

MID-SIOUX OPPORTUNITY, INC.
INDEPENDENT AUDITORS' REPORT
SEPTEMBER 30, 2014

MID-SIOUX OPPORTUNITY, INC.

SEPTEMBER 30, 2014

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MID-SIOUX OPPORTUNITY, INC.

OFFICIALS
SEPTEMBER 30, 2014

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

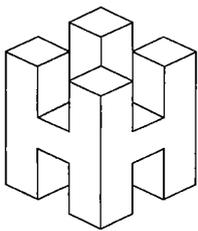
Dick Sievers - Executive Director

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
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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

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, 2014, 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, 2014, 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 2013 financial statements, and our report dated February 4, 2014, 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, 2013, 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 January 28, 2015 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
January 28, 2015

MID-SIOUX OPPORTUNITY, INC.
STATEMENT OF FINANCIAL POSITION

September 30, 2014
 With Summarized Financial Information for September 30, 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and Cash Equivalents.	\$ 842,716	\$ 762,457
Certificate of Deposit.	66,275	65,940
Accounts Receivable.	24,715	38,912
Grant Awards and Contracts Receivable.	694,042	693,371
Prepaid Expenses.	18,012	
Prepaid Fuel.	132,564	139,020
Marketable Securities.	4,837	4,313
Property and Equipment (Net).	<u>621,246</u>	<u>617,043</u>
 Total Assets	 <u>\$ 2,404,407</u>	 <u>2,321,056</u>
LIABILITIES AND NET ASSETS		
Accounts Payable.	\$ 236,240	\$ 205,032
Accrued Salaries and Benefits.	120,420	98,807
Compensated Absences.	28,403	25,154
Grant Advances.	<u>193,317</u>	<u>198,408</u>
Total Liabilities	578,380	527,401
 Net Assets:		
Unrestricted:		
Available for Programs.	770,986	754,257
Invested in Property and Equipment.	<u>261,431</u>	<u>297,720</u>
Total Unrestricted	1,032,417	1,051,977
Temporarily Restricted.	<u>793,610</u>	<u>741,678</u>
Total Net Assets	<u>1,826,027</u>	<u>1,793,655</u>
 Total Liabilities and Net Assets	 <u>\$ 2,404,407</u>	 <u>\$ 2,321,056</u>

MID-SIOUX OPPORTUNITY, INC.
STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2014

With Summarized Financial Information for Year Ended September 30, 2013

	Unrestricted	Temporarily Restricted	Totals	
			2014	2013
Revenues, Gains, and Other Support:				
Governmental Funding Sources:				
U.S. Department of Health and Human Services.	\$ 2,038,055	\$ 14,296	\$ 2,052,351	\$ 2,129,286
Iowa Finance Authority.			0	13,153
Iowa Department of Human Rights.	2,004,954		2,004,954	1,957,208
Iowa Department of Education.	600,559		600,559	646,533
Iowa Department of Human Services.	994,522		994,522	905,586
Iowa Department of Public Health.	1,848,490	38,500	1,886,990	1,892,809
Iowa Department of Agriculture and Land Stewardship.	8,100		8,100	6,288
In-Kind Contributions.	56,295		56,295	81,074
Early Childhood Iowa Funds.	288,310		288,310	283,958
Public Support and Donations.	101,836	52,910	154,746	196,798
Interest Income.	2,535		2,535	2,857
Gain on Disposal of Assets.	39,294		39,294	13,626
Other Income.	402,033		402,033	363,032
	<u>8,384,983</u>	<u>105,706</u>	<u>8,490,689</u>	<u>8,492,208</u>
Net Assets Released from Restrictions:				
Satisfaction of Program Requirements.	53,774	(53,774)	0	0
Total Revenues, Gains, and Other Support	8,438,757	51,932	8,490,689	8,492,208
Expenses:				
Program Services:				
Family Preservation and Strengthening.	3,862,420		3,862,420	3,756,381
Educational Services for the Disadvantaged.	2,403,876		2,403,876	2,567,575
Crisis Intervention and Prevention.	2,086,311		2,086,311	2,080,739
Management and General.	86,533		86,533	31,491
Fundraising.	19,177		19,177	22,536
Total Expenses	<u>8,458,317</u>	<u>0</u>	<u>8,458,317</u>	<u>8,458,722</u>
Change in Net Assets.	(19,560)	51,932	32,372	33,486
Net Assets, October 1,	<u>1,051,977</u>	<u>741,678</u>	<u>1,793,655</u>	<u>1,760,169</u>
Net Assets, September 30,	<u>\$ 1,032,417</u>	<u>\$ 793,610</u>	<u>\$ 1,826,027</u>	<u>\$ 1,793,655</u>

