

Upper Des Moines Opportunity, Inc.
Graettinger, Iowa

Financial Statements and Supplementary Information
Year Ended September 30, 2012

Upper Des Moines Opportunity, Inc.

Financial Statements and Supplementary Information
Year Ended September 30, 2012

Table of Contents

Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Cash Flows.....	5
Notes to Financial Statements	6
Supplementary Information	
Schedule of Program Activity	13
Schedule of Expenditures of Federal Awards and List of Programs.....	26
Schedule of Indirect Cost Account.....	30
Schedule of Computation of Indirect Costs.....	31
Schedule of Iowa Department of Human Rights Grant Expenses of Completed Contracts Overlapping Fiscal Years	32
Schedule of Revenue and Expenses Compared to Budget.....	33
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 <i>Government Auditing Standards</i>	48
Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133	50
Schedule of Findings and Questioned Costs	52



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, 2012, 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, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2013, 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-13, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. 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, 2012, was audited by us and we expressed an unqualified opinion on that information.


Wipfli LLP

January 22, 2013
Madison, Wisconsin

Upper Des Moines Opportunity, Inc.

Statement of Financial Position

September 30, 2012

<i>Assets</i>	
Current assets:	
Cash	\$ 891,269
Certificates of deposit	163,196
Grants receivable	654,877
Accounts receivable	92,267
Inventory	72,691
Prepaid expenses	48,339
Notes receivable, current portion	6,434
Total current assets	1,929,073
Long-term assets:	
Notes receivable, less current portion	330
Restricted cash	5,530
Total long-term assets	5,860
Property and equipment, net	2,307,751
TOTAL ASSETS	\$ 4,242,684
<i>Liabilities and Net Assets</i>	
Current liabilities:	
Accounts payable	\$ 301,522
Accrued payroll and related expenses	376,290
Accrued other liabilities	28,288
Grant funds received in advance	227,794
Total current liabilities	933,894
Long-term liabilities:	
Security deposits	5,530
Total long-term liabilities	5,530
Total liabilities	939,424
Net assets:	
Unrestricted	3,022,583
Temporarily restricted	280,677
Total net assets	3,303,260
TOTAL LIABILITIES AND NET ASSETS	\$ 4,242,684

See accompanying notes to financial statements.

Upper Des Moines Opportunity, Inc.

Statement of Activities

Year Ended September 30, 2012

	Unrestricted	Temporarily Restricted	Total
Revenue:			
Grant revenue	\$ 14,771,380	\$ 0	\$ 14,771,380
Program income	212,575	15,169	227,744
Rental income	51,750	0	51,750
Interest income	4,732	0	4,732
Donations	464,356	0	464,356
Other income	81,558	0	81,558
In-kind contributions	680,718	0	680,718
Net assets released from restrictions	6,440	(6,440)	0
Total revenue	16,273,509	8,729	16,282,238
Expenses:			
Program activities:			
Weatherization/energy assistance	5,417,321	0	5,417,321
Child education	5,240,018	0	5,240,018
Community services	1,663,802	0	1,663,802
Food programs	764,631	0	764,631
Health services	476,418	0	476,418
Housing	161,122	0	161,122
UDMO rental	66,739	0	66,739
Total program expenses	13,790,051	0	13,790,051
Supportive services:			
Management and general	867,059	0	867,059
Outreach	476,259	0	476,259
Corporate	60,380	0	60,380
Fund-raising	2,768	0	2,768
Total support services	1,406,466	0	1,406,466
Total expenses	15,196,517	0	15,196,517
Change in net assets	1,076,992	8,729	1,085,721
Net assets - Beginning of year	1,945,591	271,948	2,217,539
Net assets - End of year	\$ 3,022,583	\$ 280,677	\$ 3,303,260

See accompanying notes to financial statements.

Upper Des Moines Opportunity, Inc.

Statement of Cash Flows Year Ended September 30, 2012

Increase (decrease) in cash:	
Cash flows from operating activities:	
Change in net assets	\$ 1,085,721
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	219,070
Loss on disposal of property and equipment	12,783
Donated property and equipment	(133,123)
Loss on investment in limited partnership	43,646
Changes in operating assets and liabilities:	
Grants receivable	213,293
Accounts receivable	10,748
Inventory	131,173
Prepaid expenses	6,395
Accounts payable	178,849
Accrued payroll and related expenses	(2,362)
Accrued other liabilities	(23,836)
Grant funds received in advance	(38,082)
Security deposits	(404)
Net cash provided by operating activities	1,703,871
Cash flows from investing activities:	
Release of restricted cash	404
Purchase of certificates of deposit	(1,019)
Collection of notes receivable	7,000
Proceeds from sale of property and equipment	22,613
Purchase of property and equipment	(1,578,886)
Net cash used in investing activities	(1,549,888)
Net change in cash	153,983
Cash - Beginning of year	737,286
Cash - End of year	\$ 891,269

Supplemental schedule of noncash investing and financing activities:

Transfer of investment in partnership	\$ 349,519
Donated property and equipment	\$ 133,123
Transfer of note payable	\$ 305,873

See accompanying notes to financial statements.

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 Head Start and Low-Income Home Energy Assistance grants account for approximately 26% and 25% 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 \$1,392,602.

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 fiscal years ended September 30, 2009 and beyond remain subject to examination by the Internal Revenue Service.

In-Kind Contributions

UDMO has recorded in-kind contributions for space and professional services in the statement of activities in accordance with a financial accounting standard that 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 this standard are different than the in-kind requirements of several of UDMO's grant awards. UDMO received contributions during the year with a value of \$1,242,226, primarily for its Head Start, Parent Partner, Power Up Youth, and child development programs, which 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

Joint costs are allocated to benefiting programs using an indirect cost rate. Joint costs are those costs incurred for the common benefit of all of UDMO's programs that cannot be readily identified with a final cost objective. A provisional indirect cost rate has been approved by the U.S. Department of Health and Human Services (DHHS). A provisional indirect cost rate is based upon the projected costs of UDMO for the fiscal year under consideration. UDMO adjusts the provisional rate based upon actual experience. This adjusted rate is subject to approval by DHSS at which time the indirect cost rate becomes final. Any adjustments to the rate will be reflected in the financial statements when the rate is finalized. A provisional rate of 19.20% was approved for the fiscal year ended September 30, 2012.

