,175	39,712	14,241
EXPENSES							
Salaries	0	15,051	0	137	978	269	1,142
Fringe	0	4,522	0	41	293	81	329
Contract services	0	0	0	0	0	0	0
Travel	0	2,541	0	0	0	0	0
Space	0	0	0	0	0	0	0
Consumable supplies	0	298	0	0	0	108	0
Equipment lease	0	0	0	0	0	0	0
Direct client assistance	0	0	14,278	4,113	35,709	39,200	12,541
Other operational	1,465	890	0	0	0	0	0
Indirect	0	3,010	0	27	195	54	229
In-kind expense	0	0	0	0	0	0	0
Total Expenses	1,465	26,312	14,278	4,318	37,175	39,712	14,241
Change in Net Assets	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule A-8

Schedule of Program Activity

Year Ended September 30, 2011

	STATE AND LOCAL PROGRAMS						
	HSOGP 10-II-74003 (40)	Safe Harbor (41)	Safe Harbor (42)	RIF (43)	Child Dev. Spirit Lake UD-12-0495-115 (44)	Child Dev. Spirit Lake UD-11-0495-115 (45)	Child Dev. Spencer UD-12-3490-114 (46)
REVENUE							
Grant revenue	\$ 6,283	\$ 7,300	\$ 7,246	\$ 0	\$ 10,705	\$ 52,244	\$ 16,062
Program income	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0
Investment income	0	0	0	0	0	0	0
Title XIX income	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0
Other income	0	0	0	1,718	0	0	0
In-kind contributions	0	0	0	0	6,213	3,910	12,142
Total Revenue	6,283	7,300	7,246	1,718	16,918	56,154	28,204
EXPENSES							
Salaries	500	667	115	0	6,336	29,873	9,748
Fringe	151	200	35	0	1,600	9,004	2,479
Contract services	0	0	0	0	0	0	0
Travel	0	0	0	0	330	357	19
Space	0	5,415	1,800	0	418	3,762	374
Consumable supplies	0	0	114	1,718	323	1,523	906
Equipment lease	0	0	0	0	0	0	0
Direct client assistance	5,532	885	5,152	0	0	0	0
Other operational	0	0	7	0	431	1,751	586
Indirect	100	133	23	0	1,267	5,974	1,950
In-kind expense	0	0	0	0	6,213	3,910	12,142
Total Expenses	6,283	7,300	7,246	1,718	16,918	56,154	28,204
Change in Net Assets	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule A-9

Schedule of Program Activity

Year Ended September 30, 2011

	STATE AND LOCAL PROGRAMS					
	Child Dev. Spencer UD-11-3490-114 (47)	Child Dev. Storm Lake UD-12-0495-116 (48)	Child Dev. Storm Lake UD-11-0495-116 (49)	Project Helper BHE Cares (50)	I CARE IPS (51)	I CARE IPS (52)
REVENUE						
Grant revenue	\$ 54,361	\$ 12,237	\$ 54,383	\$ 4,632	\$ 0	\$ 0
Program income	0	0	0	0	6,501	2,342
Rental income	0	0	0	0	0	0
Investment income	0	0	0	0	0	0
Title XIX income	0	0	0	0	0	0
Donations	0	0	0	0	0	0
Other income	0	0	0	0	0	0
In-kind contributions	5,381	6,796	5,742	0	0	0
Total Revenue	59,742	19,033	60,125	4,632	6,501	2,342
EXPENSES						
Salaries	32,173	8,091	34,919	0	0	0
Fringe	9,684	2,038	10,522	0	0	0
Contract services	22	0	0	0	0	0
Travel	40	140	20	0	0	0
Space	1,496	0	18	0	0	0
Consumable supplies	2,694	159	1,847	0	0	0
Equipment lease	0	0	0	0	0	0
Direct client assistance	0	0	0	4,632	5,700	680
Other operational	1,817	191	73	0	0	0
Indirect	6,435	1,618	6,984	0	0	0
In-kind expense	5,381	6,796	5,742	0	0	0
Total Expenses	59,742	19,033	60,125	4,632	5,700	680
Change in Net Assets	0	0	0	0	801	1,662
Net assets - Beginning of year	0	0	0	0	9,383	(1,662)
Transfers	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,184	\$ 0

