

MID-SIOUX OPPORTUNITY, INC.
INDEPENDENT AUDITORS' REPORT
SEPTEMBER 30, 2011

MID-SIOUX OPPORTUNITY, INC.

SEPTEMBER 30, 2011

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MID-SIOUX OPPORTUNITY, INC.

OFFICIALS
SEPTEMBER 30, 2011

EXECUTIVE BOARD OF DIRECTORS

Tom Letsche - President

Caryn Barry - Vice-President

Carol Van Gelder - Secretary

Joe Cronin - Treasurer

BOARD MEMBERS

<u>County</u>	<u>Representing</u>		
	<u>Public</u>	<u>Low-Income</u>	<u>Private</u>
Plymouth	Tom Letsche Don Kass	Ann Cole-Nelson	Barry Thompson
Cherokee	Dean Schmidt	Caryn Barry	Jean Miller Betty Knudson
Sioux	Al Bloemendaal	Carolyn Salberg Vern Beernink	Carol Van Gelder
Lyon	Merle Koedam	Evelyn Baldwin	
Ida	Joe Cronin		

AGENCY OFFICIALS

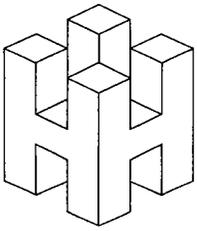
Dick Sievers - Executive Director

Sharon Heidesch - HR/Fiscal Director

Shannon Hofmann - Bookkeeper

Tammy Nilles - Bookkeeper

Melany Roling - Bookkeeper



**HENJES, CONNER &
WILLIAMS, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

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505 FIFTH STREET
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SIOUX CITY, IOWA 51102

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Mid Sioux Opportunity, Inc.
Remsen, Iowa

We have audited the accompanying statement of financial position of MID-SIOUX OPPORTUNITY, INC. (a non-profit organization), as of September 30, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Mid-Sioux Opportunity, Inc.'s 2010 financial statements and, in our report dated January 19, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In accordance with Government Auditing Standards, we have also issued our report dated January 30, 2012, on our consideration of Mid-Sioux Opportunity's, Inc. internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The Supplementary Information as listed in the table of contents is presented for the purpose of presenting grant closeout information as required by grantees. These schedules are presented on the basis of accounting required by the grantees which differs from U.S. generally accepted accounting principles. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion are fairly stated in accordance with the basis of accounting outlined above in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Henja, Conner, & Williams, P.C.
Certified Public Accountants

Sioux City, Iowa
January 30, 2012

MID-SIOUX OPPORTUNITY, INC.
STATEMENT OF FINANCIAL POSITION

September 30, 2011

With Summarized Financial Information for September 30, 2010

	2011	2010
ASSETS		
Cash and Cash Equivalents.	\$ 751,240	\$ 758,642
Certificate of Deposit.	64,766	63,579
Accounts Receivable.	118,229	135,023
Grant Awards and Contracts Receivable.	621,716	779,599
Prepaid Expenses.		102,780
Marketable Securities.	2,610	2,978
Notes Receivable - Related Parties.	90,000	90,000
Property and Equipment (Net).	<u>515,485</u>	<u>634,538</u>
Total Assets	<u>\$ 2,164,046</u>	<u>2,567,139</u>
LIABILITIES AND NET ASSETS		
Accounts Payable.	\$ 235,890	\$ 347,372
Accrued Salaries and Benefits.	140,716	236,829
Compensated Absences.	25,920	18,922
Grant Advances.	118,778	266,883
Notes Payable.		61,695
Due to Federal Home Loan Bank.	<u>90,000</u>	<u>90,000</u>
Total Liabilities	611,304	1,021,701
Net Assets:		
Unrestricted:		
Undesignated.	537,771	415,333
Invested in Property and Equipment.	<u>273,285</u>	<u>325,021</u>
Total Unrestricted	811,056	740,354
Temporarily Restricted.	<u>741,686</u>	<u>805,084</u>
Total Net Assets	<u>1,552,742</u>	<u>1,545,438</u>
Total Liabilities and Net Assets	<u>\$ 2,164,046</u>	<u>\$ 2,567,139</u>

MID-SIOUX OPPORTUNITY, INC.
STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2011
 With Summarized Financial Information for Year Ended September 30, 2010

	Unrestricted	Temporarily Restricted	Totals	
			2011	2010
Revenues, Gains, and Other Support:				
Governmental Funding Sources:				
U.S. Department of Health and Human Services.	\$ 2,272,626	\$	\$ 2,272,626	\$ 2,428,921
Iowa Department of Human Rights.	3,209,151	32,280	3,241,431	3,788,215
Iowa Department of Education.	615,283	1,675	616,958	601,070
Iowa Department of Human Services.	1,058,193		1,058,193	1,149,206
Iowa Department of Public Health.	1,827,870		1,827,870	1,857,678
Iowa Department of Agriculture and Land Stewardship.	8,312		8,312	611
In-Kind Contributions.	39,659		39,659	87,624
Empowerment Funds.	139,286		139,286	290,046
Public Support and Donations.	162,257	16,525	178,782	212,031
Interest Income.	10,822		10,822	8,815
Other Income.	272,952		272,952	196,242
	<u>9,616,411</u>	<u>50,480</u>	<u>9,666,891</u>	<u>10,620,459</u>
Net Assets Released from Restrictions:				
Satisfaction of Program Requirements.	<u>113,878</u>	<u>(113,878)</u>		
Total Revenues, Gains, and Other Support	<u>9,730,289</u>	<u>(63,398)</u>	<u>9,666,891</u>	<u>10,620,459</u>
Expenses:				
Program Services:				
Family Preservation and Strengthening.	3,653,147		3,653,147	4,040,999
Educational Services for the Disadvantaged.	2,720,703		2,720,703	2,846,939
Crisis Intervention and Prevention.	3,229,076		3,229,076	3,414,193
Management and General.	23,016		23,016	4,100
Fundraising.	33,645		33,645	37,021
Total Expenses	<u>9,659,587</u>	<u>0</u>	<u>9,659,587</u>	<u>10,343,252</u>
Change in Net Assets.	70,702	(63,398)	7,304	277,207
Net Assets, October 1, as Restated.	<u>740,354</u>	<u>805,084</u>	<u>1,545,438</u>	<u>1,268,231</u>
Net Assets, September 30,	<u>\$ 811,056</u>	<u>\$ 741,686</u>	<u>\$ 1,552,742</u>	<u>\$ 1,545,438</u>

MID-SIOUX OPPORTUNITY, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2011
 With Summarized Financial Information for Year Ended September 30, 2010

	Family Preservation and Strengthening	Educational Services for the Disadvantaged	Crisis Intervention and Prevention	All Programs Combined	Management and General	Fundraising	Totals	
							2011	2010
Salaries and Benefits:								
Salaries and Wages.....	\$ 864,197	\$ 1,166,513	\$ 293,350	\$ 2,324,060	\$ 245,181	\$	\$ 2,569,241	\$ 2,649,019
Fringe Benefits.....	312,013	538,803	100,231	951,047	99,151		1,050,198	1,027,337
Total Salaries and Benefits	<u>1,176,210</u>	<u>1,705,316</u>	<u>393,581</u>	<u>3,275,107</u>	<u>344,332</u>	<u>0</u>	<u>3,619,439</u>	<u>3,676,356</u>
Other Expenses:								
Professional and Contract Service Fees.....	256,398	187,736	447,820	891,954	28,382		920,336	1,263,099
Travel.....	56,693	19,300	34,984	110,977	519	677	112,173	115,155
Space Costs.....	39,184	113,970	26,710	179,864	(97,699)	2,504	84,669	102,223
Supplies.....	51,213	73,452	25,365	150,030	29,249	164	179,443	234,696
Equipment Purchase/Lease.....	9,926		246	10,172	12,390		22,562	17,499
Depreciation.....	8,470	51,312	9,306	69,088	53,320		122,408	124,430
Interest.....				0	1,381		1,381	5,932
Insurance.....	8,028	32,677	11,783	52,488	21,848	39	74,375	72,295
Telephone.....	26,483	22,996	13,266	62,745	11,517	1,334	75,596	81,701
Utilities.....		13,874		13,874	17,466		31,340	30,668
Printing and Postage.....	37,527	13,240	5,279	56,046	(11,087)	2,064	47,023	49,038
Training.....	20,756	12,618	34,153	67,527			67,527	116,562
Advertising.....	12,809			12,809		948	13,757	16,023
General Maintenance.....		14,106		14,106	37,367		51,473	40,011
Vehicle Costs.....		46,696	12,067	58,763			58,763	56,263
Computer Costs.....	19,039	25,419	16,770	61,228	2,753		63,981	45,656
Assistance to Individuals.....	1,678,211	105,010	1,618,549	3,401,770	15		3,401,785	3,430,905
Outreach Services.....	81,865			81,865			81,865	82,761
Loss on Disposal of Assets.....				0	10,937		10,937	
Other Costs.....	8,792	4,576	524,094	537,462	15,718	25,915	579,095	694,355
In-Kind Expenses.....		<u>39,659</u>		<u>39,659</u>			<u>39,659</u>	<u>87,624</u>
Total Expenses Before Allocation of Indirect Costs.....	3,491,604	2,481,957	3,173,973	9,147,534	478,408	33,645	9,659,587	10,343,252
Allocation of Indirect Costs.....	<u>161,543</u>	<u>238,746</u>	<u>55,103</u>	<u>455,392</u>	<u>(455,392)</u>		<u>0</u>	<u>0</u>
Total Expenses	<u>\$ 3,653,147</u>	<u>\$ 2,720,703</u>	<u>\$ 3,229,076</u>	<u>\$ 9,602,926</u>	<u>\$ 23,016</u>	<u>\$ 33,645</u>	<u>\$ 9,659,587</u>	<u>\$ 10,343,252</u>

