

Upper Des Moines Opportunity, Inc.

Financial Statements
and Supplementary Information

Year Ended September 30, 2023

Upper Des Moines Opportunity, Inc.



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Upper Des Moines Opportunity, Inc.

Year Ended September 30, 2023

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Upper Des Moines Opportunity, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Upper Des Moines Opportunity, Inc. as of September 30, 2023, 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 of America ("GAAP").

Emphasis of Matter

As discussed in Note 6 to the financial statements, during the year ended September 30, 2023, Upper Des Moines Opportunity, Inc. changed its accounting policy for contributions receivable for discounted rent in-kind contributions. Our opinion is not modified with respect to this matter.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Upper Des Moines Opportunity, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Upper Des Moines Opportunity, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Upper Des Moines Opportunity, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Upper Des Moines Opportunity, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

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-10, schedule of expenditures of federal awards, Schedules B-1 to B-3, 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-17 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 of America. 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 of America, the statement of financial position of Upper Des Moines Opportunity, Inc. as of September 30, 2022, and the related statements of activities, functional expenses, 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-1, F-4, F-5, F-6, F-9, F-12, F-14, and F-16 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, 2022, 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 of America. In our opinion, the prior year expenses included on the supplementary schedules E, F-1, F-4, F-5, F-6, F-9, F-12, F-14, and F-16 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 February 7, 2024 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 solely 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 effectiveness of Upper Des Moines Opportunity, Inc.'s 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

Wipfli LLP
Madison, Wisconsin

February 7, 2024

Upper Des Moines Opportunity, Inc.

Statement of Financial Position

September 30, 2023

<i>Assets</i>	
Current assets:	
Cash	\$ 1,203,730
Certificates of deposit	112,560
Grants receivable	1,548,401
Accounts receivable	180
Contributions receivable - donated facilities	67,239
Inventory	456,181
Prepaid expenses	240,871
Total current assets	3,629,162
Other assets:	
Contributions receivable - donated facilities	205,998
Right-of-use assets - operating	294,198
Restricted cash	9,680
Total other assets	509,876
Property and equipment, net	2,915,617
TOTAL ASSETS	\$ 7,054,655
<i>Liabilities and Net Assets</i>	
Current liabilities:	
Current portion of lease liability - operating	\$ 83,686
Accounts payable	131,044
Accrued payroll and related expenses	415,511
Accrued other liabilities	35,413
Refundable advance liability	546,433
Total current liabilities	1,212,087
Long-term liability:	
Lease liability - operating	213,417
Security deposits	9,680
Total long-term liabilities	223,097
Total liabilities	1,435,184
Net assets:	
Without donor restrictions	4,234,381
With donor restrictions	1,385,090
Total net assets	5,619,471
TOTAL LIABILITIES AND NET ASSETS	\$ 7,054,655

See accompanying notes to financial statements.

Upper Des Moines Opportunity, Inc.

Statement of Activities

Year Ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grant revenue	\$ 18,091,236	\$ 0	\$ 18,091,236
Program income	12,521	67,831	80,352
Rental income	240,525	0	240,525
Interest income	6,990	0	6,990
Donations	546,530	12,270	558,800
Other income	97,207	12,573	109,780
In-kind contributions	291,868	0	291,868
Net assets released from restrictions	238,993	(238,993)	0
Total revenue	19,525,870	(146,319)	19,379,551
Expenses:			
Program activities:			
Child education	7,599,403	0	7,599,403
Weatherization/energy assistance	5,961,454	0	5,961,454
Community services	1,294,592	0	1,294,592
Outreach and other	1,377,140	0	1,377,140
Food programs	773,335	0	773,335
Health services	694,669	0	694,669
Housing	12,167	0	12,167
UDMO rental	91,423	0	91,423
Total program activity expenses	17,804,183	0	17,804,183
Supportive services:			
Management and general	1,107,346	0	1,107,346
Total expenses	18,911,529	0	18,911,529
Change in net assets	614,341	(146,319)	468,022
Net assets - Beginning of year	3,620,040	1,191,870	4,811,910
Change in accounting policy	0	339,539	339,539
Net assets - End of year	\$ 4,234,381	\$ 1,385,090	\$ 5,619,471

See accompanying notes to financial statements.

Upper Des Moines Opportunity, Inc.

Statement of Functional Expenses

Year Ended September 30, 2023

	Program Activities	Management & General	Total
Expenses:			
Salaries	\$ 6,200,868	\$ 629,307	\$ 6,830,175
Fringe	2,190,940	179,826	2,370,766
Contract services	658,539	84,107	742,646
Travel	166,876	22,937	189,813
Space	405,458	30,426	435,884
Consumable supplies	900,018	36,605	936,623
Direct client assistance	6,136,191	0	6,136,191
Other operational	787,123	124,138	911,261
In-kind expense	358,170	0	358,170
Total expenses	\$ 17,804,183	\$ 1,107,346	\$ 18,911,529

See accompanying notes to financial statements.

Upper Des Moines Opportunity, Inc.

Statement of Cash Flows

Year Ended September 30, 2023

Change in cash and restricted cash:

Cash flows from operating activities:

Change in net assets \$ 468,022

Adjustments to reconcile change in net assets to
net cash from operating activities:

Amortization of discount on contribution receivable - donated facilities (12,538)

Contribution receivable recognized in in-kind expenses 78,840

Depreciation 374,528

Loss on disposal of property and equipment 5,105

Non-cash lease expense 87,056

Changes in operating assets and liabilities:

Grants receivable (329,499)

Accounts receivable 58,123

Inventory (288,710)

Prepaid expenses (62,639)

Accounts payable (159,484)

Accrued payroll and related expenses (213,827)

Accrued other liabilities (35,870)

Refundable advance liability 400,871

Security deposits 160

Operating lease liability (84,151)

Net cash from operating activities 285,987

Cash flows from investing activities:

Purchase of property and equipment (1,070,642)

Net purchases of certificates of deposit (993)

Net cash from investing activities (1,071,635)

Change in cash and restricted cash (785,648)

Cash and restricted cash - Beginning of year 1,999,058

Cash and restricted cash - End of year \$ 1,213,410

Supplemental schedule of noncash operating activity:

Obtain a right-of-use asset in exchange for a lease liability \$ 56,482

Reconciliation of cash and restricted cash at September 30, 2023:

Cash \$ 1,203,730

Restricted cash 9,680

Total cash and restricted cash \$ 1,213,410

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 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 25% and 39% of its total revenue.

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 of America ("GAAP").

Use of Estimates

The preparation of accompanying financial statements in accordance with GAAP requires management to make certain estimates and assumptions regarding reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

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

UDMO maintains an inventory of weatherization materials. Inventories are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Weatherization materials are expensed in the accounting period when the unit weatherized is claimed as a completed unit. A completed unit represents a dwelling unit, which has received weatherization services within the limits established in the weatherization contract, the final inspection has been performed, and the owner sign-off has been obtained.

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 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 on the date of donation. Such donations are reported as increases in net assets without donor restrictions 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.

A portion of UDMO's property and equipment is purchased with grant funds. The property and equipment 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. Disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. At September 30, 2023, the net book value of grant-funded equipment was \$2,004,755.

ASC 842 Lease Accounting

UDMO is a lessee in multiple noncancelable operating leases. If the contract provides UDMO the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

UDMO has elected to use a risk-free rate for a term similar to the underlying lease as the discount rate if the implicit rate in the lease contract is not readily determinable.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. The ROU asset for finance leases is amortized on a straight-line basis over the lease term. For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

For all underlying classes of assets, UDMO has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that UDMO is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. UDMO recognizes short-term lease cost on a straight-line basis over the lease term.