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.

Subsequent Events

Subsequent events have been evaluated through January 22, 2013, which is the date the financial statements were available to be issued.

Note 2 **Custodial Cash/Amount Due from Early Childhood Iowa: Lakes Region Board**

UDMO acts as a fiscal agent for Early Childhood Iowa: Lakes Region Board (ECI). The revenue and expenses related to this activity are not included in these financial statements. As of September 30, 2012, the amount due from ECI, and included in accounts receivable, was \$34,015.

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, and up to \$250,000 in FDIC insurance beginning January 1, 2013. 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, 2012, the restricted cash balance was \$5,530.

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 5 Grants Receivable

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

Federal programs	\$ 473,236
State programs	181,641
<hr/>	
Total	\$ 654,877

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.	\$ 4,225
Note receivable from Graettinger Drive-up, due in monthly installments of \$300, with 2% interest, due May 2013.	2,539
<hr/>	
Subtotal	6,764
Less - current portion	6,434
<hr/>	
Note receivable, long-term	\$ 330

As of September 30, 2012, Graettinger Economic Development and Graettinger Drive-up were current on their payments to UDMO.

Note 7 Property and Equipment

The balance at September 30, 2012, consists of the following:

Land	\$ 147,600
Buildings	2,502,478
Equipment	1,072,349
<hr/>	
	3,722,427
Accumulated depreciation	(1,414,676)
<hr/>	
Property and equipment, net	\$ 2,307,751

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 8 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	1,642,939
	<u>1,723,574</u>
Accumulated depreciation	<u>(580,520)</u>
Land and building, net	<u>\$ 1,143,054</u>

Total rental income for the year ended September 30, 2012, was \$51,750.

Note 9 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, 2012, was \$160,705. Future minimum lease payments under all operating leases are as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2013	\$ 111,224
2014	26,442
2015	10,749
2016	3,256
2017	1,750
Total	<u>\$ 153,421</u>

Note 10 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 5.38% of annual salary and UDMO was required to contribute 8.07% of payroll from October 1, 2011 to June 30, 2012. Beginning July 1, 2012, plan members were required to contribute 5.78% of their annual salary and UDMO was required to contribute 8.67% of annual payroll. Contribution requirements are established by state statute. UDMO's contribution to IPERS for the year ended September 30, 2012, was \$404,851.

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 10 Pension and Retirement Benefits (Continued)

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 11 Temporarily Restricted Net Assets

Temporarily restricted net assets of \$280,677 consist of restricted funds unspent in state and local programs and temporarily restricted donations as of September 30, 2012.

Note 12 Grant Awards

At September 30, 2012, UDMO had received future funding commitments under various grants of approximately \$4,050,000. These commitments are not recognized in the accompanying financial statements as revenue and receivables as they are conditional awards.

Note 13 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.

Supplementary Information

Upper Des Moines Opportunity, Inc.

Schedule A-1

Schedule of Program Activity

Year Ended September 30, 2012

	FEDERAL PROGRAMS						
	Department of Agriculture						
	Total	10.557		10.557 Subtotal	10.558		
		Women, Infants, and Children 5881A047 (1)	Women, Infants, and Children 1191-05-47 (2)		DPI Food Reimbursement 74-8011 (3)	Child & Adult Care Food 74-8017 (4)	10.558 Subtotal
REVENUE							
Grant revenue	\$ 14,771,380	\$ 481,466	\$ 676	\$ 482,142	\$ 238,853	\$ 572,035	\$ 810,888
Program income	227,744	5,679	0	5,679	0	10	10
Rental income	51,750	0	0	0	0	0	0
Interest income	4,732	0	0	0	0	0	0
Donations	464,356	0	0	0	0	0	0
Other income	81,558	0	0	0	0	0	0
In-kind contributions	680,718	0	0	0	0	0	0
Total Revenue	16,282,238	487,145	676	487,821	238,853	572,045	810,898
EXPENSES							
Salaries	5,072,370	278,719	453	279,172	26,630	48,660	75,290
Fringe	1,539,999	84,660	136	84,796	8,015	14,795	22,810
Contract services	200,977	11,383	0	11,383	0	0	0
Travel	291,206	8,828	0	8,828	0	6,079	6,079
Space	391,133	8,373	0	8,373	0	2,028	2,028
Consumable supplies	464,460	30,253	0	30,253	12,842	9,138	21,980
Equipment lease	13,772	0	0	0	0	0	0
Direct client assistance	5,268,624	0	0	0	0	0	0
Other operational	377,311	11,415	0	11,415	186,253	482,002	668,255
Indirect	895,947	53,514	87	53,601	5,113	9,343	14,456
In-kind expense	680,718	0	0	0	0	0	0
Total Expenses	15,196,517	487,145	676	487,821	238,853	572,045	810,898
Change in Net Assets	1,085,721	0	0	0	0	0	0
Net assets - Beginning of year	2,217,539	0	0	0	0	0	0
NET ASSETS - End of year	\$ 3,303,260	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Upper Des Moines Opportunity, Inc.

Schedule A-2

Schedule of Program Activity

Year Ended September 30, 2012

	FEDERAL PROGRAMS					
	DOA	Department of HUD			Department of Energy	
	10.766	14.239	14.257-ARRA	81.042-ARRA	81.042	81.042-ARRA & 81.042
	USDA Community Facilities Grant 74-8017	Home Investment Partnership Program 10-HM-212	Homeless Prevention & Rapid Rehousing S09-DY-19-0001	Weatherization DOE-ARRA-09-160	DOE DOE-12-160	Subtotal
	(5)	(6)	(7)	(8)	(9)	
REVENUE						
Grant revenue	\$ 25,380	\$ 857,492	\$ 213,379	\$ 1,238,019	\$ 236,035	\$ 1,474,054
Program income	0	0	0	0	0	0
Rental income	0	0	0	0	0	0
Investment 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	0	0	0	0	0	0
Total Revenue	25,380	857,492	213,379	1,238,019	236,035	1,474,054
EXPENSES						
Salaries	0	0	45,923	22,075	59,582	81,657
Fringe	0	0	13,777	6,622	18,076	24,698
Contract services	0	857,492	0	0	0	0
Travel	0	0	3,732	5,211	3,798	9,009
Space	0	0	2,295	568	1,370	1,938
Consumable supplies	0	0	1,989	913	1,565	2,478
Equipment lease	25,380	0	0	0	0	0
Direct client assistance	0	0	134,251	1,196,472	137,034	1,333,506
Other operational	0	0	2,595	1,913	3,177	5,090
Indirect	0	0	8,817	4,245	11,433	15,678
In-kind expense	0	0	0	0	0	0
Total Expenses	25,380	857,492	213,379	1,238,019	236,035	1,474,054
Change in Net Assets	0	0	0	0	0	0
Net assets - Beginning of year	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, 2012

