

MID-SIOUX OPPORTUNITY, INC.
INDEPENDENT AUDITORS' REPORT
SEPTEMBER 30, 2013

MID-SIOUX OPPORTUNITY, INC.

SEPTEMBER 30, 2013

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MID-SIOUX OPPORTUNITY, INC.

OFFICIALS
SEPTEMBER 30, 2013

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	Rick Mongan	Caryn Barry	Jean Miller Betty Knudson
Sioux	Al Bloemendaal	Carolyn Salberg Vern Beernink	Carol Van Gelder
Lyon	Merle Koedam	Evelyn Baldwin	Gordon Smith
Ida	Joe Cronin		Teresa Hunt

AGENCY OFFICIALS

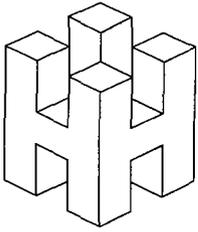
Dick Sievers - Executive Director

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
P.O. BOX 1528
SIOUX CITY, IOWA 51102

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of MID-SIOUX OPPORTUNITY, INC. (a non-profit organization), which comprise the statement of financial position as of September 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States 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.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of Mid-Sioux Opportunity, Inc. as of September 30, 2013, 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.

Report on Summarized Comparative Information

We have previously audited the Mid-Sioux Opportunity, Inc.'s 2012 financial statements, and our report dated January 25, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplementary Information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. These schedules are presented on the basis of accounting required by the grantees which differs from U.S. generally accepted accounting principles. The accompanying Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is also 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 supplementary information is fairly stated in accordance with the basis of accounting outlined above, in all material respects, in relation to the financial statements as a whole. In our opinion, the schedule of expenditures of federal awards is also fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2014 on our consideration of Mid-Sioux Opportunity, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Mid-Sioux Opportunity, Inc.'s internal control over financial reporting and compliance.

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

Sioux City, Iowa
February 4, 2014

MID-SIOUX OPPORTUNITY, INC.
STATEMENT OF FINANCIAL POSITION

September 30, 2013
 With Summarized Financial Information for September 30, 2012

	2013	2012
ASSETS		
Cash and Cash Equivalents.	\$ 762,457	\$ 696,103
Certificate of Deposit.	65,940	65,481
Accounts Receivable.	38,912	44,847
Grant Awards and Contracts Receivable.	693,371	678,226
Prepaid Fuel.	139,020	151,473
Marketable Securities.	4,313	2,998
Property and Equipment (Net).	<u>617,043</u>	<u>662,298</u>
Total Assets	<u>\$ 2,321,056</u>	<u>2,301,426</u>
LIABILITIES AND NET ASSETS		
Accounts Payable.	\$ 205,032	\$ 184,994
Accrued Salaries and Benefits.	98,807	84,908
Compensated Absences.	25,154	24,127
Grant Advances.	<u>198,408</u>	<u>247,228</u>
Total Liabilities	527,401	541,257
Net Assets:		
Unrestricted:		
Available for Programs.	754,257	761,244
Invested in Property and Equipment.	<u>297,720</u>	<u>287,261</u>
Total Unrestricted	1,051,977	1,048,505
Temporarily Restricted.	<u>741,678</u>	<u>711,664</u>
Total Net Assets	<u>1,793,655</u>	<u>1,760,169</u>
Total Liabilities and Net Assets	<u>\$ 2,321,056</u>	<u>\$ 2,301,426</u>

MID-SIOUX OPPORTUNITY, INC.
STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2013
 With Summarized Financial Information for Year Ended September 30, 2012

	Unrestricted	Temporarily Restricted	Totals	
			2013	2012
Revenues, Gains, and Other Support:				
Governmental Funding Sources:				
U.S. Department of Health and Human Services.	\$ 2,129,286	\$	\$ 2,129,286	\$ 2,230,193
Iowa Finance Authority.	13,153		13,153	
Iowa Department of Human Rights.	1,946,718	10,490	1,957,208	2,462,135
Iowa Department of Education.	645,766	767	646,533	663,958
Iowa Department of Human Services.	893,022	12,564	905,586	1,001,324
Iowa Department of Public Health.	1,859,310	33,499	1,892,809	1,821,632
Iowa Department of Agriculture and Land Stewardship.	6,288		6,288	7,265
In-Kind Contributions.	81,074		81,074	141,427
Early Childhood Iowa Funds.	283,958		283,958	262,825
Public Support and Donations.	118,480	78,318	196,798	177,767
Interest Income.	2,857		2,857	5,337
Gain on Disposal of Assets.	13,626		13,626	11,031
Other Income.	<u>363,032</u>		<u>363,032</u>	<u>299,166</u>
	8,356,570	135,638	8,492,208	9,084,060
Net Assets Released from Restrictions:				
Satisfaction of Program Requirements.	<u>105,624</u>	<u>(105,624)</u>	<u>0</u>	<u>0</u>
Total Revenues, Gains, and Other Support	8,462,194	30,014	8,492,208	9,084,060
Expenses:				
Program Services:				
Family Preservation and Strengthening.	3,756,381		3,756,381	3,796,331
Educational Services for the Disadvantaged.	2,567,575		2,567,575	2,714,386
Crisis Intervention and Prevention.	2,080,739		2,080,739	2,420,878
Management and General.	31,491		31,491	(31,073)
Fundraising.	<u>22,536</u>		<u>22,536</u>	<u>21,191</u>
Total Expenses	<u>8,458,722</u>	<u>0</u>	<u>8,458,722</u>	<u>8,921,713</u>
Change in Net Assets.	3,472	30,014	33,486	162,347
Net Assets, October 1,	<u>1,048,505</u>	<u>711,664</u>	<u>1,760,169</u>	<u>1,597,822</u>
Net Assets, September 30,	<u>\$ 1,051,977</u>	<u>\$ 741,678</u>	<u>\$ 1,793,655</u>	<u>\$ 1,760,169</u>

MID-SIOUX OPPORTUNITY, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2013

With Summarized Financial Information for Year Ended September 30, 2012

	Family Preservation and Strengthening	Educational Services for the Disadvantaged	Crisis Intervention and Prevention	All Programs Combined	Management and General	Fundraising	Totals	
							2013	2012
Salaries and Benefits:								
Salaries and Wages.....	\$ 919,629	\$ 1,065,289	\$ 191,766	\$ 2,176,684	\$ 242,927	\$	\$ 2,419,611	\$ 2,592,703
Fringe Benefits.....	<u>337,857</u>	<u>505,129</u>	<u>74,242</u>	<u>917,228</u>	<u>88,100</u>		<u>1,005,328</u>	<u>1,092,381</u>
Total Salaries and Benefits	1,257,486	1,570,418	266,008	3,093,912	331,027	0	3,424,939	3,685,084
Other Expenses:								
Professional and Contract Service Fees.....	110,415	163,829	196,058	470,302	49,054		519,356	634,301
Travel.....	78,308	11,544	15,439	105,291	931	107	106,329	119,097
Space Costs.....	32,208	111,097	15,605	158,910	(94,899)		64,011	73,029
Supplies.....	59,350	66,352	19,787	145,489	30,187	16	175,692	147,237
Equipment Purchase/Lease.....	2,284			2,284	13,965		16,249	17,743
Depreciation.....	10,111	50,502	9,306	69,919	56,263		126,182	112,825
Insurance.....	8,529	33,044	3,398	44,971	24,490		69,461	70,136
Telephone.....	35,822	23,698	10,394	69,914	8,883	57	78,854	77,268
Utilities.....		16,918		16,918	14,773		31,691	28,719
Printing and Postage.....	32,794	12,729	4,199	49,722	(11,356)	1,398	39,764	29,796
Training.....	22,375	12,110	12,140	46,625	1,528		48,153	46,453
Advertising.....	26,220			26,220			26,220	22,153
General Maintenance.....		11,224	3,000	14,224	20,059		34,283	61,658
Vehicle Costs.....		51,289	704	51,993			51,993	63,221
Computer Costs.....	18,077	16,546	17,677	52,300	7,737		60,037	54,756
Assistance to Individuals.....	1,801,227	113,213	1,306,485	3,220,925			3,220,925	3,090,608
Outreach Services.....	77,212			77,212	1,250		78,462	88,470
Loss on Disposal of Assets.....				0			0	9,676
Other Costs.....	8,882	2,133	163,297	174,312	9,777	20,958	205,047	407,123
In-Kind Expenses.....		<u>81,074</u>		<u>81,074</u>			<u>81,074</u>	<u>82,360</u>
Total Expenses Before Allocation of Indirect Costs.....	3,581,300	2,347,720	2,043,497	7,972,517	463,669	22,536	8,458,722	8,921,713
Allocation of Indirect Costs.....	<u>175,081</u>	<u>219,855</u>	<u>37,242</u>	<u>432,178</u>	<u>(432,178)</u>		<u>0</u>	<u>0</u>
Total Expenses	\$ <u>3,756,381</u>	\$ <u>2,567,575</u>	\$ <u>2,080,739</u>	\$ <u>8,404,695</u>	\$ <u>31,491</u>	\$ <u>22,536</u>	\$ <u>8,458,722</u>	\$ <u>8,921,713</u>