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Classification of Net Assets

Net assets and revenues, 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:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. These assets also include equipment acquired with federal funds that remain in UDMO's possession.

Net assets with donor restrictions: Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition

Contributions

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions received are recognized as a refundable advance liability until the barrier(s) to entitlement are overcome, at which point they are recognized as revenue. Unconditional contributions are recognized as revenue when received.

Contributions are considered available for use without donor restrictions unless specifically restricted by the donor. Contributions are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. Unconditional promised to give cash or other assets are reported at fair value at the date the conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Grants and Contracts

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

- Grant awards that are contributions – Unconditional grants are reported as fair value at the date the grant is received. Conditional grants are recognized only when the conditions on which they depend are substantially met and the grant becomes unconditional. Grants that qualify as conditional 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 included in refundable advances in the accompanying statement of financial position.
- Grant awards that are exchange transactions – Exchange transactions are reimbursed based on a predetermined rate for services performed in accordance with the terms of the award. Revenue is recognized when control of the promised goods or services are transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Rental Income

UDMO adopted Accounting Standards Codification (ASC) Topic 842, *Leases*, which supersedes ASC 840, *Leases* for year ended September 30, 2023. This adoption did not have a material impact on UDMO's accounting for its lessor arrangements with tenants.

UDMO's leases consist of tenant leases related to the rental property reported in that statement of financial position. Tenant leases are typically 12 months or less, do not include extension options and are classified as operating leases. Operating lease revenue is recognized as rental revenue over the term of the lease. Advance receipts, if any, are deferred and classified as liabilities until earned.

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 \$1,866,065, primarily for its Head Start and Early Head Start program, which are not recorded in the statement of activities.

Indirect Cost Rate Allocation

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). The rate is based upon a percentage of total direct salaries and wages. A provisional rate of 19.1% was approved for the period of October 1, 2020, through September 30, 2023.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and related benefits have been allocated based on estimated time spent in program and supporting services. Other operating costs are directly charged when possible or allocated between functional categories based on utilization.

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.

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Accounting Pronouncement Adopted

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842). ASU 2016-02 is intended to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases on the statement of financial position. This accounting update also requires additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases. UDMO adopted this guidance for the year ended September 30, 2023, with modified retrospective application to October 1, 2022. UDMO has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, UDMO accounted for its existing operating leases as operating leases and capital leases as finance leases under the new guidance, without reassessing (a) whether the contracts contain a lease under ASC Topic 842, (b) whether the classification of the leases would be different in accordance with ASC Topic 842, or (c) whether any unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. Similarly, UDMO did not reassess service contracts evaluated for lease treatment under ASC 840 for embedded leases under ASC 842.

As a result of the adoption of the new lease accounting guidance, UDMO recognized the following ROU assets and lease liabilities as of October 1, 2022:

ROU Assets - Operating	\$	327,772
Lease Liability - Operating	\$	327,772

Subsequent Events

UDMO has evaluated events and transactions for potential recognition or disclosure in the financial statements through February 7, 2024, which is the date the financial statements were available to be issued.

Note 2: 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 FDIC coverage. Bank balances in excess of FDIC coverage are insured by Iowa Code as Public Funds.

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 3: Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the statement of financial position date, comprise the following as of September 30, 2023:

Cash	\$ 1,203,730
Certificates of deposit	112,560
Grants and accounts receivable	1,548,581
<hr/>	
Subtotal financial assets	2,864,871
Less: Accounts payable and accrued liabilities designated for grant expenditures	(581,968)
Less: Refundable advance liability	(546,433)
Less: Net assets with donor restriction, excluding donated space	(1,111,853)
<hr/>	
Total available financial assets	\$ 624,617

UDMO does not have a formal liquidity policy but generally maintains financial assets in liquid form such as cash and certificates of deposit. UDMO is primarily funded with cost reimbursement grants and once grant expenses are incurred, UDMO can request reimbursement from the funding source. UDMO has grant commitments for future expenses of approximately \$7,800,000 as further described in Note 12.

Note 4: Restricted Cash

Restricted cash consists of funds set aside for security deposits for housing projects. These funds are restricted for the repayment of security deposits. As of September 30, 2023, the restricted cash balance was \$9,680.

Note 5: Grants Receivable

Grants receivable consist of the following at September 30, 2023:

Federal programs	\$ 1,267,984
State and local programs	280,417
<hr/>	
Total	\$ 1,548,401

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 6: Contributions Receivable and Change in Accounting Policy

During the year ended September 30, 2023, UDMO changed its accounting policy for contributions received for discounted rent in-kind contributions. UDMO now considers future in-kind contributions for discounted rent to be unconditional contributions and, accordingly has recorded contribution receivables for such contributions. This treatment is preferable as it more accurately reflects the long-term nature of these contributions. The impact of this change in accounting policy was to increase net assets with donor restrictions and contribution receivable - donated facilities by \$339,539 as of October 1, 2022.

Contributions receivable for the donated space as of September 30, 2023, are due as follows:

Contributed use of property	\$	295,512
Less: unamortized discount		(22,275)
<hr/>		
Total contribution receivable, net	\$	273,237
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Current portion	\$	67,239
Long-term portion		205,998
<hr/>		
Total contribution receivable, net	\$	273,237
<hr/>		

Future maturities on the contribution receivables are as follows:

2024	\$	77,090
2025		77,090
2026		77,090
2027		64,242
<hr/>		
Total		295,512
Less: unamortized discount		(22,275)
<hr/>		
Total	\$	273,237
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Contribution receivables with anticipated collections of more than one year are discounted at rate of 4.06%. A reserve for uncollectible amounts was deemed not necessary as management expects to be able to occupy the facilities for the duration of the leases.

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 7: Property and Equipment

Property and equipment consist of the following at September 30, 2023:

Land	\$ 151,050
Building	3,337,560
Equipment	2,864,304
Subtotals	6,352,914
Less accumulated depreciation	(3,437,297)
Total	\$ 2,915,617

Depreciation expense was \$374,528 for the year ended September 30, 2023..

Note 8: Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

Purpose restricted:	
Unspent donations, including holiday programs, back to school programs, emergency food pantries, and other programs	\$ 1,111,853
Time restricted:	
Donated space	273,237
Total	\$ 1,385,090

Net assets released from restrictions of \$238,993 during the year ended September 30, 2023, represent amounts that satisfied specific program restrictions or were appropriated and utilized during the time period for which it was restricted.

Note 9: Lessor Activity

UDMO owns a facilities that is a mix of low- to moderate-income housing units. Leases are all for one year or less. A summary of the acquisition costs and accumulated depreciation on the properties are as follows:

Land	\$ 80,635
Buildings	1,681,194
Subtotal	1,761,829
Less: Accumulated Depreciation	(1,244,971)
Land and Buildings, net	\$ 516,858

Total rental income for the year ended September 30, 2023, was \$240,525.

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 10: Leases

UDMO leases space at various locations for program operations. The majority of leases entered into include one or more options to renew. The renewal terms can extend the lease term from one to five years. The exercise of lease renewal options is at UDMO's sole discretion. Renewal option periods are included in the measurement of the ROU asset and lease liability when the exercise is reasonably certain to occur.

The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

UDMO's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Payments due under the lease contracts include fixed payments plus, for many of UDMO's leases, variable payments. UDMO's office space leases require it to make variable payments for UDMO's proportionate share of the building's property taxes, insurance, and common area maintenance. These variable lease payments are not included in lease payments used to determine the lease liability and are recognized as variable costs when incurred.

