

Upper Des Moines Opportunity, Inc.
Graettinger, Iowa

Financial Statements and Supplementary Information
Year Ended September 30, 2016

Upper Des Moines Opportunity, Inc.

Financial Statements and Supplementary Information
Year Ended September 30, 2016

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Upper Des Moines Opportunity, Inc., which comprise the statement of financial position as of September 30, 2016, and the related statements of activities and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Upper Des Moines Opportunity, Inc. as of September 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements 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, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Schedules C through E, and Schedules F-1 through F-13 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial 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 financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the statement of financial position of Upper Des Moines Opportunity, Inc. as of September 30, 2015, and the related statements of activities and cash flows for the year then ended (not presented herein), and we expressed an unmodified opinion on those financial statements. That audit was conducted for purposes of forming an opinion on the financial statements as a whole. The supplementary schedules E, F-3, F-5, F-8, F-10, and F-12 are presented for purposes of additional analysis. 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 September 30, 2015, financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 prior year expenses included on the supplementary schedules E, F-3, F-5, F-8, F-10, and F-12 are fairly presented, in all material respects, in relation to the financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2017, on our consideration of Upper Des Moines Opportunity, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Upper Des Moines Opportunity, Inc.'s internal control over financial reporting and compliance.



Wipfli LLP

January 24, 2017
Madison, Wisconsin

Upper Des Moines Opportunity, Inc.

Statement of Financial Position

September 30, 2016

<i>Assets</i>	
Current assets:	
Cash	\$ 788,291
Certificates of deposit	165,558
Grants receivable	954,163
Accounts receivable	85,442
Inventory	32,714
Prepaid expenses	92,254
Total current assets	2,118,422
Restricted cash	7,250
Property and equipment, net	2,080,613
TOTAL ASSETS	\$ 4,206,285
<i>Liabilities and Net Assets</i>	
Current liabilities:	
Accounts payable	\$ 88,604
Accrued payroll and related expenses	462,872
Accrued other liabilities	11,532
Grant funds received in advance	239,021
Total current liabilities	802,029
Long-term liabilities:	
Security deposits	7,250
Total liabilities	809,279
Net assets:	
Unrestricted	3,078,898
Temporarily restricted	318,108
Total net assets	3,397,006
TOTAL LIABILITIES AND NET ASSETS	\$ 4,206,285

See accompanying notes to financial statements.

Upper Des Moines Opportunity, Inc.

Statement of Activities Year Ended September 30, 2016

	Unrestricted	Temporarily Restricted	Total
Revenue:			
Grant revenue	\$ 12,613,201	\$ 0	\$ 12,613,201
Program income	268,687	36,207	304,894
Rental income	119,853	0	119,853
Interest income	4,040	0	4,040
Donations	289,380	0	289,380
Other income	226,346	0	226,346
In-kind contributions	645,149	0	645,149
Net assets released from restrictions	59,138	(59,138)	0
Total revenue	14,225,794	(22,931)	14,202,863
Expenses:			
Program activities:			
Child education	5,820,566	0	5,820,566
Weatherization/energy assistance	4,313,961	0	4,313,961
Community services	1,166,768	0	1,166,768
Food programs	645,050	0	645,050
Health services	417,849	0	417,849
Housing	191,847	0	191,847
UDMO rental	76,520	0	76,520
Total program expenses	12,632,561	0	12,632,561
Supportive services:			
Management and general	862,451	0	862,451
Outreach	564,821	0	564,821
Corporate	37,165	0	37,165
Total support services	1,464,437	0	1,464,437
Total expenses	14,096,998	0	14,096,998
Change in net assets	128,796	(22,931)	105,865
Net assets - Beginning of year	2,950,102	341,039	3,291,141
Net assets - End of year	\$ 3,078,898	\$ 318,108	\$ 3,397,006

See accompanying notes to financial statements.

Upper Des Moines Opportunity, Inc.

Statement of Cash Flows

Year Ended September 30, 2016

Increase (decrease) in cash:	
Cash flows from operating activities:	
Change in net assets	\$ 105,865
<hr/>	
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	249,446
Loss on disposal of property and equipment	5,871
Changes in operating assets and liabilities:	
Grants receivable	(236,059)
Accounts receivable	(69,892)
Inventory	46,732
Prepaid expenses	(22,335)
Accounts payable	(108,898)
Accrued payroll and related expenses	143,666
Accrued other liabilities	1,162
Grant funds received in advance	(56,405)
Security deposits	(1,795)
<hr/>	
Net cash provided by operating activities	57,358
<hr/>	
Cash flows from investing activities:	
Decrease in restricted cash	1,795
Net purchases of certificates of deposit	(662)
Purchase of property and equipment	(211,714)
<hr/>	
Net cash used in investing activities	(210,581)
<hr/>	
Net change in cash	(153,223)
Cash - Beginning of year	941,514
<hr/>	
Cash - End of year	\$ 788,291
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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 32% of its total revenue, respectively.

Basis of Presentation

The 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 accordance 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 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.

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 \$1,281,131.

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.

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 \$1,097,524, primarily for its Head Start, 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 predetermined indirect cost rate has been approved by the U.S. Department of Health and Human Services (DHHS). A predetermined indirect cost rate is based upon the projected costs of UDMO for the fiscal year under consideration. A predetermined rate is not subject to adjustment based on actual experience. A predetermined rate of 19.1% was approved for the period of October 1, 2014 through September 30, 2018, and this rate was used during the year ended September 30, 2016.

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 24, 2017, which is the date the financial statements were available to be issued.

Note 2 **Fiscal Agent Activities**

UDMO acts as a fiscal agent for four unrelated organizations. The revenue and expenses related to these activities are not included in these financial statements. At September 30, 2016, there was a net of \$41,355 due from these organizations, which is reported in accounts receivable, and there are no amounts due to these organizations reported in accounts payable.

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). At times during the year, the bank balance may have been in excess of the FDIC coverage. Bank balances in excess of FDIC coverage are insured by Iowa Code as Public Funds.

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, 2016, the restricted cash balance was \$7,250.

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	\$	746,509
State and local programs		207,654
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Total	\$	954,163

Note 6 Property and Equipment

The balance at September 30, 2016, consists of the following:

Land	\$	151,050
Buildings and improvements		2,751,313
Equipment		1,201,757
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Subtotal		4,104,120
Accumulated depreciation	(2,023,507)
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Property and equipment, net	\$	2,080,613

Note 7 Lessor Activity

UDMO owns a facility 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		1,660,607
<hr/>		
Subtotal		1,741,242
Accumulated depreciation	(799,258)
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Land and building, net	\$	941,984

Total rental income from this project for the year ended September 30, 2016, was \$101,431.