MID-SIOUX OPPORTUNITY, INC.
STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2013
 With Summarized Financial Information for Year Ended September 30, 2012

	2013	2012
Cash Flows from Operating Activities:		
Change in Net Assets.	\$ 33,486	\$ 162,347
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation.	126,182	112,825
Realized and Unrealized Gain on Investments.	(1,315)	(388)
Gain on Disposal of Property and Equipment.	(13,626)	(1,355)
In-Kind Contribution of Server.		(59,067)
Change in Operating Assets and Liabilities:		
Accounts Receivable.	5,935	73,382
Grant Awards and Contracts Receivable.	(15,145)	(56,510)
Prepaid Expenses.	12,453	(151,473)
Accounts Payable.	20,038	(50,896)
Accrued Salaries and Benefits.	13,899	(10,728)
Compensated Absences.	1,027	(1,793)
Grant Advances.	<u>(48,820)</u>	<u>128,450</u>
Net Cash Provided by Operating Activities.	134,114	144,794
Cash Flows from Investing Activities:		
Proceeds from Disposal of Property and Equipment.	16,600	11,829
Purchase of Certificates of Deposit.	(459)	(715)
Purchase of Property and Equipment.	<u>(83,901)</u>	<u>(211,045)</u>
Net Cash Used by Investing Activities.	<u>(67,760)</u>	<u>(199,931)</u>
Net Increase (Decrease) in Cash.	66,354	(55,137)
Cash, October 1,	<u>696,103</u>	<u>751,240</u>
Cash, September 30,	<u><u>\$ 762,457</u></u>	<u><u>\$ 696,103</u></u>
Non-Cash Investing Activities:		
In-Kind Contribution of Server.		\$ 59,067

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, child care, 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, 2013, are as follows:

	<u>Estimated Useful Lives</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Land Improvements.	15 years	\$ 37,745	\$ 16,411	\$ 21,334
Buildings.	10-40 years	742,071	570,966	171,105
Leasehold Improvements.	5-39 years	275,712	40,077	235,635
Equipment.	5-15 years	224,689	128,890	95,799
Vehicles.	5 years	<u>834,187</u>	<u>741,017</u>	<u>93,170</u>
		<u>\$ 2,114,404</u>	<u>\$ 1,497,361</u>	<u>\$ 617,043</u>

TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are as follows:

	<u>Beginning Balance</u>	<u>New Restrictions</u>	<u>Released from Restrictions</u>	<u>Temporarily Restricted Net Assets 9-30-13</u>
Women, Infants, and Children.	\$ 0	\$ 1,614,872	\$ 1,614,872	\$ 0
Maternal Child Health.	31,006	205,192	178,600	57,598
Child and Adult Care Food Program.	6,735	442,588	441,821	7,502
School Based Dental Sealant.	32,962	12,000	7,473	37,489
Child Care Resource and Referral.	23,521	834,644	858,165	0
Northwest Iowa Early Childhood Iowa CNCC.	0	61,344	61,344	0
I-Smile.	8,978	60,745	58,365	11,358
Buena Vista, Sac, and Crawford Early Childhood Iowa.	0	59,154	59,154	0
Linking Families and Communities.	0	62,621	62,621	0
Early Childhood North Central Iowa.	0	66,561	66,561	0
Siouxland Human Interest Partnership.	0	14,642	14,642	0
Building Families.	0	19,636	19,636	0
Iowa Farmers Market.	0	6,288	6,288	0
Community Service Block Grant.	0	161,806	161,806	0
Local Funds.	147,029	101,968	28,586	220,411
Head Start.	12,755	2,136,895	2,149,650	0
USDA Head Start.	0	143,216	143,216	0
Shared Vision.	1,070	61,629	62,699	0
Wrap-Around Grants.	0	70,942	70,942	0
FADSS.	0	133,639	133,639	0
LIHEAP.	0	1,136,717	1,136,717	0
Home Energy Assistance.	18,085	316,825	306,335	28,575
Utility Funds.	36,631	17,068	12,132	41,567
DOE Weatherization.	0	103,429	103,429	0
Inventory Contract.	17,855			17,855
ESG.	0	13,153	13,153	0
Crisis Fund.	0	64,821	64,821	0
Miscellaneous Crisis.	0	2,680	2,680	0
MEC Weatherization.	0	61,918	61,918	0
IPL Weatherization.	0	30,421	30,421	0
Miscellaneous Grants.	0			0
Fixed Assets Restricted for Use by:				
Women, Infant, and Children.	16,234		8,470	7,764
Child Care Resources and Referral.		14,205	1,641	12,564
Head Start.	335,876		50,502	285,374
DOE.	<u>22,927</u>		<u>9,306</u>	<u>13,621</u>
	<u>\$ 711,664</u>	<u>\$ 8,031,619</u>	<u>\$ 8,001,605</u>	<u>\$ 741,678</u>

IN-KIND CONTRIBUTIONS AND EXPENSES

Donated goods, facilities use, and services were as follows for the year ended September 30, 2013:

	<u>Family Preservation and Strengthening</u>	<u>Educational Services for the Disadvantaged</u>	<u>Total</u>
Recognized in financial statements under generally accepted accounting principles:			
Professional Services.....	\$	\$ 34,379	\$ 34,379
Rent.....		32,971	32,971
Materials.....		<u>13,724</u>	<u>13,724</u>
	<u>\$ 0</u>	<u>\$ 81,074</u>	<u>\$ 81,074</u>
Not recognized in financial statements but allowed as program costs by grantors:			
Volunteer Services and Matching Funds	<u>\$ 323,187</u>	<u>\$ 697,682</u>	<u>\$ 1,020,869</u>

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, 2013, was \$165,872.

The following is a summary of the required minimum lease payments under noncancellable operating leases as of September 30, 2013.