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule A-10

Schedule of Program Activity

Year Ended September 30, 2011

	STATE AND LOCAL PROGRAMS					
	Project Share Utilities (53)	Project Share Utilities (54)	FaDSS 12-16-FO (55)	FaDSS 11-16-FO (56)	Maternal and Child (57)	BHE 11-160 (58)
REVENUE						
Grant revenue	\$ 0	\$ 0	\$ 23,968	\$ 95,120	\$ 0	\$ 73,891
Program income	2,429	3,156	0	0	0	0
Rental income	0	0	0	0	0	0
Investment income	0	0	0	0	0	0
Title XIX income	0	0	0	0	4,501	0
Donations	0	0	0	0	0	0
Other income	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0
Total Revenue	2,429	3,156	23,968	95,120	4,501	73,891
EXPENSES						
Salaries	0	0	14,407	54,285	2,446	6,598
Fringe	0	0	3,919	16,340	755	1,919
Contract services	0	0	0	0	125	40
Travel	0	0	1,809	6,947	0	505
Space	0	0	329	2,968	0	135
Consumable supplies	0	0	96	1,968	605	217
Equipment lease	0	0	0	0	0	0
Direct client assistance	2,398	337	0	0	0	62,757
Other operational	0	0	508	1,774	81	401
Indirect	0	0	2,900	10,838	489	1,319
In-kind expense	0	0	0	0	0	0
Total Expenses	2,398	337	23,968	95,120	4,501	73,891
Change in Net Assets	31	2,819	0	0	0	0
Net assets - Beginning of year	7,727	(2,819)	0	0	0	0
Transfers	0	0	0	0	0	0
NET ASSETS - End of year	\$ 7,758	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule A-11

Schedule of Program Activity

Year Ended September 30, 2011

	STATE AND LOCAL PROGRAMS						
	IPL 11-160 (59)	MEC 11-160 (60)	Resource and Referral (61)	CPPC (62)	Step Up to Quality (63)	IA Individual Assistance (64)	Disaster Case Management (65)
REVENUE							
Grant revenue	\$ 153,741	\$ 348,506	\$ 55,687	\$ 0	\$ 5,201	\$ 69,268	\$ 47,772
Program income	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0
Investment income	0	0	0	0	0	0	0
Title XIX income	0	0	0	0	0	0	0
Donations	0	0	0	955	0	0	0
Other income	0	0	1,149	1,266	0	0	0
In-kind contributions	0	0	0	0	0	0	0
Total Revenue	153,741	348,506	56,836	2,221	5,201	69,268	47,772
EXPENSES							
Salaries	13,727	31,119	31,478	0	0	1,982	27,704
Fringe	3,993	9,053	9,463	0	0	595	8,311
Contract services	84	190	0	405	0	0	0
Travel	1,050	2,380	4,699	408	0	325	2,892
Space	281	637	2,526	0	0	0	480
Consumable supplies	451	1,022	889	61	5,201	0	841
Equipment lease	0	0	0	0	0	0	0
Direct client assistance	130,575	295,990	0	71	0	65,969	0
Other operational	834	1,891	1,486	1,276	0	0	2,003
Indirect	2,746	6,224	6,295	0	0	397	5,541
In-kind expense	0	0	0	0	0	0	0
Total Expenses	153,741	348,506	56,836	2,221	5,201	69,268	47,772
Change in Net Assets	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule A-12