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 8 Operating Leases

UDMO leases buildings and equipment for offices and operations. Building and equipment rental expense for the year ended September 30, 2016, was \$131,185. Future minimum lease payments under all operating leases are as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2017	\$ 78,663
2018	21,801
2019	9,664
<u>2020</u>	<u>1,560</u>
<u>Total</u>	<u>\$ 111,688</u>

Note 9 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's legal name: Iowa Public Employees' Retirement System
Employer identification number: 42-0923424

UDMO is one of over 1,800 public employers participating in the plan, which has a plan net position exceeding \$28 billion as of June 30, 2016. As with any multi-employer plan, the plan's financial results may be affected by other employers entering or withdrawing from the plan, actions by the plan's board of trustees, and other events beyond UDMO's control. IPERS's funded status was 81.82%, leaving an unfunded actuarial liability of approximately \$6 billion as of June 30, 2016, as reported in IPERS' comprehensive annual financial report. For additional IPERS plan information, see www.ipers.org.

Participating employees are required to contribute 5.95% of their annual covered salary and UDMO is required to contribute 8.93% of annual covered payroll. Contribution requirements to IPERS are established by state statute. UDMO's contribution to IPERS for the year ended September 30, 2016, was \$438,762.

Note 10 Temporarily Restricted Net Assets

Temporarily restricted net assets of \$318,108 consist of restricted funds unspent in state and local programs and temporarily restricted donations as of September 30, 2016.

Note 11 Grant Awards

At September 30, 2016, UDMO had received future funding commitments under various grants of approximately \$3,950,000. These commitments are not recognized in the accompanying financial statements as revenue and receivables as they are conditional awards.

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 12 **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.

Note 13 **Related Party Transactions**

UDMO is related to Community Housing Initiatives, Inc. (CHI) by the ability to approve the board members of CHI. UDMO recognized grant revenue from CHI of \$8,605 and management services expenses to CHI of \$10,178 during the year ended September 30, 2016. At September 30, 2016, there was a receivable due from CHI for \$562 and amounts payable due to CHI related to property management services and reimbursement of other property expenses related to the housing facilities owned by UDMO totaling \$4,947.

Supplementary Information

Upper Des Moines Opportunity, Inc.

Schedule A-1

Schedule of Program Activity

Year Ended September 30, 2016

	FEDERAL PROGRAMS						
	Department of Agriculture						
	Total	10.557		10.557 Subtotal	10.558		10.558 Subtotal
		Women, Infants, and Children 5884A048 (1)	Women, Infants, and Children 1191-05-47 (2)		DPI Food Reimbursement 74-8011 (3)	Child & Adult Care Food 74-8017 (4)	
REVENUE							
Grant revenue	\$ 12,613,201	\$ 446,698	\$ 739	\$ 447,437	\$ 272,811	\$ 379,220	\$ 652,031
Program income	304,894	7,634	0	7,634	0	0	0
Rental income	119,853	0	0	0	0	0	0
Interest income	4,040	0	0	0	0	0	0
Donations	289,380	0	0	0	0	0	0
Other income	226,346	143	0	143	35,055	0	35,055
In-kind contributions	645,149	0	0	0	0	0	0
Total Revenue	14,202,863	454,475	739	455,214	307,866	379,220	687,086
EXPENSES							
Salaries	5,172,656	253,792	543	254,335	62,284	34,453	96,737
Fringe	1,679,892	70,967	92	71,059	21,669	14,400	36,069
Contract services	214,625	5,539	0	5,539	0	25	25
Travel	203,011	7,488	0	7,488	0	4,492	4,492
Space	373,868	18,115	0	18,115	0	1,848	1,848
Consumable supplies	432,453	8,058	0	8,058	8,777	1,660	10,437
Equipment lease	11,614	20,003	0	20,003	0	0	0
Direct client assistance	4,164,581	0	0	0	0	0	0
Other operational	296,922	22,039	0	22,039	203,240	315,761	519,001
Indirect	902,227	48,474	104	48,578	11,896	6,581	18,477
In-kind expense	645,149	0	0	0	0	0	0
Total Expenses	14,096,998	454,475	739	455,214	307,866	379,220	687,086
Change in Net Assets	105,865	0	0	0	0	0	0
Net assets - Beginning of year	3,291,141	0	0	0	0	0	0
NET ASSETS - End of year	\$ 3,397,006	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule A-2

Schedule of Program Activity

Year Ended September 30, 2016

	FEDERAL PROGRAMS						
	Department of Housing and Urban Development						
	14.231			14.239			
	Emergency Solutions Grant 74003-16	Emergency Solutions Grant 74003-15	14.231 Subtotal	TBRA 13P-763	TBRA 14-HM 593	TBRA 15-HM-591	14.239 Subtotal
	(5)	(6)		(7)	(8)	(9)	
REVENUE							
Grant revenue	\$ 90,920	\$ 27,361	\$ 118,281	\$ 21,946	\$ 6,254	\$ 24,462	\$ 52,662
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
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	90,920	27,361	118,281	21,946	6,254	24,462	52,662
EXPENSES							
Salaries	20,143	4,918	25,061	13	99	548	660
Fringe	9,182	2,115	11,297	6	45	232	283
Contract services	0	0	0	0	0	0	0
Travel	2,492	777	3,269	0	0	82	82
Space	91	2	93	0	21	120	141
Consumable supplies	639	292	931	2	79	0	81
Equipment lease	0	0	0	0	0	0	0
Direct client assistance	53,685	18,264	71,949	21,902	5,934	23,375	51,211
Other operational	841	54	895	20	57	0	77
Indirect	3,847	939	4,786	3	19	105	127
In-kind expense	0	0	0	0	0	0	0
Total Expenses	90,920	27,361	118,281	21,946	6,254	24,462	52,662
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-3

Schedule of Program Activity

Year Ended September 30, 2016

	FEDERAL PROGRAMS						
	DOE	Department of Health and Human Services					
	81.042	93.276	93.505	93.556			93.556
	Weatherization DOE-16-160 (10)	Power Up Youth 5H79SP014497-09 (11)	MIECHV 5885CH08 (12)	Prevent Child Abuse ACFS 16-077 (13)	Prevent Child Abuse ACFS 17-047 (14)	Prevent Child Abuse ACFS 16-078 (15)	Subtotal
REVENUE							
Grant revenue	\$ 240,855	\$ 113,775	\$ 28,092	\$ 85	\$ 187	\$ 299	\$ 571
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
Donations	0	0	0	0	0	0	0
Other income	0	19,908	0	0	0	0	0
In-kind contributions	0	195,666	0	0	0	0	0
Total Revenue	240,855	329,349	28,092	85	187	299	571
EXPENSES							
Salaries	66,857	52,310	16,730	0	0	0	0
Fringe	25,078	17,489	5,678	0	0	0	0
Contract services	0	43,199	0	0	0	0	0
Travel	3,166	1,427	140	85	187	299	571
Space	1,424	6,100	0	0	0	0	0
Consumable supplies	1,888	1,718	1,206	0	0	0	0
Equipment lease	0	0	0	0	0	0	0
Direct client assistance	127,261	0	0	0	0	0	0
Other operational	2,411	1,449	1,143	0	0	0	0
Indirect	12,770	9,991	3,195	0	0	0	0
In-kind expense	0	195,666	0	0	0	0	0
Total Expenses	240,855	329,349	28,092	85	187	299	571
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-4