<u>Year Ended September 30,</u>	<u>Amount</u>
2014.....	\$ 16,169
2015.....	8,019
2016.....	6,444
2017.....	18
2018.....	<u>0</u>
	<u>\$ 30,650</u>

PENSION AND RETIREMENT BENEFITS

Employees of the Agency are covered by the Iowa Public Employee Retirement System (IPERS). Prior to July 1, 2013, plan members were required to contribute 5.78% of their annual salary and the Agency was required to contribute 8.67% of annual payroll. Effective July 1, 2013, these percentages were increased to 5.95% and 8.93%, respectively. Contribution requirements are established by state statute. The Agency’s contribution to IPERS for the year ended September 30, 2013, was \$206,254.

The Agency is one of more than 2,100 Iowa governmental and nonprofit employers participating in the plan, which has plan assets exceeding \$27.9 billion as of June 30, 2013. 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 the Agency’s control.

Selected information regarding IPERS is as follows:

Plan’s Legal Name:	Iowa Public Employees’ Retirement System
Employer Identification Number:	42-6150870

IPERS funded status was 81.02% as of June 30, 2013, leaving an unfunded actuarial liability of \$5.787 billion as reported in IPERS comprehensive annual financial report.

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 2010, 2011, 2012, and 2013.

COMMITMENTS AND CONTINGENCIES

The Agency receives a substantial amount of its support from federal and 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 2012

The financial statements include certain 2012 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, 2012, from which the summarized information was derived.

Certain reclassifications have been made to the 2012 summarized financial information to conform to the current year presentation.

SUBSEQUENT EVENTS

In preparing the financial statements as of September 30, 2013, management considered the impact of subsequent events occurring through February 4, 2014, the date the financial statements were available to be issued, for potential recognition or disclosure in these financial statements.

RESTATEMENT OF SEPTEMBER 30, 2012 NET ASSETS

The Agency restated beginning temporarily restricted and unrestricted net assets to better reflect purpose restrictions for certain programs. Temporarily restricted net assets were previously reported as \$729,775. Restated temporarily restricted net assets are \$711,664. The difference of \$18,111 increased unrestricted net assets.

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

For the Year Ended September 30, 2013

	Women, Infants, and Children	Maternal Child Health	Child and Adult Care Food Program	School Based Dental Sealant
Revenue:				
Governmental Funding Sources:				
Iowa Department of Human Rights.....	\$	\$	\$	\$
Iowa Department of Education.....			442,588	
Iowa Department of Human Services.....				
Iowa Department of Public Health.....	1,614,872	205,192		12,000
Iowa Department of Agriculture and Land Stewardship.....				
In-Kind Contributions.....				
Early Childhood Iowa Funds.....				
Public Support and Donations.....				
Other Income.....	11,574	68,314		23,673
	<u>1,626,446</u>	<u>273,506</u>	<u>442,588</u>	<u>35,673</u>
Expense:				
Salaries and Wages.....	166,054	120,886	36,854	9,915
Fringe Benefits.....	57,029	51,469	12,935	4,262
Professional and Contract Service Fees.....	40,984	20,033	3,190	5,868
Travel.....	6,347	1,654	6,137	1,901
Space Costs.....	11,679	2,740	1,170	
Supplies.....	14,827	12,937	2,176	5,780
Equipment Purchase/Lease.....			1,792	
Depreciation.....				
Insurance.....	3,909	1,528	20	
Telephone.....	8,471	2,590	870	
Printing and Postage.....	6,146	7,350	2,441	1,435
Training.....			3,154	
Advertising.....	735	170		
Computer Costs.....	6,196	1,902	735	
Assistance to Individuals.....	1,270,284		363,296	
Outreach Services.....				
Other Costs.....	2,553	418	80	
In-Kind Expenses.....				
Total Expenses Before Allocation of Indirect Costs	<u>1,595,214</u>	<u>223,677</u>	<u>434,850</u>	<u>29,161</u>
Allocation of Indirect Costs.....	31,232	23,237	6,971	1,985
Total Expenses	<u>1,626,446</u>	<u>246,914</u>	<u>441,821</u>	<u>31,146</u>
Transfer to Other Funds.....				
Change in Net Assets.....	0	26,592	767	4,527
Net Assets, October 1,.....		31,006	6,735	32,962
Net Assets, September 30,	<u>\$ 0</u>	<u>\$ 57,598</u>	<u>\$ 7,502</u>	<u>\$ 37,489</u>

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

For the Year Ended September 30, 2013

	Child Care Resource and Referral		Northwest Early Childhood Iowa CCNC		I-Smile
	6-30-13	6-30-14	6-30-13	6-30-14	
Revenue:					
Governmental Funding Sources:					
Iowa Department of Human Rights.....	\$	\$	\$	\$	\$
Iowa Department of Education.....					
Iowa Department of Human Services.....	633,944	200,700			
Iowa Department of Public Health.....					60,745
Iowa Department of Agriculture and Land Stewardship. . .					
In-Kind Contributions.....	273,370	49,817			
Early Childhood Iowa Funds.....			44,912	16,432	
Public Support and Donations.....					
Other Income.....	965				14,015
	<u>908,279</u>	<u>250,517</u>	<u>44,912</u>	<u>16,432</u>	<u>74,760</u>
Expense:					
Salaries and Wages.....	293,227	102,739	22,657	8,040	37,534
Fringe Benefits.....	98,184	36,739	11,020	4,414	16,370
Professional and Contract Service Fees.....	85				1,818
Travel.....	34,678	12,123	3,321	863	3,240
Space Costs.....	12,084	3,577			958
Supplies.....	11,679	4,537	312	207	3,071
Equipment Purchase/Lease.....				492	
Depreciation.....					
Insurance.....	2,274	758	15	5	
Telephone.....	13,565	5,845	740	214	763
Printing and Postage.....	11,295	1,154	469	103	1,079
Training.....	17,482	1,313		146	
Advertising.....	23,376	1,939			
Computer Costs.....	3,808	2,809	1,549	205	
Assistance to Individuals.....	66,609	4,890	114		
Outreach Services.....					
Other Costs.....	3,081	2,750			
In-Kind Expenses.....	273,370	49,817			
Total Expenses Before Allocation of Indirect Costs	864,797	230,990	40,197	14,689	64,833
Allocation of Indirect Costs.....	54,798	19,527	4,715	1,743	7,547
Total Expenses	<u>919,595</u>	<u>250,517</u>	<u>44,912</u>	<u>16,432</u>	<u>72,380</u>
Transfer to Other Funds.....	(12,205)				
Change in Net Assets.....	(23,521)	0	0	0	2,380
Net Assets, October 1,.....	23,521				8,978
Net Assets, September 30,	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,358</u>

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

For the Year Ended September 30, 2013

	Buena Vista, Sac, and Crawford Early Childhood Iowa		Linking Families and Communities	
	6-30-13	6-30-14	6-30-13	6-30-14
Revenue:				
Governmental Funding Sources:				
Iowa Department of Human Rights.	\$	\$	\$	\$
Iowa Department of Education.....				
Iowa Department of Human Services.....				
Iowa Department of Public Health.....				
Iowa Department of Agriculture and Land Stewardship.				
In-Kind Contributions.				
Early Childhood Iowa Funds.	50,842	8,312	50,260	12,361
Public Support and Donations.				
Other Income.				
	<u>50,842</u>	<u>8,312</u>	<u>50,260</u>	<u>12,361</u>
Expense:				
Salaries and Wages.....	13,304	4,098	20,609	7,303
Fringe Benefits.....	6,819	2,265	5,293	1,818
Professional and Contract Service Fees.				
Travel.	1,483	410	4,834	1,317
Space Costs.				
Supplies.	1,310	81	1,850	137
Equipment Purchase/Lease.....				
Depreciation.				
Insurance.	15	5		
Telephone.....	1,048	375	990	351
Printing and Postage.....	609	25	630	58
Training.	25		255	
Advertising.				
Computer Costs.	477	162	134	100
Assistance to Individuals.	22,935		12,039	
Outreach Services.....				
Other Costs.....				
In-Kind Expenses.....				
Total Expenses Before Allocation of Indirect Costs	<u>48,025</u>	<u>7,421</u>	<u>46,634</u>	<u>11,084</u>
Allocation of Indirect Costs.....	<u>2,817</u>	<u>891</u>	<u>3,626</u>	<u>1,277</u>
Total Expenses	<u>50,842</u>	<u>8,312</u>	<u>50,260</u>	<u>12,361</u>
Transfer to Other Funds.				
Change in Net Assets.	0	0	0	0
Net Assets, October 1,				
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, 2013