See accompanying notes

MID-SIOUX OPPORTUNITY, INC.
STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2011
 With Summarized Financial Information for Year Ended September 30, 2010

	2011	2010
Cash Flows from Operating Activities:		
Change in Net Assets.	\$ 7,304	\$ 277,207
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation.....	122,408	124,430
Realized and Unrealized (Gain) Loss on Investments.....	368	(160)
Loss on Disposal of Property and Equipment.....	10,937	
Change in Operating Assets and Liabilities:		
Grant Awards and Contracts Receivable.....	157,883	29,477
Accounts Receivable.....	16,794	(108,493)
Accrued Interest Receivable.....		865
Inventory.....		5,965
Prepaid Expenses.....	102,780	(102,780)
Accounts Payable.....	(111,482)	(316,865)
Accrued Salaries and Benefits.....	(96,113)	18,843
Compensated Absences.....	6,998	(1,793)
Grant Advances.....	<u>(148,105)</u>	<u>191,672</u>
Net Cash Provided by Operating Activities.....	69,772	118,368
Cash Flows from Investing Activities:		
Proceeds from Disposal of Property and Equipment.....	13,728	
Purchase of Certificates of Deposit.....	(1,187)	(1,259)
Purchase of Property and Equipment.....	<u>(28,020)</u>	<u>(216,444)</u>
Net Cash Used by Investing Activities.....	(15,479)	(217,703)
Cash Flows from Financing Activities:		
Payments on Notes Payable.....	(61,695)	(27,816)
Payments on Lease Obligations.....		<u>(8,430)</u>
Net Cash Used by Financing Activities.....	<u>(61,695)</u>	<u>(36,246)</u>
Net Decrease in Cash.....	(7,402)	(135,581)
Cash, October 1,.....	<u>758,642</u>	<u>894,223</u>
Cash, September 30,	<u>\$ 751,240</u>	<u>\$ 758,642</u>
Supplemental Disclosure of Cash Flow Information:		
Cash Paid for Interest.....	\$ 1,381	\$ 5,932

NOTES TO FINANCIAL STATEMENTS

ORGANIZATION

Mid-Sioux Opportunity, Inc. (referred to as the "Agency") is a nonprofit organization. Mid-Sioux Opportunity, Inc. provides a variety of services to low income and elderly individuals in the Iowa counties of Plymouth, Sioux, Lyon, Cherokee, and Ida.

Program services conducted by the Agency include:

Family Preservation and Strengthening services are designed to provide supportive services that help to preserve and strengthen persons through programs relating to health, childcare, nutrition, and other supportive measures.

Educational Services for the Disadvantaged are pre-school education and services related to those educational programs.

Crisis Intervention and Prevention services are centered on assistance with family emergency needs in the area of housing, energy, emergency services, and family economic self-sufficiency.

Support Services provide assistance to the overall mission of the Agency or provide support to all or most agency programs. Development efforts and facility operations are in this category.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and activities are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and activities of the Agency are classified as follows:

Unrestricted - Not subject to donor-imposed stipulations.

Temporarily Restricted - Subject to donor-imposed stipulations that will be met, either by actions of the Agency and/or the passage of time.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all highly liquid investments, that are readily convertible to known amounts of cash, with original maturities of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable for service fees are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts, historical trends, and other information. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Grants

All contributions are available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give are recorded as received.

Grants and other contributions are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same period in which the contribution is received, the Agency reports the contribution as unrestricted.

A donor-imposed condition specifies a future and uncertain event (for example, a stipulation that the organization must meet a matching requirement) whose occurrence or failure to occur gives the donor the right of return of the assets or releases the donor from the obligation to transfer assets in the future. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions that are conditional upon the Agency incurring certain qualifying costs, are recognized as those costs are incurred.

Donated Services

Donated services that create or enhance non-financial assets or that require specialized skills that would have to be purchased, if not donated, are reported in the financial statements. A substantial number of volunteers have donated significant amounts of their time to the program activities. No amounts have been reflected in the statements for those services because they do not meet the requirement for recognition. Certain donated services not recognized in these financial statements are allowed for recovery under grant agreements.

Property and Equipment

Property and equipment is recorded at cost or at estimated fair value if donated. Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. The Agency follows the practice of capitalizing all expenditures for equipment in excess of \$5,000. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

The grantor's program equipment acquired primarily under various grants with federal, state, or local governmental entities may revert back to these funding sources in the event such programs terminate or the use of the property changes from its original purpose.

Functional Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, costs have been allocated to the program and support services benefited.

Use of Estimates

The financial statements are prepared in conformity with generally accepted accounting principles and, accordingly, include amounts that are based on management's estimates and judgments.

PROPERTY AND EQUIPMENT

The estimated useful lives, cost, and book value of the Agency’s property and equipment at September 30, 2011, are as follows:

	<u>Estimated Useful Lives</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Land Improvements.....	15 years	\$ 16,049	\$ 16,049	\$ 0
Buildings.....	10-40 years	727,496	504,532	222,964
Leasehold Improvements.	5-39 years	140,225	45,781	94,444
Equipment.....	5-15 years	150,603	106,898	43,705
Vehicles.....	5 years	<u>846,349</u>	<u>691,977</u>	<u>154,372</u>
		<u>\$ 1,880,722</u>	<u>\$ 1,365,237</u>	<u>\$ 515,485</u>

NOTES RECEIVABLE FROM RELATED PARTIES

Promissory notes receivable as of September 30, 2011, are comprised of:

A \$50,000 promissory note receivable, dated June 1, 1998, from Northwood Court, L.P., Spencer, Iowa, calling for annual payments of \$2,596 including interest at the per annum rate of 5% commencing January 1, 2000, through January 1, 2020. The note is secured by a mortgage on certain residential real estate located in Sioux Center, Iowa. Any payments received by Mid-Sioux Opportunity, Inc. under this mortgage must be returned to the Federal Home Loan Bank of Des Moines.....	\$ 50,000
A \$40,000 promissory note receivable, dated December 17, 1998, from Maplecrest Apartments, L.P. Spencer, Iowa, calling for annual payments of \$2,602 including interest at the per annum rate of 5% commencing January 1, 2000, through January 1, 2029. The note is secured by a mortgage on certain residential real estate located in Hawarden, Iowa. Any amounts received by Mid-Sioux Opportunity, Inc. under this mortgage must be returned to the Federal Home Loan Bank of Des Moines.....	<u>40,000</u>
	<u>\$ 90,000</u>

Payments on these notes receivable are contingent upon the maker having sufficient cash flow. If cash flow is insufficient to pay the annual payment, the unpaid amount accrues. Any subsequent surplus cash flow must be used to make up any prior deficiencies. As of September 30, 2011, no payments have been received. The accrued interest is deemed uncollectible and therefore has not been recorded.

DUE TO FEDERAL HOME LOAN BANK

The Agency received subsidies from the Federal Home Loan Bank of Des Moines, Iowa (FHLB) under the Affordable Housing Program, then loaned to real estate partnerships as follows:

Northwood Court, L.P.....	\$ 50,000
Maplecrest Apartments, L.P.....	<u>40,000</u>
Total Due to Federal Home Loan Bank	<u>\$ 90,000</u>

The agreements stipulate that any repayments received from the partnerships must be returned to Federal Home Loan Bank.

TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are as follows:

	Beginning Balance	New Restrictions	Released from Restrictions	Temporarily Restricted Net Assets 9-30-11
Women, Infants, and Children.	\$ 0	\$ 359,203	\$ 359,203	\$ 0
Maternal Child Health.	0	161,077	161,077	0
Home Providers.	0	404,727	404,727	0
School Based Dental Sealant.	26,622	12,000	28,974	9,648
Child Care Resource and Referral.	17,064	929,386	929,387	17,063
NECI CCNC.	0	48,492	48,492	0
I-Smile.	8,663	63,815	72,478	0
Buena Vista, Sac, and Crawford				
Empowerment.	1,150	68,061	68,061	1,150
Linking Families.	0	12,165	12,165	0
Child Care Screen Time Materials.	0	2,250	2,250	0
Iowa Farmers Market.	0	119	119	0
Community Service Block Grants.	0	180,822	180,822	0
Local Funds.	149,787	73,244	79,066	143,965
Head Start.	8,989	2,274,186	2,283,175	0
USDA Head Start.	125,955	150,564	148,928	127,591
Early Head Start, Ida County.	0	10,568	10,568	0
At Risk Child Development	1,005	63,127	63,088	1,044
Wrap-Around Grants.	0	128,807	128,807	0
FADSS.	0	146,701	146,701	0
LIHEAP.	0	1,648,293	1,648,293	0
Home Energy Assistance.	0	142,435	110,155	32,280
Utility Funds.	37,527	18,623	24,735	31,415
Inventory Contract.	17,855			17,855
Energy Weatherization.	0	1,200,747	1,200,747	0
Crisis Fund.	100,950	77,069	60,544	117,475
Fixed Assets Restricted for Use by:				
Women, Infants, and Children.	33,173		8,469	24,704
Head Start.	234,805		49,542	185,263
DOE-ARRA.	41,539		9,306	32,233
	<u>\$ 805,084</u>	<u>\$ 8,176,481</u>	<u>\$ 8,239,879</u>	<u>\$ 741,686</u>

IN-KIND CONTRIBUTIONS AND EXPENSES

Donated goods, facilities use, and services were as follows for the year ended September 30, 2011:

	Family Preservation and Strengthening	Educational Services for the Disadvantaged	Total
Recognized in financial statements under generally accepted accounting principles:			
Professional Services.	\$	\$ 31,804	\$ 31,804
Materials.	<u> </u>	<u>7,855</u>	<u>7,855</u>
	<u>\$ 0</u>	<u>\$ 39,659</u>	<u>\$ 39,659</u>
Not recognized in financial statements but allowed as program costs by grantors:			
Volunteer Services and Matching Funds	<u>\$ 418,191</u>	<u>\$ 730,479</u>	<u>\$ 1,148,670</u>

RELATED-PARTY TRANSACTIONS

Northwood Court, L.P.