	FEDERAL PROGRAMS					
	Department of Health and Human Services					
	93.087	93.276	93.505	93.556		
	Parent Partner 90CU0049/05 (10)	Power Up Youth 5H79SP014497-05 (11)	Maternal, Infant and Early Childhood Visiting Program (12)	Nurturing Fathers ACFS 13-125 (13)	Nurturing Fathers ACFS 12-125 (14)	93.556 Subtotal
REVENUE						
Grant revenue	\$ 526,946	\$ 97,226	\$ 3,096	\$ 2,838	\$ 7,959	\$ 10,797
Program income	14,735	0	0	0	0	0
Rental income	0	0	0	0	0	0
Interest income	0	0	0	0	0	0
Donations	900	0	0	0	0	0
Other income	2,620	3,949	0	0	0	0
In-kind contributions	181,525	113,462	0	0	0	0
Total Revenue	726,726	214,637	3,096	2,838	7,959	10,797
EXPENSES						
Salaries	268,621	39,745	444	1,852	5,107	6,959
Fringe	81,550	12,040	149	575	1,532	2,107
Contract services	45,119	13,264	0	0	0	0
Travel	64,868	7,060	0	0	0	0
Space	12,197	1,200	0	0	0	0
Consumable supplies	2,152	1,300	1,963	55	339	394
Equipment lease	0	0	0	0	0	0
Direct client assistance	0	0	0	0	0	0
Other operational	19,119	18,935	455	0	0	0
Indirect	51,575	7,631	85	356	981	1,337
In-kind expense	181,525	113,462	0	0	0	0
Total Expenses	726,726	214,637	3,096	2,838	7,959	10,797
Change in Net Assets	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Upper Des Moines Opportunity, Inc.

Schedule A-4

Schedule of Program Activity

Year Ended September 30, 2012

	FEDERAL PROGRAMS					
	Department of Health and Human Services					
	93.558				93.568	
	FaDSS 13-16-FO	FaDSS 12-16-FO	Nurturing Fathers ACFS 13-125	Nurturing Fathers ACFS 12-125	93.558 Subtotal	LIHEAP 12-160
	(15)	(16)	(17)	(18)		(19)
REVENUE						
Grant revenue	\$ 28,187	\$ 115,891	\$ 710	\$ 1,990	\$ 146,778	\$ 3,306,148
Program income	0	0	0	0	0	0
Rental income	0	0	0	0	0	0
Investment 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	0	0	0	0	0	0
Total Revenue	28,187	115,891	710	1,990	146,778	3,306,148
EXPENSES						
Salaries	15,670	64,339	463	1,277	81,749	200,282
Fringe	4,938	19,302	144	383	24,767	60,308
Contract services	0	0	0	0	0	0
Travel	2,842	9,602	0	0	12,444	2,848
Space	686	3,406	0	0	4,092	5,319
Consumable supplies	215	4,652	14	85	4,966	23,042
Equipment lease	0	0	0	0	0	0
Direct client assistance	0	0	0	0	0	2,970,567
Other operational	827	2,237	0	0	3,064	5,328
Indirect	3,009	12,353	89	245	15,696	38,454
In-kind expense	0	0	0	0	0	0
Total Expenses	28,187	115,891	710	1,990	146,778	3,306,148
Change in Net Assets	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Upper Des Moines Opportunity, Inc.

Schedule A-5

Schedule of Program Activity

Year Ended September 30, 2012

	FEDERAL PROGRAMS						
	Department of Health and Human Services						
	93.568		93.569		93.575		
	HEAP 12-160 (20)	HEAP 11-160 (21)	93.568 Subtotal	CSBG 12-16 (22)	Wrap DCFS 09-089-32 (23)	Wrap DCFS 09-089-32 (24)	93.575 Subtotal
REVENUE							
Grant revenue	\$ 411,482	\$ 300,410	\$ 4,018,040	\$ 430,366	\$ 24,259	\$ 230,473	\$ 254,732
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
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	411,482	300,410	4,018,040	430,366	24,259	230,473	254,732
EXPENSES							
Salaries	158,243	67,465	425,990	283,584	14,161	128,809	142,970
Fringe	48,005	20,239	128,552	85,075	4,909	38,643	43,552
Contract services	0	0	0	0	0	320	320
Travel	10,089	5,032	17,969	0	0	30	30
Space	3,638	1,735	10,692	0	1,615	16,406	18,021
Consumable supplies	5,273	3,200	31,515	0	34	6,345	6,379
Equipment lease	(19,018)	(834)	(19,852)	0	0	0	0
Direct client assistance	167,565	187,902	3,326,034	0	0	0	0
Other operational	7,321	2,699	15,348	0	822	15,189	16,011
Indirect	30,366	12,972	81,792	61,707	2,718	24,731	27,449
In-kind expense	0	0	0	0	0	0	0
Total Expenses	411,482	300,410	4,018,040	430,366	24,259	230,473	254,732
Change in Net Assets	0	0	0	0	0	0	0
Net assets - Beginning of year	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-6