	Early Childhood North Central IA		Siouxland Human Investment Partnership		Building Families
	6-30-13	6-30-14	6-30-13	6-30-14	6-30-13
Revenue:					
Governmental Funding Sources:					
Iowa Department of Human Rights.....	\$	\$	\$	\$	\$
Iowa Department of Education.....					
Iowa Department of Human Services.....					
Iowa Department of Public Health.....					
Iowa Department of Agriculture and Land Stewardship. . .					
In-Kind Contributions.....					
Early Childhood Iowa Funds.....	56,665	9,896	11,826	2,816	19,636
Public Support and Donations.....					
Other Income.....					
	<u>56,665</u>	<u>9,896</u>	<u>11,826</u>	<u>2,816</u>	<u>19,636</u>
Expense:					
Salaries and Wages.....	2,066	109	493	876	399
Fringe Benefits.....	910	(37)	241	542	221
Professional and Contract Service Fees.....	28,637	9,800			
Travel.....					
Space Costs.....					
Supplies.....			446		
Equipment Purchase/Lease.....					
Depreciation.....					
Insurance.....					
Telephone.....					
Printing and Postage.....					
Training.....					
Advertising.....					
Computer Costs.....					
Assistance to Individuals.....	24,635	14	10,543	1,200	18,929
Outreach Services.....					
Other Costs.....					
In-Kind Expenses.....					
Total Expenses Before Allocation of Indirect Costs	<u>56,248</u>	<u>9,886</u>	<u>11,723</u>	<u>2,618</u>	<u>19,549</u>
Allocation of Indirect Costs.....	417	10	103	198	87
Total Expenses	<u>56,665</u>	<u>9,896</u>	<u>11,826</u>	<u>2,816</u>	<u>19,636</u>
Transfer to Other Funds.....					
Change in Net Assets.....	0	0	0	0	0
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 -
FAMILY PRESERVATION AND STRENGTHENING PROGRAMS (CONTINUED)

For the Year Ended September 30, 2013

	<u>Iowa Farmers Market</u>		<u>Community Service Block Grant</u>	
	12-31-12	12-31-13	3-31-13	12-31-13
Revenue:				
Governmental Funding Sources:				
Iowa Department of Human Rights.	\$	\$	\$ 43,000	\$ 118,806
Iowa Department of Education.				
Iowa Department of Human Services.				
Iowa Department of Public Health.				
Iowa Department of Agriculture and Land Stewardship.	211	6,077		
In-Kind Contributions.				
Early Childhood Iowa Funds.				
Public Support and Donations.				
Other Income.				
	<u>211</u>	<u>6,077</u>	<u>43,000</u>	<u>118,806</u>
Expense:				
Salaries and Wages.	152	243	6,728	65,343
Fringe Benefits.	59	95	4,675	22,534
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.		5,739		
Outreach Services.			30,000	18,626
Other Costs.				
In-Kind Expenses.				
Total Expenses Before Allocation of Indirect Costs	<u>211</u>	<u>6,077</u>	<u>41,403</u>	<u>106,503</u>
Allocation of Indirect Costs.			1,597	12,303
Total Expenses	<u>211</u>	<u>6,077</u>	<u>43,000</u>	<u>118,806</u>
Transfer to Other Funds.				
Change in Net Assets.	0	0	0	0
Net Assets, October 1,				
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, 2013

	Local Funds	Family Preservation Fixed Assets	GAAP Differences	Total Family Preservation and Strength- ening Programs
Revenue:				
Governmental Funding Sources:				
Iowa Department of Human Rights.....	\$	\$	\$	\$ 161,806
Iowa Department of Education.....				442,588
Iowa Department of Human Services.....				834,644
Iowa Department of Public Health.....				1,892,809
Iowa Department of Agriculture and Land Stewardship.....				6,288
In-Kind Contributions.....			(323,187)	0
Early Childhood Iowa Funds.....				283,958
Public Support and Donations.....	101,968			101,968
Other Income.....				118,541
	<u>101,968</u>	<u>0</u>	<u>(323,187)</u>	<u>3,842,602</u>
Expense:				
Salaries and Wages.....				919,629
Fringe Benefits.....				337,857
Professional and Contract Service Fees.....				110,415
Travel.....				78,308
Space Costs.....				32,208
Supplies.....				59,350
Equipment Purchase/Lease.....				2,284
Depreciation.....		10,111		10,111
Insurance.....				8,529
Telephone.....				35,822
Printing and Postage.....				32,794
Training.....				22,375
Advertising.....				26,220
Computer Costs.....				18,077
Assistance to Individuals.....				1,801,227
Outreach Services.....	28,586			77,212
Other Costs.....				8,882
In-Kind Expenses.....			(323,187)	0
Total Expenses Before Allocation of Indirect Costs	<u>28,586</u>	<u>10,111</u>	<u>(323,187)</u>	<u>3,581,300</u>
Allocation of Indirect Costs.....				175,081
Total Expenses	<u>28,586</u>	<u>10,111</u>	<u>(323,187)</u>	<u>3,756,381</u>
Transfer to Other Funds.....		14,205		2,000
Change in Net Assets.....	73,382	4,094	0	88,221
Net Assets, October 1,.....	<u>147,029</u>	<u>16,234</u>		<u>266,465</u>
Net Assets, September 30,	<u>\$ 220,411</u>	<u>\$ 20,328</u>	<u>\$ 0</u>	<u>\$ 354,686</u>

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

For the Year Ended September 30, 2013

	<u>Head Start/Early Head Start</u>		Head Start/ Early Head Start and Shared Vision USDA Food Reimburse- ment
	2-28-13	2-28-14	
Revenue:			
Governmental Funding Sources:			
U.S. Department of Health and Human Services.....	\$ 1,021,505	\$ 1,107,781	\$
Iowa Department of Education.....			143,216
Iowa Department of Human Services.....			
In-Kind Contributions.....	369,406	376,945	
Public Support and Donations.....	7,609		
Other Income.....	<u>1,776</u>	<u>5,027</u>	
	1,400,296	1,489,753	<u>143,216</u>
Expense:			
Salaries and Wages.....	499,390	505,241	22,901
Fringe Benefits.....	226,735	248,833	12,481
Professional and Contract Service Fees.....	61,133	42,182	2,236
Travel.....	2,153	8,801	
Space Costs.....	41,563	62,923	207
Supplies.....	34,873	17,083	8,228
Depreciation.....			
Insurance.....	14,505	17,702	
Telephone.....	9,743	13,581	
Printing and Postage.....	4,071	8,306	
Utilities.....	7,954	8,964	
General Maintenance.....	1,209	10,015	
Vehicle Costs.....	19,581	31,708	
Computer Costs.....	6,069	10,477	
Training.....	3,145	8,580	
Assistance to Individuals.....	9,863	10,712	92,210
Other Costs.....	3	2,130	
In-Kind Expenses.....	<u>369,406</u>	<u>376,945</u>	
Total Expenses Before Allocation of Indirect Costs	1,311,396	1,384,183	138,263
Allocation of Indirect Costs.....	<u>101,655</u>	<u>105,570</u>	<u>4,953</u>
Total Expenses	1,413,051	1,489,753	143,216
Transfer to Other Funds.....			
Change in Net Assets.....	(12,755)	0	0
Carryforward Net Assets.....			
Net Assets, October 1,.....	<u>12,755</u>		
Net Assets, September 30,	<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, 2013