Schedule of Program Activity

Year Ended September 30, 2016

	FEDERAL PROGRAMS						
	Department of Health and Human Services						
	93.558						93.568
	Prevent Child Abuse ACFS 16-077 (16)	Prevent Child Abuse ACFS 17-047 (17)	Prevent Child Abuse ACFS 16-078 (18)	FaDSS 17-16-FO (19)	FaDSS 16-16-FO (20)	93.558 Subtotal	LIHEAP 16-160 (21)
REVENUE							
Grant revenue	\$ 15	\$ 33	\$ 53	\$ 15,155	\$ 114,250	\$ 129,506	\$ 3,154,464
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
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	15	33	53	15,155	114,250	129,506	3,154,464
EXPENSES							
Salaries	0	0	0	7,711	64,996	72,707	182,792
Fringe	0	0	0	1,975	16,930	18,905	68,269
Contract services	0	0	0	0	0	0	0
Travel	15	33	53	2,166	10,033	12,300	2,003
Space	0	0	0	220	468	688	2,688
Consumable supplies	0	0	0	358	2,855	3,213	25,964
Equipment lease	0	0	0	0	0	0	0
Direct client assistance	0	0	0	843	4,478	5,321	2,836,275
Other operational	0	0	0	409	2,076	2,485	1,560
Indirect	0	0	0	1,473	12,414	13,887	34,913
In-kind expense	0	0	0	0	0	0	0
Total Expenses	15	33	53	15,155	114,250	129,506	3,154,464
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

Upper Des Moines Opportunity, Inc.

Schedule A-5

Schedule of Program Activity

Year Ended September 30, 2016

	FEDERAL PROGRAMS						
	Department of Health and Human Services						
	93.568		93.569	93.575			
	Weatherization	Weatherization	93.568	CSBG	Wrap	Wrap	93.575
	HEAP	HEAP	Subtotal	16-16	ACFS-15-116	ACFS-15-116	Subtotal
16-160	15-160		16-16	ACFS-15-116	ACFS-15-116		
(22)	(23)		(24)	(25)	(26)		
REVENUE							
Grant revenue	\$ 468,185	\$ 266,800	\$ 3,889,449	\$ 432,776	\$ 39,115	\$ 384,402	423,517
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
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	468,185	266,800	3,889,449	432,776	39,115	384,402	423,517
EXPENSES							
Salaries	95,335	60,595	338,722	273,373	24,610	208,171	232,781
Fringe	35,760	18,507	122,536	92,643	7,037	71,025	78,062
Contract services	0	0	0	800	0	227	227
Travel	7,531	2,754	12,288	1,100	0	7,506	7,506
Space	2,030	1,899	6,617	0	756	0	756
Consumable supplies	2,950	2,616	31,530	0	53	27,781	27,834
Equipment lease	(831)	248	(583)	0	0	0	0
Direct client assistance	303,344	162,908	3,302,527	0	0	0	0
Other operational	3,857	5,699	11,116	0	1,959	29,931	31,890
Indirect	18,209	11,574	64,696	64,860	4,700	39,761	44,461
In-kind expense	0	0	0	0	0	0	0
Total Expenses	468,185	266,800	3,889,449	432,776	39,115	384,402	423,517
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, 2016

	FEDERAL PROGRAMS						Total Federal Programs
	Department of Health and Human Services						
	93.590	93.600				93.600 Subtotal	
	CBCAP ACFS 16-227 (27)	Early Head Start 07CH7066/03 (28)	Early Head Start 07CH7066/02 (29)	Head Start 07CH7066/03 (30)	Head Start 07CH7066/02 (31)		
REVENUE							
Grant revenue	\$ 3,570	\$ 1,119,590	\$ 896,888	\$ 1,348,908	\$ 1,184,950	\$ 4,550,336	\$ 11,082,858
Program income	0	0	13,500	0	35,598	49,098	56,732
Rental income	0	0	0	0	0	0	0
Interest income	0	0	0	0	0	0	0
Donations	0	0	0	0	1,362	1,362	1,362
Other income	0	0	0	60	0	60	55,166
In-kind contributions	0	334,248	210,421	496,373	414,212	1,455,254	1,650,920
Total Revenue	3,570	1,453,838	1,120,809	1,845,341	1,636,122	6,056,110	12,847,038
EXPENSES							
Salaries	1,879	649,305	442,265	778,209	632,985	2,502,764	3,934,916
Fringe	739	221,402	141,219	261,800	189,909	814,330	1,294,168
Contract services	0	4,502	24,662	5,776	9,164	44,104	93,894
Travel	593	19,860	16,103	19,052	17,631	72,646	127,068
Space	0	25,344	16,268	40,548	27,840	110,000	145,782
Consumable supplies	0	39,946	112,519	49,025	89,324	290,814	377,710
Equipment lease	0	0	32,511	0	88,569	121,080	140,500
Direct client assistance	0	0	0	0	0	0	3,558,269
Other operational	0	35,214	40,368	45,920	45,588	167,090	759,596
Indirect	359	124,017	84,473	148,638	120,900	478,028	764,215
In-kind expense	0	334,248	210,421	496,373	414,212	1,455,254	1,650,920
Total Expenses	3,570	1,453,838	1,120,809	1,845,341	1,636,122	6,056,110	12,847,038
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-7

Schedule of Program Activity

Year Ended September 30, 2016

	STATE AND LOCAL PROGRAMS						
	Community School 4 year old Programs (32)	Community School 4 year old Programs (33)	Lakes Empowerment Hand in Hand (34)	Lakes Empowerment Hand in Hand (35)	Hometown Care Alliant (36)	Fort Dodge Community Foundation United Way (37)	Embrace Iowa (38)
REVENUE							
Grant revenue	\$ 99,452	\$ 352,111	\$ 9,398	\$ 75,328	\$ 0	\$ 2,269	\$ 13,300
Program income	0	0	0	0	22,154	0	0
Rental income	0	0	0	0	0	0	0
Interest 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	99,452	352,111	9,398	75,328	22,154	2,269	13,300
EXPENSES							
Salaries	56,958	211,981	4,885	38,790	0	84	0
Fringe	17,771	62,277	1,965	12,959	0	41	0
Contract services	0	0	0	0	0	0	0
Travel	369	11,638	659	6,993	0	0	0
Space	0	0	360	1,321	0	0	0
Consumable supplies	8,877	23,964	249	2,034	0	0	0
Equipment lease	0	0	0	0	0	0	0
Direct client assistance	0	0	0	0	22,154	2,128	0
Other operational	4,598	10,108	347	5,822	0	0	13,300
Indirect	10,879	32,143	933	7,409	0	16	0
In-kind expense	0	0	0	0	0	0	0
Total Expenses	99,452	352,111	9,398	75,328	22,154	2,269	13,300
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

Upper Des Moines Opportunity, Inc.