Schedule of Program Activity

Year Ended September 30, 2012

	FEDERAL PROGRAMS					
	Department of Health and Human Services					
	93.600					
	Early Head Start 07CH6131/46	Early Head Start 07CH6131/45	Head Start 07CH6131/46	Head Start 07CH6131/45	93.600 Subtotal	Total Federal Programs
	(25)	(26)	(27)	(28)		
REVENUE						
Grant revenue	\$ 1,002,510	\$ 822,122	\$ 1,302,463	\$ 1,144,130	\$ 4,271,225	\$ 13,622,541
Program income	0	0	0	0	0	20,424
Rental income	0	0	0	0	0	0
Investment income	0	0	0	0	0	0
Donations	25	500	2,213	868	3,606	4,506
Other income	40	449	5,718	0	6,207	12,776
In-kind contributions	301,631	207,822	665,183	284,254	1,458,890	1,753,877
Total Revenue	1,304,206	1,030,893	1,975,577	1,429,252	5,739,928	15,414,124
EXPENSES						
Salaries	587,066	434,008	716,182	628,429	2,365,685	4,097,789
Fringe	179,454	130,202	220,140	188,538	718,334	1,242,207
Contract services	4,564	17,306	9,483	18,082	49,435	977,013
Travel	19,357	13,087	29,640	24,132	86,216	216,235
Space	18,000	22,412	28,606	33,210	102,228	163,064
Consumable supplies	30,639	53,077	75,223	48,424	207,363	312,732
Equipment lease	12,687	50,000	33,822	50,000	146,509	152,037
Direct client assistance	0	0	0	0	0	4,793,791
Other operational	38,091	19,649	59,791	33,525	151,056	911,343
Indirect	112,717	83,330	137,507	120,658	454,212	794,036
In-kind expense	301,631	207,822	665,183	284,254	1,458,890	1,753,877
Total Expenses	1,304,206	1,030,893	1,975,577	1,429,252	5,739,928	15,414,124
Change in Net Assets	0	0	0	0	0	0
Net assets - Beginning of year	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-7

Schedule of Program Activity

Year Ended September 30, 2012

	STATE AND LOCAL PROGRAMS					
	Emmet Co. Empowerment (29)	Comm School 4 year old Programs (30)	Comm School 4 year old Programs (31)	Lakes Empowerment (32)	Lakes Empowerment (33)	Hometown Care Alliant (34)
REVENUE						
Grant revenue	\$ 1,817	\$ 62,747	\$ 291,283	\$ 23,600	\$ 122,819	\$ 15,026
Program income	0	0	0	0	0	0
Rental income	0	0	0	0	0	0
Investment 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	0	0	0	0	0	0
Total Revenue	1,817	62,747	291,283	23,600	122,819	15,026
EXPENSES						
Salaries	0	39,713	156,683	12,071	47,093	0
Fringe	0	12,722	46,996	3,825	14,128	0
Contract services	0	110	270	0	0	0
Travel	824	290	1,303	1,968	11,234	0
Space	0	0	81	902	1,520	0
Consumable supplies	993	343	41,758	1,607	12,468	0
Equipment lease	0	0	0	0	0	0
Direct client assistance	0	0	0	0	0	15,026
Other operational	0	1,944	14,109	910	27,334	0
Indirect	0	7,625	30,083	2,317	9,042	0
In-kind expense	0	0	0	0	0	0
Total Expenses	1,817	62,747	291,283	23,600	122,819	15,026
Change in Net Assets	0	0	0	0	0	0
Net assets - Beginning of year	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-8

Schedule of Program Activity

Year Ended September 30, 2012

	STATE AND LOCAL PROGRAMS					
	IA Individual Assistance (35)	Parent Education Program (36)	Embrace Iowa (37)	Home Repair (38)	Home Repair (39)	Chore Services (40)
REVENUE						
Grant revenue	\$ 1,349	\$ 7,188	\$ 9,889	\$ 11,924	\$ 31,857	\$ 38,700
Program income	0	0	0	0	0	3,214
Rental income	0	0	0	0	0	0
Investment 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	0	0	0	0	0	0
Total Revenue	1,349	7,188	9,889	11,924	31,857	41,914
EXPENSES						
Salaries	0	3,913	0	372	868	268
Fringe	0	1,193	0	125	260	80
Contract services	64	0	0	0	0	0
Travel	0	0	0	0	0	0
Space	0	0	0	0	0	0
Consumable supplies	0	1,331	0	0	4	14
Equipment lease	0	0	0	0	0	0
Direct client assistance	1,285	0	9,889	11,356	30,558	41,500
Other operational	0	0	0	0	0	0
Indirect	0	751	0	71	167	52
In-kind expense	0	0	0	0	0	0
Total Expenses	1,349	7,188	9,889	11,924	31,857	41,914
Change in Net Assets	0	0	0	0	0	0
Net assets - Beginning of year	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-9

Schedule of Program Activity

Year Ended September 30, 2012

	STATE AND LOCAL PROGRAMS					
	HSOGP 11-II-74003 (41)	HSOGP 10-II-74003 (42)	Safe Harbor (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	\$ 11,813	\$ 2,759	\$ 2,700	\$ 11,201	\$ 46,304	\$ 18,444
Program income	0	0	0	0	0	0
Rental income	0	0	0	0	0	0
Investment 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	0	0	0	4,923	61,550	11,453
Total Revenue	11,813	2,759	2,700	16,124	107,854	29,897
EXPENSES						
Salaries	302	0	0	6,349	29,114	11,667
Fringe	91	0	0	2,035	8,734	3,705
Contract services	0	0	0	6	0	12
Travel	149	0	0	431	728	96
Space	0	0	1,800	603	3,756	374
Consumable supplies	0	0	0	230	300	52
Equipment lease	0	0	0	0	0	0
Direct client assistance	11,213	2,759	899	0	0	0
Other operational	0	0	1	328	1,110	298
Indirect	58	0	0	1,219	2,562	2,240
In-kind expense	0	0	0	4,923	61,550	11,453
Total Expenses	11,813	2,759	2,700	16,124	107,854	29,897
Change in Net Assets	0	0	0	0	0	0
Net assets - Beginning of year	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-10