Components of lease expense were as follows for the year ended September 30, 2023:

Lease cost		
Operating lease cost	\$	96,717
Short-term lease cost		29,250
Variable lease cost		2,905
<hr/>		
Total lease cost	\$	128,872

Weighted-average remaining lease term - Operating leases	3.90 years
Weighted-average discount rate - Operating leases	4.08 %

Maturities of lease liabilities are as follows as of September 30, 2023:

2024	\$	94,193
2025		75,677
2026		75,977
2027		59,052
2028		17,091
<hr/>		
Total lease payments		321,990
Less imputed interest		(24,887)
<hr/>		
Total	\$	297,103

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 11: Pension and Retirement Benefits

UDMO participates in 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 1,900 public employers participating in the plan, which has a plan net position exceeding \$41.2 billion as of June 30, 2023. 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 89.50%, leaving an unfunded actuarial liability of approximately \$4.6 billion as of June 30, 2023, as reported in IPERS' comprehensive annual financial report. For additional IPERS plan information, see www.ipers.org.

Participating employees were required to contribute 6.29% of their annual covered salary and UDMO was required to contribute 9.44% of annual covered payroll from October 1, 2022 through September 30, 2023. Contribution requirements to IPERS are established by state statute. UDMO's contribution to IPERS for the year ended September 30, 2023, was \$627,035.

Note 12: Grant Awards

At September 30, 2023, UDMO had received future funding commitments under various grants of approximately \$7,800,000. These commitments are not recognized in the accompanying financial statements as revenue and receivables as they are conditional awards.

Note 13: In- Kind Contributions

UDMO has utilized the following in-kind contributions for the Head Start and Early Head Start programs for the year ended September 30, 2023:

Professional Services	\$	233,639
Space		58,229
<hr/>		
Total	\$	291,868

UDMO recognizes contributed nonfinancial assets as in-kind contributions revenue on the statement of activities. Contribution receivables related to contributed space are reported as net assets with donor restrictions due to the time restriction of the contributed receivable; otherwise, contributed nonfinancial assets did not have donor-imposed restrictions.

The fair value of the space in-kind was based on market rent studies that were performed based on comparable properties. Contributed professional services are valued and reported at the estimated fair value based on current rates.

Upper Des Moines Opportunity, Inc.

Notes to Financial Statements

Note 14: 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 15: Related Party Transactions

UDMO is related to Community Housing Initiatives, Inc. (CHI) by the ability to approve the board members of CHI. UDMO recognized management services expenses to CHI of \$14,757 during the year ended September 30, 2023. At September 30, 2023, there was an amount due to CHI related to property management services and reimbursement of other property expenses related to the housing facilities owned by UDMO totaling \$4,524.

Supplementary Information

Upper Des Moines Opportunity, Inc.

Schedule A-1

Schedule of Program Activity

Year Ended September 30, 2023

	FEDERAL PROGRAMS							
	Department of Agriculture				Department of Housing and Urban Development			
	10.558				14.231			
	Total	DPI Food Reimbursement 74-8011 (1)	Child & Adult Care Food 74-8017 (2)	10.558 Subtotal	Emergency Solutions Grant 74003-22 (3)	Emergency Solutions Grant 74003-23 (4)	COVID-19 ESG-CV2 74003-20 (5)	ERA2 Rapid Rehousing RRH-ERA2-14 (6)
REVENUE								
Grant revenue	\$ 18,091,236	\$ 346,382	\$ 435,672	\$ 782,054	\$ 27,748	\$ 106,194	\$ 2,440	\$ 458,383
Program income	80,352	3,279	0	3,279	0	0	0	0
Rental income	240,525	0	0	0	0	0	0	0
Interest income	6,990	0	0	0	0	0	0	0
Donations	558,800	0	0	0	0	0	0	0
Other income	109,780	0	4,931	4,931	4	68	0	0
In-kind contributions	291,868	0	0	0	0	0	0	0
Total Revenue	19,379,551	349,661	440,603	790,264	27,752	106,262	2,440	458,383
EXPENSES								
Salaries	6,830,175	51,398	41,045	92,443	1,092	8,386	0	77,322
Fringe	2,370,766	13,313	16,927	30,240	501	3,145	0	24,370
Contract services	742,646	0	0	0	0	0	0	0
Travel	189,813	0	2,884	2,884	0	2,398	0	14,446
Space	435,884	0	1,600	1,600	360	418	0	2,782
Consumable supplies	936,623	275,441	362,434	637,875	582	1,901	0	7,114
Direct client assistance	6,136,191	0	0	0	24,854	88,271	2,400	317,860
Other operational	911,261	0	8,293	8,293	161	192	40	1,105
Indirect	0	9,509	7,420	16,929	202	1,551	0	13,384
In-kind expense	358,170	0	0	0	0	0	0	0
Total Expenses	18,911,529	349,661	440,603	790,264	27,752	106,262	2,440	458,383
Change in Net Assets	468,022	0	0	0	0	0	0	0
Net assets - Beginning of year	4,811,910	0	0	0	0	0	0	0
Change in accounting policy	339,539	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 5,619,471	\$ 0	\$ 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, 2023

	FEDERAL PROGRAMS							
	Dept. of Housing and Urban Development		Dept. of Treasury	Department of Energy			Dept. of Health and Human Services	
	14.231	14.239	21.027	81.042			93.499	
	14.231	Tenant Based Rental Assistance TBRA #6 19-1-HM-516 (7)	Clay County Expansion Project 23-INIA-021 (8)	Weatherization DOE-23-16 (9)	Weatherization Infrastructure DOE-BL22-16 (10)	81.042 Subtotal	COVID-19 Low Income Home Water Assistance Program (LIHWAP) LIHWAP-21CAA-16 (11)	COVID-19 Low Income Home Water Assistance Program (LIHWAP) LIHWAP-21ARPA-16 (12)
REVENUE								
Grant revenue	\$ 594,765	\$ 70,437	\$ 510,889	\$ 411,514	\$ 316,711	\$ 728,225	\$ 6,450	\$ 335,732
Program income	0	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0	0
Interest income	0	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0	0
Other income	72	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0	0
Total Revenue	594,837	70,437	510,889	411,514	316,711	728,225	6,450	335,732
EXPENSES								
Salaries	86,800	2,470	0	0	0	0	920	17,775
Fringe	28,016	912	0	0	0	0	189	5,986
Contract services	0	0	85,450	0	0	0	0	0
Travel	16,844	1,041	0	305	0	305	0	0
Space	3,560	0	0	0	0	0	0	0
Consumable supplies	9,597	112	0	0	0	0	0	0
Direct client assistance	433,385	65,434	0	410,234	316,711	726,945	5,171	308,644
Other operational	1,498	0	425,439	975	0	975	0	0
Indirect	15,137	468	0	0	0	0	170	3,327
In-kind expense	0	0	0	0	0	0	0	0
Total Expenses	594,837	70,437	510,889	411,514	316,711	728,225	6,450	335,732
Change in Net Assets	0	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 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, 2023