MID-SIOUX OPPORTUNITY, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2014

With Summarized Financial Information for Year Ended September 30, 2013

	Family Preservation and Strengthening	Educational Services for the Disadvantaged	Crisis Intervention and Prevention	All Programs Combined	Management and General	Fundraising	Totals	
							2014	2013
Salaries and Benefits:								
Salaries and Wages.....	\$ 985,059	\$ 1,004,971	\$ 194,050	\$ 2,184,080	\$ 251,434	\$	\$ 2,435,514	\$ 2,419,611
Fringe Benefits.....	<u>330,745</u>	<u>434,332</u>	<u>71,301</u>	<u>836,378</u>	<u>88,419</u>		<u>924,797</u>	<u>1,005,328</u>
Total Salaries and Benefits	1,315,804	1,439,303	265,351	3,020,458	339,853	0	3,360,311	3,424,939
Other Expenses:								
Professional and Contract Service Fees.....	113,831	128,025	178,956	420,812	102,589		523,401	519,356
Travel.....	79,528	13,421	15,036	107,985	1,197	11	109,193	106,329
Space Costs.....	31,240	116,382	20,421	168,043	(95,895)		72,148	64,011
Supplies.....	79,127	93,909	10,967	184,003	16,069		200,072	175,692
Equipment Purchase/Lease.....	914			914	12,214		13,128	16,249
Depreciation.....	11,489	51,670	9,306	72,465	61,981		134,446	126,182
Insurance.....	8,216	34,665	8,896	51,777	24,047		75,824	69,461
Telephone.....	38,557	25,094	11,209	74,860	8,344		83,204	78,854
Utilities.....		17,743		17,743	16,419		34,162	31,691
Printing and Postage.....	37,348	16,800	5,058	59,206	(11,469)	545	48,282	39,764
Training.....	81,548	21,519	4,401	107,468			107,468	48,153
Advertising.....	26,552			26,552			26,552	26,220
General Maintenance.....		17,065		17,065	20,332		37,397	34,283
Vehicle Costs.....		42,405	594	42,999			42,999	51,993
Computer Costs.....	28,877	27,064	17,872	73,813	(1,365)		72,448	60,037
Assistance to Individuals.....	1,746,993	99,153	1,322,500	3,168,646			3,168,646	3,220,925
Outreach Services.....	71,548			71,548	70		71,618	78,462
Loss on Disposal of Assets.....				0	3,493		3,493	0
Other Costs.....	7,451	2,163	178,596	188,210	10,399	18,621	217,230	205,047
In-Kind Expenses.....		<u>56,295</u>		<u>56,295</u>			<u>56,295</u>	<u>81,074</u>
Total Expenses Before Allocation of Indirect Costs	3,679,023	2,202,676	2,049,163	7,930,862	508,278	19,177	8,458,317	8,458,722
Allocation of Indirect Costs.....	<u>183,397</u>	<u>201,200</u>	<u>37,148</u>	<u>421,745</u>	<u>(421,745)</u>		<u>0</u>	<u>0</u>
Total Expenses	\$ <u>3,862,420</u>	\$ <u>2,403,876</u>	\$ <u>2,086,311</u>	\$ <u>8,352,607</u>	\$ <u>86,533</u>	\$ <u>19,177</u>	\$ <u>8,458,317</u>	\$ <u>8,458,722</u>

See accompanying notes

MID-SIOUX OPPORTUNITY, INC.
STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2014
 With Summarized Financial Information for Year Ended September 30, 2013

	2014	2013
Cash Flows from Operating Activities:		
Change in Net Assets.	\$ 32,372	\$ 33,486
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation.....	134,446	126,182
Realized and Unrealized Gain on Investments.....	(524)	(1,315)
Gain on Disposal of Property and Equipment.....	(35,801)	(13,626)
Change in Operating Assets and Liabilities:		
Accounts Receivable.....	14,197	5,935
Grant Awards and Contracts Receivable.....	(671)	(15,145)
Prepaid Expenses.....	(11,556)	12,453
Accounts Payable.....	31,208	20,038
Accrued Salaries and Benefits.....	21,613	13,899
Compensated Absences.....	3,249	1,027
Grant Advances.....	<u>(5,091)</u>	<u>(48,820)</u>
Net Cash Provided by Operating Activities.....	183,442	134,114
Cash Flows from Investing Activities:		
Proceeds from Disposal of Property and Equipment.....	40,000	16,600
Purchase of Certificates of Deposit.....	(335)	(459)
Purchase of Property and Equipment.....	<u>(142,848)</u>	<u>(83,901)</u>
Net Cash Used by Investing Activities.....	<u>(103,183)</u>	<u>(67,760)</u>
Net Increase in Cash.....	80,259	66,354
Cash, October 1,.....	<u>762,457</u>	<u>696,103</u>
Cash, September 30,	<u>\$ 842,716</u>	<u>\$ 762,457</u>