Schedule A-8

Schedule of Program Activity

Year Ended September 30, 2016

	STATE AND LOCAL PROGRAMS						
	Fort Dodge Community Foundation United Way (39)	Chore Services (40)	Fort Dodge Community Foundation United Way (41)	Fort Dodge Community Foundation United Way (42)	Lakes Area KIDS (43)	Child Dev. Spencer UD-17-3490-114 (44)	Child Dev. Spencer UD-16-3490-114 (45)
REVENUE							
Grant revenue	\$ 5,606	\$ 29,250	\$ 10,082	\$ 3,750	\$ 39,673	\$ 18,344	\$ 65,391
Program income	0	3,050	0	0	0	0	0
Rental income	0	0	0	0	0	0	0
Interest 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	4,519	15,861
Total Revenue	5,606	32,300	10,082	3,750	39,673	22,863	81,252
EXPENSES							
Salaries	0	0	1,733	584	22,468	11,374	42,025
Fringe	0	0	852	252	8,225	3,933	13,640
Contract services	0	0	0	0	0	45	15
Travel	0	0	665	646	3,440	0	53
Space	0	0	1,359	341	0	189	756
Consumable supplies	0	0	1,352	442	252	422	1,951
Equipment lease	0	0	0	0	0	0	0
Direct client assistance	0	0	0	0	0	0	0
Other operational	5,606	32,300	3,790	1,374	997	209	795
Indirect	0	0	331	111	4,291	2,172	6,156
In-kind expense	0	0	0	0	0	4,519	15,861
Total Expenses	5,606	32,300	10,082	3,750	39,673	22,863	81,252
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

Upper Des Moines Opportunity, Inc.

Schedule A-9

Schedule of Program Activity

Year Ended September 30, 2016

	STATE AND LOCAL PROGRAMS						
	Child Dev. Storm Lake UD-17-0495-116 (46)	Child Dev. Storm Lake UD-16-0495-116 (47)	Project Helper BHE Cares (48)	I CARE IPS (49)	I CARE IPS (50)	Project Share Utilities (51)	Project Share Utilities (52)
REVENUE							
Grant revenue	\$ 16,105	\$ 65,935	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Program income	0	0	2,936	3,630	1,709	6,227	953
Rental income	0	0	0	0	0	0	0
Interest 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	9,670	61,703	0	0	0	0	0
Total Revenue	25,775	127,638	2,936	3,630	1,709	6,227	953
EXPENSES							
Salaries	10,442	45,264	0	0	0	0	0
Fringe	3,080	10,859	0	0	0	0	0
Contract services	83	30	0	0	0	0	0
Travel	18	1,044	0	0	0	0	0
Space	0	0	0	0	0	0	0
Consumable supplies	276	1,540	0	0	0	0	0
Equipment lease	0	0	0	0	0	0	0
Direct client assistance	0	0	2,936	5,267	1,307	1,967	800
Other operational	211	983	0	20	0	0	0
Indirect	1,995	6,215	0	0	0	0	0
In-kind expense	9,670	61,703	0	0	0	0	0
Total Expenses	25,775	127,638	2,936	5,287	1,307	1,967	800
Change in Net Assets	0	0	0	(1,657)	402	4,260	153
Net assets - Beginning of year	0	0	0	8,224	(402)	14,013	(153)
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 6,567	\$ 0	\$ 18,273	\$ 0

Upper Des Moines Opportunity, Inc.

Schedule A-10

Schedule of Program Activity

Year Ended September 30, 2016

	STATE AND LOCAL PROGRAMS						
	FaDSS	FaDSS	MIHOPE	Weatherization	Weatherization	Weatherization	Weatherization
	17-16-FO	16-16-FO		BHE	IPL	IPL	MEC
(53)	(54)	(55)	16-160	16-160	15-160	16-160	
	(53)	(54)	(55)	(56)	(57)	(58)	(59)
REVENUE							
Grant revenue	\$ 17,791	\$ 134,120	\$ 241	\$ 110,002	\$ 111,390	\$ 40,471	\$ 137,661
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
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	17,791	134,120	241	110,002	111,390	40,471	137,661
EXPENSES							
Salaries	9,052	76,299	170	9,711	9,833	3,738	12,153
Fringe	2,319	19,874	38	3,643	3,689	1,141	4,559
Contract services	0	0	0	0	0	0	0
Travel	2,542	11,778	0	460	466	48	576
Space	258	550	0	207	209	117	259
Consumable supplies	420	3,352	0	274	278	161	343
Equipment lease	0	0	0	0	0	0	0
Direct client assistance	990	5,257	0	93,502	94,682	34,400	117,012
Other operational	481	2,437	0	350	355	152	438
Indirect	1,729	14,573	33	1,855	1,878	714	2,321
In-kind expense	0	0	0	0	0	0	0
Total Expenses	17,791	134,120	241	110,002	111,390	40,471	137,661
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-11

Schedule of Program Activity

Year Ended September 30, 2016

	STATE AND LOCAL PROGRAMS						
	Share Our Strength (60)	Home Energy Savers (61)	Home Energy Savers (62)	Iowa Individual Assistance FOSU-14-001-401 (63)	Iowa Individual Assistance FOSU-14-001-401 (64)	Palo Alto Gaming (65)	Palo Alto General Relief (66)
REVENUE							
Grant revenue	\$ 392	\$ 22,625	\$ 1,085	\$ 8,682	\$ 16,836	\$ 46,035	\$ 9,725
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
Donations	0	0	0	0	0	0	0
Other income	0	2,331	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0
Total Revenue	392	24,956	1,085	8,682	16,836	46,035	9,725
EXPENSES							
Salaries	0	732	835	0	0	0	6,040
Fringe	0	400	91	0	0	0	2,461
Contract services	0	0	0	0	0	46,035	0
Travel	0	226	0	0	0	0	10
Space	0	0	0	0	0	0	0
Consumable supplies	0	0	0	0	1,190	0	0
Equipment lease	0	0	0	0	0	0	0
Direct client assistance	0	23,458	0	8,682	15,021	0	0
Other operational	392	0	0	0	625	0	60
Indirect	0	140	159	0	0	0	1,154
In-kind expense	0	0	0	0	0	0	0
Total Expenses	392	24,956	1,085	8,682	16,836	46,035	9,725
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-12