Schedule of Program Activity

Year Ended September 30, 2012

	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	\$ 48,052	\$ 12,422	\$ 48,516	\$ 4,284	\$ 0	\$ 0
Program income	0	0	0	0	5,288	1,595
Rental income	0	0	0	0	0	0
Investment 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	63,633	4,559	22,949	0	0	0
Total Revenue	111,685	16,981	71,465	4,284	5,288	1,595
EXPENSES						
Salaries	31,269	8,134	32,126	0	0	0
Fringe	9,381	2,622	9,638	0	0	0
Contract services	0	6	0	0	0	0
Travel	123	26	20	0	0	0
Space	1,496	0	0	0	0	0
Consumable supplies	257	34	2,064	0	0	0
Equipment lease	0	0	0	0	0	0
Direct client assistance	0	0	0	4,284	5,923	746
Other operational	1,882	38	371	0	0	0
Indirect	3,644	1,562	4,297	0	0	0
In-kind expense	63,633	4,559	22,949	0	0	0
Total Expenses	111,685	16,981	71,465	4,284	5,923	746
Change in Net Assets	0	0	0	0	(635)	849
Net assets - Beginning of year	0	0	0	0	11,033	(849)
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,398	\$ 0

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule A-11

Schedule of Program Activity

Year Ended September 30, 2012

	STATE AND LOCAL PROGRAMS					
	Project Share Utilities (53)	Project Share Utilities (54)	FaDSS 13-16-FO (55)	FaDSS 12-16-FO (56)	BHE 12-160 (57)	IPL 12-160 (58)
REVENUE						
Grant revenue	\$ 0	\$ 0	\$ 24,012	\$ 98,722	\$ 66,630	\$ 24,376
Program income	2,850	1,988	0	0	0	0
Rental income	0	0	0	0	0	0
Investment 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	0	0	0	0	0	0
Total Revenue	2,850	1,988	24,012	98,722	66,630	24,376
EXPENSES						
Salaries	0	0	13,349	54,808	6,015	2,200
Fringe	0	0	4,206	16,442	1,825	668
Contract services	0	0	0	0	0	0
Travel	0	0	2,420	8,179	383	140
Space	0	0	585	2,902	138	51
Consumable supplies	0	0	184	3,962	158	58
Equipment lease	0	0	0	0	0	0
Direct client assistance	2,003	655	0	0	56,636	20,720
Other operational	0	0	705	1,906	321	117
Indirect	0	0	2,563	10,523	1,154	422
In-kind expense	0	0	0	0	0	0
Total Expenses	2,003	655	24,012	98,722	66,630	24,376
Change in Net Assets	847	1,333	0	0	0	0
Net assets - Beginning of year	9,091	(1,333)	0	0	0	0
NET ASSETS - End of year	\$ 9,938	\$ 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, 2012

	STATE & LOCAL PROGRAMS			DISCRETIONARY		
	IPL 11-160	MEC 12-160	Total State and Local Programs	TOTAL PROGRAM ACTIVITY	Outreach UDMO	Rental UDMO
	(59)	(60)			(61)	(62)
REVENUE						
Grant revenue	\$ 10,701	\$ 99,704	\$ 1,148,839	\$ 14,771,380	\$ 0	\$ 0
Program income	0	0	14,935	35,359	192,385	0
Rental income	0	0	0	0	1,425	47,600
Investment income	0	0	0	0	0	0
Donations	0	0	0	4,506	325,396	0
Other income	0	0	0	12,776	57,189	12,064
In-kind contributions	0	0	169,067	1,922,944	0	0
Total Revenue	10,701	99,704	1,332,841	16,746,965	576,395	59,664
EXPENSES						
Salaries	955	9,001	466,270	4,564,059	95,776	0
Fringe	287	2,731	141,694	1,383,901	30,777	0
Contract services	0	0	468	977,481	182	4,779
Travel	71	574	28,959	245,194	26,518	0
Space	25	207	14,440	177,504	104,377	40,422
Consumable supplies	39	236	66,092	378,824	13,572	2
Equipment lease	0	0	0	152,037	227	0
Direct client assistance	9,096	84,748	309,296	5,103,087	165,537	0
Other operational	44	480	51,898	963,241	52,657	25,574
Indirect	184	1,727	82,263	876,299	18,389	0
In-kind expense	0	0	169,067	1,922,944	0	0
Total Expenses	10,701	99,704	1,330,447	16,744,571	508,012	70,777
Change in Net Assets	0	0	2,394	2,394	68,383	(11,113)
Net assets - Beginning of year	0	0	17,942	17,942	823,282	196,912
NET ASSETS - End of year	\$ 0	\$ 0	\$ 20,336	\$ 20,336	\$ 891,665	\$ 185,799

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule A-13

Schedule of Program Activity

Year Ended September 30, 2012

	DISCRETIONARY		
	Corporate UDMO (63)	GAAP Adjustments	TOTAL DISCRETIONARY
REVENUE			
Grant revenue	\$ 0	\$ 0	\$ 0
Program income	0	0	192,385
Rental income	2,725	0	51,750
Investment income	4,732	0	4,732
Donations	134,454	0	459,850
Other income	32,473	(32,944)	68,782
In-kind contributions	0	(1,242,226)	(1,242,226)
Total Revenue	174,384	(1,275,170)	(464,727)
EXPENSES			
Salaries	412,535	0	508,311
Fringe	125,321	0	156,098
Contract services	118,535	(900,000)	(776,504)
Travel	19,494	0	46,012
Space	68,830	0	213,629
Consumable supplies	72,062	0	85,636
Equipment lease	13,545	(152,037)	(138,265)
Direct client assistance	0	0	165,537
Other operational	(767,547)	103,386	(585,930)
Indirect	1,259	0	19,648
In-kind expense	0	(1,242,226)	(1,242,226)
Total Expenses	64,034	(2,190,877)	(1,548,054)
Change in Net Assets	110,350	915,707	1,083,327
Net assets - Beginning of year	702,508	476,895	2,199,597
NET ASSETS - End of year	\$ 812,858	\$ 1,392,602	\$ 3,282,924