Mid-Sioux Opportunity, Inc. and Community Housing Initiative, Inc. (CHI), a nonprofit organization in Spencer, Iowa, are the general partners of Northwood Court, L.P., a limited partnership whose primary activity is construction, operation, and management of an affordable housing project located in Sioux Center, Iowa. Each general partner owns a .5% interest in the capital, profits, and losses of the limited partnership while limited partners own the remaining 99%.

In conjunction with their role as general partner, the Agency shares responsibility with CHI for developing the project, providing administrative services, and providing funds to the partnership in the event of operating cash deficits.

Mid-Sioux Opportunity, Inc. received an Affordable Housing Program subsidy from the Federal Home Loan Bank of Des Moines in the amount of \$50,000. These proceeds were used to finance the construction of the project in exchange for notes receivable from Northwood Court, P.P. secured by a mortgage on the Project's real estate.

The Agency's investment in Northwood Court, L.P. is recorded at cost. The Agency has not been required to contribute additional capital to the partnership through September 30, 2011.

Maplecrest Apartments, L.P.

Mid-Sioux Opportunity, Inc. and Community Housing Initiatives, Inc. (CHI), a nonprofit organization in Spencer, Iowa, are the general partners of Maplecrest Apartments, L.P., a limited partnership whose primary activity is construction, operation, and management of an affordable housing project located in Hawarden, Iowa. Each general partner owns a .005% interest in the capital, profits, and losses of the limited partnership while limited partners own the remaining 99.99%.

In conjunction with their role as general partner, the Agency shares responsibility with CHI for developing the project, providing administrative services, and providing funds to the partnership in the event of operating cash deficits.

The Agency received an Affordable Housing Program subsidy from the Federal Home Loan Bank of Des Moines in the amount of \$40,000. These proceeds were used to finance the construction of the project in exchange for notes receivable from Maplecrest Apartments, L.P. secured by a mortgage on the Project's real estate.

The Agency's investment in Maplecrest Apartments, L.P. is recorded at cost. The Agency has not been required to contribute additional capital to the partnership through September 30, 2011.

OPERATING LEASES

The Agency leases buildings and equipment for offices and operations. The majority of the building leases are contingent on continued federal funding and are therefore cancellable. Rental expense for the year ended September 30, 2011, was \$48,722.

The following is a summary of the required minimum lease payments under noncancellable operating leases as of September 30, 2011.

<u>Year Ended</u> <u>September 30,</u>	<u>Amount</u>
2012.....	\$ 12,835
2013.....	6,995
2014.....	2,100
2015.....	<u>1,575</u>
	<u>\$ 23,505</u>

PENSION AND RETIREMENT BENEFITS

Employees of the Agency are covered by the Iowa Public Employee Retirement System (IPERS). Prior to July 1, 2011, plan members were required to contribute 4.5% of their annual salary and the Agency was required to contribute a 6.95% of annual payroll. Effective July 1, 2011, these percentages were increased to 5.38% and 8.07%, respectively. Contribution requirements are established by state statute. The Agency's contribution to IPERS for the year ended September 30, 2011, was \$186,241.

INCOME TAXES

The Agency is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Contributions to the Agency are deductible by the donor for income tax purposes. Tax years potentially subject to examination of returns by authorities are 2008, 2009, 2010, and 2011.

COMMITMENTS AND CONTINGENCIES

The Agency receives a substantial amount of its support from federal, Iowa government grants. A significant reduction in the level of government support, if this were to occur, may have an effect on the Agency's programs and activities.

SUMMARIZED FINANCIAL INFORMATION FOR 2010

The financial statements include certain 2010 financial information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended September 30, 2010, from which the summarized information was derived.

SUBSEQUENT EVENTS

In preparing the financial statements as of September 30, 2011, management considered the impact of subsequent events occurring through January 30, 2012, the date the financial statements were available to be issued, for potential recognition or disclosure in these financial statements.

RESTATEMENT OF SEPTEMBER 30, 2010 NET ASSETS

The Agency has restated the classification of net assets as of September 30, 2010, to properly reflect temporary restrictions which were effective as of that date. The effect of the restatement was as follows:

	<u>As Restated</u>	<u>Previously Reported</u>
Temporarily Restricted.	\$ 805,084	\$ 3,204
Unrestricted.	<u>740,354</u>	<u>1,542,234</u>
	<u>\$ 1,545,438</u>	<u>\$ 1,545,438</u>

MID-SIOUX OPPORTUNITY, INC.
SCHEDULE OF REVENUES AND EXPENSES -
FAMILY PRESERVATION AND STRENGTHENING PROGRAMS

For the Year Ended September 30, 2011

	Women, Infants, and Children	Maternal Child Health	Home Providers	School Based Dental Sealant
Revenue:				
Governmental Funding Sources:				
Iowa Department of Human Rights.	\$	\$	\$	\$
Iowa Department of Education.			404,727	
Iowa Department of Human Services.				
Iowa Department of Public Health.	1,588,728	161,077		12,000
Iowa Department of Agriculture and Land Stewardship.				
In-Kind Contributions.				
Empowerment Funds.				
Public Support and Donations.				
Interest Income.				
Other Income.	<u>7,688</u>	<u>61,687</u>		<u>14,640</u>
	1,596,416	222,764	404,727	26,640
Expense:				
Salaries and Wages.	174,002	120,199	34,774	9,734
Fringe Benefits.	56,685	44,313	11,210	3,837
Professional and Contract Service Fees.	37,771	17,446	3,262	3,519
Travel.	7,646	717	3,546	1,064
Space Costs.	9,173	4,375	933	
Supplies.	20,481	2,579	1,731	6,879
Equipment Purchase/Lease.				
Depreciation.				
Insurance.	3,805	1,315		
Telephone.	6,934	3,917	955	
Printing and Postage.	7,323	8,985	3,877	2,041
Training.			4,433	
Advertising.	1,932		586	
Computer Costs.	4,816	2,465	1,150	
Assistance to Individuals.	1,229,525		331,832	
Outreach Services.				
Other Costs.	4,027	948		
In-Kind Expenses.				
Total Expenses Before Allocation of Indirect Costs	<u>1,564,120</u>	<u>207,259</u>	<u>398,289</u>	<u>27,074</u>
Allocation of Indirect Costs.	<u>32,296</u>	<u>21,937</u>	<u>6,438</u>	<u>1,900</u>
Total Expenses	1,596,416	229,196	404,727	28,974
Transfer from (to) Other Funds.				
Change in Net Assets.	0	(6,432)	0	(2,334)
Carryforward Net Assets.				
Net Assets, October 1,	<u>4,674</u>	<u>46,119</u>	<u>0</u>	<u>35,702</u>
Net Assets, September 30,	<u>\$ 4,674</u>	<u>\$ 39,687</u>	<u>\$ 0</u>	<u>\$ 33,368</u>

MID-SIOUX OPPORTUNITY, INC.
SCHEDULE OF REVENUES AND EXPENSES -
FAMILY PRESERVATION AND STRENGTHENING PROGRAMS (CONTINUED)

For the Year Ended September 30, 2011

	Child Care Resource and Referral		NECI CCNC		I-Smile
	6-30-11	6-30-12	6-30-11	6-30-12	
Revenue:					
Governmental Funding Sources:					
Iowa Department of Human Rights.	\$	\$	\$	\$	\$
Iowa Department of Education.					
Iowa Department of Human Services.	732,480	196,906			
Iowa Department of Public Health.					63,815
Iowa Department of Agriculture and Land Stewardship.					
In-Kind Contributions.	385,377	32,814			
Empowerment Funds.			34,464	14,028	
Public Support and Donations.					
Interest Income.		79			
Other Income.	4,785	725			7,902
	<u>1,122,642</u>	<u>230,524</u>	<u>34,464</u>	<u>14,028</u>	<u>71,717</u>
Expense:					
Salaries and Wages.	236,698	95,684	17,812	7,168	40,833
Fringe Benefits.	82,542	31,164	9,290	3,874	16,766
Professional and Contract Service Fees.	185,222	908			1,906
Travel.	23,879	12,172	778	432	1,892
Space Costs.	17,244	4,205	1,866	467	921
Supplies.	11,004	802	27	26	6,641
Equipment Purchase/Lease.	7,804	2,122			
Depreciation.					
Insurance.	2,186	722			
Telephone.	8,550	2,906	694	172	590
Printing and Postage.	8,228	4,545	202	181	1,196
Training.	14,924	509			
Advertising.	7,539	2,752			
Computer Costs.	8,580	1,866		162	
Assistance to Individuals.	74,303	16,073			
Outreach Services.					
Other Costs.	1,117	2,700			
In-Kind Expenses.	<u>385,377</u>	<u>32,814</u>			
Total Expenses Before Allocation of Indirect Costs	1,075,197	211,944	30,669	12,482	70,745
Allocation of Indirect Costs.	42,660	17,777	3,795	1,546	8,064
Total Expenses	<u>1,117,857</u>	<u>229,721</u>	<u>34,464</u>	<u>14,028</u>	<u>78,809</u>
Transfer from (to) Other Funds.					
Change in Net Assets.	4,785	803	0	0	(7,092)
Carryforward Net Assets.	(26,334)	26,334			
Net Assets, October 1.	<u>21,549</u>				<u>16,114</u>
Net Assets, September 30,	<u>\$ 0</u>	<u>\$ 27,137</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,022</u>