Schedule of Program Activity

Year Ended September 30, 2011

	<u>STATE & LOCAL PROGRAMS</u>		<u>DISCRETIONARY</u>				
	<u>Total State and Local Programs</u>	<u>TOTAL PROGRAM ACTIVITY</u>	<u>Outreach UDMO (66)</u>	<u>Rental UDMO (67)</u>	<u>Corporate UDMO (68)</u>	<u>GAAP Adjustments</u>	<u>TOTAL DISCRETIONARY</u>
REVENUE							
Grant revenue	\$ 1,760,678	\$ 16,604,021	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Program income	19,495	34,327	197,714	0	1,815	0	199,529
Rental income	0	0	1,704	82,279	2,000	0	85,983
Investment income	0	0	0	3,286	7,355	0	10,641
Title XIX income	26,527	26,527	0	0	0	0	0
Donations	955	7,080	295,539	0	1,395	0	296,934
Other income	4,133	18,492	44,591	158	30,156	0	74,905
In-kind contributions	40,184	1,595,550	0	0	0	(673,509)	(673,509)
Total Revenue	1,851,972	18,285,997	539,548	85,723	42,721	(673,509)	(5,517)
EXPENSES							
Salaries	601,944	4,847,687	108,763	0	594,726	0	703,489
Fringe	177,100	1,424,746	28,743	0	172,320	0	201,063
Contract services	2,827	209,459	608	8,093	72,885	0	81,586
Travel	40,341	313,118	15,532	0	18,165	0	33,697
Space	24,131	170,161	110,952	37,791	70,162	0	218,905
Consumable supplies	53,761	548,972	3,484	0	63,952	0	67,436
Equipment lease	0	95,090	683	0	15,998	(98,046)	(81,365)
Direct client assistance	708,168	7,066,711	145,422	0	0	0	145,422
Other operational	72,818	1,034,655	46,529	22,036	(901,148)	129,323	(703,260)
Indirect	120,388	969,538	21,752	0	1,217	0	22,969
In-kind expense	40,184	1,595,550	0	0	0	(673,509)	(673,509)
Total Expenses	1,841,662	18,275,687	482,468	67,920	108,277	(642,232)	16,433
Change in Net Assets	10,310	10,310	57,080	17,803	(65,556)	(31,277)	(21,950)
Net assets - Beginning of year	12,629	12,629	766,202	179,109	763,067	508,172	2,216,550
Transfers	(4,997)	(4,997)	0	0	4,997	0	4,997
NET ASSETS - End of year	\$ 17,942	\$ 17,942	\$ 823,282	\$ 196,912	\$ 702,508	\$ 476,895	\$ 2,199,597

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule B-1

Schedule of Expenditures of Federal Awards and List of Programs

Year Ended September 30, 2011

<u>Federal Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Funding Source/ Pass-Through Entity</u>	<u>Program Period</u>	<u>Federal Expenditures</u>
DEPARTMENT OF AGRICULTURE				
(1) Women, Infants, and Children 5881A047	10.557	Iowa Department of Public Health	10/01/10-09/30/11	\$ 511,982
(2) Women, Infants, and Children 1191-05-47		Iowa Department of Public Health	10/01/10-09/30/11	<u>463</u>
Total Federal Expenditures CFDA 10.557				<u>512,445</u>
(3) DPI Food Reimbursement 74-8011	10.558	Iowa Department of Education	10/01/10-09/30/11	240,211
(4) Child and Adult Care Food Program 74-8017		Iowa Department of Education	10/01/10-09/30/11	<u>557,659</u>
Total Federal Expenditures CFDA 10.558				<u>797,870</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
(5) Home Investment Partnership Program 10-HM-212	14.239	Iowa Finance Authority	05/12/10-05/31/20	<u>42,508</u>
(6) ARRA Homeless Prevention & Rapid Rehousing S09-DY-19-0001	14.257-ARRA	Iowa Finance Authority	07/14/09-07/13/12	<u>289,071</u>
DEPARTMENT OF ENERGY				
(7) ARRA Weatherization DOE-ARRA-09-160	81.042-ARRA	Iowa Department of Human Rights	04/01/09-03/31/12	<u>2,269,881</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
(8) Fatherhood 90FR0082/05	93.086	Department of Health and Human Services	09/30/10-09/29/11	<u>181,627</u>
(9) Parent Partner 90CU0049/04	93.087	Department of Health and Human Services	09/30/10-09/29/11	<u>523,708</u>
(10) Power Up Youth 5H79SP014497-04	93.276	Department of Health and Human Services	09/30/10-09/29/11	<u>95,174</u>
(11) Families Developing Self Sufficiency 12-16-FO	93.558	Iowa Department of Human Rights	07/01/11-06/30/12	28,136
(12) Families Developing Self Sufficiency 11-16-FO		Iowa Department of Human Rights	07/01/10-06/30/11	<u>111,663</u>
Total Federal Expenditures CFDA 93.558				<u>139,799</u>

Upper Des Moines Opportunity, Inc.