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, 2012

<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	10/01/11-09/30/12	\$ 481,466
(2) Women, Infants, and Children 1191-05-47		Iowa Department of Public Health	10/01/11-09/30/12	<u>676</u>
Total Federal Expenditures CFDA 10.557				<u>482,142</u>
(3) DPI Food Reimbursement 74-8011	10.558	Iowa Department of Education	10/01/11-09/30/12	238,853
(4) Child and Adult Care Food Program 74-8017		Iowa Department of Education	10/01/11-09/30/12	<u>572,035</u>
Total Federal Expenditures CFDA 10.558				<u>810,888</u>
(5) USDA Community Facilities Grant 74-8017	10.766	United States Department of Agriculture	10/01/11-09/30/12	<u>25,380</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
(6) Home Investment Partnership Program 10-HM-212	14.239	Iowa Finance Authority	05/12/10-05/31/20	<u>857,492</u>
(7) ARRA Homeless Prevention & Rapid Rehousing S09-DY-19-0001	14.257- ARRA	Iowa Finance Authority	07/14/09-07/13/12	<u>213,379</u>
DEPARTMENT OF ENERGY				
(8) ARRA Weatherization DOE-ARRA-09-160	81.042- ARRA	Iowa Department of Human Rights	04/01/09-04/30/12	<u>1,238,019</u>
(9) DOE DOE-12-160	81.042	Iowa Department of Human Rights	04/01/12-03/31/13	<u>236,035</u>
Total Federal Expenditures CFDA 81.042- ARRA & 81.042				<u>1,474,054</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
(10) Parent Partner 90CU0049/05	93.087	Department of Health and Human Services	10/01/11-09/30/12	<u>526,946</u>

Upper Des Moines Opportunity, Inc.

Schedule B-2

Schedule of Expenditures of Federal Awards and List of Programs

Year Ended September 30, 2012

Federal Grantor/Program Title	CFDA Number	Funding Source/ Pass-Through Entity	Program Period	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES(Continued)				
(11) Power Up Youth 5H79SP014497-05	93.276	Department of Health and Human Services	10/01/11-09/30/12	97,226
(12) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	Iowa Department of Human Services	08/01/12-03/31/13	3,096
(13) Nurturing Fathers ACFS 13-125	93.556	Department of Health and Human Services	07/01/12-06/30/13	2,838
(14) Nurturing Fathers ACFS 12-125		Department of Health and Human Services	07/01/11-06/30/12	7,959
Total Federal Expenditures CFDA 93.556				10,797
(15) Families Developing Self Sufficiency 13-16-FO	93.558	Iowa Department of Human Rights	07/01/12-06/30/13	28,187
(16) Families Developing Self Sufficiency 12-16-FO		Iowa Department of Human Rights	07/01/11-09/30/12	115,891
(17) Nurturing Fathers ACFS 13-125		Department of Health and Human Services	07/01/12-06/30/13	710
(18) Nurturing Fathers ACFS 12-125		Department of Health and Human Services	07/01/11-06/30/12	1,990
Total Federal Expenditures CFDA 93.558				146,778
(19) Low Income Home Energy Assistance Program 12-160	93.568	Iowa Department of Human Rights	10/01/11-09/30/12	3,306,148
(20) Weatherization Home Energy Assistance Program 12-160		Iowa Department of Human Rights	01/01/12-12/31/12	411,482
(21) Weatherization Home Energy Assistance Program 11-160		Iowa Department of Human Rights	01/01/11-12/31/11	300,410
Total Federal Expenditures CFDA 93.568				4,018,040
(22) Community Service Block Grant 12-16	93.569	Iowa Department of Human Rights	10/01/11-09/30/12	430,366
(23) Wrap DCFS 09-089-32	93.575	Iowa Department of Human Services	09/01/12-08/31/13	24,259
(24) Wrap DCFS 09-089-32		Iowa Department of Human Services	09/01/11-08/31/12	230,473
Total Federal Expenditures CFDA 93.575				254,732

Upper Des Moines Opportunity, Inc.

Schedule B-3

Schedule of Expenditures of Federal Awards and List of Programs

Year Ended September 30, 2012

<u>Federal Grantor/Program Title</u>	<u>Funding Source/ Pass-Through Entity</u>	<u>Program Period</u>	<u>Federal Expenditures</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES(Continued)			
(25) Early Head Start 07CH6131/46	93.600 Department of Health and Human Services	03/01/12-02/28/13	1,002,510
(26) Early Head Start 07CH6131/45	Department of Health and Human Services	03/01/11-02/29/12	822,122
(27) Head Start 07CH6131/46	Department of Health and Human Services	03/01/12-02/28/13	1,302,463
(28) Head Start 07CH6131/45	Department of Health and Human Services	03/01/11-02/29/12	1,144,130
Total Federal Expenditures CFDA 93.600			4,271,225
TOTAL FEDERAL EXPENDITURES			\$ 13,622,541
STATE AND LOCAL PROGRAMS			
(29) Emmet County Empowerment	Emmet County	07/01/11-06/30/12	
(30) Community School 4 yr old programs	Community School Districts	07/01/12-06/30/13	
(31) Community School 4 yr old programs	Community School Districts	07/01/11-06/30/12	
(32) Lakes Empowerment	Lakes Area Empowerment	07/01/12-06/30/13	
(33) Lakes Empowerment	Lakes Area Empowerment	07/01/11-06/30/12	
(34) Hometown Care Alliant	Alliant Energy	10/01/11-09/30/12	
(35) IA Individual Assistance	Iowa Department of Human Services	07/01/12-06/30/13	
(36) Parent Education Program	2nd Judicial Court District	09/01/11-08/31/12	
(37) Embrace Iowa	ICAA-The Des Moines Register	10/01/11-09/30/12	
(38) Home Repair	Elderbridge Agency and Northwest Aging	07/01/12-06/30/13	
(39) Home Repair	Elderbridge Agency and Northwest Aging	07/01/11-06/30/12	
(40) Chore Services	Elderbridge Agency and Northwest Aging	07/01/11-06/30/12	
(41) Homeless Shelter Operations Grant Program 11-II-74003	Iowa Department of Economic Development	01/01/12-12/31/12	
(42) Homeless Shelter Operations Grant Program 10-II-74003	Iowa Department of Economic Development	01/01/11-12/31/11	
(43) Homeless Shelter Operations Grant Program Safe Harbor	Iowa Department of Economic Development	01/01/11-12/31/11	
(44) Child Development - Spirit Lake UD-12-0495-115	Iowa Department of Education	07/01/12-06/30/13	
(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	07/01/12-06/30/13	