	FEDERAL PROGRAMS							
	Department of Health and Human Services							
	93.499	93.556		93.556	93.558			
		Prevent Child Abuse	Prevent Child Abuse		Prevent Child Abuse	Prevent Child Abuse	Families Developing Self Sufficiency (FaDSS)	
Subtotal	ACFS 23	ACFS 24	Subtotal	ACFS 23	ACFS 24	FaDSS-23-16	Subtotal	
	(13)	(14)		(15)	(16)	(17)		
REVENUE								
Grant revenue	\$ 342,182	\$ 83,857	\$ 20,463	\$ 104,320	\$ 14,338	\$ 3,500	\$ 151,199	\$ 169,037
Program income	0	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0	0
Interest income	0	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0	0
Other income	0	6,286	0	6,286	1,075	0	10	1,085
In-kind contributions	0	0	0	0	0	0	0	0
Total Revenue	342,182	90,143	20,463	110,606	15,413	3,500	151,209	170,122
EXPENSES								
Salaries	18,695	47,586	11,874	59,460	8,136	2,031	67,761	77,928
Fringe	6,175	15,823	3,562	19,385	2,705	609	21,211	24,525
Contract services	0	6,643	420	7,063	1,136	72	0	1,208
Travel	0	6,573	1,049	7,622	1,124	179	20,388	21,691
Space	0	0	0	0	0	0	1,893	1,893
Consumable supplies	0	655	10	665	112	2	11,142	11,256
Direct client assistance	313,815	0	0	0	0	0	10,396	10,396
Other operational	0	3,957	1,567	5,524	677	268	6,148	7,093
Indirect	3,497	8,906	1,981	10,887	1,523	339	12,270	14,132
In-kind expense	0	0	0	0	0	0	0	0
Total Expenses	342,182	90,143	20,463	110,606	15,413	3,500	151,209	170,122
Change in Net Assets	0	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 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, 2023

	FEDERAL PROGRAMS							
	Department of Health and Human Services							
	93.568				93.569	93.575		
	Low Income Home Energy Assistance Program (LIHEAP)	Emergency Supp. Low Income Home Energy Assistance Prgm (LIHEAP-23ES-16)	Weatherization Home Energy Assistance Program (HEAP)	Weatherization Home Energy Assistance Program (HEAP)	93.568 Subtotal	Community Services Block Grant (CSBG)	Wrap ACFs 21-017	Wrap ACFs 21-017
(18)	(19)	(20)	(21)	(22)	(23)	(24)		
REVENUE								
Grant revenue	\$ 2,433,908	\$ 1,396,134	\$ 512,605	\$ 422,408	\$ 4,765,055	\$ 442,728	\$ 268,378	\$ 80,779
Program income	0	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0	0
Interest income	0	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0	0
Other income	0	0	0	0	0	0	8,396	0
In-kind contributions	0	0	0	0	0	0	0	0
Total Revenue	2,433,908	1,396,134	512,605	422,408	4,765,055	442,728	276,774	80,779
EXPENSES								
Salaries	124,243	92,674	75,510	210,624	503,051	0	179,861	51,486
Fringe	42,296	36,699	19,187	74,387	172,569	0	59,382	16,189
Contract services	0	0	0	0	0	0	0	0
Travel	1,131	277	5,208	16,166	22,782	0	150	73
Space	1,782	1,371	1,273	4,038	8,464	0	1,315	370
Consumable supplies	12,777	4,570	4,746	2,902	24,995	0	81	3,659
Direct client assistance	2,224,921	1,239,932	313,488	59,119	3,837,460	0	1,332	0
Other operational	3,764	4,690	79,224	17,476	105,154	442,728	1,106	515
Indirect	22,994	15,921	13,969	37,696	90,580	0	33,547	8,487
In-kind expense	0	0	0	0	0	0	0	0
Total Expenses	2,433,908	1,396,134	512,605	422,408	4,765,055	442,728	276,774	80,779
Change in Net Assets	0	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule A-5

Schedule of Program Activity

Year Ended September 30, 2023

FEDERAL PROGRAMS									
Department of Health and Human Services									
93.575		93.600							
93.575	Early Head Start	Early Head Start	Head Start	Head Start	COVID-19/ARPA	1303 Construction	93.600	Total	
Subtotal	07CH010845-04	07CH010845-05	07CH010845-04	07CH010845-05	Head Start/EHS	Head Start/EHS	Subtotal	Federal	
	(25)	(26)	(27)	(28)	07HE000164-01C	07CH010845-05		Programs	
					(30)	(31)			
REVENUE									
Grant revenue	\$ 349,157	\$ 1,205,748	\$ 1,761,514	\$ 1,284,844	\$ 2,269,529	\$ 320,572	\$ 729,706	\$ 7,571,913	\$ 16,430,762
Program income	0	0	0	0	0	0	0	0	3,279
Rental income	0	0	0	0	0	0	0	0	0
Interest income	0	0	0	0	0	0	0	0	0
Donations	0	2,630	0	3,452	0	0	0	6,082	6,082
Other income	8,396	7,500	0	27,745	2,328	0	0	37,573	58,343
In-kind contributions	0	482,668	722,778	524,767	413,727	0	0	2,143,940	2,143,940
Total Revenue	357,553	1,698,546	2,484,292	1,840,808	2,685,584	320,572	729,706	9,759,508	18,642,406
EXPENSES									
Salaries	231,347	701,649	1,051,771	783,194	1,322,151	119,754	0	3,978,519	5,050,713
Fringe	75,571	231,919	368,343	261,107	501,384	40,716	0	1,403,469	1,760,862
Contract services	0	65	16,137	795	16,402	122,834	655,302	811,535	905,256
Travel	223	10,949	14,357	18,346	14,181	0	0	57,833	131,225
Space	1,685	40,828	40,565	45,705	54,617	2,487	0	184,202	201,404
Consumable supplies	3,740	20,790	27,702	15,405	61,899	4,493	8,448	138,737	826,977
Direct client assistance	1,332	0	0	404	9	0	0	413	5,389,180
Other operational	1,621	79,873	56,329	46,194	69,200	8,134	65,956	325,686	1,324,011
Indirect	42,034	129,805	186,310	144,891	232,014	22,154	0	715,174	908,838
In-kind expense	0	482,668	722,778	524,767	413,727	0	0	2,143,940	2,143,940
Total Expenses	357,553	1,698,546	2,484,292	1,840,808	2,685,584	320,572	729,706	9,759,508	18,642,406
Change in Net Assets	0	0	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 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, 2023

	STATE AND LOCAL PROGRAMS							
	Community School 4 year old Programs (32)	Community School 4 year old Programs (33)	Hometown Care Alliant (34)	Embrace Iowa (35)	CHORE (36)	Fort Dodge Community Foundation United Way (37)	Child Dev. Spencer 410471 (38)	Child Dev. Spencer 466663 (39)
REVENUE								
Grant revenue	\$ 514,224	\$ 96,309	\$ 0	\$ 0	\$ 13,300	\$ 0	\$ 62,810	\$ 4,564
Program income	0	0	77,073	0	0	0	0	0
Rental income	0	0	0	0	0	0	0	0
Interest income	0	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0	0
Other income	11,484	0	2,275	22,217	0	5,000	2,646	0
In-kind contributions	0	0	0	0	0	0	15,428	5,304
Total Revenue	525,708	96,309	79,348	22,217	13,300	5,000	80,884	9,868
EXPENSES								
Salaries	338,337	68,770	0	0	0	1,650	38,979	2,906
Fringe	117,741	18,351	0	0	0	545	16,012	881
Contract services	0	0	0	0	0	0	0	0
Travel	3,771	214	0	0	0	0	0	0
Space	0	0	0	0	0	2,500	825	206
Consumable supplies	1,459	0	0	0	0	0	1,071	(9)
Direct client assistance	0	0	11,517	22,217	13,300	0	0	0
Other operational	1,790	33	0	0	0	0	1,331	236
Indirect	62,610	8,941	0	0	0	305	7,238	344
In-kind expense	0	0	0	0	0	0	15,428	5,304
Total Expenses	525,708	96,309	11,517	22,217	13,300	5,000	80,884	9,868
Change in Net Assets	0	0	67,831	0	0	0	0	0
Net assets - Beginning of year	0	0	172,299	0	0	0	0	0
Change in accounting policy	0	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 240,130	\$ 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, 2023