Schedule B-2

Schedule of Expenditures of Federal Awards and List of Programs

Year Ended September 30, 2011

<u>Federal Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Funding Source/ Pass-Through Entity</u>	<u>Program Period</u>	<u>Federal Expenditures</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
(13) Low Income Home Energy Assistance Program 11-160	93.568	Iowa Department of Human Rights	10/01/10-09/30/11	4,413,574
(14) Weatherization Home Energy Assistance Program 11-160		Iowa Department of Human Rights	01/01/11-12/31/11	246,282
(15) Weatherization Home Energy Assistance Program 10-160		Iowa Department of Human Rights	01/01/10-12/31/10	<u>186,201</u>
Total Federal Expenditures CFDA 93.568				<u>4,846,057</u>
(16) Community Service Block Grant 11-16-CO	93.569	Iowa Department of Human Rights	10/01/10-09/30/11	<u>431,862</u>
(17) Wrap DCFS 09-089-32	93.575	Iowa Department of Human Services	09/01/11-08/31/12	21,585
(18) Wrap DCFS 09-089-32		Iowa Department of Human Services	09/01/10-08/31/11	176,699
(19) Resource and Referral		Iowa Department of Human Services	07/01/10-06/30/11	<u>129,935</u>
Total Federal Expenditures CFDA 93.575				<u>328,219</u>
(20) Early Head Start 07CH6131/45	93.600	Department of Health and Human Services	03/01/11-02/29/12	473,741
(21) Early Head Start 07CH6131/44		Department of Health and Human Services	03/01/10-02/28/11	386,005
(22) Head Start 07CH6131/45		Department of Health and Human Services	03/01/11-02/29/12	1,182,511
(23) Head Start 07CH6131/44		Department of Health and Human Services	03/01/10-02/28/11	<u>1,159,115</u>
Total Federal Expenditures CFDA 93.600				<u>3,201,372</u>
(24) ARRA Head Start Expansion 07SH6131/02	93.708 ARRA	Department of Health and Human Services	09/30/10-09/29/11	<u>145,846</u>
(25) ARRA Early Head Start Expansion 07SA6131/02	93.709-ARRA	Department of Health and Human Services	09/30/10-09/29/11	<u>1,037,904</u>
Total Federal Expenditures CFDA 93.600, 93.708-ARRA, & 93.709-ARRA Cluster				<u>4,385,122</u>
TOTAL FEDERAL EXPENDITURES				<u>\$ 14,843,343</u>

Upper Des Moines Opportunity, Inc.