MID-SIOUX OPPORTUNITY, INC.
SCHEDULE OF REVENUES AND EXPENSES -
FAMILY PRESERVATION AND STRENGTHENING PROGRAMS (CONTINUED)

For the Year Ended September 30, 2011

	Buena Vista, Sac, and Crawford Empowerment		Linking Families	Early Child- hood North Central IA	Child Care Screen Time Materials
	6-30-11	6-30-12	6-30-12	6-30-12	6-30-12
Revenue:					
Governmental Funding Sources:					
Iowa Department of Human Rights.	\$	\$	\$	\$	\$
Iowa Department of Education.					
Iowa Department of Human Services.					
Iowa Department of Public Health.					2,250
Iowa Department of Agriculture and Land Stewardship.					
In-Kind Contributions.					
Empowerment Funds.	59,231	8,830	5,801	6,364	
Public Support and Donations.					
Interest Income.		15			
Other Income.					
	<u>59,231</u>	<u>8,845</u>	<u>5,801</u>	<u>6,364</u>	<u>2,250</u>
Expense:					
Salaries and Wages.	20,073	3,678	3,528		1,460
Fringe Benefits.	10,379	2,153	859		514
Professional and Contract Service Fees.				6,364	
Travel.	3,347	575	645		
Space Costs.					
Supplies.	805	129	109		
Equipment Purchase/Lease.					
Depreciation.					
Insurance.					
Telephone.	1,264	455	46		
Printing and Postage.	725	224			
Training.	90	800			
Advertising.					
Computer Costs.					
Assistance to Individuals.	18,285				
Outreach Services.					
Other Costs.					
In-Kind Expenses.					
Total Expenses Before Allocation of Indirect Costs	<u>54,968</u>	<u>8,014</u>	<u>5,187</u>	<u>6,364</u>	<u>1,974</u>
Allocation of Indirect Costs.	<u>4,263</u>	<u>816</u>	<u>614</u>		<u>276</u>
Total Expenses	<u>59,231</u>	<u>8,830</u>	<u>5,801</u>	<u>6,364</u>	<u>2,250</u>
Transfer from (to) Other Funds.					
Change in Net Assets.	0	15	0	0	0
Carryforward Net Assets.	(1,150)	1,150			
Net Assets, October 1,	<u>1,150</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Assets, September 30,	\$ <u>0</u>	\$ <u>1,165</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

MID-SIOUX OPPORTUNITY, INC.
SCHEDULE OF REVENUES AND EXPENSES -
FAMILY PRESERVATION AND STRENGTHENING PROGRAMS (CONTINUED)

For the Year Ended September 30, 2011

	Iowa Farmers Market		Community Services Block Grant	
	12-31-10	12-31-11	12-31-10	12-31-11
Revenue:				
Governmental Funding Sources:				
Iowa Department of Human Rights.	\$	\$	\$ 6,733	\$ 174,089
Iowa Department of Education.				
Iowa Department of Human Services.				
Iowa Department of Public Health.				
Iowa Department of Agriculture and Land Stewardship.	119	8,193		
In-Kind Contributions.				
Empowerment Funds.				
Public Support and Donations.				
Interest Income.				
Other Income.				
	<u>119</u>	<u>8,193</u>	<u>6,733</u>	<u>174,089</u>
Expense:				
Salaries and Wages.	83		3,981	94,484
Fringe Benefits.	36		1,925	36,182
Professional and Contract Service Fees.				
Travel.				
Space Costs.				
Supplies.				
Equipment Purchase/Lease.				
Depreciation.				
Insurance.				
Telephone.				
Printing and Postage.				
Training.				
Advertising.				
Computer Costs.				
Assistance to Individuals.		8,193		
Outreach Services.				25,130
Other Costs.				
In-Kind Expenses.				
Total Expenses Before Allocation of Indirect Costs	<u>119</u>	<u>8,193</u>	<u>5,906</u>	<u>155,796</u>
Allocation of Indirect Costs.			827	18,293
Total Expenses	<u>119</u>	<u>8,193</u>	<u>6,733</u>	<u>174,089</u>
Transfer from (to) Other Funds.				
Change in Net Assets.	0	0	0	0
Carryforward Net Assets.				
Net Assets, October 1.	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Assets, September 30,	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

MID-SIOUX OPPORTUNITY, INC.
SCHEDULE OF REVENUES AND EXPENSES -
FAMILY PRESERVATION AND STRENGTHENING PROGRAMS (CONTINUED)

For the Year Ended September 30, 2011

	Local Funds	Family Preservation Fixed Assets	GAAP Differences	Total Family Preservation and Strength- ening Programs
Revenue:				
Governmental Funding Sources:				
Iowa Department of Human Rights.	\$	\$	\$	\$ 180,822
Iowa Department of Education.				404,727
Iowa Department of Human Services.				929,386
Iowa Department of Public Health.				1,827,870
Iowa Department of Agriculture and Land Stewardship.				8,312
In-Kind Contributions.			(418,191)	0
Empowerment Funds.				128,718
Public Support and Donations.	73,244			73,244
Interest Income.				94
Other Income.				97,427
	<u>73,244</u>	<u>0</u>	<u>(418,191)</u>	<u>3,650,600</u>
Expense:				
Salaries and Wages.	6			864,197
Fringe Benefits.	284			312,013
Professional and Contract Service Fees.				256,398
Travel.				56,693
Space Costs.				39,184
Supplies.				51,213
Equipment Purchase/Lease.				9,926
Depreciation.		8,470		8,470
Insurance.				8,028
Telephone.				26,483
Printing and Postage.				37,527
Training.				20,756
Advertising.				12,809
Computer Costs.				19,039
Assistance to Individuals.				1,678,211
Outreach Services.	56,735			81,865
Other Costs.				8,792
In-Kind Expenses.			(418,191)	0
Total Expenses Before Allocation of Indirect Costs	<u>57,025</u>	<u>8,470</u>	<u>(418,191)</u>	<u>3,491,604</u>
Allocation of Indirect Costs.	41			161,543
Total Expenses	<u>57,066</u>	<u>8,470</u>	<u>(418,191)</u>	<u>3,653,147</u>
Transfer from (to) Other Funds.	<u>(22,000)</u>			<u>(22,000)</u>
Change in Net Assets.	(5,822)	(8,470)	0	(24,547)
Carryforward Net Assets.				0
Net Assets, October 1,	<u>149,787</u>	<u>33,174</u>	<u>0</u>	<u>308,269</u>
Net Assets, September 30,	<u>\$ 143,965</u>	<u>\$ 24,704</u>	<u>\$ 0</u>	<u>\$ 283,722</u>

MID-SIOUX OPPORTUNITY, INC.
SCHEDULE OF REVENUES AND EXPENSES -
EDUCATIONAL SERVICES FOR THE DISADVANTAGED PROGRAMS

For the Year Ended September 30, 2011

	U.S. Department of Health and Human Services		Head Start/ Early Head Start and at Risk USDA	Early Head Start Ida County	
	Head Start/ Early Head Start		Food Reimburse- ment	6-30-11	6-30-12
	2-28-11	2-28-12			
Revenue:					
Governmental Funding Sources:					
U.S. Department of Health and Human Services.....	\$ 1,018,143	\$ 1,254,483	\$	\$	
Iowa Department of Education.....			150,564		
Iowa Department of Human Services.....					
In-Kind Contributions.....	430,065	324,755			
Empowerment Funds.....				10,327	241
Public Support and Donations.....	1,560				
Other Income.....	4,947	10,064			
	<u>1,454,715</u>	<u>1,589,302</u>	<u>150,564</u>	<u>10,327</u>	<u>241</u>
Expense:					
Salaries and Wages.....	508,524	600,052		4,297	110
Fringe Benefits.....	232,784	275,394		1,553	41
Professional and Contract Service Fees.....	48,767	51,959	551	64	
Travel.....	7,321	9,649		1,631	69
Space Costs.....	46,297	62,353			
Supplies.....	10,975	21,869	33,352	757	
Depreciation.....					
Insurance.....	13,233	18,806			
Telephone.....	9,719	12,895			
Printing and Postage.....	1,588	7,744	3,750	61	
Utilities.....	7,545	6,329			
General Maintenance.....	5,722	8,384			
Vehicle Costs.....	16,435	30,261			
Computer Costs.....	8,927	10,492	6,000		
Training.....	3,018	9,331		125	
Assistance to Individuals.....	4,912	3,507	95,571	1,020	
Other Costs.....	927	3,349			
In-Kind Expenses.....	430,065	324,755			
Total Expenses Before Allocation of Indirect Costs	<u>1,356,759</u>	<u>1,457,129</u>	<u>139,224</u>	<u>9,508</u>	<u>220</u>
Allocation of Indirect Costs.....	103,783	122,563		819	21
Total Expenses	<u>1,460,542</u>	<u>1,579,692</u>	<u>139,224</u>	<u>10,327</u>	<u>241</u>
Transfer from (to) Other Funds.....	<u>(3,587)</u>		<u>(9,704)</u>		
Change in Net Assets.....	(9,414)	9,610	1,636	0	0
Carryforward Net Assets.....	(12,961)	12,961			
Net Assets, October 1,.....	<u>22,375</u>		<u>125,955</u>		
Net Assets, September 30,	<u>\$ 0</u>	<u>\$ 22,571</u>	<u>\$ 127,591</u>	<u>\$ 0</u>	<u>\$ 0</u>

MID-SIOUX OPPORTUNITY, INC.
SCHEDULE OF REVENUES AND EXPENSES -
EDUCATIONAL SERVICES FOR THE DISADVANTAGED PROGRAMS (CONTINUED)