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, 2014, are as follows:

	Estimated Useful Lives	Cost	Accumulated Depreciation	Book Value
Land Improvements.....	15 years	\$ 37,745	\$ 17,857	\$ 19,888
Buildings.....	10-40 years	754,265	605,495	148,770
Leasehold Improvements.....	5-39 years	275,712	57,095	218,617
Equipment.....	5-15 years	217,863	142,267	75,596
Vehicles.....	5 years	856,163	697,789	158,374
		<u>\$ 2,141,748</u>	<u>\$ 1,520,503</u>	<u>\$ 621,245</u>

TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are as follows:

	Beginning Balance	New Restrictions	Released from Restrictions	Temporarily Restricted Net Assets 9-30-14
Women, Infants, and Children.....	\$ 0	\$ 1,601,202	\$ 1,601,202	\$ 0
Maternal Child Health.....	68,956	247,986	255,390	61,552
Child and Adult Care Food Program.....	7,502	393,108	398,756	1,854
School Based Dental Sealant.....	37,489	14,855	14,698	37,646
Child Care Resource and Referral.....	0	931,707	931,707	0
Northwest Iowa Early Childhood Iowa CNCC.....	0	60,766	60,766	0
Buena Vista, Sac, and Crawford Early Childhood Iowa.....	0	65,784	65,784	0
Linking Families and Communities.....	0	68,746	68,746	0
Early Childhood North Central Iowa.....	0	72,421	72,421	0
Siouxland Human Interest Partnership.....	0	11,673	11,673	0
Building Families.....	0	8,920	8,920	0
Iowa Farmers Market.....	0	8,100	8,100	0
Community Service Block Grant.....	0	206,684	206,684	0
Local Funds.....	220,411	65,556	26,128	259,839
Head Start.....	0	2,010,202	2,010,202	0
USDA Head Start.....	0	128,380	128,380	0
At Risk Child Development Grants.....	0	79,571	79,571	0
Wrap-Around Grants.....	0	62,815	62,815	0
Miscellaneous Education Grants.....	0	1,250	1,250	0
FADSS.....	0	144,089	144,089	0
LIHEAP.....	0	1,195,175	1,195,175	0
Home Energy Assistance.....	28,575	263,501	292,076	0
Utility Funds.....	41,567	26,981	13,499	55,049
DOE Weatherization.....	0	77,104	77,104	0
Inventory Contract.....	17,855			17,855
Crisis Fund.....	0	53,767	53,767	0
MEC Weatherization.....	0	102,712	102,712	0
IPL Weatherization.....	0	9,233	9,233	0
Administrative Grants.....	0	10,581	10,581	0
Fixed Assets Restricted for Use by:				
Women, Infant, and Children.....	7,764	46,991	8,648	46,107
Child Care Resources and Referral.....	12,564		2,841	9,723
Head Start.....	285,374	65,966	51,670	299,670
DOE.....	13,621		9,306	4,315
	<u>\$ 741,678</u>	<u>\$ 8,035,826</u>	<u>\$ 7,983,894</u>	<u>\$ 793,610</u>

IN-KIND CONTRIBUTIONS AND EXPENSES

Donated goods, facilities use, and services were as follows for the year ended September 30, 2014:

	<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.....	\$	\$ 13,842	\$ 13,842
Rent.....		32,476	32,476
Materials.....		6,780	6,780
Travel.....		3,197	3,197
	<u>\$ 0</u>	<u>\$ 56,295</u>	<u>\$ 56,295</u>
Not recognized in financial statements but allowed as program costs by grantors:			
Volunteer Services and Matching Funds	<u>\$ 380,876</u>	<u>\$ 911,632</u>	<u>\$ 1,292,508</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, 2014, was \$165,771.

The following is a summary of the required minimum lease payments under noncancellable operating leases as of September 30, 2014.