Schedule of Program Activity

Year Ended September 30, 2016

	STATE AND LOCAL PROGRAMS						
	NWECI Personnel (67)	North Central KIDS (68)	Prevent Child Abuse ACFS 16-077 (69)	Prevent Child Abuse ACFS 17-047 (70)	Prevent Child Abuse ACFS 16-078 (71)	Resident Services Riverwest (72)	Total State and Local Programs
REVENUE							
Grant revenue	\$ 34,458	\$ 23,897	\$ 50	\$ 109	\$ 174	\$ 8,605	\$ 1,530,343
Program income	0	0	0	0	0	0	40,659
Rental income	0	0	0	0	0	0	0
Interest income	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0
Other income	0	0	0	0	0	0	2,331
In-kind contributions	0	0	0	0	0	0	91,753
Total Revenue	34,458	23,897	50	109	174	8,605	1,665,086
EXPENSES							
Salaries	22,989	14,399	0	0	0	5,668	618,207
Fringe	7,078	5,587	0	0	0	1,855	188,589
Contract services	0	0	0	0	0	0	46,208
Travel	0	250	50	109	174	0	42,214
Space	0	0	0	0	0	0	5,926
Consumable supplies	0	0	0	0	0	0	47,377
Equipment lease	0	0	0	0	0	0	0
Direct client assistance	0	0	0	0	0	0	429,563
Other operational	0	911	0	0	0	0	86,661
Indirect	4,391	2,750	0	0	0	1,082	105,430
In-kind expense	0	0	0	0	0	0	91,753
Total Expenses	34,458	23,897	50	109	174	8,605	1,661,928
Change in Net Assets	0	0	0	0	0	0	3,158
Net assets - Beginning of year	0	0	0	0	0	0	21,682
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 24,840

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule A-13

Schedule of Program Activity

Year Ended September 30, 2016

	DISCRETIONARY					
	TOTAL PROGRAM ACTIVITY	Outreach UDMO (73)	Rental UDMO (74)	Corporate UDMO (75)	GAAP Adjustments	TOTAL DISCRETIONARY
REVENUE						
Grant revenue	\$ 12,613,201	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Program income	97,391	207,503	0	0	0	207,503
Rental income	0	8,150	101,431	10,272	0	119,853
Interest income	0	0	0	4,040	0	4,040
Donations	1,362	278,971	0	9,047	0	288,018
Other income	57,497	73,056	526	101,138	(5,871)	168,849
In-kind contributions	1,742,673	0	0	0	(1,097,524)	(1,097,524)
Total Revenue	14,512,124	567,680	101,957	124,497	(1,103,395)	(309,261)
EXPENSES						
Salaries	4,553,123	155,846	0	463,687	0	619,533
Fringe	1,482,757	52,886	0	144,249	0	197,135
Contract services	140,102	0	10,178	64,345	0	74,523
Travel	169,282	24,919	0	8,810	0	33,729
Space	151,708	95,889	49,020	77,251	0	222,160
Consumable supplies	425,087	6,136	164	57,180	(56,114)	7,366
Equipment lease	140,500	0	0	11,368	(140,254)	(128,886)
Direct client assistance	3,987,832	176,749	0	0	0	176,749
Other operational	846,257	52,882	22,145	(790,118)	165,756	(549,335)
Indirect	869,645	29,767	0	2,815	0	32,582
In-kind expense	1,742,673	0	0	0	(1,097,524)	(1,097,524)
Total Expenses	14,508,966	595,074	81,507	39,587	(1,128,136)	(411,968)
Change in Net Assets	3,158	(27,394)	20,450	84,910	24,741	102,707
Net assets - Beginning of year	21,682	834,023	266,986	912,060	1,256,390	3,269,459
NET ASSETS - End of year	\$ 24,840	\$ 806,629	\$ 287,436	\$ 996,970	\$ 1,281,131	\$ 3,372,166

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, 2016

Federal Grantor/Program Title	CFDA Number	Funding Source/ Pass-Through Entity	Pass-through Entity Identifying Number	Program Period	Federal Expenditures
DEPARTMENT OF AGRICULTURE					
(1) Women, Infants, and Children	10.557	Iowa Department of Public Health	5884A048	10/01/15-09/30/16	\$ 446,698
(2) Women, Infants, and Children		Iowa Department of Public Health	1191-05-47	10/01/15-09/30/16	739
Total Federal Expenditures CFDA 10.557					447,437
(3) DPI Food Reimbursement	10.558	Iowa Department of Education	74-8011	10/01/15-09/30/16	272,811
(4) Child and Adult Care Food Program		Iowa Department of Education	74-8017	10/01/15-09/30/16	379,220
Total Federal Expenditures CFDA 10.558					652,031
TOTAL DEPARTMENT OF AGRICULTURE PROGRAMS					1,099,468
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
(5) Emergency Solutions Grant	14.231	Iowa Finance Authority	74003-16	01/01/16-12/31/16	90,920
(6) Emergency Solutions Grant		Iowa Finance Authority	74003-15	01/01/15-12/31/15	27,361
Total Federal Expenditures CFDA 14.231					118,281
(7) Tenant Based Rental Asst.	14.239	Iowa Finance Authority/ Iowa Comm. Action Assoc.	13P-763	10/01/14-12/31/15	21,946
(8) Tenant Based Rental Asst.		Iowa Finance Authority/ Iowa Comm. Action Assoc.	14-HM 593	07/03/14-05/01/16	6,254
(9) Tenant Based Rental Asst.		Iowa Finance Authority/ Iowa Comm. Action Assoc.	15-HM-591	07/20/15-06/01/17	24,462
Total Federal Expenditures CFDA 14.239					52,662
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PROGRAMS					170,943
DEPARTMENT OF ENERGY					
(10) Weatherization	81.042	Iowa Department of Human Rights	DOE-16-160	04/01/15-03/31/16	240,855
TOTAL DEPARTMENT OF ENERGY PROGRAMS					240,855
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
(11) Power Up Youth	93.276	Department of Health and Human Services	5H79SP014497-09	09/30/15-09/29/16	113,775
(12) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	Iowa Department of Human Services	5885CH08	04/01/15-03/31/16	28,092
(13) Prevent Child Abuse	93.556	Iowa Department of Human Services	ACFS 16-077	07/01/16-06/30/17	85
(14) Prevent Child Abuse		Iowa Department of Human Services	ACFS 17-047	07/01/16-06/30/17	187
(15) Prevent Child Abuse		Iowa Department of Human Services	ACFS 16-078	07/01/16-06/30/17	299
Total Federal Expenditures CFDA 93.556					571

Upper Des Moines Opportunity, Inc.