For the Year Ended September 30, 2011

	At Risk Child Development Grants		Akron and CDC Wrap-Around Grant	Cherokee Wrap-Around Grant
	6-30-11	6-30-12	8-30-11	8-31-11
Revenue:				
Governmental Funding Sources:				
U.S. Department of Health and Human Services.....	\$ 54,255	\$ 7,412	\$	\$
Iowa Department of Education.....			37,207	24,320
Iowa Department of Human Services.....				
In-Kind Contributions.....	6,404	8,914		
Empowerment Funds.....				
Public Support and Donations.....	900	560		
Other Income.....				
	<u>61,559</u>	<u>16,886</u>	<u>37,207</u>	<u>24,320</u>
Expense:				
Salaries and Wages.....	22,792	4,246	7,565	4,764
Fringe Benefits.....	17,222	551	4,325	2,457
Professional and Contract Service Fees.....	624		23,652	16,088
Travel.....	567	63		
Space Costs.....	4,004	1,316		
Supplies.....	3,025	843		
Depreciation.....				
Insurance.....	480	158		
Telephone.....	295	87		
Printing and Postage.....	76	21		
Utilities.....				
General Maintenance.....				
Vehicle Costs.....				
Computer Costs.....				
Training.....	144			
Assistance to Individuals.....				
Other Costs.....	300			
In-Kind Expenses.....	<u>6,404</u>	<u>8,914</u>		
Total Expenses Before Allocation of Indirect Costs.....	<u>55,933</u>	<u>16,199</u>	<u>35,542</u>	<u>23,309</u>
Allocation of Indirect Costs.....	<u>5,602</u>	<u>672</u>	<u>1,665</u>	<u>1,011</u>
Total Expenses.....	<u>61,535</u>	<u>16,871</u>	<u>37,207</u>	<u>24,320</u>
Transfer from (to) Other Funds.....				
Change in Net Assets.....	24	15	0	0
Carryforward Net Assets.....	(1,029)	1,029		
Net Assets, October 1,.....	<u>1,005</u>			
Net Assets, September 30,.....	<u>\$ 0</u>	<u>\$ 1,044</u>	<u>\$ 0</u>	<u>\$ 0</u>

MID-SIOUX OPPORTUNITY, INC.
SCHEDULE OF REVENUES AND EXPENSES -
EDUCATIONAL SERVICES FOR THE DISADVANTAGED PROGRAMS (CONTINUED)

For the Year Ended September 30, 2011

	Orange City Wrap-Around Grants 8-31-11	Wrap-Around Grants 8-31-12	Le Mars Guardian Angel/Rock Rapids Wrap- Around Grant 8-31-11	Le Mars Day Care Wrap-Around Grant 8-31-11	Le Mars and Ida Wrap-Around Grant 8-31-11
Revenue:					
Governmental Funding Sources:					
U.S. Department of Health and Human Services.....	\$	\$	\$	\$	\$
Iowa Department of Education.....					
Iowa Department of Human Services.....	6,791	12,579	16,096	1,902	29,912
In-Kind Contributions.....					
Empowerment Funds.....					
Public Support and Donations.....					
Other Income.....					
	<u>6,791</u>	<u>12,579</u>	<u>16,096</u>	<u>1,902</u>	<u>29,912</u>
Expense:					
Salaries and Wages.....	920	4,156	2,139	545	6,403
Fringe Benefits.....	346	979	724	136	2,291
Professional and Contract Service Fees.....	5,348	6,725	12,833	1,125	20,000
Travel.....					
Space Costs.....					
Supplies.....					
Depreciation.....					
Insurance.....					
Telephone.....					
Printing and Postage.....					
Utilities.....					
General Maintenance.....					
Vehicle Costs.....					
Computer Costs.....					
Training.....					
Assistance to Individuals.....					
Other Costs.....					
In-Kind Expenses.....					
Total Expenses Before Allocation of Indirect Costs	<u>6,614</u>	<u>11,860</u>	<u>15,696</u>	<u>1,806</u>	<u>28,694</u>
Allocation of Indirect Costs.....	<u>177</u>	<u>719</u>	<u>400</u>	<u>96</u>	<u>1,218</u>
Total Expenses	<u>6,791</u>	<u>12,579</u>	<u>16,096</u>	<u>1,902</u>	<u>29,912</u>
Transfer from (to) Other Funds.....					
Change in Net Assets.....	0	0	0	0	0
Carryforward Net Assets.....					
Net Assets, October 1,.....					
Net Assets, September 30,	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

MID-SIOUX OPPORTUNITY, INC.
SCHEDULE OF REVENUES AND EXPENSES -
EDUCATIONAL SERVICES FOR THE DISADVANTAGED PROGRAMS (CONTINUED)

For the Year Ended September 30, 2011

	Miscel- laneous Grants 12-31-11	Fixed Assets Utilized in Education Services	GAAP Differences	Total Educational Services for the Dis- advantaged Programs
Revenue:				
Governmental Funding Sources:				
U.S. Department of Health and Human Services.....	\$	\$	\$	\$ 2,272,626
Iowa Department of Education.....				212,231
Iowa Department of Human Services.....				128,807
In-Kind Contributions.....			(730,479)	39,659
Empowerment Funds.....				10,568
Public Support and Donations.....				3,020
Other Income.....	<u>2,631</u>			<u>17,642</u>
	2,631	<u>0</u>	<u>(730,479)</u>	<u>2,684,553</u>
Expense:				
Salaries and Wages.....				1,166,513
Fringe Benefits.....				538,803
Professional and Contract Service Fees.....				187,736
Travel.....				19,300
Space Costs.....				113,970
Supplies.....	2,631			73,452
Depreciation.....		51,312		51,312
Insurance.....				32,677
Telephone.....				22,996
Printing and Postage.....				13,240
Utilities.....				13,874
General Maintenance.....				14,106
Vehicle Costs.....				46,696
Computer Costs.....				25,419
Training.....				12,618
Assistance to Individuals.....				105,010
Other Costs.....				4,576
In-Kind Expenses.....			(730,479)	<u>39,659</u>
Total Expenses Before Allocation of Indirect Costs	<u>2,631</u>	<u>51,312</u>	<u>(730,479)</u>	<u>2,481,957</u>
Allocation of Indirect Costs.....				<u>238,746</u>
Total Expenses	<u>2,631</u>	<u>51,312</u>	<u>(730,479)</u>	<u>2,720,703</u>
Transfer from (to) Other Funds.....		<u>13,291</u>		
Change in Net Assets.....	0	(38,021)	0	(36,150)
Carryforward Net Assets.....				
Net Assets, October 1,.....		<u>242,682</u>		<u>392,017</u>
Net Assets, September 30,	<u>\$ 0</u>	<u>\$ 204,661</u>	<u>\$ 0</u>	<u>\$ 355,867</u>

MID-SIOUX OPPORTUNITY, INC.
SCHEDULE OF REVENUES AND EXPENSES -
CRISIS INTERVENTION AND PREVENTION PROGRAMS

For the Year Ended September 30, 2011

	FADSS		LIHEAP	Home Energy Assistance		Utility Fund
	6-30-11	6-30-12		12-31-10	12-31-11	
Revenue:						
Governmental Funding Sources:						
Iowa Department of Human Rights.....	\$ 106,814	\$ 37,887	\$ 1,648,293	\$ (37,291)	\$ 179,726	\$
Public Support and Donations.....	2,000					18,623
Interest Income.....				(34)	170	
Other Income.....					32,110	
	<u>108,814</u>	<u>37,887</u>	<u>1,648,293</u>	<u>(37,325)</u>	<u>212,006</u>	<u>18,623</u>
Expense:						
Salaries and Wages.....	54,300	19,604	64,557	3,393	18,608	
Fringe Benefits.....	21,409	8,339	19,876	3,315	4,669	
Professional and Contract Service Fees.....				(73,691)	35,662	
Travel.....	6,936	2,452	4,361	28		
Space Costs.....	3,595	1,074	9,310	1,133		
Supplies.....	4,398	82	5,573	2,412	6,673	
Equipment Purchase/Lease.....						
Depreciation.....						
Insurance.....	481	160	195	650	10,297	
Telephone.....	2,749	1,013	3,634	746	2,677	
Printing and Postage.....	351	70	3,372	253	902	
Vehicle Costs.....				1,765	10,302	
Computer Costs.....	3,501	1,106	8,297	1,345	2,521	
Training.....				3,300	2,579	
Assistance to Individuals.....			1,517,297			24,735
Other Costs.....	495	75		17,087	81,577	
Total Expenses Before Allocation of Indirect Costs	<u>98,215</u>	<u>33,975</u>	<u>1,636,472</u>	<u>(38,264)</u>	<u>176,467</u>	<u>24,735</u>
Allocation of Indirect Costs.....	<u>10,599</u>	<u>3,912</u>	<u>11,821</u>	<u>939</u>	<u>3,259</u>	
Total Expenses	<u>108,814</u>	<u>37,887</u>	<u>1,648,293</u>	<u>(37,325)</u>	<u>179,726</u>	<u>24,735</u>
Change in Net Assets.....	0	0	0	0	32,280	(6,112)
Carryforward Net Assets.....						
Net Assets, October 1,.....	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>37,527</u>
Net Assets, September 30,	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 32,280</u>	<u>\$ 31,415</u>

MID-SIOUX OPPORTUNITY, INC.
SCHEDULE OF REVENUES AND EXPENSES -
CRISIS INTERVENTION AND PREVENTION PROGRAMS (CONTINUED)