<u>Year Ended September 30,</u>	<u>Amount</u>
2015.....	\$ 15,758
2016.....	15,758
2017.....	13,968
2018.....	12,499
2019.....	3,125
	<u>\$ 61,108</u>

PENSION AND RETIREMENT BENEFITS

Employees of the Agency are covered by the Iowa Public Employee Retirement System (IPERS). Plan members were required to contribute 5.95% of their annual salary and the Agency was required to contribute 8.93% of annual payroll. Contribution requirements are established by state statute. The Agency's contribution to IPERS for the year ended September 30, 2014, was \$209,658.

The Agency is one of more than 2,100 Iowa governmental and nonprofit employers participating in the plan, which has plan assets exceeding \$31.3 billion as of June 30, 2014. 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 82.7% as of June 30, 2014, leaving an unfunded actuarial liability of \$5.544 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 2011, 2012, 2013, and 2014.

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 2013

The financial statements include certain 2013 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, 2013, from which the summarized information was derived.

Certain reclassifications have been made to the 2013 summarized financial information to conform to the current year presentation.

SUBSEQUENT EVENTS

In preparing the financial statements as of September 30, 2014, management considered the impact of subsequent events occurring through January 28, 2015, the date the financial statements were available to be issued, for potential recognition or disclosure in these financial statements.

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

For the Year Ended September 30, 2014

	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.			393,108	
Iowa Department of Human Services.				
Iowa Department of Public Health.	1,622,899	247,986		14,855
Iowa Department of Agriculture and Land Stewardship.				
In-Kind Contributions.				
Early Childhood Iowa Funds.				
Public Support and Donations.				
Gain on Disposal of Assets.				
Other Income.	13,878	80,912		24,716
	<u>1,636,777</u>	<u>328,898</u>	<u>393,108</u>	<u>39,571</u>
Expense:				
Salaries and Wages.	180,872	175,669	37,339	10,912
Fringe Benefits.	61,277	70,432	13,408	3,720
Professional and Contract Service Fees.	41,093	21,074	3,009	8,965
Travel.	6,153	3,654	2,818	3,037
Space Costs.	12,060	3,645	1,224	
Supplies.	10,808	10,884	2,314	9,099
Equipment Purchase/Lease.				
Depreciation.				
Insurance.	4,187	994	21	
Telephone.	8,458	3,507	808	
Printing and Postage.	6,490	10,082	2,741	1,632
Training.			3,702	
Advertising.	1,107	159	1,832	
Computer Costs.	5,707	1,657	678	
Assistance to Individuals.	1,240,913		321,672	
Outreach Services.				
Other Costs.	2,054	847	85	
In-Kind Expenses.				
Total Expenses Before Allocation of Indirect Costs	<u>1,581,179</u>	<u>302,604</u>	<u>391,651</u>	<u>37,365</u>
Allocation of Indirect Costs.	33,901	33,698	7,105	2,049
Total Expenses	<u>1,615,080</u>	<u>336,302</u>	<u>398,756</u>	<u>39,414</u>
Transfer (to) from Other Funds.	(21,697)			
Change in Net Assets.	0	(7,404)	(5,648)	157
Net Assets, October 1,		68,956	7,502	37,489
Net Assets, September 30,	<u>\$ 0</u>	<u>\$ 61,552</u>	<u>\$ 1,854</u>	<u>\$ 37,646</u>

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

For the Year Ended September 30, 2014

	Child Care Resource and Referral		Northwest Early Childhood Iowa CCNC	
	6-30-14	6-30-15	6-30-14	6-30-15
Revenue:				
Governmental Funding Sources:				
Iowa Department of Human Rights.	\$	\$	\$	\$
Iowa Department of Education.				
Iowa Department of Human Services.	700,457	231,250		
Iowa Department of Public Health.				
Iowa Department of Agriculture and Land Stewardship.				
In-Kind Contributions.	305,855	72,792		
Early Childhood Iowa Funds.			45,038	15,728
Public Support and Donations.				
Gain on Disposal of Assets.				
Other Income.				
	<u>1,006,312</u>	<u>304,042</u>	<u>45,038</u>	<u>15,728</u>
Expense:				
Salaries and Wages.	304,259	109,514	23,658	8,268
Fringe Benefits.	88,772	33,221	11,244	4,035
Professional and Contract Service Fees.				
Travel.	40,061	13,468	3,155	882
Space Costs.	10,733	3,578		
Supplies.	34,825	10,132	325	
Equipment Purchase/Lease.				
Depreciation.				
Insurance.	2,229	743	16	5
Telephone.	16,959	5,569	775	223
Printing and Postage.	10,118	4,293	466	102
Training.	30,886	3,635		325
Advertising.	22,586	868		
Computer Costs.	9,452	9,079	512	166
Assistance to Individuals.	73,168	14,087		
Outreach Services.				
Other Costs.	1,385	3,080		
In-Kind Expenses.	<u>305,855</u>	<u>72,792</u>		
Total Expenses Before Allocation of Indirect Costs	951,288	284,059	40,151	14,006
Allocation of Indirect Costs.	55,024	19,983	4,887	1,722
Total Expenses	<u>1,006,312</u>	<u>304,042</u>	<u>45,038</u>	<u>15,728</u>
Transfer (to) from 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, 2014