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, 2012

<u>Federal Grantor/Program Title</u>	<u>Funding Source/ Pass-Through Entity</u>	<u>Program Period</u>
STATE AND LOCAL PROGRAMS (Continued)		
(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	07/01/12-06/30/13
(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	10/01/11-09/30/12
(51) I CARE IPS	Mid-American Energy	01/01/12-12/31/12
(52) I CARE IPS	Mid-American Energy	01/01/11-12/31/11
(53) Project Share Utilities	Various Utilities	01/01/12-12/31/12
(54) Project Share Utilities	Various Utilities	01/01/11-12/31/11
(55) Families Developing Self Sufficiency 13-16-FO	Iowa Department of Human Rights	07/01/12-06/30/13
(56) Families Developing Self Sufficiency 12-16-FO	Iowa Department of Human Rights	07/01/11-06/30/12
(57) Weatherization - Black Hills Energy 12-160	Iowa Department of Human Rights	01/01/12-12/31/12
(58) Weatherization - Interstate Power & Light 12-160	Iowa Department of Human Rights	01/01/12-12/31/12
(59) Weatherization - Interstate Power & Light 11-160	Iowa Department of Human Rights	01/01/11-12/31/11
(60) Weatherization - Mid-American Energy 12-160	Iowa Department of Human Rights	01/01/12-12/31/12
DISCRETIONARY		
(61) Outreach UDMO	Fees, program income, donations	10/01/11-09/30/12
(62) Rental UDMO	Rental activity	10/01/11-09/30/12
(63) Corporate UDMO	Discretionary interest, miscellaneous income activities	10/01/11-09/30/12

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

NOTE 1: The Schedule of Expenditures of Federal Awards and List of Programs (the "Schedule") includes the federal grant activity of Upper Des Moines Opportunity, Inc. under programs of the federal government for the year ended September 30, 2012. 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*. Because the schedule presents only a selected portion of the operations of Upper Des Moines Opportunity, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Upper Des Moines Opportunity, Inc.

NOTE 2: Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule C Schedule of Indirect Cost Account Year Ended September 30, 2012

Expenditures:		
Salaries	\$	405,979
Fringe		123,326
Other professional		40,076
Contracted services		35,742
Auditing		37,250
Travel		47,727
Occupancy		22,404
Stationary		3,879
Reproduction		3,057
Computer supplies		22,050
Office supplies		26,425
Depreciation		19,748
Insurance		44,995
Telephone		9,631
Internet		4,052
Postage		7,091
Miscellaneous		18,571
Service contracts		9,369
Registrations		18,505
Total indirect cost expenses		899,877
Reimbursement		895,947
Current year excess of reimbursements over expenses	(3,930)
Net assets - Beginning of year		53,228
Prior year indirect cost rate adjustment		13,981
Net assets - End of year	\$	63,279

Upper Des Moines Opportunity, Inc.

Schedule D
Schedule of Computation of Indirect Costs
Year Ended September 30, 2012

Total salaries - regular	\$ 5,072,370
Indirect cost salaries	(405,979)
Total direct salaries	4,666,391
Indirect cost rate	19.2%
Allocable indirect costs	895,947
Amount reimbursed	895,947
Variance	\$ 0

Upper Des Moines Opportunity, Inc.

Schedule E

Schedule of Iowa Department of Human Rights Grant Expenses of Completed

Contracts Overlapping Fiscal Years

Year Ended September 30, 2012

Program	Grant Number	Grant Period	Expenses		Total	Program Budget
			Prior Years	Current Year		
DOE Weatherization	DOE 11-160	07/01/11-03/31/12	\$ 0	\$ 0	\$ 0	\$ 360,930
HEAP Weatherization	HEAP 11-160	01/01/11-12/31/11	246,282	300,410	546,692	676,618
Family Development and Self-Sufficiency	FaDSS 12-16-FO	07/01/11-09/30/12	52,104	214,613	266,717	266,717
BHE Weatherization	BHE 11-160	01/01/11-12/31/11	73,891	0	73,891	73,891
IPL Weatherization	IPL 11-160	01/01/11-12/31/11	153,741	10,701	164,442	164,442
MEC Weatherization	MEC 11-160	01/01/11-12/31/11	348,506	0	348,506	348,506
DOE Weatherization ARRA	DOE-ARRA-09-160	04/01/09-04/30/12	4,002,629	1,238,019	5,240,648	5,547,236

Upper Des Moines Opportunity, Inc.

Schedule F-1

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed DOE Weatherization (Contract No. DOE 12-160)

Six Months Ended September 30, 2012

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 438,750	\$ 236,035	\$ 202,715
Program expenses:			
Administration	21,937	11,795	10,142
Health and safety	83,363	49,000	34,363
Support	105,300	87,206	18,094
Labor	114,075	45,242	68,833
Material	114,075	42,792	71,283
Totals	\$ 438,750	\$ 236,035	\$ 202,715

Upper Des Moines Opportunity, Inc.

Schedule F-2

Schedule of Revenue and Expenses Compared to Budget

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

Nine Months Ended March 31, 2012

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 360,930	\$ 0	\$ 360,930
Program expenses:			
Administration	21,150	0	21,150
Health and safety	66,286	0	66,286
Support	88,710	0	88,710
Labor	92,392	0	92,392
Material	92,392	0	92,392
Totals	\$ 360,930	\$ 0	\$ 360,930

Upper Des Moines Opportunity, Inc.

Schedule F-3

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed HEAP Weatherization (Contract No. HEAP 12-160)

Nine Months Ended September 30, 2012

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 1,109,826	\$ 411,482	\$ 698,344
Program expenses:			
Administration	41,249	5,967	35,282
Health and safety	147,848	33,787	114,061
Support	188,086	63,997	124,089
Augmented Support	306,590	306,589	1
Labor	201,652	9,700	191,952
Material	201,652	6,442	195,210
Equipment/Training	20,249	(17,500)	37,749
Pollution occurrence insurance	2,500	2,500	0
Totals	\$ 1,109,826	\$ 411,482	\$ 698,344

Upper Des Moines Opportunity, Inc.