For the Year Ended September 30, 2011

	HSOG 12-31-10	HAP 12-31-11	U.S. Department of Energy Weatheri zation Low-Income Persons DOE-ARRA Housing 3-31-13	Inventory Contract	Crisis Fund
Revenue:					
Governmental Funding Sources:					
Iowa Department of Human Rights.....	\$	\$	\$ 937,258	\$	\$
Public Support and Donations.....					77,069
Interest Income.....					
Other Income.....	<u>13,000</u>	<u>12,000</u>	<u>937,258</u>	<u>0</u>	<u>77,069</u>
	13,000	12,000	937,258	0	77,069
Expense:					
Salaries and Wages.....			112,259		
Fringe Benefits.....			32,773		
Professional and Contract Service Fees.....			378,303		
Travel.....			20,187		
Space Costs.....			11,598		
Supplies.....			1,213		
Equipment Purchase/Lease.....			246		
Depreciation.....					
Insurance.....					
Telephone.....			333		
Printing and Postage.....					
Vehicle Costs.....					
Computer Costs.....					
Training.....			28,274		
Assistance to Individuals.....	13,000	12,000			60,544
Other Costs.....			<u>331,767</u>		
Total Expenses Before Allocation of Indirect Costs	<u>13,000</u>	<u>12,000</u>	<u>916,953</u>	<u>0</u>	<u>60,544</u>
Allocation of Indirect Costs.....			<u>20,305</u>		
Total Expenses	<u>13,000</u>	<u>12,000</u>	<u>937,258</u>	<u>0</u>	<u>60,544</u>
Change in Net Assets.....	0	0	0	0	16,525
Carryforward Net Assets.....					
Net Assets, October 1,.....	<u>0</u>	<u>0</u>	<u>0</u>	<u>17,855</u>	<u>100,950</u>
Net Assets, September 30,	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,855</u>	<u>\$ 117,475</u>

MID-SIOUX OPPORTUNITY, INC.
SCHEDULE OF REVENUES AND EXPENSES -
CRISIS INTERVENTION AND PREVENTION PROGRAMS (CONTINUED)

For the Year Ended September 30, 2011

	Disaster Care Management	Utility Weatherization Programs			
		MEC		ILP	
		12-31-10	12-31-11	12-31-10	12-31-11
Revenue:					
Governmental Funding Sources:					
Iowa Department of Human Rights.....	\$	\$ 50,000	\$ 155,570	\$ 20,001	\$ 37,918
Public Support and Donations.....					
Interest Income.....					
Other Income.....		<u>12,486</u>			
		<u>12,486</u>	<u>50,000</u>	<u>20,001</u>	<u>37,918</u>
Expense:					
Salaries and Wages.....	6,270	1,645	8,016	1,453	3,245
Fringe Benefits.....	2,635	549	4,744	484	1,438
Professional and Contract Service Fees.....		20,079	64,090	8,967	14,410
Travel.....	1,020				
Space Costs.....					
Supplies.....	468	4,546			
Equipment Purchase/Lease.....					
Depreciation.....					
Insurance.....					
Telephone.....	515		868	731	
Printing and Postage.....	331				
Vehicle Costs.....					
Computer Costs.....					
Training.....					
Assistance to Individuals.....					
Other Costs.....		<u>22,875</u>	<u>76,064</u>	<u>8,095</u>	<u>18,169</u>
Total Expenses Before Allocation of Indirect Costs	<u>11,239</u>	<u>49,694</u>	<u>153,782</u>	<u>19,730</u>	<u>37,262</u>
Allocation of Indirect Costs.....	<u>1,247</u>	<u>306</u>	<u>1,788</u>	<u>271</u>	<u>656</u>
Total Expenses	<u>12,486</u>	<u>50,000</u>	<u>155,570</u>	<u>20,001</u>	<u>37,918</u>
Change in Net Assets.....	0	0	0	0	0
Carryforward Net Assets.....					
Net Assets, October 1,.....	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Assets, September 30,	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

MID-SIOUX OPPORTUNITY, INC.
SCHEDULE OF REVENUES AND EXPENSES -
CRISIS INTERVENTION AND PREVENTION PROGRAMS (CONTINUED)

For the Year Ended September 30, 2011

	Miscellaneous Grants		Fixed Assets Utilized in Crisis Intervention	GAAP Differences	Total Crisis Intervention and Prevention Programs
	12-31-10	12-31-11			
Revenue:					
Governmental Funding Sources:					
Iowa Department of Human Rights.....	\$	\$	\$	\$ (75,567)	\$ 3,060,609
Public Support and Donations.....					97,692
Interest Income.....					136
Other Income.....	<u>38,682</u>	<u>27,858</u>	<u>0</u>	<u>(32,110)</u>	<u>104,026</u>
	38,682	27,858	0	(107,677)	3,262,463
Expense:					
Salaries and Wages.....					293,350
Fringe Benefits.....					100,231
Professional and Contract Service Fees.....					447,820
Travel.....					34,984
Space Costs.....					26,710
Supplies.....					25,365
Equipment Purchase/Lease.....					246
Depreciation.....			9,306		9,306
Insurance.....					11,783
Telephone.....					13,266
Printing and Postage.....					5,279
Vehicle Costs.....					12,067
Computer Costs.....					16,770
Training.....					34,153
Assistance to Individuals.....	18,977	47,563		(75,567)	1,618,549
Other Costs.....	<u>18,977</u>	<u>47,563</u>	<u>9,306</u>	<u>(32,110)</u>	<u>524,094</u>
Total Expenses Before Allocation of Indirect Costs	18,977	47,563	9,306	(107,677)	3,173,973
Allocation of Indirect Costs.....	<u>18,977</u>	<u>47,563</u>	<u>9,306</u>	<u>(107,677)</u>	<u>55,103</u>
Total Expenses	<u>18,977</u>	<u>47,563</u>	<u>9,306</u>	<u>(107,677)</u>	<u>3,229,076</u>
Change in Net Assets.....	19,705	(19,705)	(9,306)	0	33,387
Carryforward Net Assets.....	(19,705)	19,705			0
Net Assets, October 1,.....	<u>0</u>	<u>0</u>	<u>41,539</u>	<u>0</u>	<u>197,871</u>
Net Assets, September 30,	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 32,233</u>	<u>\$ 0</u>	<u>\$ 231,258</u>

MID-SIOUX OPPORTUNITY, INC.
SCHEDULE OF REVENUES AND EXPENSES -
MANAGEMENT AND GENERAL AND FUNDRAISING

For the Year Ended September 30, 2011

	Management and General								Fundraising and Com- munity De- velopment	
	Payroll Clearing	Internal Service Fund	Admin- istration	Special Account	Agency Unrestricted	Miscel- laneous Grants	General Fixed Assets	GAAP Differences		Total
Revenue:										
Public Support and Donations.....	\$	\$	\$	\$	\$	\$	\$	\$	\$ 0	\$ 4,826
Interest Income.....	1,341				9,251				10,592	
Other Income.....		167,431		635	119,543	7,946		(268,093)	27,462	26,395
	<u>1,341</u>	<u>167,431</u>	<u>0</u>	<u>635</u>	<u>128,794</u>	<u>7,946</u>	<u>0</u>	<u>(268,093)</u>	<u>38,054</u>	<u>31,221</u>
Expense:										
Salaries and Wages.....		3,185	241,996						245,181	
Fringe Benefits.....		947	91,206		6,998				99,151	
Professional and Contract Service Fees.....		485	27,897						28,382	
Travel.....			14,773		14,385			(28,639)	519	677
Space Costs.....		2,400						(100,099)	(97,699)	2,504
Supplies.....	5,157	1,726	7,049		15,317				29,249	164
Equipment Purchase/Lease.....		12,390							12,390	
Depreciation.....		42,220					11,100		53,320	
Interest.....		1,381							1,381	
Insurance.....		5,953	12,872		91,774			(88,751)	21,848	39
Telephone.....		1,123	10,394						11,517	1,334
Utilities.....		17,466							17,466	
Printing and Postage.....		9,248	7,589					(27,924)	(11,087)	2,064
Advertising.....									0	948
General Maintenance.....		34,937				2,430			37,367	
Computer Costs.....		18,656	3,012			3,765		(22,680)	2,753	
Assistance to Individuals.....				15					15	
Loss on Disposal of Assets.....		10,937							10,937	
Other Costs.....			9,474	2,562	3,682				15,718	25,915
Total Expenses Before Allocation of Indirect Costs	5,157	163,054	426,262	2,577	132,156	6,195	11,100	(268,093)	478,408	33,645
Allocation of Indirect Costs.....		579	(455,971)						(455,392)	
Total Expenses	5,157	163,633	(29,709)	2,577	132,156	6,195	11,100	(268,093)	23,016	33,645
Transfer from (to) Other Funds.....			(29,709)		29,709				0	22,000
Change in Net Assets.....	(3,816)	3,798	0	(1,942)	26,347	1,751	(11,100)	0	15,038	19,576
Net Assets, October 1,.....	5,159	333,242	0	17,826	200,960	0	24,068	0	581,255	66,026
Net Assets, September 30,	<u>\$ 1,343</u>	<u>\$ 337,040</u>	<u>\$ 0</u>	<u>\$ 15,884</u>	<u>\$ 227,307</u>	<u>\$ 1,751</u>	<u>\$ 12,968</u>	<u>\$ 0</u>	<u>\$ 596,293</u>	<u>\$ 85,602</u>