Schedule B-2

Schedule of Expenditures of Federal Awards and List of Programs

Year Ended September 30, 2016

Federal Grantor/Program Title	CFDA Number	Funding Source/ Pass-Through Entity	Pass-through Entity Identifying Number	Program Period	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)					
(16) Prevent Child Abuse	93.558	Iowa Department of Human Services	ACFS 16-077	07/01/16-06/30/17	15
(17) Prevent Child Abuse		Iowa Department of Human Services	ACFS 17-047	07/01/16-06/30/17	33
(18) Prevent Child Abuse		Iowa Department of Human Services	ACFS 16-078	07/01/16-06/30/17	53
(19) Families Developing Self Sufficiency		Iowa Department of Human Rights	17-16-FO	07/01/16-06/30/17	15,155
(20) Families Developing Self Sufficiency		Iowa Department of Human Rights	16-16-FO	07/01/15-06/30/16	114,250
Total Federal Expenditures CFDA 93.558 Cluster					129,506
(21) Low Income Home Energy Assistance Program	93.568	Iowa Department of Human Rights	16-160	10/01/15-09/30/16	3,154,464
(22) Weatherization Home Energy Assistance Program		Iowa Department of Human Rights	16-160	01/01/16-12/31/16	468,185
(23) Weatherization Home Energy Assistance Program		Iowa Department of Human Rights	15-160	01/01/15-12/31/15	266,800
Total Federal Expenditures CFDA 93.568					3,889,449
(24) Community Service Block Grant	93.569	Iowa Department of Human Rights	16-16	10/01/15-09/30/16	432,776
(25) Wrap	93.575	Iowa Department of Human Services	ACFS-15-116	09/01/16-08/31/17	39,115
(26) Wrap		Iowa Department of Human Services	ACFS-15-116	09/01/15-08/31/16	384,402
Total Federal Expenditures CFDA 93.575 Cluster					423,517
(27) CBCAP	93.590	Iowa Department of Human Services	ACFS 16-227	07/01/16-06/30/17	3,570
(28) Early Head Start 07CH7066/03	93.600	Department of Health and Human Services	07CH7066/03	03/01/16-02/28/17	1,119,590
(29) Early Head Start 07CH7066/02		Department of Health and Human Services	07CH7066/02	03/01/15-02/29/16	896,888
(30) Head Start 07CH7066/03		Department of Health and Human Services	07CH7066/03	03/01/16-02/28/17	1,348,908
(31) Head Start 07CH7066/02		Department of Health and Human Services	07CH7066/02	03/01/15-02/29/16	1,184,950
Total Federal Expenditures CFDA 93.600					4,550,336
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES PROGRAMS					9,571,592
TOTAL FEDERAL EXPENDITURES					\$ 11,082,858

Upper Des Moines Opportunity, Inc.

Schedule B-3

Schedule of Expenditures of Federal Awards and List of Programs

Year Ended September 30, 2016

Federal Grantor/Program Title	Funding Source/ Pass-Through Entity	Pass-through Entity Identifying Number	Program Period
STATE AND LOCAL PROGRAMS			
(32) Community School 4 yr. old programs	Community School Districts	N/A	07/01/16-06/30/17
(33) Community School 4 yr. old programs	Community School Districts	N/A	07/01/15-06/30/16
(34) Lakes Early Childhood Iowa Hand in Hand	Lakes Area Early Childhood Iowa	N/A	07/01/16-06/30/17
(35) Lakes Early Childhood Iowa Hand in Hand	Lakes Area Early Childhood Iowa	N/A	07/01/15-06/30/16
(36) Hometown Care Alliant	Alliant Energy	N/A	10/01/15-09/30/16
(37) Fort Dodge Community Foundation	United Way	N/A	05/01/15-04/30/16
(38) Embrace Iowa	ICAA-The Des Moines Register	N/A	10/01/15-09/30/16
(39) Fort Dodge Community Foundation	United Way	N/A	05/01/16-04/30/17
(40) Chore Services	Elderbridge Agency	N/A	07/01/15-06/30/16
(41) Fort Dodge Community Foundation	United Way	N/A	01/01/16-12/31/16
(42) Fort Dodge Community Foundation	United Way	N/A	10/01/15-12/31/15
(43) Lakes Empowerment KIDS	Lakes Area Early Childhood Iowa	N/A	07/01/16-06/30/17
(44) Child Development - Spencer	Iowa Department of Education	UD-17-3490-114	07/01/16-06/30/17
(45) Child Development - Spencer	Iowa Department of Education	UD-16-3490-114	07/01/15-06/30/16
(46) Child Development - Storm	Iowa Department of Education	UD-17-0495-116	07/01/16-06/30/17
(47) Child Development - Storm	Iowa Department of Education	UD-16-0495-116	07/01/15-06/30/16
(48) Project Helper BHE Cares	Black Hills Energy/ICAA	N/A	10/01/15-09/30/16
(49) I CARE IPS	Mid-American Energy	N/A	01/01/16-12/31/16
(50) I CARE IPS	Mid-American Energy	N/A	01/01/15-12/31/15
(51) Project Share Utilities	Various Utilities	N/A	01/01/16-12/31/16
(52) Project Share Utilities	Various Utilities	N/A	01/01/15-12/31/15
(53) Families Developing Self Sufficiency	Iowa Department of Human Rights	17-16-FO	07/01/16-06/30/17
(54) Families Developing Self Sufficiency	Iowa Department of Human Rights	16-16-FO	07/01/15-06/30/16
(55) MIHOPE	MIECHV Research & Development	N/A	09/01/13-06/30/16
(56) Weatherization - Black Hills Energy	Iowa Department of Human Rights	16-160	01/01/16-12/31/16
(57) Weatherization - Interstate Power & Light	Iowa Department of Human Rights	16-160	01/01/16-12/31/16
(58) Weatherization - Interstate Power & Light	Iowa Department of Human Rights	15-160	01/01/15-12/31/15
(59) Weatherization - Mid-American Energy	Iowa Department of Human Rights	16-160	01/01/16-12/31/16
(60) Share Our Strength	Share Our Strength	N/A	03/13/14-12/01/15
(61) Home Energy Savers	ICAA-IPL	N/A	01/01/16-12/31/16
(62) Home Energy Savers	ICAA-IPL	N/A	05/20/14-12/31/15
(63) Iowa Individual Assistance	ICAA-Iowa Dept of Human Services	FOSU-14-001-401	07/01/16-06/30/17
(64) Iowa Individual Assistance	ICAA-Iowa Dept of Human Services	FOSU-14-001-401	07/01/15-06/30/16
(65) Palo Alto Gaming	Palo Alto County Gaming Development Corporation	N/A	04/01/15-12/31/16
(66) Palo Alto General Relief	Palo Alto County	N/A	01/01/16-12/31/16
(67) NW Early Childhood Iowa Personnel	NW Early Childhood Iowa	N/A	07/01/16-06/30/17
(68) North Central KIDS	North Central Early Childhood Iowa	N/A	07/01/16-06/30/17