	Shared Vision Grants		Wrap-Around Grants	
	6-30-13	6-30-14	8-31-13	8-31-14
Revenue:				
Governmental Funding Sources:				
U.S. Department of Health and Human Services.	\$	\$	\$	\$
Iowa Department of Education.	52,020	8,709		
Iowa Department of Human Services.			64,757	6,185
In-Kind Contributions.	23,492	8,913		
Public Support and Donations.	900			
Other Income.				
	<u>76,412</u>	<u>17,622</u>	<u>64,757</u>	<u>6,185</u>
Expense:				
Salaries and Wages.	24,827	4,050	7,962	918
Fringe Benefits.	9,727	1,767	5,059	527
Professional and Contract Service Fees.	938	200	49,913	4,538
Travel.	494	96		
Space Costs.	5,123	1,281		
Supplies.	4,139	2,029		
Depreciation.				
Insurance.	644	193		
Telephone.	281	93		
Printing and Postage.	253	99		
Utilities.				
General Maintenance.				
Vehicle Costs.				
Computer Costs.				
Training.	369	16		
Assistance to Individuals.	396	32		
Other Costs.				
In-Kind Expenses.	<u>23,492</u>	<u>8,913</u>		
Total Expenses Before Allocation of Indirect Costs	70,683	18,769	62,934	5,983
Allocation of Indirect Costs.	<u>4,838</u>	<u>814</u>	<u>1,823</u>	<u>202</u>
Total Expenses	<u>75,521</u>	<u>19,583</u>	<u>64,757</u>	<u>6,185</u>
Transfer to Other Funds.				
Change in Net Assets.	891	(1,961)	0	0
Carryforward Net Assets.	(1,961)	1,961		
Net Assets, October 1,	<u>1,070</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 -
EDUCATIONAL SERVICES FOR THE DISADVANTAGED PROGRAMS (CONTINUED)

For the Year Ended September 30, 2013

	Miscellaneous Grants		Fixed Assets Utilized in Education Services	GAAP Differences	Total Educational Services for the Dis- advantaged Programs
	12-31-12	12-31-13			
Revenue:					
Governmental Funding Sources:					
U.S. Department of Health and Human Services.	\$	\$	\$	\$	\$ 2,129,286
Iowa Department of Education.					203,945
Iowa Department of Human Services.					70,942
In-Kind Contributions.				(697,682)	81,074
Public Support and Donations.					8,509
Other Income.	35	2,654			9,492
	<u>35</u>	<u>2,654</u>	<u>0</u>	<u>(697,682)</u>	<u>2,503,248</u>
Expense:					
Salaries and Wages.					1,065,289
Fringe Benefits.					505,129
Professional and Contract Service Fees.	35	2,654			163,829
Travel.					11,544
Space Costs.					111,097
Supplies.					66,352
Depreciation.			50,502		50,502
Insurance.					33,044
Telephone.					23,698
Printing and Postage.					12,729
Utilities.					16,918
General Maintenance.					11,224
Vehicle Costs.					51,289
Computer Costs.					16,546
Training.					12,110
Assistance to Individuals.					113,213
Other Costs.					2,133
In-Kind Expenses.				(697,682)	81,074
Total Expenses Before Allocation of Indirect Costs	35	2,654	50,502	(697,682)	2,347,720
Allocation of Indirect Costs.					219,855
Total Expenses	<u>35</u>	<u>2,654</u>	<u>50,502</u>	<u>(697,682)</u>	<u>2,567,575</u>
Transfer from Other Funds.					0
Change in Net Assets.	0	0	(50,502)	0	(64,327)
Carryforward Net Assets.					
Net Assets, October 1,			335,876		349,701
Net Assets, September 30,	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 285,374</u>	<u>\$ 0</u>	<u>\$ 285,374</u>

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

For the Year Ended September 30, 2013

	FADSS		LIHEAP	Home Energy Assistance Program	
	6-30-13	6-30-14		12-31-12	12-31-13
Revenue:					
Governmental Funding Sources:					
Iowa Department of Human Rights.	\$ 102,177	\$ 31,462	\$ 1,136,717	\$ 138,807	\$ 178,018
U.S. Department of Housing and Urban Development.					
Public Support and Donations.					
Other Income.	64			(18,085)	29,600
	<u>102,241</u>	<u>31,462</u>	<u>1,136,717</u>	<u>120,722</u>	<u>207,618</u>
Expense:					
Salaries and Wages.	48,558	16,341	58,930	28,909	18,889
Fringe Benefits.	21,653	4,393	22,503	10,087	7,784
Professional and Contract Service Fees.				21,623	99,168
Travel.	8,378	4,281	1,731	129	635
Space Costs.	2,940	651	7,537	1,313	1,851
Supplies.	2,924	396	3,073	409	2,075
Depreciation.					
Insurance.	290	96	264	687	874
Telephone.	2,773	919	3,156	775	1,457
Printing and Postage.	122	58	3,223	137	409
General Maintenance.					
Vehicle Costs.				(62)	766
Computer Costs.	3,915	1,389	8,174	984	2,151
Training.	783	35	175	6,842	4,305
Assistance to Individuals.			1,016,550		
Other Costs.	75			61,515	34,945
Total Expenses Before Allocation of Indirect Costs	<u>92,411</u>	<u>28,559</u>	<u>1,125,316</u>	<u>133,348</u>	<u>175,309</u>
Allocation of Indirect Costs.	9,830	2,903	11,401	5,459	3,734
Total Expenses	<u>102,241</u>	<u>31,462</u>	<u>1,136,717</u>	<u>138,807</u>	<u>179,043</u>
Change in Net Assets.	0	0	0	(18,085)	28,575
Net Assets, October 1,				18,085	
Net Assets, September 30,	\$ 0	\$ 0	\$ 0	\$ 0	\$ 28,575

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

For the Year Ended September 30, 2013

	Utility Fund	U. S. Department of Energy Weatherization Assistance for Low-Income Persons DOE		Inventory Contract
		12-31-13	3-31-14	
Revenue:				
Governmental Funding Sources:				
Iowa Department of Human Rights.	\$	\$ 28,925	\$ 74,504	\$
U.S. Department of Housing and Urban Development.				
Public Support and Donations.	17,068			
Other Income.				
	<u>17,068</u>	<u>28,925</u>	<u>74,504</u>	<u>0</u>
Expense:				
Salaries and Wages.		3,159		
Fringe Benefits.		2,238		
Professional and Contract Service Fees.		12,607	26,143	
Travel.		37		
Space Costs.		1,313		
Supplies.		10,910		
Depreciation.				
Insurance.		1,187		
Telephone.		1,314		
Printing and Postage.		250		
General Maintenance.				
Vehicle Costs.				
Computer Costs.		1,064		
Training.				
Assistance to Individuals.	12,132			
Other Costs.		(12,235)	48,361	
Total Expenses Before Allocation of Indirect Costs	<u>12,132</u>	<u>21,844</u>	<u>74,504</u>	<u>0</u>
Allocation of Indirect Costs.		756		
Total Expenses	<u>12,132</u>	<u>22,600</u>	<u>74,504</u>	<u>0</u>
Change in Net Assets.	4,936	6,325	0	0
Net Assets, October 1,	<u>36,631</u>	<u>(6,325)</u>		<u>17,855</u>
Net Assets, September 30,	<u>\$ 41,567</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,855</u>