MID-SIOUX OPPORTUNITY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2011

Grantor/Program	CFDA Number	Agency or Pass-Through Entity Number	Program Expenditures
U.S. Department of Health and Human Services:			
Head Start/Early Head Start.	93.600	07CH6102/44	\$ 1,018,143
Head Start/Early Head Start.	93.600	07CH6102/45	<u>1,254,287</u>
Total Direct Awards Expended			2,272,430
Iowa Department of Public Health:			
Maternal and Child Health Services Grant to the States. . .	93.994	5881MH18	61,233
Maternal and Child Health Services Grant to the States. . .	93.994	5881DH08	12,000
Iowa Department of Human Services:			
Child Care and Development Block Grant.	93.575	ACFS-12-093	103,970
Child Care and Development Block Grant.	93.575	ACFS-11-001	608,356
Child Care and Development Block Grant.	93.575	DCFS-09-089-18	128,806
Ida County Empowerment:			
Child Care and Development Block Grant.	93.575	1194-I-T	2,000
Siouxland Human Investment Partnership:			
Child Care and Development Block Grant.	93.575	1142-T	18,000
Northwest Early Childhood Iowa:			
Child Care and Development Block Grant.	93.575		8,557
BVCS Early Childhood Iowa:			
Child Care and Development Block Grant.	93.575		7,769
Child Care and Development Block Grant.	93.575		55,085
Linking Families and Communities:			
Child Care and Development Block Grant.	93.575		5,801
Early Childhood North Central Iowa Area Board:			
Child Care and Development Block Grant.	93.575		6,364
Iowa Department of Human Rights:			
Temporary Assistance for Needy Families.	93.558	FADSS-12-06	20,459
Temporary Assistance for Needy Families.	93.558	FADSS-11-06-FG	57,679
Low Income Home Energy Assistance.	93.568	LIHEAP-11-06	1,648,293
Low Income Home Energy Assistance.	93.568	HEAP-10-06G	(37,325)
Low Income Home Energy Assistance.	93.568	HEAP-11-06	179,726
Community Services Block Grant.	93.569	CSBG-10-06	6,733
Community Services Block Grant.	93.569	CSBG-11-06CG	<u>174,089</u>
			3,067,595
U.S. Department of Agriculture:			
Iowa Department of Public Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children.	10.557	5889A039	1,596,416
ARRA - Prevention and Wellness - State, Territories, and Pacific Islands.	93.723	5881OB03	2,250
Iowa Department of Agriculture and Land Stewardship:			
WIC Farmers' Market Nutrition Program.	10.572		<u>8,276</u>
			1,606,942

MID-SIOUX OPPORTUNITY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the Year Ended September 30, 2011

Grantor/Program	CFDA Number	Agency or Pass-Through Entity Number	Program Expenditures
U.S. Department of Education:			
Child and Adult Care Food Program.....	10.558	75-8012	\$ 404,727
Child and Adult Care Food Program.....	10.558	75-8010	<u>148,928</u>
			553,655
U.S. Department of Housing and Urban Development:			
Iowa Finance Authority:			
Emergency Shelter Grants Program.....	14.231	11-11-75001-11-HAP-001	12,000
U.S. Department of Energy:			
Iowa Department of Human Rights:			
ARRA - Weatherization Assistance for Low-Income Persons.	81.042	DOE-ARRA-09-06G	<u>937,258</u>
Total Indirect Awards Expended			<u>6,177,450</u>
Total Federal Awards Expended			<u>\$ 8,449,880</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes all federal grant activity of Mid-Sioux Opportunity, Inc. Program expenditures included in the accompanying schedule is presented on the accrual basis of accounting modified to include fuel purchases when made and capital expenditures. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

NON-CASH EXPENDITURES

Non-monetary assistance is reported in the schedule at the fair market value of the assistance as follows:

Special Supplemental Food Program for Women, Infants, and Children Vouchers Rendered	\$ 1,229,525
WIC Farmers' Market Nutrition Program Vouchers Rendered.	<u>8,193</u>
	<u>\$ 1,237,718</u>

MID-SIOUX OPPORTUNITY, INC.
INDIRECT COST - ADMINISTRATION
SCHEDULE OF COSTS CHARGED TO INDIRECT COST POOL

For the Year Ended September 30, 2011

	Actual	Original Budget
Receipts:		
Indirect Costs Allocated.	\$ 455,971	
Disbursements:		
Salaries and Wages.	241,996	\$ 248,000
Fringe Benefits.	91,206	92,000
Professional and Contract Service Fees.	27,897	31,000
Travel.	14,773	15,016
Supplies.	7,049	10,953
Insurance.	12,872	13,800
Telephone.	10,394	10,500
Printing and Postage.	7,589	12,500
Computer Costs.	3,012	6,000
Other Costs.	<u>9,474</u>	<u>16,198</u>
Total Disbursements	<u>426,262</u>	<u>\$ 455,967</u>
Excess of Amounts Allocated Over Costs	<u>\$ 29,709</u>	

MID-SIOUX OPPORTUNITY, INC.
IDA COUNTY EMPOWERMENT FUNDS - EARLY HEAD START IDA COUNTY
SCHEDULE OF GRANT/CONTRACT ACTIVITY

For the Year Ended June 30, 2011

	Actual	Original Budget
Receipts:		
Governmental Funding Sources:		
Ida County Empowerment Funds.....	\$ 10,700	
Disbursements:		
Salaries and Wages.....	4,429	\$ 4,025
Fringe Benefits.....	1,599	1,479
Professional and Contract Service Fees.....	64	165
Travel.....	1,746	2,000
Supplies.....	757	805
Training.....	125	125
Printing and Postage.....	61	72
Assistance to Individuals.....	1,077	1,210
Indirect.....	<u>842</u>	<u>819</u>
Total Disbursements	<u>10,700</u>	<u>\$ 10,700</u>
Excess of Receipts Over Disbursements.....	0	
Fund Balance, July 1, 2010.....	<u>0</u>	
Fund Balance, June 30, 2011	<u>\$ 0</u>	

MID-SIOUX OPPORTUNITY, INC.
IOWA DEPARTMENT OF HUMAN RIGHTS -
COMMUNITY SERVICE BLOCK GRANT (CSBG-10-06)
SCHEDULE OF GRANT/CONTRACT ACTIVITY

For the Period from October 1, 2009 to December 31, 2010

Receipts:

Governmental Funding Sources:
Iowa Department of Human Rights. \$ 177,183

Disbursements:

Outreach Services. 177,183

Excess of Receipts Over Disbursements. 0

Fund Balance, October 1, 2009. 0

Fund Balance, December 31, 2010 \$ 0

MID-SIOUX OPPORTUNITY, INC.
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES -
HEAD START/EARLY HEAD START PROGRAM (07CH6102/44)
SCHEDULE OF GRANT/CONTRACT ACTIVITY

For the Year Ended February 28, 2011

	Actual	Original Budget
Receipts:		
Governmental Funding Sources:		
U.S. Department of Health and Human Services.....	\$ 2,207,044	
In-Kind Contributions.....	800,414	
Organization Contribution.....	1,635	
Other Income.....	<u>14,857</u>	
Total Receipts	3,023,950	
Disbursements:		
Grantor's Share:		
Salaries and Wages.....	1,086,861	\$ 1,096,846
Fringe Benefits.....	485,948	480,421
Professional and Contract Service Fees.....	90,824	90,590
Travel.....	16,914	15,373
Space Costs.....	95,715	90,826
Supplies.....	35,581	35,199
Depreciation.....	11,587	11,587
Insurance.....	31,593	31,417
Telephone.....	24,400	24,308
Printing and Postage.....	6,968	6,957
Utilities.....	15,210	15,163
Assistance to Individuals.....	11,036	11,038
Vehicle Costs.....	43,275	38,490
General Maintenance.....	19,117	13,791
Computer Costs.....	20,397	20,398
Training.....	12,393	12,395
Other Costs.....	2,204	2,205
Indirect Costs.....	<u>211,878</u>	<u>210,040</u>
Total Grantor's Share	2,221,901	2,207,044
Grantee's Share:		
Salaries/Fringe.....	751,764	503,120
Travel.....	8,745	1,000
Space Costs.....	606	14,796
Supplies.....	39,299	11,541
Other Costs.....	<u>21,575</u>	<u>21,575</u>
Total Grantee's Share	800,414	552,032
Contribution Expense.....	<u>1,739</u>	<u>14,625</u>
Total Disbursements	<u>3,024,054</u>	<u>\$ 2,773,701</u>
Excess of Disbursements Over Receipts.....	(104)	
Fund Balance, March 1, 2010.....	<u>13,065</u>	
Fund Balance, February 28, 2011	<u>\$ 12,961</u>	

**MID-SIOUX OPPORTUNITY, INC.
IOWA DEPARTMENT OF HUMAN RIGHTS -
FAMILY DEVELOPMENT AND SELF-SUFFICIENCY (FADSS 11-06-FG)
SCHEDULE OF GRANT/CONTRACT ACTIVITY**

For the Year Ended June 30, 2011

	Actual	Original Budget
Receipts:		
Governmental Funding Sources:		
Iowa Department of Human Rights.	\$ 129,317	
Public Support and Donations.....	<u>2,000</u>	
Total Receipts	131,317	
 Disbursements:		
Salaries and Wages.....	63,106	\$ 60,915
Fringe Benefits.	26,012	24,912
Travel.	10,353	11,880
Space Costs.....	4,587	5,016
Supplies.....	4,934	6,000
Telephone.....	3,740	3,500
Postage.....	429	682
Publications.....	50	50
Other Costs.....	5,764	5,812
Indirect Costs.....	<u>12,342</u>	<u>12,550</u>
Total Disbursements	<u>131,317</u>	<u>\$ 131,317</u>
 Excess of Receipts Over Disbursements.....	 0	
 Fund Balance, July 1, 2010.....	 <u>0</u>	
 Fund Balance, June 30, 2011	 <u>\$ 0</u>	

**MID-SIOUX OPPORTUNITY, INC.
IOWA DEPARTMENT OF HUMAN RIGHTS -
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP-11-06)
SCHEDULE OF GRANT/CONTRACT ACTIVITY**