Schedule B-3

Schedule of Expenditures of Federal Awards and List of Programs

Year Ended September 30, 2011

Federal Grantor/Program Title	Funding Source/ Pass-Through Entity	Program Period	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)			
STATE AND LOCAL PROGRAMS			
(26) Emmet County Empowerment	Emmet County Empowerment	07/01/10-06/30/11	
(27) Community School 4 yr old programs	Community School Districts	07/01/11-06/30/12	
(28) Community School 4 yr old programs	Community School Districts	07/01/10-06/30/11	
(29) Lakes Empowerment	Lakes Area Empowerment	07/01/11-06/30/12	
(30) Lakes Empowerment	Lakes Area Empowerment	07/01/10-06/30/11	
(31) Dental Sealant	Title XIX Income	10/01/10-09/30/11	
(32) Hometown Care Alliant	Alliant Energy	10/01/10-09/30/11	
(33) Palo Alto Kossuth/Lakes Area Empowerment	Iowa Department of Human Services	07/01/10-06/30/11	
(34) Linking Families Child Care Resource & Referral	Iowa Department of Human Services	07/01/10-06/30/11	
(35) Embrace Iowa	ICAA-The Des Moines Register	10/01/10-09/30/11	
(36) Home Repair	Elderbridge Agency and Northwest Aging	07/01/11-06/30/12	
(37) Home Repair	Elderbridge Agency and Northwest Aging	07/01/10-06/30/11	
(38) Chore Services	Elderbridge Agency and Northwest Aging	07/01/11-06/30/12	
(39) Homeless Shelter Operations Grant Program 11-II-74003	Iowa Department of Economic Development	01/01/11-12/31/11	
(40) Homeless Shelter Operations Grant Program 10-II-74003	Iowa Department of Economic Development	07/01/10-12/31/10	
(41) Homeless Shelter Operations Grant Program Safe Harbor	Iowa Department of Economic Development	01/01/11-12/31/11	
(42) Homeless Shelter Operations Grant Program Safe Harbor	Iowa Department of Economic Development	07/01/10-12/31/10	
(43) Reading is Fundamental	Local Donations	05/01/11-12/31/11	
(44) Child Development - Spirit Lake UD-12-0495-115	Iowa Department of Education	07/01/11-06/30/12	
(45) Child Development - Spirit Lake UD-11-0495-115	Iowa Department of Education	07/01/11-06/30/12	
(46) Child Development - Spencer UD-12-3490-114	Iowa Department of Education	07/01/11-06/30/12	
(47) Child Development - Spencer UD-11-3490-114	Iowa Department of Education	07/01/11-06/30/12	
(48) Child Development - Storm Lake UD-12-0495-116	Iowa Department of Education	07/01/11-06/30/12	
(49) Child Development - Storm Lake UD-11-0495-116	Iowa Department of Education	07/01/11-06/30/12	
(50) Project Helper BHE Cares	Black Hills Energy/ICAA	10/01/10-09/30/11	
(51) I CARE	Mid-American Energy	01/01/11-12/31/11	
(52) I CARE	Mid-American Energy	01/01/10-12/31/10	
(53) Project Share Utilities	Various Utilities	01/01/11-12/31/11	
(54) Project Share Utilities	Various Utilities	01/01/10-12/31/10	
(55) Families Developing Self Sufficiency 12-16-FO	Iowa Department of Human Rights	07/01/11-06/30/12	
(56) Families Developing Self Sufficiency 11-16-FO	Iowa Department of Human Rights	07/01/10-06/30/11	
(57) Maternal and Child Health	Title XIX Income	10/01/10-09/30/11	
(58) Weatherization - Black Hills Energy 11-160	Iowa Department of Human Rights	01/01/11-12/31/11	

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule B-4

Schedule of Expenditures of Federal Awards and List of Programs

Year Ended September 30, 2011

<u>Federal Grantor/Program Title</u>	<u>Funding Source/ Pass-Through Entity</u>	<u>Program Period</u>
STATE AND LOCAL PROGRAMS (Continued)		
(59) Weatherization - Interstate Power & Light 11-160	Iowa Department of Human Rights	01/01/11-12/31/11
(60) Weatherization - Mid-American Energy 11-160	Iowa Department of Human Rights	01/01/11-12/31/11
(61) Resource and Referral	Iowa Department of Human Services	07/01/10-06/30/11
(62) Community Partnerships for Protecting Children	Iowa Department of Human Services	10/01/10-09/30/11
(63) Step Up to Quality	Iowa Department of Human Services	10/01/10-09/30/11
(64) IA Individual Assistance	Iowa Department of Human Services	05/02/11-08/31/11
(65) Disaster Case Management	Iowa Community Action Association	11/08/10-06/01/11
DISCRETIONARY		
(66) Outreach UDMO	Fees, program income, donations	10/01/10-09/30/11
(67) Rental UDMO	Rental activity	10/01/10-09/30/11
(68) Corporate UDMO	Discretionary interest, miscellaneous income activities	10/01/10-09/30/11

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 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 Schedules A-1 to A-12 include both federal and nonfederal expenditures and are for the period October 1, 2010 to September 30, 2011. The federal expenditures represent the amount of federal grant funds expended.

Upper Des Moines Opportunity, Inc.