Schedule F-4

Schedule of Revenue and Expenses Compared to Budget

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

Year Ended December 31, 2011

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 676,618	\$ 546,692	\$ 129,926
Program expenses:			
Administration	33,957	27,805	6,152
Health and safety	125,688	247,726	(122,038)
Support	162,929	251,045	(88,116)
Labor	169,911	6,211	163,700
Material	169,911	9,932	159,979
Equipment/Training	10,249	0	10,249
Pollution occurrence insurance	3,973	3,973	0
Totals	\$ 676,618	\$ 546,692	\$ 129,926

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 12-160)

Year Ended September 30, 2012

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 3,327,422	\$ 3,306,148	\$ 21,274
Program expenses:			
Administration	290,607	290,607	0
Regular assistance	2,509,978	2,488,971	21,007
E.C.I.P.	159,142	158,875	267
Client services	44,974	44,974	0
Summer deliverable fuel payments	322,721	322,721	0
Totals	\$ 3,327,422	\$ 3,306,148	\$ 21,274

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 13-16-FO)

Three Months Ended September 30, 2012

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 270,807	\$ 52,199	\$ 218,608
Program expenses:			
Administration	30,249	5,572	24,677
Personnel:			
Salaries	157,548	29,019	128,529
Benefits	47,264	9,144	38,120
Travel	21,090	5,262	15,828
Space/utilities	7,485	1,271	6,214
Other	7,171	1,931	5,240
Totals	\$ 270,807	\$ 52,199	\$ 218,608

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 12-16-FO)

Fifteen Months Ended September 30, 2012

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 266,717	\$ 266,717	\$ 0
Program expenses:			
Administration	29,032	29,180	(148)
Personnel:			
Salaries	149,606	150,467	(861)
Benefits	44,867	44,263	604
Travel	21,089	21,714	(625)
Space/utilities	6,948	7,024	(76)
Other	15,175	14,069	1,106
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 12-160)

Nine Months Ended September 30, 2012

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 75,741	\$ 66,630	\$ 9,111
Program expenses:			
Administration	3,787	3,764	23
Support	7,574	6,230	1,344
Labor	32,190	24,825	7,365
Material	32,190	31,811	379
Totals	\$ 75,741	\$ 66,630	\$ 9,111

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 11-160)

Year Ended December 31, 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-10

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed IPL Weatherization (Contract No. IPL-12-160)

Nine Months Ended September 30, 2012

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 89,442	\$ 24,376	\$ 65,066
Program expenses:			
Administration	4,472	1,377	3,095
Support	8,944	2,279	6,665
Labor	38,013	10,966	27,047
Material	38,013	9,754	28,259
Totals	\$ 89,442	\$ 24,376	\$ 65,066

Upper Des Moines Opportunity, Inc.

Schedule F-11

Schedule of Revenue and Expenses Compared to Budget

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

Year Ended December 31, 2011

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 164,442	\$ 164,442	\$ 0
Program expenses:			
Administration	8,222	11,985	(3,763)
Support	16,444	12,681	3,763
Labor	69,888	70,016	(128)
Material	69,888	69,760	128
Totals	\$ 164,442	\$ 164,442	\$ 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- 12-160)

Nine Months Ended September 30, 2012

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 149,253	\$ 99,704	\$ 49,549
Program expenses:			
Administration	7,464	5,757	1,707
Support	14,925	9,199	5,726
Labor	63,432	40,143	23,289
Material	63,432	44,605	18,827
Totals	\$ 149,253	\$ 99,704	\$ 49,549

Upper Des Moines Opportunity, Inc.

Schedule F-13

Schedule of Revenue and Expenses Compared to Budget

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

Year Ended December 31, 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-14

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed Community Service Block Grant

(Contract No. CSBG 12-16)

Year Ended September 30, 2012

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 430,366	\$ 430,366	\$ 0
Program expenses:			
Personnel costs	8,713	4,506	4,207
Co-funded programs	420,366	425,195	(4,829)
Indirect costs	1,287	665	622
Totals	\$ 430,366	\$ 430,366	\$ 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-Seven Months Ended April 30, 2012

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 5,547,236	\$ 5,240,648	\$ 306,588
Program expenses:			
T & TA	63,882	62,881	1,001
Administration	302,817	180,337	122,480
Administration - Equipment	117,900	117,900	0
Health and safety	1,017,806	1,127,493	(109,687)
Support	1,269,835	461,217	808,618
Labor	1,387,498	1,866,317	(478,819)
Material	1,387,498	1,424,503	(37,005)
Totals	\$ 5,547,236	\$ 5,240,648	\$ 306,588



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, 2012, and have issued our report thereon dated January 22, 2013. 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

The management of Upper Des Moines Opportunity, Inc. is responsible for establishing and maintaining effective 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*.

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and on compliance and other matters, and the results of that testing, and not to provide an opinion on the effectiveness of Upper Des Moines Opportunity, Inc.'s internal control over financial reporting or on compliance and other matters. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Upper Des Moines Opportunity, Inc.'s internal control over financial reporting and on compliance and other matters. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

January 22, 2013
Madison, Wisconsin



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

Board of Directors
Upper Des Moines Opportunity, Inc.
Grattinger, 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, 2012. 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, 2012.

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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.

The purpose of this report is solely to describe the scope of our testing of compliance with the specific program compliance requirements referred to above that are applicable to each of Upper Des Moines Opportunity, Inc.'s major federal programs and our testing of internal control over compliance and the results of our testing, and to provide an opinion on Upper Des Moines Opportunity, Inc.'s compliance but not to provide an opinion on the effectiveness of Upper Des Moines Opportunity, Inc.'s internal control over compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Upper Des Moines Opportunity, Inc.'s compliance with the specific program compliance requirements applicable to its major federal programs and its internal control over compliance. Accordingly, this report is not suitable for any other purpose.


Wipfli LLP

January 22, 2013
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 on 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 Agriculture CFDA # 10.557 and #10.558, Department of Housing and Urban Development CFDA #14.239, and Department of Energy Cluster CFDA #81.042 and #81.042-ARRA.
8. The threshold for distinguishing Types A and B programs was \$408,676.
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