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

For the Year Ended September 30, 2013

	Emergency Solutions Grant 12-31-12	Crisis Fund	Utility Weatherization Programs	
			MEC 12-31-13	IPL 12-31-13
Revenue:				
Governmental Funding Sources:				
Iowa Department of Human Rights.	\$	\$	\$ 61,918	\$ 30,421
U.S. Department of Housing and Urban Development.	13,153			
Public Support and Donations.		64,821		
Other Income.				
	<u>13,153</u>	<u>64,821</u>	<u>61,918</u>	<u>30,421</u>
Expense:				
Salaries and Wages.	1,918		6,703	2,966
Fringe Benefits.	564		2,234	988
Professional and Contract Service Fees.			24,754	11,763
Travel.	248			
Space Costs.				
Supplies.				
Depreciation.				
Insurance.				
Telephone.				
Printing and Postage.				
General Maintenance.				
Vehicle Costs.				
Computer Costs.				
Training.				
Assistance to Individuals.	10,076	77,260		
Other Costs.			26,976	14,150
Total Expenses Before Allocation of Indirect Costs	<u>12,806</u>	<u>77,260</u>	<u>60,667</u>	<u>29,867</u>
Allocation of Indirect Costs.	347		1,251	554
Total Expenses	<u>13,153</u>	<u>77,260</u>	<u>61,918</u>	<u>30,421</u>
Change in Net Assets.	0	(12,439)	0	0
Net Assets, October 1,		115,296		
Net Assets, September 30,	<u>\$ 0</u>	<u>\$ 102,857</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, 2013

	Miscel- laneous Grants 12-31-13	Fixed Assets Utilized in Crisis Intervention	GAAP Differences	Total Crisis Intervention and Prevention Programs
Revenue:				
Governmental Funding Sources:				
Iowa Department of Human Rights.	\$	\$	\$ 12,453	\$ 1,795,402
U.S. Department of Housing and Urban Development.				13,153
Public Support and Donations.				81,889
Other Income.	191,952		(10,490)	193,041
	<u>191,952</u>	<u>0</u>	<u>1,963</u>	<u>2,083,485</u>
Expense:				
Salaries and Wages.	5,393			191,766
Fringe Benefits.	1,798			74,242
Professional and Contract Service Fees.				196,058
Travel.				15,439
Space Costs.				15,605
Supplies.				19,787
Depreciation.		9,306		9,306
Insurance.				3,398
Telephone.				10,394
Printing and Postage.				4,199
General Maintenance.	3,000			3,000
Vehicle Costs.				704
Computer Costs.				17,677
Training.				12,140
Assistance to Individuals.	178,014		12,453	1,306,485
Other Costs.			(10,490)	163,297
Total Expenses Before Allocation of Indirect Costs	<u>188,205</u>	<u>9,306</u>	<u>1,963</u>	<u>2,043,497</u>
Allocation of Indirect Costs.	<u>1,007</u>			<u>37,242</u>
Total Expenses	<u>189,212</u>	<u>9,306</u>	<u>1,963</u>	<u>2,080,739</u>
Change in Net Assets.	2,740	(9,306)	0	2,746
Net Assets, October 1,		<u>22,927</u>	<u>0</u>	<u>204,469</u>
Net Assets, September 30,	\$ <u>2,740</u>	\$ <u>13,621</u>	\$ <u>0</u>	\$ <u>207,215</u>

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

For the Year Ended September 30, 2013

	Management and General								Fund-raising and Community Development	
	Payroll Clearing	Internal Service Fund	Admin-istration	Agency AB Un-restricted	Agency Un-restricted	ICAA/ICAP* Grants	General Fixed Assets	GAAP Differences		Total
Revenue:										
Public Support and Donations.....	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 4,432
Interest Income.....	456				2,401				2,857	
Gain on Disposal of Assets.....							13,626		13,626	
Other Income.....		141,686			119,230	11,920		(252,898)	19,938	22,020
	456	141,686	0	0	121,631	11,920	13,626	(252,898)	36,421	26,452
Expense:										
Salaries and Wages.....		3,561	239,366						242,927	
Fringe Benefits.....		1,043	86,030		1,027				88,100	
Professional and Contract Service Fees.....		15	40,553	6,888		1,598			49,054	
Travel.....			13,343		12,114	84		(24,610)	931	107
Space Costs.....			256					(95,155)	(94,899)	
Supplies.....		(228)	9,661	9,724	9,703	1,327			30,187	16
Equipment Purchase/Lease.....		13,965							13,965	
Depreciation.....		36,140					20,123		56,263	
Insurance.....		7,278	13,975		89,839			(86,602)	24,490	
Telephone.....		354	8,529						8,883	57
Utilities.....		14,773							14,773	
Printing and Postage.....		7,265	5,230					(23,851)	(11,356)	1,398
General Maintenance.....		13,309		6,750					20,059	
Computer Costs.....		26,058	4,359					(22,680)	7,737	
Training.....					1,528				1,528	
Outreach Costs.....					1,250				1,250	
Other Costs.....			5,213		4,564				9,777	20,958
Total Expenses Before Allocation of Indirect Costs	0	123,533	426,515	23,362	120,025	3,009	20,123	(252,898)	463,669	22,536
Allocation of Indirect Costs.....		645	(432,823)						(432,178)	
Total Expenses	0	124,178	(6,308)	23,362	120,025	3,009	20,123	(252,898)	31,491	22,536
Transfer from (to) Other Funds.....			(6,308)		(27,092)		31,400		(2,000)	
Change in Net Assets.....	456	17,508	0	(23,362)	(25,486)	8,911	24,903	0	2,930	3,916
Net Assets, October 1.....	46,659	341,842		71,403	317,661	0	73,970		851,535	87,999
Net Assets, September 30,	<u>\$ 47,115</u>	<u>\$ 359,350</u>	<u>\$ 0</u>	<u>\$ 48,041</u>	<u>\$ 292,175</u>	<u>\$ 8,911</u>	<u>\$ 98,873</u>	<u>\$ 0</u>	<u>\$ 854,465</u>	<u>\$ 91,915</u>

*Iowa Community Action Association/Iowa Community Action Partnership

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

For the Year Ended September 30, 2013

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	07CH6102/46	\$ 1,021,505
Head Start/Early Head Start.	93.600	07CH6102/47	<u>1,107,781</u>
Total Direct Awards Expended			2,129,286
Iowa Department of Public Health:			
Maternal and Child Health Services Block Grant to the States.	93.994	5883MH18	85,423
Maternal and Child Health Services Block Grant to the States.	93.994	5883DH05	12,000
Iowa Department of Human Services:			
Child Care and Development Block Grant.	93.575	ACFS-12-093	590,825
Child Care and Development Block Grant.	93.575	DCFS-09-089-18	70,942
Siouxland Human Investment Partnership:			
Child Care and Development Block Grant.	93.575	1346-T	11,826
Child Care and Development Block Grant.	93.575	1448-T	2,816
Northwest Early Childhood Iowa:			
Child Care and Development Block Grant.	93.575		44,912
BVCS Early Childhood Iowa:			
Child Care and Development Block Grant.	93.575		50,842
Linking Families and Communities:			
Child Care and Development Block Grant.	93.575		50,260
Early Childhood North Central Iowa Area Board:			
Child Care and Development Block Grant.	93.575		56,655
Iowa Department of Human Rights:			
Temporary Assistance for Needy Families.	93.558	FADSS-13-06	55,176
Temporary Assistance for Needy Families.	93.558	FADSS-14-06	15,102
Low Income Home Energy Assistance.	93.568	LIHEAP-13-06	1,136,717
Low Income Home Energy Assistance.	93.568	HEAP-12-06	138,806
Low Income Home Energy Assistance.	93.568	HEAP-13-06	178,018
Community Services Block Grant.	93.569	CSBG-12-06	43,000
Community Services Block Grant.	93.569	CSBG-13-06	<u>118,806</u>
			2,662,126
U.S. Department of Agriculture:			
Iowa Department of Public Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children.	10.557	5883A039	1,626,446
Iowa Department of Agriculture and Land Stewardship:			
WIC Farmers' Market Nutrition Program.	10.572		<u>6,123</u>
			1,632,569
U.S. Department of Education:			
Iowa Department of Education:			
Child and Adult Care Food Program.	10.558	75-8012	441,821
Child and Adult Care Food Program.	10.558	75-8010	<u>143,216</u>
			585,037