Schedule C Schedule of Indirect Cost Account Year Ended September 30, 2011

Expenditures:		
Salaries	\$	518,738
Fringe		152,982
Other professional		21,487
Contracted services		8,028
Auditing		36,750
Travel		40,490
Occupancy		25,028
Stationary		7,348
Reproduction		2,914
Computer supplies		27,385
Office supplies		13,836
Depreciation		19,313
Insurance		57,402
Telephone		11,714
Internet		3,386
Postage		7,875
Miscellaneous		21,714
Service contracts		9,371
Registrations		6,746
Total indirect cost expenses		992,507
Reimbursement		992,507
Current year excess of reimbursements over expenses		0
Net assets - Beginning of year		53,228
Net assets - End of year	\$	53,228

Upper Des Moines Opportunity, Inc.

Schedule D
Schedule of Computation of Indirect Costs
Year Ended September 30, 2011

Total salaries - regular	\$ 5,551,176
Indirect cost salaries	(518,738)
Total direct salaries	5,032,438
Indirect cost rate	20.0%
Allocable indirect costs	1,006,488
Amount reimbursed	992,507
Variance	(\$ 13,981)

Upper Des Moines Opportunity, Inc.

Schedule E

Schedule of Federal and Iowa Department of Human Rights Grant Expenses of Completed Contracts Overlapping Fiscal Years
Year Ended September 30, 2011

Program	Grant Number	Grant Period	Expenses		Total	Program Budget
			Prior Years	Current Year		
DOE Weatherization	DOE 09-160	04/01/09-06/30/11	\$ 445,696	\$ 0	445,696	690,202
Family Development and Self-Sufficiency	FaDSS 11-16-FO	07/01/10-06/30/11	59,934	206,783	266,717	266,717
HEAP Weatherization	HEAP 10-160	01/01/10-12/31/10	301,218	186,201	487,419	487,668
BHE Weatherization	BHE 10-160	01/01/10-12/31/10	72,090	0	72,090	72,090
IPL Weatherization	IPL 10-160	01/01/10-12/31/10	89,442	0	89,442	89,442
MEC Weatherization	MEC 10-160	01/01/10-12/31/10	144,438	0	144,438	144,438
DOE Weatherization ARRA	DOE-ARRA-09-160	04/01/09-03/31/12	1,732,748	2,269,881	4,002,629	4,740,807

Upper Des Moines Opportunity, Inc.

Schedule F-1

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed DOE Weatherization (Contract No. DOE 11-160)

Three Months Ended September 30, 2011

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 193,891	\$ 0	\$ 193,891
Program expenses:			
Administration	12,798	0	12,798
Health and safety	36,219	0	36,219
Support	46,950	0	46,950
Labor	48,962	0	48,962
Material	48,962	0	48,962
Totals	\$ 193,891	\$ 0	\$ 193,891

Upper Des Moines Opportunity, Inc.

Schedule F-2

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed DOE Weatherization (Contract No. DOE 09-160)

Twenty-Seven Months Ended June 30, 2011

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 690,202	\$ 445,696	\$ 244,506
Program expenses:			
Administration	42,179	28,953	13,226
Health and safety	129,605	92,049	37,556
Support	168,006	146,602	21,404
Labor	175,206	99,184	76,022
Material	175,206	78,908	96,298
Totals	\$ 690,202	\$ 445,696	\$ 244,506

Upper Des Moines Opportunity, Inc.

Schedule F-3

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed HEAP Weatherization (Contract No. HEAP 11-160)

Nine Months Ended September 30, 2011

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 676,618	\$ 246,282	\$ 430,336
Program expenses:			
Administration	33,957	10,168	23,789
Health and safety	125,688	171,311	(45,623)
Support	162,929	51,598	111,331
Labor	169,911	626	169,285
Material	169,911	8,606	161,305
Equipment	10,249	0	10,249
Pollution occurrence insurance	3,973	3,973	0
Totals	\$ 676,618	\$ 246,282	\$ 430,336

Upper Des Moines Opportunity, Inc.

Schedule F-4

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed HEAP Weatherization (Contract No. HEAP 10-160)

Year Ended December 31, 2010

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 487,668	\$ 487,419	\$ 249
Program expenses:			
Administration	25,744	2,067	23,677
Health and safety	89,327	298,211	(208,884)
Support	115,795	152,049	(36,254)
Labor	120,758	1,886	118,872
Material	120,758	18,330	102,428
Equipment	10,249	9,839	410
Pollution occurrence insurance	5,037	5,037	0
Totals	\$ 487,668	\$ 487,419	\$ 249

Upper Des Moines Opportunity, Inc.