	STATE AND LOCAL PROGRAMS							
	Child Dev. Storm Lake 410472 (40)	Child Dev. Storm Lake 466513 (41)	Project Helper BHE Cares (42)	I CARE IPS (43)	I CARE IPS (44)	Project Share Utilities (45)	Project Share Utilities (46)	FaDSS 23-16 (47)
REVENUE								
Grant revenue	\$ 62,975	\$ 8,500	\$ 0	\$ 727	\$ 2,802	\$ 0	\$ 0	\$ 226,798
Program income	0	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0	0
Interest income	0	0	0	0	0	0	0	0
Donations	0	0	0	0	0	5,191	136	0
Other income	1,003	0	7,106	0	0	0	0	15
In-kind contributions	51,026	8,537	0	0	0	0	0	0
Total Revenue	115,004	17,037	7,106	727	2,802	5,191	136	226,813
EXPENSES								
Salaries	38,856	5,483	0	0	0	0	0	101,641
Fringe	16,569	1,907	0	0	0	0	0	31,818
Contract services	0	0	0	0	0	0	0	0
Travel	0	0	0	0	0	0	0	30,582
Space	0	0	0	0	0	0	0	2,839
Consumable supplies	0	0	0	0	0	0	0	16,713
Direct client assistance	0	0	12,504	473	6,381	4,821	(3,287)	15,594
Other operational	1,331	256	0	0	0	0	0	9,222
Indirect	7,222	854	0	0	0	0	0	18,404
In-kind expense	51,026	8,537	0	0	0	0	0	0
Total Expenses	115,004	17,037	12,504	473	6,381	4,821	(3,287)	226,813
Change in Net Assets	0	0	(5,398)	254	(3,579)	370	3,423	0
Net assets - Beginning of year	0	0	36,399	18,149	0	42,439	0	0
Change in accounting policy	0	0	0	(18,403)	18,403	(42,809)	42,809	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 31,001	\$ 0	\$ 14,824	\$ 0	\$ 46,232	\$ 0

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

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Schedule of Program Activity

Year Ended September 30, 2023

	STATE AND LOCAL PROGRAMS							
	BHE Weatherization BHE 22-160 (48)	BHE Weatherization BHE 23-160 (49)	IPL Weatherization IPL 22-160 (50)	IPL Weatherization IPL 23-160 (51)	MEC Weatherization MEC 22-160 (52)	MEC Weatherization MEC 23-160 (53)	Palo Alto General Relief (54)	Iowa Individual Assistance FOSU-23-002 (55)
REVENUE								
Grant revenue	(\$ 80)	\$ 30,019	\$ 41,552	\$ 87,487	(\$ 421)	\$ 81,910	\$ 9,000	\$ 10,671
Program income	0	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0	0
Interest income	0	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0	0
Other income	0	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0	0
Total Revenue	(80)	30,019	41,552	87,487	(421)	81,910	9,000	10,671
EXPENSES								
Salaries	0	0	0	0	0	0	6,536	0
Fringe	0	0	0	0	0	0	2,002	0
Contract services	0	0	0	0	0	0	0	0
Travel	0	0	0	0	0	0	0	0
Space	0	0	0	0	0	0	0	0
Consumable supplies	0	0	0	0	0	0	0	0
Direct client assistance	(80)	30,019	41,552	87,487	(421)	81,910	0	10,671
Other operational	0	0	0	0	0	0	0	0
Indirect	0	0	0	0	0	0	1,180	0
In-kind expense	0	0	0	0	0	0	0	0
Total Expenses	(80)	30,019	41,552	87,487	(421)	81,910	9,718	10,671
Change in Net Assets	0	0	0	0	0	0	(718)	0
Net assets - Beginning of year	0	0	0	0	0	0	7,714	0
Change in accounting policy	0	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,996	\$ 0

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule A-9

Schedule of Program Activity

Year Ended September 30, 2023

STATE AND LOCAL PROGRAMS								
Impact Grant	Prevent Child Abuse ACFS 23	Prevent Child Abuse ACFS 24	1st Five CSA 1 & 4 5883MHI13	1st Five CSA 1 & 4 5883MHI13	HS Donated Funds	Dickinson Co. Endowment	Total State and Local Programs	
(56)	(57)	(58)	(59)	(60)	(61)	(62)		
REVENUE								
Grant revenue	\$ 0	\$ 15,417	\$ 5,897	\$ 159,795	\$ 91,848	\$ 0	\$ 0	\$ 1,526,104
Program income	0	0	0	0	0	0	0	77,073
Rental income	0	0	0	0	0	0	0	0
Interest income	0	0	0	0	0	0	0	0
Donations	0	0	0	0	0	13,658	0	18,985
Other income	10,000	1,156	0	0	0	0	5,947	68,849
In-kind contributions	0	0	0	0	0	0	0	80,295
Total Revenue	10,000	16,573	5,897	159,795	91,848	13,658	5,947	1,771,306
EXPENSES								
Salaries	0	8,749	3,422	59,994	41,631	0	0	716,954
Fringe	0	2,909	1,026	17,530	11,871	0	0	239,162
Contract services	0	1,221	121	20,538	15,650	500	0	38,030
Travel	0	1,209	302	6,125	7,542	0	0	49,745
Space	0	0	0	1,717	923	0	0	9,010
Consumable supplies	0	120	3	20,470	2,210	849	3,374	46,260
Direct client assistance	0	0	0	0	0	0	0	334,658
Other operational	0	728	452	22,063	5,359	39	0	42,840
Indirect	0	1,637	571	11,358	6,662	0	0	127,326
In-kind expense	0	0	0	0	0	0	0	80,295
Total Expenses	0	16,573	5,897	159,795	91,848	1,388	3,374	1,684,280
Change in Net Assets	10,000	0	0	0	0	12,270	2,573	87,026
Net assets - Beginning of year	0	0	0	0	0	0	0	277,000
Change in accounting policy	0	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,270	\$ 2,573	\$ 364,026

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule A-10

Schedule of Program Activity

Year Ended September 30, 2023

TOTAL PROGRAM ACTIVITY	DISCRETIONARY					TOTAL DISCRETIONARY
	Outreach UDMO	Rental UDMO	Corporate UDMO	GAAP Adjustments		
	(63)	(64)	(65)	(66)		
REVENUE						
Grant revenue	\$ 17,956,866	\$ 134,370	\$ 0	\$ 0	\$ 0	\$ 134,370
Program income	80,352	0	0	0	0	0
Rental income	0	24,648	159,528	56,349	0	240,525
Interest income	0	0	0	6,990	0	6,990
Donations	25,067	522,988	0	10,745	0	533,733
Other income	127,192	420,115	0	5,201	(442,728)	(17,412)
In-kind contributions	2,224,235	0	0	0	(1,932,367)	(1,932,367)
Total Revenue	20,413,712	1,102,121	159,528	79,285	(2,375,095)	(1,034,161)
EXPENSES						
Salaries	5,767,667	425,561	0	636,947	0	1,062,508
Fringe	2,000,024	132,620	0	238,122	0	370,742
Contract services	943,286	5,071	14,757	93,282	(313,750)	(200,640)
Travel	180,970	36,933	0	(28,090)	0	8,843
Space	210,414	159,222	53,492	9,851	2,905	225,470
Consumable supplies	873,237	24,371	0	39,015	0	63,386
Direct client assistance	5,723,838	412,427	0	(74)	0	412,353
Other operational	1,366,851	52,279	23,174	243,464	(774,507)	(455,590)
Indirect	1,036,164	76,954	0	(1,113,118)	0	(1,036,164)
In-kind expense	2,224,235	0	0	0	(1,866,065)	(1,866,065)
Total Expenses	20,326,686	1,325,438	91,423	119,399	(2,951,417)	(1,415,157)
Change in Net Assets	87,026	(223,317)	68,105	(40,114)	576,322	380,996
Net assets - Beginning of year	277,000	1,410,551	397,845	1,367,288	1,359,226	4,534,910
Change in accounting policy	0	0	0	0	339,539	339,539
NET ASSETS - End of year	\$ 364,026	\$ 1,187,234	\$ 465,950	\$ 1,327,174	\$ 2,275,087	\$ 5,255,445