Upper Des Moines Opportunity, Inc.

Schedule B-4
 Schedule of Expenditures of Federal Awards and List of Programs
 Year Ended September 30, 2016

<u>Federal Grantor/Program Title</u>	<u>Funding Source/ Pass-Through Entity</u>	<u>Pass-through Entity Identifying Number</u>	<u>Program Period</u>
STATE AND LOCAL PROGRAMS (Continued)			
(69) Prevent Child Abuse	Iowa Department of Human Services	ACFS 16-077	07/01/16-06/30/17
(70) Prevent Child Abuse	Iowa Department of Human Services	ACFS 17-047	07/01/16-06/30/17
(71) Prevent Child Abuse	Iowa Department of Human Services	ACFS 16-078	07/01/16-06/30/17
(72) Resident Services Riverwest	Community Housing Initiatives	N/A	10/01/15-09/30/16
DISCRETIONARY			
(73) Outreach UDMO	Fees, program income, donations	N/A	10/01/15-09/30/16
(74) Rental UDMO	Rental activity	N/A	10/01/15-09/30/16
(75) Corporate UDMO	Discretionary interest, miscellaneous income, donations	N/A	10/01/15-09/30/16

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

Note 1 - Basis of Presentation

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, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized, as applicable, either by following the cost principles in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Subrecipients

No federal grant awards were passed through to subrecipients during the year ended September 30, 2016.

Note 4 - Indirect Cost Rate

Upper Des Moines Opportunity, Inc. has an approved indirect cost rate, and therefore, did not use the 10% de minimis cost rate.

Upper Des Moines Opportunity, Inc.

Schedule C

Schedule of Indirect Cost Account

Year Ended September 30, 2016

Expenditures:

Salaries	\$ 448,957
Fringe	139,785
Other professional	3,146
Contracted services	21,194
Auditing	34,200
Travel	29,708
Occupancy	23,781
Stationary	1,284
Reproduction	8,324
Computer supplies	21,911
Office supplies	5,539
Depreciation	2,175
Insurance	56,519
Telephone	8,613
Internet	4,999
Postage	5,252
Miscellaneous	22,132
Service contracts	6,511
Registrations	18,421
<hr/>	
Total indirect cost expenses	862,451
<hr/>	
Reimbursement	902,227
<hr/>	
Current year excess	39,776
Net assets - Beginning of year	87,089
<hr/>	
Net assets - End of year	\$ 126,865

Upper Des Moines Opportunity, Inc.

Schedule D

Schedule of Computation of Indirect Costs

Year Ended September 30, 2016

Total salaries - regular	\$ 5,172,656
Indirect cost salaries	(448,957)
<hr/>	
Total direct salaries	4,723,699
Indirect cost rate	19.1%
<hr/>	
Allocable indirect costs	902,227
Amount reimbursed	902,227
<hr/>	
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, 2016

Program	Grant Number	Grant Period	Expenses		Total	Program Budget
			Prior Years	Current Year		
DOE Weatherization	DOE 16-160	04/01/15-03/31/16	\$ 0	\$ 240,855	\$ 240,855	\$ 240,855
HEAP Weatherization	HEAP 15-160	01/01/15-12/31/15	665,200	266,800	932,000	1,174,801
Family Development and Self-Sufficiency	FaDSS 16-16-FO	07/01/15-06/30/16	41,076	248,370	289,446	289,446
BHE Weatherization	BHE 15-160	01/01/15-12/31/15	104,255	0	104,255	104,255
IPL Weatherization	IPL 15-160	01/01/15-12/31/15	67,960	40,471	108,431	108,431
MEC Weatherization	MEC 15-160	01/01/15-12/31/15	141,678	0	141,678	141,678

Upper Des Moines Opportunity, Inc.

Schedule F-1

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed DOE Weatherization (Contract No. DOE 16-160)

Year Ended March 31, 2016

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 240,855	\$ 240,855	\$ 0
Program expenses:			
Administration	27,310	27,310	0
Support	55,361	86,284	(30,923)
Health and safety	42,624	48,630	(6,006)
Labor	57,780	39,704	18,076
Material	57,780	38,927	18,853
Totals	\$ 240,855	\$ 240,855	\$ 0

Upper Des Moines Opportunity, Inc.

Schedule F-2

Schedule of Revenue and Expenses Compared to Budget

Expenses of HEAP Weatherization (Contract No. HEAP 16-160)

Nine Months Ended September 30, 2016

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 875,865	\$ 468,185	\$ 407,680
Program expenses:			
Administration	45,412	9,412	36,000
Health and Safety	204,287	129,291	74,996
Support	286,001	165,598	120,403
Labor	163,430	82,530	80,900
Material	163,430	75,965	87,465
Equipment/Training	10,780	2,864	7,916
Pollution Occurrence Insurance	2,525	2,525	0
Totals	\$ 875,865	\$ 468,185	\$ 407,680

Upper Des Moines Opportunity, Inc.

Schedule F-3

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed HEAP Weatherization (Contract No. HEAP 15-160)

Year Ended December 31, 2015

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 1,174,801	\$ 932,000	\$ 242,801
Program expenses:			
Administration	59,431	46,972	12,459
Health and safety	240,249	203,218	37,031
Support	322,273	280,885	41,388
Labor	266,259	189,009	77,250
Material	266,259	192,367	73,892
Equipment/Training	17,830	17,049	781
Pollution occurrence insurance	2,500	2,500	0
Special Project-Knob and Tube	0	0	0
Totals	\$ 1,174,801	\$ 932,000	\$ 242,801

Upper Des Moines Opportunity, Inc.