Schedule F-5

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed Low-Income Home Emergency Assistance Program

(Contract No. LIHEAP 11-160)

Year Ended September 30, 2011

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 4,440,649	\$ 4,413,574	\$ 27,075
Program expenses:			
Administration	267,118	267,118	0
Regular assistance	3,546,647	3,519,572	27,075
E.C.I.P.	202,940	202,940	0
Client services	55,505	55,505	0
Summer deliverable fuel payments	368,439	368,439	0
Totals	\$ 4,440,649	\$ 4,413,574	\$ 27,075

Upper Des Moines Opportunity, Inc.

Schedule F-6

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed Family Development and Self-Sufficiency

(Contract No. FaDSS 12-16-FO)

Three Months Ended September 30, 2011

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 266,717	\$ 52,104	\$ 214,613
Program expenses:			
Administration	30,032	6,304	23,728
Personnel:			
Salaries	154,806	31,320	123,486
Benefits	46,442	8,519	37,923
Travel	21,089	3,933	17,156
Space/utilities	6,948	716	6,232
Other	7,400	1,312	6,088
Totals	\$ 266,717	\$ 52,104	\$ 214,613

Upper Des Moines Opportunity, Inc.

Schedule F-7

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed Family Development and Self-Sufficiency

(Contract No. FaDSS 11-16-FO)

Fifteen Months Ended September 30, 2011

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 266,717	\$ 266,717	\$ 0
Program expenses:			
Administration	29,747	30,302	(555)
Personnel:			
Salaries	148,731	151,712	(2,981)
Benefits	44,619	45,689	(1,070)
Travel	22,750	20,515	2,235
Space/utilities	8,820	8,198	622
Other	12,050	10,301	1,749
Totals	\$ 266,717	\$ 266,717	\$ 0

Upper Des Moines Opportunity, Inc.

Schedule F-8

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed Black Hills Weatherization (Contract No. BHE 11-160)

Nine Months Ended September 30, 2011

	Budget	Actual	(Over) Under Budget
<hr/>			
Program revenue:			
Iowa Department of Human Rights	\$ 73,891	\$ 73,891	\$ 0
<hr/>			
Program expenses:			
Administration	3,694	8,430	(4,736)
Support	7,389	2,653	4,736
Labor	31,404	31,411	(7)
Material	31,404	31,397	7
<hr/>			
Totals	\$ 73,891	\$ 73,891	\$ 0
<hr/>			

Upper Des Moines Opportunity, Inc.

Schedule F-9

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed Black Hills Weatherization (Contract No. BHE 10-160)

Year Ended December 31, 2010

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 72,090	\$ 72,090	\$ 0
Program expenses:			
Administration	3,605	4,073	(468)
Support	7,209	6,741	468
Labor	30,638	28,530	2,108
Material	30,638	32,746	(2,108)
Totals	\$ 72,090	\$ 72,090	\$ 0

Upper Des Moines Opportunity, Inc.

Schedule F-10

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed IPL Weatherization (Contract No. IPL-11-160)

Nine Months Ended September 30, 2011

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 164,442	\$ 153,741	\$ 10,701
Program expenses:			
Administration	8,222	11,380	(3,158)
Support	16,444	11,681	4,763
Labor	69,888	64,838	5,050
Material	69,888	65,842	4,046
Totals	\$ 164,442	\$ 153,741	\$ 10,701

Upper Des Moines Opportunity, Inc.

Schedule F-11

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed IPL Weatherization (Contract No. IPL-10-160)

Year Ended December 31, 2010

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 89,442	\$ 89,442	\$ 0
Program expenses:			
Administration	4,472	4,998	(526)
Support	8,944	8,418	526
Labor	38,013	39,847	(1,834)
Material	38,013	36,179	1,834
Totals	\$ 89,442	\$ 89,442	\$ 0

Upper Des Moines Opportunity, Inc.