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule B-1

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2023

Federal Grantor/Program Title	Assistance Listing Number	Funding Source/ Pass-Through Entity	Pass-through Entity Identifying Number	Program Period	Federal Expenditures
DEPARTMENT OF AGRICULTURE					
(1) DPI Food Reimbursement	10.558	Iowa Department of Education	74-8011	10/01/22-09/30/23	346,382
(2) Child and Adult Care Food Program		Iowa Department of Education	74-8017	10/01/22-09/30/23	435,672
Total Federal Expenditures AL 10.558					782,054
TOTAL DEPARTMENT OF AGRICULTURE PROGRAMS					782,054
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
(3) Emergency Solutions Grant	14.231	Iowa Finance Authority	74003-22	01/01/22-12/31/23	27,748
(4) Emergency Solutions Grant		Iowa Finance Authority	74003-23	01/01/23-12/31/23	106,194
(5) COVID-19 Emergency Solutions Grant CV2		Iowa Finance Authority	74003-20	03/01/20-12/31/22	2,440
(6) ERA2 Rapid Rehousing		Iowa Finance Authority	RRH-ERA2-14	04/15/22-09/30/25	458,383
Total Federal Expenditures AL 14.231					594,765
(7) Tenant Based Rental Asst. #6	14.239	Iowa Finance Authority/ Iowa Comm. Action Assoc.	19-1-HM-516	10/01/21-12/12/23	70,437
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PROGRAMS					665,202
DEPARTMENT OF TREASURY					
(8) COVID-19 Clay County Expansion Project	21.027	Iowa Department of Economic Development Authority	23-INIA-021	09/14/22-09/30/26	510,889
TOTAL DEPARTMENT OF TREASURY PROGRAMS					510,889
DEPARTMENT OF ENERGY					
(9) Weatherization	81.042	Iowa Department of Human Rights	DOE-23-16	04/01/23-03/31/24	411,514
(10) Weatherization Infrastructure		Iowa Department of Human Rights	DOE-BL22-16	07/01/22-06/30/25	316,711
Total Federal Expenditures AL 81.042					728,225
TOTAL DEPARTMENT OF ENERGY PROGRAMS					728,225
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
(11) COVID-19 Low Income Home Water Assistance Program	93.499	Iowa Department of Human Rights	LIHWAP-21CAA-16	05/28/21-09/30/23	6,450
(12) COVID-19 Low Income Home Water Assistance Program		Iowa Department of Human Rights	LIHWAP-21ARPA-16	05/28/21-03/31/24	335,732
Total Federal Expenditures AL 93.499					342,182
(13) Prevent Child Abuse Palo Alto Prevent Child Abuse Dickinson Prevent Child Abuse Emmet Prevent Child Abuse Kossuth Prevent Child Abuse O'Brien Prevent Child Abuse Clay	93.556	Iowa Department of Human Services	ACFS 23-052 ACFS 23-061 ACFS 23-064 ACFS 23-065 ACFS 23-066 ACFS 23-068	07/01/22-06/30/23 07/01/22-06/30/23 07/01/22-06/30/23 07/01/22-06/30/23 07/01/22-06/30/23 07/01/22-06/30/23	7,711 9,513 16,817 18,909 17,755 13,152 83,857
(14) Prevent Child Abuse Palo Alto Prevent Child Abuse Dickinson Prevent Child Abuse Emmet Prevent Child Abuse Kossuth Prevent Child Abuse O'Brien Prevent Child Abuse Clay		Iowa Department of Human Services	ACFS 24-052 ACFS 24-061 ACFS 24-064 ACFS 24-065 ACFS 24-066 ACFS 24-068	07/01/23-06/30/24 07/01/23-06/30/24 07/01/23-06/30/24 07/01/23-06/30/24 07/01/23-06/30/24 07/01/23-06/30/24	1,803 1,883 4,233 4,547 5,120 2,877 20,463
Total Federal Expenditures AL 93.556					104,320

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule B-2

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2023

Federal Grantor/Program Title	Assistance Listing Number	Funding Source/ Pass-Through Entity	Pass-through Entity Identifying Number	Program Period	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)					
(15) Prevent Child Abuse Clay Prevent Child Abuse O'Brien Prevent Child Abuse Dickinson Prevent Child Abuse Emmet Prevent Child Abuse Palo Alto Prevent Child Abuse Kossuth	93.558	Iowa Department of Human Services	ACFS 23-052 ACFS 23-061 ACFS 23-064 ACFS 23-065 ACFS 23-066 ACFS 23-068	07/01/22-06/30/23 07/01/22-06/30/23 07/01/22-06/30/23 07/01/22-06/30/23 07/01/22-06/30/23 07/01/22-06/30/23	1,319 1,626 2,875 3,233 3,036 2,249 <u>14,338</u>
(16) Prevent Child Abuse Clay Prevent Child Abuse O'Brien Prevent Child Abuse Dickinson Prevent Child Abuse Emmet Prevent Child Abuse Palo Alto Prevent Child Abuse Kossuth		Iowa Department of Human Services	ACFS 24-052 ACFS 24-061 ACFS 24-064 ACFS 24-065 ACFS 24-066 ACFS 24-068	07/01/23-06/30/24 07/01/23-06/30/24 07/01/23-06/30/24 07/01/23-06/30/24 07/01/23-06/30/24 07/01/23-06/30/24	308 322 724 778 876 492 <u>3,500</u>
(17) Families Developing Self Sufficiency		Iowa Department of Human Rights	FaDSS 23-16	07/01/22-09/30/23	151,199 <u>151,199</u>
Total Federal Expenditures AL 93.558					<u>169,037</u>
(18) Low Income Home Energy Assistance Program	93.568	Iowa Department of Human Rights	LIHEAP-23-16	10/01/22-12/31/23	2,433,908
(19) COVID-19 Low Income Home Energy Assistance Program ARPA		Iowa Department of Human Rights	LIHEAP-23ES-16	10/01/22-12/31/23	1,396,134
(20) Weatherization Home Energy Assistance Program		Iowa Department of Human Rights	HEAP-22-16	01/01/22-12/31/22	512,605
(21) Weatherization Home Energy Assistance Program		Iowa Department of Human Rights	HEAP-23-16	01/01/23-12/31/23	422,408
Total Federal Expenditures AL 93.568					<u>4,765,055</u>
(22) Community Service Block Grant	93.569	Iowa Department of Human Rights	CSBG-23-16	10/01/22-09/30/23	<u>442,728</u>
CCDF Cluster					
(23) Wrap	93.575	Iowa Department of Human Services	ACFS-21-017	07/01/22-06/30/23	268,378
(24) Wrap		Iowa Department of Human Services	ACFS-21-017	07/01/23-06/30/24	80,779
Total Federal Expenditures AL 93.575 Cluster					<u>349,157</u>
Head Start Cluster					
(25) Early Head Start	93.600	Department of Health and Human Services	07CH010845-04	03/01/22-02/28/23	1,205,748
(26) Early Head Start		Department of Health and Human Services	07CH010845-05	03/01/23-02/28/24	1,761,514
(27) Head Start		Department of Health and Human Services	07CH010845-04	03/01/22-02/28/23	1,284,844
(28) Head Start		Department of Health and Human Services	07CH010845-05	03/01/23-02/28/24	2,269,529
(29) COVID-19 ARPA Head Start		Department of Health and Human Services	07HE000164-01C	03/01/20-03/31/23	320,572
(30) HS/EHS 1303 Construction		Department of Health and Human Services	07CH010845-04 07CH010845-05	03/01/22-02/28/23 03/01/23-02/28/24	496,215 233,491 <u>739,706</u>
Total Federal Expenditures AL 93.600 Cluster					<u>7,571,913</u>
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES PROGRAMS					<u>13,744,392</u>
TOTAL FEDERAL EXPENDITURES					<u>\$ 16,430,762</u>

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule B-3
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2023

Note 1 - Basis of Presentation

The Schedule of Expenditures of Federal Awards (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, 2023. 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 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, 2023.