Schedule F-4

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed Low-Income Home Emergency Assistance Program

(Contract No. LIHEAP 16-160)

Year Ended September 30, 2016

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 3,176,892	\$ 3,154,464	\$ 22,428
Program expenses:			
Administration	280,776	280,776	0
Regular assistance	2,402,728	2,380,785	21,943
E.C.I.P.	154,805	154,320	485
Client services	37,413	37,413	0
Summer deliverable fuel payments	301,170	301,170	0
Totals	\$ 3,176,892	\$ 3,154,464	\$ 22,428

Upper Des Moines Opportunity, Inc.

Schedule F-5

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed Family Development and Self-Sufficiency

(Contract No. FaDSS 16-16-FO)

Year Ended June 30, 2016

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 289,446	\$ 289,446	\$ 0
Program expenses:			
Administration	29,912	31,037	(1,125)
Personnel:			
Salaries	156,609	162,500	(5,891)
Benefits	39,152	40,939	(1,787)
Travel	29,826	26,827	2,999
Space/utilities	3,331	2,830	501
Other	17,116	14,222	2,894
3rd Party Payments	13,500	11,091	2,409
Totals	\$ 289,446	\$ 289,446	\$ 0

Upper Des Moines Opportunity, Inc.

Schedule F-6

Schedule of Revenue and Expenses Compared to Budget

Expenses of Family Development and Self-Sufficiency

(Contract No. FaDSS 17-16-FO)

Three Months Ended September 30, 2016

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 289,446	\$ 32,946	\$ 256,500
Program expenses:			
Administration	31,511	3,202	28,309
Personnel:			
Salaries	164,979	16,762	148,217
Benefits	43,897	4,294	39,603
Travel	18,603	5,133	13,470
Space/utilities	1,970	478	1,492
Other	23,486	1,243	22,243
3rd Party Payments	5,000	1,834	3,166
Totals	\$ 289,446	\$ 32,946	\$ 256,500

Upper Des Moines Opportunity, Inc.

Schedule F-7

Schedule of Revenue and Expenses Compared to Budget

Expenses of Black Hills Weatherization (Contract No. BHE 16-160)

Nine Months Ended September 30, 2016

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 110,002	\$ 110,002	\$ 0
Program expenses:			
Administration	5,500	6,215	(715)
Support	11,000	10,285	715
Labor	46,751	42,779	3,972
Material	46,751	50,723	(3,972)
Totals	\$ 110,002	\$ 110,002	\$ 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 15-160)

Year Ended December 31, 2015

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 104,255	\$ 104,255	\$ 0
Program expenses:			
Administration	5,213	5,271	(58)
Support	10,426	9,809	617
Labor	44,308	33,896	10,412
Material	44,308	55,279	(10,971)
Totals	\$ 104,255	\$ 104,255	\$ 0

Upper Des Moines Opportunity, Inc.

Schedule F-9

Schedule of Revenue and Expenses Compared to Budget

Expenses of IPL Weatherization (Contract No. IPL-16-160)

Nine Months Ended September 30, 2016

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 111,390	\$ 111,390	\$ 0
Program expenses:			
Administration	5,569	6,301	(732)
Support	11,139	10,407	732
Labor	47,341	39,817	7,524
Material	47,341	54,865	(7,524)
Totals	\$ 111,390	\$ 111,390	\$ 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-15-160)

Year Ended December 31, 2015

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 108,431	\$ 108,431	\$ 0
Program expenses:			
Administration	5,422	8,922	(3,500)
Support	10,843	7,343	3,500
Labor	46,083	38,758	7,325
Material	46,083	53,408	(7,325)
Totals	\$ 108,431	\$ 108,431	\$ 0

Upper Des Moines Opportunity, Inc.

Schedule F-11

Schedule of Revenue and Expenses Compared to Budget

Expenses of MEC Weatherization (Contract No. MEC- 16-160)

Nine Months Ended September 30, 2016

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 137,661	\$ 137,661	\$ 0
Program expenses:			
Administration	6,883	7,793	(910)
Support	13,766	12,856	910
Labor	58,506	54,349	4,157
Material	58,506	62,663	(4,157)
Totals	\$ 137,661	\$ 137,661	\$ 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- 15-160)

Year Ended December 31, 2015

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 141,678	\$ 141,678	\$ 0
Program expenses:			
Administration	7,084	8,005	(921)
Support	14,168	13,247	921
Labor	60,213	51,939	8,274
Material	60,213	68,487	(8,274)
Totals	\$ 141,678	\$ 141,678	\$ 0

Upper Des Moines Opportunity, Inc.

Schedule F-13

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed Community Service Block Grant

(Contract No. CSBG 16-16)

Year Ended September 30, 2016

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 432,776	\$ 432,776	\$ 0
Program expenses:			
Consultants	10,000	800	9,200
Co-funded programs	421,676	430,876	(9,200)
Other Costs	1,100	1,100	0
Totals	\$ 432,776	\$ 432,776	\$ 0



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

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

We have audited, in accordance with the 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, the financial statements of Upper Des Moines Opportunity, Inc., which comprise the statement of financial position as of September 30, 2016, and the related statements of activities and cash flows for the year ended September 30, 2016, and the related notes to the financial statements, and have issued our report thereon dated January 24, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Upper Des Moines Opportunity, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Upper Des Moines Opportunity, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Upper Des Moines Opportunity, Inc.'s internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Upper Des Moines Opportunity, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of Upper Des Moines Opportunity, Inc.'s internal control or on 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 internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Wipfli LLP

January 24, 2017
Madison, Wisconsin



Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control Over Compliance

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

Report on Compliance for the Major Federal Program

We have audited Upper Des Moines Opportunity, Inc.'s compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended September 30, 2016. Upper Des Moines Opportunity, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility for Compliance

Management is responsible for compliance with statutes, regulations, and the terms and conditions of its grant awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Upper Des Moines Opportunity, Inc.'s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for the major federal program. However, our audit does not provide legal determination on Upper Des Moines Opportunity, Inc.'s compliance.

Opinion

In our opinion, Upper Des Moines Opportunity, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2016.

Report on Internal Control Over Compliance

Management of Upper Des Moines Opportunity, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Upper Des Moines Opportunity, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, 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 over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Wipfli LLP

January 24, 2017
Madison, Wisconsin

Upper Des Moines Opportunity, Inc.

Schedule of Findings and Questioned Costs Year Ended September 30, 2016

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued? Unmodified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified? No

Significant deficiencies identified? No

Type of auditor's report issued on compliance for major program Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]? No

Identification of major federal program:

Name of Federal Major Program or Cluster CFDA No.

Head Start 93.600

Dollar threshold used to distinguish between federal Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV – Summary Schedule of Prior Year findings

None