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

For the Year Ended September 30, 2013

Grantor/Program	CFDA Number	Agency or Pass-Through Entity Number	Program Expenditures
U.S. Department of Housing and Urban Development:			
Iowa Finance Authority:			
Emergency Solutions Grant Program.....	14.231		\$ 13,154
U.S. Department of Energy:			
Iowa Department of Human Rights:			
Weatherization Assistance for Low-Income Persons.....	81.042	DOE-12-06	22,600
Weatherization Assistance for Low-Income Persons.....	81.042	DOE-13-06	<u>74,504</u>
			<u>97,104</u>
Total Indirect Awards Expended			<u>4,989,990</u>
Total Federal Awards Expended			<u>\$ 7,119,276</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	\$ 1,258,710
WIC Farmers' Market Nutrition Program Vouchers Rendered	<u>5,739</u>
	<u>\$ 1,264,449</u>

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

For the Year Ended September 30, 2013

	Actual	Original Budget
Receipts:		
Indirect Costs Allocated.	\$ 432,823	
Disbursements:		
Salaries and Wages.	239,366	\$ 233,720
Fringe Benefits.	86,030	85,790
Professional and Contract Service Fees.	40,553	40,565
Travel.	13,343	15,248
Space Costs.	256	300
Supplies.	9,661	9,823
Insurance.	13,975	13,981
Telephone.	8,529	9,405
Printing and Postage.	5,230	5,463
Computer Costs.	4,359	10,345
Other Costs.	<u>5,213</u>	<u>8,183</u>
Total Disbursements	<u>426,515</u>	<u>\$ 432,823</u>
Excess of Amounts Allocated Over Costs	<u>\$ 6,308</u>	

**MID-SIOUX OPPORTUNITY, INC.
 IOWA DEPARTMENT OF HUMAN RIGHTS -
 COMMUNITY SERVICE BLOCK GRANT (CSBG-12-06)
 SCHEDULE OF GRANT/CONTRACT ACTIVITY**

For the Period from October 1, 2012 to March 31, 2013

Receipts:

Governmental Funding Sources:	
Iowa Department of Human Rights.....	\$ 216,486

Disbursements:

Outreach Services.....	<u>216,486</u>
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Excess of Receipts Over Disbursements.....	0
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Fund Balance, October 1, 2012.....	<u> </u>
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Fund Balance, March 31, 2013	<u><u>0</u></u>
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MID-SIOUX OPPORTUNITY, INC.
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES -
HEAD START/EARLY HEAD START PROGRAM (07CH6102/46)
SCHEDULE OF GRANT/CONTRACT ACTIVITY

For the Year Ended February 28, 2013

	Actual	Original Budget
Receipts:		
Governmental Funding Sources:		
U.S. Department of Health and Human Services.....	\$ 2,270,029	
In-Kind Contributions.....	721,274	
Organization Contribution.....	8,033	
Other Income.....	<u>9,141</u>	
Total Receipts	3,008,477	
Disbursements:		
Grantor's Share:		
Salaries and Wages.....	1,089,260	\$ 1,081,522
Fringe Benefits.....	511,541	508,997
Professional and Contract Service Fees.....	95,468	102,097
Travel.....	9,583	9,439
Space Costs.....	86,176	84,783
Supplies.....	31,636	31,173
Depreciation.....	12,365	12,408
Insurance.....	32,395	31,965
Telephone.....	22,952	22,857
Printing and Postage.....	8,791	10,894
Utilities.....	16,733	16,740
Assistance to Individuals.....	13,290	7,784
Vehicle Costs.....	52,144	52,163
General Maintenance.....	14,184	14,184
Computer Costs.....	15,225	15,227
Training.....	7,079	7,036
Construction/Renovation.....	34,108	34,108
Other Costs.....	2,130	2,210
Indirect Costs.....	<u>224,112</u>	<u>224,442</u>
Total Grantor's Share	2,279,172	2,270,029
Grantee's Share:		
Salaries/Fringe.....	638,598	488,889
Contractual.....		15,340
Travel.....	7,448	10,651
Space Costs.....	40,420	30,280
Supplies.....	<u>34,806</u>	<u>13,820</u>
Total Grantee's Share	721,272	558,980
Contribution Expense.....	<u>21,219</u>	<u>21,219</u>
Total Disbursements	<u>3,021,663</u>	<u>\$ 2,850,228</u>
Excess of Disbursements Over Receipts.....	(13,186)	
Fund Balance, March 1, 2012.....	<u>13,186</u>	
Fund Balance, February 28, 2013	<u>\$ 0</u>	

MID-SIOUX OPPORTUNITY, INC.
IOWA DEPARTMENT OF HUMAN RIGHTS -
FAMILY DEVELOPMENT AND SELF-SUFFICIENCY (FADSS 13-06)
SCHEDULE OF GRANT/CONTRACT ACTIVITY

For the Year Ended June 30, 2013

Receipts:

Governmental Funding Sources:

Iowa Department of Human Rights.....	\$ 133,407
Public Support and Donations.....	<u>64</u>
Total Receipts	133,471

Disbursements:

Salaries and Wages.....	64,305
Fringe Benefits.....	27,907
Travel.....	10,291
Space Costs.....	3,956
Supplies.....	2,997
Telephone.....	4,051
Postage.....	172
Publications.....	75
Other Costs.....	6,807
Indirect Costs.....	<u>12,910</u>
Total Disbursements	<u>133,471</u>

Excess of Receipts Over Disbursements..... 0

Fund Balance, July 1, 2012.....

Fund Balance, June 30, 2013 \$ 0

**MID-SIOUX OPPORTUNITY, INC.
 IOWA DEPARTMENT OF HUMAN RIGHTS -
 LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP-13-06)
 SCHEDULE OF GRANT/CONTRACT ACTIVITY**

For the Year Ended September 30, 2013

	Actual	Original Budget
Receipts:		
Governmental Funding Sources:		
Iowa Department of Human Rights.	\$ 1,136,717	
Disbursements:		
Grantor's Share:		
Client Assistance:		
Regular.	822,302	\$ 945,839
ECIP.	55,867	55,867
Client Services.	15,590	15,590
Summer Deliverable Fuel.	139,020	139,020
Administration.	<u>103,938</u>	<u>103,938</u>
Total Disbursements	<u>1,136,717</u>	<u>\$ 1,260,254</u>
Excess of Receipts Over Disbursements.	0	
Fund Balance, October 1, 2012.	<u>0</u>	
Fund Balance, September 30, 2013	\$ <u>0</u>	

MID-SIOUX OPPORTUNITY, INC.
IOWA DEPARTMENT OF HUMAN RIGHTS -
HOME ENERGY ASSISTANCE WEATHERIZATION PROGRAM (HEAP 12-06)
SCHEDULE OF GRANT/CONTRACT ACTIVITY