For the Year Ended September 30, 2011

	Actual	Original Budget
Receipts:		
Governmental Funding Sources:		
Iowa Department of Human Rights.	\$ 1,648,293	
Disbursements:		
Grantor's Share:		
Client Assistance:		
Regular.	1,261,476	\$ 1,266,623
ECIP.	78,375	78,375
Client Services.	26,936	40,000
Summer Deliverable Fuel.	178,347	178,347
Administration.	<u>103,159</u>	<u>103,159</u>
Total Disbursements	<u>1,648,293</u>	<u>\$ 1,666,504</u>
Excess of Receipts Over Disbursements.	0	
Fund Balance, October 1, 2010.	<u>0</u>	
Fund Balance, September 30, 2011	\$ <u>0</u>	

MID-SIOUX OPPORTUNITY, INC.
IOWA DEPARTMENT OF HUMAN RIGHTS -
HOME ENERGY ASSISTANCE WEATHERIZATION PROGRAM (HEAP 10-06G)
SCHEDULE OF GRANT/CONTRACT ACTIVITY

For the Year Ended December 31, 2010

	Actual	Original Budget
Receipts:		
Governmental Funding Sources:		
Iowa Department of Human Rights	\$ 340,667	
Disbursements:		
Administration.....	17,935	\$ 21,197
Support.....	83,614	91,936
Labor.....	12,138	95,876
Materials.....	20,617	95,876
Health and Safety.....	183,540	70,922
Training/Equipment.....	<u>22,823</u>	<u>30,000</u>
Total Disbursements	<u>340,667</u>	<u>\$ 405,807</u>
Excess of Receipts Over Disbursements.....	0	
Fund Balance, January 1, 2010.....	<u>0</u>	
Fund Balance, December 31, 2010	<u>\$ 0</u>	

**MID-SIOUX OPPORTUNITY, INC.
 IOWA DEPARTMENT OF HUMAN RIGHTS -
 WEATHERIZATION ASSISTANCE (MEC 10-06G)
 SCHEDULE OF GRANT/CONTRACT ACTIVITY**

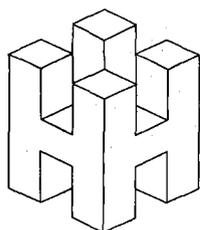
For the Year Ended December 31, 2010

	Actual	Original Budget
Receipts:		
Governmental Funding Sources:		
Iowa Department of Human Rights.	\$ 125,276	
Disbursements:		
Administration..	6,264	\$ 6,264
Support.	12,072	12,528
Labor.	46,967	53,242
Materials.	<u>59,973</u>	<u>53,242</u>
Total Disbursements	<u>125,276</u>	<u>\$ 125,276</u>
Excess of Receipts Over Disbursements.	0	
Fund Balance, January 1, 2010.	<u>0</u>	
Fund Balance, December 31, 2010	<u>\$ 0</u>	

MID-SIOUX OPPORTUNITY, INC.
IOWA DEPARTMENT OF HUMAN RIGHTS -
WEATHERIZATION ASSISTANCE (IPL 10-06G)
SCHEDULE OF GRANT/CONTRACT ACTIVITY

For the Year Ended December 31, 2010

	Actual	Original Budget
Receipts:		
Governmental Funding Sources:		
Iowa Department of Human Rights.	\$ 50,421	
Disbursements:		
Administration.....	2,521	\$ 2,521
Support.....	4,982	5,042
Labor.....	20,915	21,429
Materials.....	<u>22,003</u>	<u>21,429</u>
Total Disbursements	<u>50,421</u>	<u>\$ 50,421</u>
Excess of Receipts Over Disbursements.....	0	
Fund Balance, January 1, 2010.....	<u>0</u>	
Fund Balance, December 31, 2010	<u>\$ 0</u>	



HENJES, CONNER &
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INDEPENDENT AUDITORS' 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

To the Board of Directors
Mid-Sioux Opportunity, Inc.
Remsen, Iowa

We have audited the financial statements of MID-SIOUX, OPPORTUNITY, INC. (a non-profit organization), as of and for the year ended September 30, 2011, and have issued our report thereon dated January 30, 2012. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Mid-Sioux Opportunity, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mid-Sioux Opportunity, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

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

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

Compliance and Other Matters

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

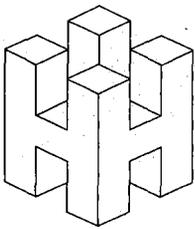
We noted certain other matters that we reported to management of Mid-Sioux Opportunity, Inc. in a separate letter dated January 30, 2012.

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

Henjes, Conner, & Williams, P.C.

Certified Public Accountants

Sioux City, Iowa
January 30, 2012



**HENJES, CONNER &
WILLIAMS, P.C.**

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Mid-Sioux Opportunity, Inc.
Remsen, Iowa

Compliance

We have audited MID-SIOUX OPPORTUNITY, INC.'s compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Mid-Sioux Opportunity, Inc.'s major federal programs for the year ended September 30, 2011. Mid-Sioux Opportunity, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Mid-Sioux Opportunity, Inc.'s management. Our responsibility is to express an opinion on Mid-Sioux Opportunity, Inc.'s compliance based on our audit.

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

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

Internal Control Over Compliance

Management of Mid-Sioux Opportunity, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Mid-Sioux Opportunity, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mid-Sioux Opportunity, Inc.'s internal control over compliance.

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

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

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

Henzel, Conner, & Williams, P.C.

Certified Public Accountants

Sioux City, Iowa
January 30, 2012

MID-SIOUX OPPORTUNITY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Part I: Summary of the Independent Auditors' Results

- a. An unqualified opinion was issued on the financial statements.
- b. No significant deficiencies in internal control over financial reporting were disclosed by the auditor of the financial statements.
- c. No non-compliance which is material to the financial statements was disclosed.
- d. No significant deficiencies in internal control over major programs were disclosed.
- e. An unqualified opinion was issued on compliance with requirements applicable to each major program.
- f. The audit did not disclose audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section 510(a).
- g. Major programs were as follows:
 - CFDA # 93.600 - Head Start
 - CFDA # 81.042 - ARRA - Weatherization Assistance for Low-Income Persons
 - CFDA # 93.575 - Child Care and Development Block Grant
 - CFDA # 10.558 - Child and Adult Care Food Program
- h. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- i. Mid-Sioux Opportunity, Inc. did not qualify as a low-risk auditee.

MID-SIOUX OPPORTUNITY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Part II: Findings Related to the Financial Statements Reported in Accordance with *Government Auditing Standards*

Instances of Non-Compliance:

No matters were reported.
There were no prior year audit findings.

Material Weakness:

No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards
None Reported

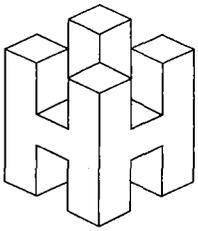
Part IV: Summary Schedule of Prior Audit Findings

II-A-10 Financial Reporting - During the audit we identified material revenue and expense adjustments involving WIC vouchers, GAAP In-Kind and prepaid fuel not recorded in accordance with generally accepted accounting principles in the Agency's financial statements. Adjustments were subsequently made by the Agency to properly report these items in the financial statements.

Recommendation - The Agency should review their procedures to ensure all adjustments to record financial transactions in accordance with GAAP are identified and included in the Agency's financial statements.

Response - The Agency has consistently presented these items as recommended by prior accounting firms over the past 30 years of agency operations. The Agency will review their financial reporting procedures to ensure proper GAAP reporting for future periods and implement procedures to assure GAAP compliance.

Conclusion - This finding was resolved during 2011.



**HENJES, CONNER &
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To the Board of Directors
Mid-Sioux Opportunity, Inc.
Remsen, Iowa

We have audited the financial statements of MID-SIOUX OPPORTUNITY, INC. for the year ended September 30, 2011, and have issued our report thereon dated January 30, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 26, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Mid-Sioux Opportunity, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2011. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of donated materials, facilities, and services, along with the allocation of expenses by function which are based on management's knowledge and working experience with these areas. We evaluated the key factors and assumptions used to develop the above estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We have evaluated the disclosures in the financial statements and they are neutral, consistent, and clear in relation to the financial statements taken as a whole. The most sensitive disclosure affecting the financial statements was:

The disclosure of commitments and contingencies in the notes to the financial statements. This disclosure was made due to the large amount of government funding received and the Agency's dependency on these sources in order to continue operation in its current form.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. No other misstatements were detected as a result of audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 30, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the basis of accounting required by the grantees which differs from U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of Mid-Sioux Opportunity, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Henry, Conner, & Williams, P.C.

Certified Public Accountants

Sioux City, Iowa
January 30, 2012

Mid-Sioux Opportunity, Inc.
Passed Adjusting Journal Entries
9/30/2011

1	Prepaid Insurance	9,006.14	
	Insurance Expense		9,006.14
	To pass adjustment to record prepaid insurance.		
2	In-Kind Expense - Headstart	36,250.40	
	In-Kind Revenue - Headstart		36,250.40
	To pass adjustment to record GAAP in-kind rent not recorded by client.		
3	Prepaid Software Services	7,689.89	
	Software Expense		7,689.89
	To pass adjustment to record prepaid software services.		
4	Accounts Receivable	8,157.09	
	Medicaid Revenue		8,157.09
	To pass adjustment to record Medicaid receivables.		

	Total Assets	Total Liabilities	Net Assets	Revenues	Expenses
Over (Under)	(24,853)	-	-	(44,407)	(19,554)
Prior Year Reversal	N/A	N/A	N/A	43,855	16,677
Total	(24,853)	-	-	(552)	(2,877)