Schedule F-12

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed MEC Weatherization (Contract No. MEC- 11-160)

Nine Months Ended September 30, 2011

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 348,506	\$ 348,506	\$ 0
Program expenses:			
Administration	17,428	25,103	(7,675)
Support	34,850	27,175	7,675
Labor	148,114	147,239	875
Material	148,114	148,989	(875)
Totals	\$ 348,506	\$ 348,506	\$ 0

Upper Des Moines Opportunity, Inc.

Schedule F-13

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed MEC Weatherization (Contract No. MEC-10-160)

Year Ended December 31, 2010

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 144,438	\$ 144,438	\$ 0
Program expenses:			
Administration	7,222	8,246	(1,024)
Support	14,444	13,420	1,024
Labor	61,386	57,630	3,756
Material	61,386	65,142	(3,756)
Totals	\$ 144,438	\$ 144,438	\$ 0

Upper Des Moines Opportunity, Inc.

Schedule F-14

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed Community Service Block Grant

(Contract No. CSBG 11-16-CO)

Year Ended September 30, 2011

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 431,862	\$ 431,862	\$ 0
Program expenses:			
Personnel costs	8,667	6,058	2,609
Travel	0	0	0
Co-funded programs	421,862	424,872	(3,010)
Indirect costs	1,333	932	401
Totals	\$ 431,862	\$ 431,862	\$ 0

Upper Des Moines Opportunity, Inc.

Schedule F-15

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed DOE ARRA Weatherization (Contract No. DOE-ARRA-09-160)

Thirty Months Ended September 30, 2011

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 4,740,807	\$ 4,002,629	\$ 738,178
Program expenses:			
T & TA	63,882	58,420	5,462
Administration	272,817	126,409	146,408
Administration - Equipment	117,900	117,900	0
Health and safety	857,242	825,243	31,999
Support	1,106,004	724,943	381,061
Labor	1,161,481	1,250,218	(88,737)
Material	1,161,481	899,496	261,985
Totals	\$ 4,740,807	\$ 4,002,629	\$ 738,178



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

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

We have audited the financial statements of Upper Des Moines Opportunity, Inc. (a nonprofit organization) as of and for the year ended September 30, 2011, and have issued our report thereon dated January 27, 2012. 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.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Upper Des Moines Opportunity, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Upper Des Moines Opportunity, Inc.'s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Upper Des Moines Opportunity, 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, others within Upper Des Moines Opportunity, Inc., federal awarding agencies, and pass-through entities and is not intended to be and should not be issued by anyone other than these specified parties.


Wipfli LLP

January 27, 2012
Madison, Wisconsin



Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

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

Compliance

We have audited Upper Des Moines Opportunity, Inc.'s (a nonprofit organization) compliance of with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011. Upper Des Moines Opportunity, 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.'s management. Our responsibility is to express an opinion on Upper Des Moines Opportunity, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; 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.'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.'s compliance with those requirements.

In our opinion, Upper Des Moines Opportunity, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011.

Internal Control Over Compliance

The management of Upper Des Moines Opportunity, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Upper Des Moines Opportunity, Inc. 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Upper Des Moines Opportunity, Inc.'s internal control over compliance.

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

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

This report is intended solely for the information and use of management, the Board of Directors, others within Upper Des Moines Opportunity, Inc., federal awarding agencies, and pass-through entities and is not intended to be and should not be issued by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Wipfli LLP".

Wipfli LLP

January 27, 2012
Madison, Wisconsin

Upper Des Moines Opportunity, Inc.

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.
2. No significant deficiencies 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 Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Upper Des Moines Opportunity, Inc. were disclosed during the audit.
4. There were no significant deficiencies disclosed during the audit of the major federal award programs as reported in the Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Upper Des Moines Opportunity, Inc. expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Upper Des Moines Opportunity, Inc.
7. The programs tested as major programs were the Department of Housing and Urban Development CFDA #14.257-ARRA, Department of Energy CFDA #81.042-ARRA, Department of Health and Human Services CFDA # 93.087 and Cluster of CFDA #93.600, #93.708-ARRA, and #93.709-ARRA.
8. The threshold for distinguishing Types A and B programs was \$445,300.
9. Upper Des Moines Opportunity, Inc. was 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

D. Prior Year Findings

None