For the Year Ended December 31, 2012

	Actual	Original Budget
Receipts:		
Governmental Funding Sources:		
Iowa Department of Human Rights.....	\$ 308,286	
Disbursements:		
Administration.....	15,665	\$ 15,889
Support.....	71,701	70,854
Labor.....	67,467	76,011
Materials.....	67,312	76,011
Health and Safety.....	68,345	55,719
Insurance.....	8,221	8,221
Training/Equipment.....	<u>9,575</u>	<u>25,061</u>
Total Disbursements	<u>308,286</u>	<u>\$ 327,766</u>
Excess of Receipts Over Disbursements.....	0	
Fund Balance, January 1, 2012.....	<u> </u>	
Fund Balance, December 31, 2012	<u>\$ 0</u>	

**MID-SIOUX OPPORTUNITY, INC.
 IOWA DEPARTMENT OF HUMAN RIGHTS -
 WEATHERIZATION ASSISTANCE (MEC 12-06)
 SCHEDULE OF GRANT/CONTRACT ACTIVITY**

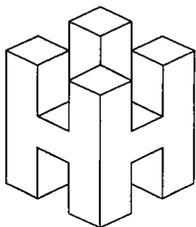
For the Year Ended December 31, 2012

	Actual	Original Budget
Receipts:		
Governmental Funding Sources:		
Iowa Department of Human Rights	\$ 77,785	
Disbursements:		
Administration.....	3,888	\$ 3,888
Support.....	7,774	7,779
Labor.....	32,964	33,059
Materials.....	<u>33,159</u>	<u>33,059</u>
Total Disbursements	<u>77,785</u>	<u>\$ 77,785</u>
Excess of Receipts Over Disbursements.....	0	
Fund Balance, January 1, 2012.....	<u>0</u>	
Fund Balance, December 31, 2012	<u>\$ 0</u>	

MID-SIOUX OPPORTUNITY, INC.
IOWA DEPARTMENT OF HUMAN RIGHTS -
WEATHERIZATION ASSISTANCE (IPL 12-06)
SCHEDULE OF GRANT/CONTRACT ACTIVITY

For the Year Ended December 31, 2012

	Actual	Original Budget
Receipts:		
Governmental Funding Sources:		
Iowa Department of Human Rights.....	\$ 30,421	
Disbursements:		
Administration.....	1,521	\$ 1,521
Support.....	3,030	3,042
Labor.....	11,372	12,929
Materials.....	<u>14,498</u>	<u>12,929</u>
Total Disbursements	<u>30,421</u>	<u>\$ 30,421</u>
Excess of Receipts Over Disbursements.....	0	
Fund Balance, January 1, 2012.....	<u> </u>	
Fund Balance, December 31, 2012	\$ <u> 0</u>	



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

CERTIFIED PUBLIC ACCOUNTANTS

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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, in accordance with the 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 MID-SIOUX, OPPORTUNITY, INC. (a non-profit organization), which comprise the statement of financial position as of September 30, 2013, 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 4, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mid-Sioux Opportunity, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mid-Sioux Opportunity, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency: II-A-13.

Compliance and Other Matters

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

Mid-Sioux Opportunity, Inc.'s Response to Findings

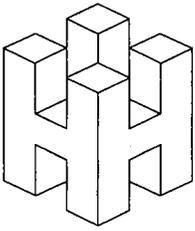
Mid-Sioux Opportunity, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Mid-Sioux Opportunity, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Henry, Connor, & Williams, P.C.
Certified Public Accountants

Sioux City, Iowa
February 4, 2014



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

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

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, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Mid-Sioux Opportunity, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Mid-Sioux Opportunity, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Mid-Sioux 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 of its major federal programs for the year ended September 30, 2013.

Report on Internal Control over Compliance

Management of Mid-Sioux Opportunity, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Mid-Sioux Opportunity, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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. *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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

Sioux City, Iowa
February 4, 2014

MID-SIOUX OPPORTUNITY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

Part I: Summary of the Independent Auditors' Results

- a. The auditor's report expresses an unmodified opinion on the financial statements.
- b. A significant deficiency disclosed during the audit of the financial statements is reported in the audit. No material weaknesses are reported.
- c. No instances of noncompliance material to the financial statements were disclosed during the audit.
- d. No significant deficiencies relating to the audit of the major federal award programs are reported in the audit.
- e. The auditor's report on compliance for the major federal award programs expresses an unmodified opinion on all major federal programs.
- f. The audit did not disclose audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
- g. The programs tested as major programs were:
 - CFDA # 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children
 - CFDA # 93.575 - Child Care and Development Block Grant
- h. The threshold used for distinguishing between Type A and B programs was \$300,000.
- i. Mid-Sioux Opportunity, Inc. was determined to be a low-risk auditee.

MID-SIOUX OPPORTUNITY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

Part II: Findings Related to the Financial Statements that are Required to be Reported in Accordance with Government Auditing Standards

Instances of Non-Compliance:

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

Significant Deficiency:

II-A-13 *GAAP In-Kind Contribution Revenue and Expense*

Condition: During the audit we identified a material adjustment to accurately report in-kind contribution revenue and expense in accordance with generally accepted accounting principles in the Agency's financial statements. An adjustment was subsequently made by the Agency to properly report GAAP in-kind in the financial statements.

Criteria: Grant matching awards do not qualify as GAAP in-kind.

Cause: Although the Agency has policies in place to review GAAP in-kind, one grant matching award was incorrectly classified as GAAP in-kind.

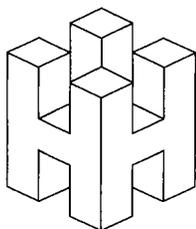
Effect: In-kind contribution revenue and expense was overstated in the financial statements as originally presented.

Recommendation: Procedures regarding the review of GAAP in-kind should be examined and followed.

Views of Responsible Officials and Planned Corrective Actions: Management has engaged a third party certified public accounting firm with extensive experience serving non-profit organizations to assist in preparing the GAAP financial statements. This relationship has been present since 2011. Management will strengthen its relationship with the third party firm to ensure that future statements are represented appropriately.

Part III: Findings and Questioned Costs Relative to the Major Federal Award Programs
None Reported

Part IV: Summary Schedule of Prior Audit Findings
None Reported



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

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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, 2013, and have issued our report thereon dated February 4, 2014. 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 5, 2013. 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 the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2013. 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 estimates affecting the financial statements were:

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. 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.

The financial statement disclosures are neutral, consistent, and clear.

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 misstatements identified during the audit, other than those that are clearly 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. The following material misstatement detected as a result of audit procedures was correct by management: decreased GAAP In-kind Contribution Revenue and Expense by \$80,751.

Disagreements with Management

For purposes of this letter, 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 February 4, 2014.

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 Matters

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.

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

Sioux City, Iowa
February 4, 2014

Mid-Sioux Opportunity, Inc.
 Passed Adjusting Journal Entries
 9/30/2013

1	Prepaid Expenses	11,580.51	
	Software Expense		8,152.91
	Supplies Expense		3,427.60

To pass adjustment to record prepaid expenses.

2	Accounts Receivable	12,371.99	
	Medicaid Revenue		12,371.99

To pass adjustment to record Medicaid receivables.

3	Contract/Empowerment In-Kind - Expense	10,136.79	
	Grantee Matching Contributions - Revenue		10,136.79

To pass adjustment to correct CCR&R in-kind to agree to supporting detail.

	Total Assets	Total Liabilities	Net Assets	Revenues	Expenses
Over (Under)	(23,953)	-	-	(22,509)	1,444
Prior Year Reversal	N/A	N/A	N/A	10,416	(18,683)
Total	(23,953)	-	-	(12,093)	(17,239)