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.

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule C Schedule of Indirect Cost Account Year Ended September 30, 2023

Expenditures:		
Salaries	\$	629,307
Fringe		179,826
Contracted services		84,107
Travel		22,937
Occupancy		30,426
Stationary		901
Reproduction		2,052
Computer supplies		13,405
Office supplies		20,247
Insurance		80,068
Telephone		7,442
Internet		1,560
Postage		2,426
Miscellaneous		15,898
Service contracts		2,415
Registrations		14,329
		<hr/>
Total indirect cost expenses		1,107,346
		<hr/>
Reimbursement		1,116,926
		<hr/>
Current year excess (deficit)		9,580
Net assets - Beginning of year		169,470
		<hr/>
Net assets - End of year	\$	179,050

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule D Schedule of Computation of Indirect Costs Year Ended September 30, 2023

Total salaries - regular	\$ 6,830,175
Indirect cost salaries	(629,307)
<hr/>	
Total direct salaries	6,200,868
<hr/>	
Actual indirect cost rate	17.86%
<hr/>	
Allocable indirect costs	1,107,346
<hr/>	
Amount reimbursed	1,116,926
<hr/>	
Variance	\$ 9,580
<hr/> <hr/>	

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule E

Schedule of Iowa Department of Health & Human Services Grant Expenses of

Contracts Overlapping Fiscal Years

Year Ended September 30, 2023

Program	Grant Number	Grant Period	Expenses		Total	Program Budget
			Prior Years	Current Year		
DOE Weatherization	DOE 22-16	04/01/22-03/31/23	\$ 470,202	\$ 0	\$ 470,202	\$ 470,202
DOE Weatherization	DOE 23-16	04/01/23-03/31/24	0	411,514	411,514	479,387
Weatherization Infrastructure	DOE-BL22-16	07/01/22-06/30/25	0	316,711	316,711	1,532,853
LIHWAP-CAA	LIHWAP 21CAA-16	05/28/21-09/30/23	356,545	6,450	362,995	362,995
LIHWAP-ARPA	LIHWAP-21ARPA-16	05/28/21-03/31/24	0	335,732	335,732	339,342
Family Development and Self-Sufficiency	FaDSS 23-16	07/01/22-09/30/23	0	377,997	377,997	380,619
LIHEAP Emergency Supplement	LIHEAP-23ES-16	10/01/22-12/31/23	0	1,396,134	1,396,134	1,409,385
HEAP Weatherization	HEAP 22-16	01/01/22-12/31/22	672,419	512,605	1,185,024	1,473,687
HEAP Weatherization	HEAP 23-16	01/01/23-12/31/23	0	422,408	422,408	1,049,417
LIHEAP-23	LIHEAP-23-16	10/01/22-12/31/23	0	2,433,908	2,433,908	2,704,726
CSBG-23	CSBG-23-16	10/01/22-09/30/23	0	442,728	442,728	442,728
BHE Weatherization	BHE 22-16	01/01/22-12/31/22	33,258	(80)	33,178	33,258
BHE Weatherization	BHE-23-16	01/01/23-12/31/23	0	30,019	30,019	33,258
IPL Weatherization	IPL 22-16	01/01/22-12/31/22	82,069	41,552	123,621	237,702
IPL Weatherization	IPL 23-16	01/01/23-12/31/23	0	87,487	87,487	237,679
MEC Weatherization	MEC 22-16	01/01/22-12/31/22	99,173	(421)	98,752	99,173
MEC Weatherization	MEC 23-16	01/01/23-12/31/23	0	81,910	81,910	91,547

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule F-1

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed DOE Weatherization (Contract No. DOE 22-16)

Year Ended March 31, 2023

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 470,202	\$ 470,202	\$ 0
Program expenses:			
Administration	60,893	42,706	18,187
Support	90,800	19,506	71,294
Health and safety	78,078	78,425	(347)
Labor	110,828	166,920	(56,092)
Material	110,828	154,466	(43,638)
Training	18,775	8,179	10,596
Totals	\$ 470,202	\$ 470,202	\$ 0

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule F-2

Schedule of Revenue and Expenses Compared to Budget

Expenses of DOE Weatherization (Contract No. DOE 23-16)

Six Months Ended September 30, 2023

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 479,387	\$ 411,514	\$ 67,873
Program expenses:			
Administration	60,228	54,528	5,700
T&TA	21,189	1,280	19,909
Support	92,528	78,653	13,875
Health and safety	103,932	92,582	11,350
Labor	100,755	106,452	(5,697)
Readiness	0	0	0
Material	100,755	78,019	22,736
Totals	\$ 479,387	\$ 411,514	\$ 67,873

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule F-3

Schedule of Revenue and Expenses Compared to Budget

Expenses of Weatherization Infrastructure (Contract No. DOE BL22-16)

Fifteen Months Ended September 30, 2023

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 1,532,853	\$ 316,711	\$ 1,216,142
Program expenses:			
Administration	260,480	60,840	199,640
T&TA	177,841	0	177,841
Support	283,103	20,281	262,822
Health and safety	254,479	63,432	191,047
Labor	278,475	97,072	181,403
Readiness	0	0	0
Material	278,475	75,086	203,389
Totals	\$ 1,532,853	\$ 316,711	\$ 1,216,142

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule F-4

Schedule of Revenue and Expenses Compared to Budget

Expenses of Low-Income Home Water Assistance Program

(Contract No. LIHWAP 21CAA-16)

Twenty-Eights Months Ended September 30, 2023

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 362,995	\$ 362,995	\$ 0
Program expenses:			
Administration	3,049	3,049	0
E.C.I.P.	333,366	333,366	0
Program support	26,580	26,580	0
Totals	\$ 362,995	\$ 362,995	\$ 0

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule F-5

Schedule of Revenue and Expenses Compared to Budget

Expenses of Low-Income Home Water Assistance Program

(Contract No. LIHWAP 21ARPA-16)

Twenty-Eight Months Ended September 30, 2023

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 339,342	\$ 335,732	\$ 3,610
Program expenses:			
Administration	3,669	3,554	115
E.C.I.P.	309,610	308,644	966
Program support	26,063	23,534	2,529
Totals	\$ 339,342	\$ 335,732	\$ 3,610

See Independent Auditor's Report.

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 23-16)

Fifteen Months Ended September 30, 2023

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 380,619	\$ 377,997	\$ 2,622
Program expenses:			
Administration	31,230	30,674	556
Personnel:			
Salaries	163,507	169,402	(5,895)
Benefits	53,536	53,029	507
Travel	23,480	22,172	1,308
Space/utilities	9,044	4,795	4,249
Other	73,332	71,435	1,897
3rd Party Payments	26,490	26,490	0
Mathematica	0	0	0
Totals	\$ 380,619	\$ 377,997	\$ 2,622

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule F-7

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed Low-Income Home Energy Assistance Program

(Contract No. LIHEAP 23-16)

Year Ended September 30, 2023

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 2,704,726	\$ 2,433,908	\$ 270,818
Program expenses:			
Administration	293,014	195,841	97,173
Regular assistance	2,086,677	2,086,653	24
E.C.I.P.	293,262	138,268	154,994
Program support	25,985	13,146	12,839
Assurance 16	5,788	0	5,788
Summer deliverable fuel payments	0	0	0
Totals	\$ 2,704,726	\$ 2,433,908	\$ 270,818

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule F-8

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed COVID-19 Low-Income Home Emergency Assistance Program

(Contract No. LIHEAP-23ES-16)

Year Ended September 30, 2023

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 1,409,385	\$ 1,396,134	\$ 13,251
Program expenses:			
Administration	119,869	110,302	9,567
Regular assistance	177,204	175,737	1,467
E.C.I.P.	780,802	780,296	506
Client services	47,611	45,900	1,711
Summer deliverable fuel payments	283,899	283,899	0
Totals	\$ 1,409,385	\$ 1,396,134	\$ 13,251

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule F-9

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed HEAP Weatherization (Contract No. HEAP 22-16)

Year Ended December 31, 2022

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 1,473,687	\$ 1,185,024	\$ 288,663
Program expenses:			
Administration	75,666	32,547	43,119
Health and Safety	315,884	352,901	(37,017)
Support	302,113	368,637	(66,524)
Labor	345,266	245,641	99,625
Material	345,266	166,986	178,280
Special Project K&T	10,660	10,660	0
Equipment/Training	76,332	5,152	71,180
Pollution Occurrence Insurance	2,500	2,500	0
Totals	\$ 1,473,687	\$ 1,185,024	\$ 288,663

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule F-10

Schedule of Revenue and Expenses Compared to Budget

Expenses of HEAP Weatherization (Contract No. HEAP 23-16)

Nine Months Ended September 30, 2023

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 1,049,417	\$ 422,408	\$ 627,009
Program expenses:			
Administration	55,206	22,522	32,684
Health and safety	225,917	169,363	56,554
Support	251,909	208,395	43,514
Labor	246,930	19,447	227,483
Material	246,930	1,902	245,028
Equipment/Training	0	0	0
Specialty Project Knob & Tool	20,000	779	19,221
Pollution occurrence insurance	2,525	0	2,525
Totals	\$ 1,049,417	\$ 422,408	\$ 627,009

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule F-11

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed Community Service Block Grant

(Contract No. CSBG 23-16)

Year Ended September 30, 2023

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 442,728	\$ 442,728	\$ 0
Program expenses:			
Co-funded programs	439,728	439,728	0
Misc. Supplies/Purchases	3,000	3,000	0
Totals	\$ 442,728	\$ 442,728	\$ 0

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule F-12

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed Black Hills Weatherization (Contract No. BHE 22-16)

Year Ended December 31, 2022

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 33,258	\$ 33,178	\$ 80
Program expenses:			
Administration	1,446	1,365	81
Support	2,892	2,632	260
Labor	14,460	13,131	1,329
Material	14,460	16,050	(1,590)
Totals	\$ 33,258	\$ 33,178	\$ 80

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule F-13

Schedule of Revenue and Expenses Compared to Budget

Expenses of Black Hills Weatherization (Contract No. BHE 23-16)

Nine months ended September 30, 2023

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 33,258	\$ 30,019	\$ 3,239
Program expenses:			
Administration	1,446	1,344	102
Support	2,892	2,571	321
Labor	14,460	11,762	2,698
Material	14,460	14,342	118
Totals	\$ 33,258	\$ 30,019	\$ 3,239

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule F-14

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed IPL Weatherization (Contract No. IPL 22-16)

Year ended December 31, 2022

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 237,702	\$ 123,621	\$ 114,081
Program expenses:			
Administration	10,332	5,648	4,684
Support	20,664	10,477	10,187
Labor	103,353	53,628	49,725
Material	103,353	53,868	49,485
Totals	\$ 237,702	\$ 123,621	\$ 114,081

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule F-15

Schedule of Revenue and Expenses Compared to Budget

Expenses of IPL Weatherization (Contract No. IPL 23-16)

Nine Months Ended September 30, 2023

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 237,679	\$ 87,487	\$ 150,192
Program expenses:			
Administration	10,331	3,931	6,400
Support	20,662	7,477	13,185
Labor	103,343	34,414	68,929
Material	103,343	41,665	61,678
Totals	\$ 237,679	\$ 87,487	\$ 150,192

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule F-16

Schedule of Revenue and Expenses Compared to Budget

Expenses of Completed MEC Weatherization (Contract No. MEC 22-16)

Year ended December 31, 2022

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 99,173	\$ 98,752	\$ 421
Program expenses:			
Administration	4,312	4,112	200
Support	8,623	8,768	(145)
Labor	43,119	43,487	(368)
Material	43,119	42,385	734
Totals	\$ 99,173	\$ 98,752	\$ 421

See Independent Auditor's Report.

Upper Des Moines Opportunity, Inc.

Schedule F-17

Schedule of Revenue and Expenses Compared to Budget

Expenses of MEC Weatherization (Contract No. MEC 23-16)

Nine Months Ended September 30, 2023

	Budget	Actual	(Over) Under Budget
Program revenue:			
Iowa Department of Human Rights	\$ 91,547	\$ 81,910	\$ 9,637
Program expenses:			
Administration	4,633	3,407	1,226
Support	9,266	7,277	1,989
Labor	38,824	29,421	9,403
Material	38,824	41,805	(2,981)
Totals	\$ 91,547	\$ 81,910	\$ 9,637

See Independent Auditor's Report.

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, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Upper Des Moines Opportunity, Inc., which comprise the statement of financial position as of September 30, 2023 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated February 7, 2024.

Report on 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) as a basis for designing 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 a combination of deficiencies in internal control, such that there is reasonable possibility that a material misstatement of Upper Des Moines Opportunity, Inc.'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 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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.

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

Wipfli LLP

Madison, Wisconsin

February 7, 2024

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Upper Des Moines Opportunity, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023. 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.

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 each major federal program for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Upper Des Moines Opportunity, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Upper Des Moines Opportunity, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Upper Des Moines Opportunity, Inc.'s federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Upper Des Moines Opportunity, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Upper Des Moines Opportunity, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Upper Des Moines Opportunity, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Upper Des Moines Opportunity, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Upper Des Moines Opportunity, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over-compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

Madison, Wisconsin

February 7, 2024

Upper Des Moines Opportunity, Inc.

Schedule of Findings and Questioned Costs

Year Ended September 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs

<u>AL Number(s)</u>	<u>Federal Program or Cluster</u>
10.558	Child and Adult Food Program (CACFP)
93.600	Head Start

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

Auditee qualified as low-risk auditee? X Yes _____ No

Upper Des Moines Opportunity, Inc.

Schedule of Findings and Questioned Costs

Year Ended September 30, 2023

Section II - Audit Findings in Relation to Financial Statements

No findings related to the financial statements.

Section III - Audit Findings and Questioned Costs in Relation to Federal Awards

No findings or questioned costs related to federal awards.

Section IV - Summary Schedule of Prior Year Findings

No findings or questioned costs related to federal awards.