	Buena Vista, Sac, and Crawford Early Childhood Iowa		Linking Families and Communities	
	6-30-14	6-30-15	6-30-14	6-30-15
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.	57,384	8,400	54,021	14,725
Public Support and Donations.				
Gain on Disposal of Assets.				
Other Income.			450	
	<u>57,384</u>	<u>8,400</u>	<u>54,471</u>	<u>14,725</u>
Expense:				
Salaries and Wages.	13,184	4,347	22,898	8,128
Fringe Benefits.	6,646	2,209	8,295	3,239
Professional and Contract Service Fees.				
Travel.	1,020	304	3,894	980
Space Costs.				
Supplies.	391		318	31
Equipment Purchase/Lease.				
Depreciation.				
Insurance.	16	5		
Telephone.	916	309	775	258
Printing and Postage.	444	152	487	234
Training.				
Advertising.				
Computer Costs.	518	156	688	264
Assistance to Individuals.	31,473		12,749	
Outreach Services.				
Other Costs.				
In-Kind Expenses.				
Total Expenses Before Allocation of Indirect Costs	<u>54,608</u>	<u>7,482</u>	<u>50,104</u>	<u>13,134</u>
Allocation of Indirect Costs.	<u>2,776</u>	<u>918</u>	<u>4,367</u>	<u>1,591</u>
Total Expenses	<u>57,384</u>	<u>8,400</u>	<u>54,471</u>	<u>14,725</u>
Transfer (to) from 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, 2014

	Early Childhood North Central IA		Siouxland Human Investment Partnership	
	6-30-14	6-30-15	3-31-14	6-30-15
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.	60,596	11,825	8,330	3,343
Public Support and Donations.				
Gain on Disposal of Assets.				
Other Income.				
	<u>60,596</u>	<u>11,825</u>	<u>8,330</u>	<u>3,343</u>
Expense:				
Salaries and Wages.	2,146	1,017	(609)	2,268
Fringe Benefits.	745	248	(391)	664
Professional and Contract Service Fees.	29,400	10,290		
Travel.	102			
Space Costs.				
Supplies.				
Equipment Purchase/Lease.	914			
Depreciation.				
Insurance.				
Telephone.				
Printing and Postage.		93	14	
Training.				
Advertising.				
Computer Costs.				
Assistance to Individuals.	26,884		9,456	
Outreach Services.				
Other Costs.				
In-Kind Expenses.				
Total Expenses Before Allocation of Indirect Costs	<u>60,191</u>	<u>11,648</u>	<u>8,470</u>	<u>2,932</u>
Allocation of Indirect Costs.	405	177	(140)	411
Total Expenses	<u>60,596</u>	<u>11,825</u>	<u>8,330</u>	<u>3,343</u>
Transfer (to) from 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, 2014

	Building Families	Iowa Farmers Market		Community Service Block Grant	
	6-30-14	12-31-13	12-31-14	9-30-14	12-31-14
Revenue:					
Governmental Funding Sources:					
Iowa Department of Human Rights.	\$	\$	\$	\$ 68,000	\$ 138,684
Iowa Department of Education.					
Iowa Department of Human Services.					
Iowa Department of Public Health.					
Iowa Department of Agriculture and Land Stewardship.		63	8,037		
In-Kind Contributions.	2,229				
Early Childhood Iowa Funds.	8,920				
Public Support and Donations.					
Gain on Disposal of Assets.					
Other Income.					
	<u>11,149</u>	<u>63</u>	<u>8,037</u>	<u>68,000</u>	<u>138,684</u>
Expense:					
Salaries and Wages.		63	279	14,693	66,154
Fringe Benefits.			87	7,237	15,657
Professional and Contract Service Fees.					
Travel.					
Space Costs.					
Supplies.					
Equipment Purchase/Lease.					
Depreciation.					
Insurance.					
Telephone.					
Printing and Postage.					
Training.				43,000	
Advertising.					
Computer Costs.					
Assistance to Individuals.	8,920		7,671		
Outreach Services.					45,420
Other Costs.					
In-Kind Expenses.	2,229				
Total Expenses Before Allocation of Indirect Costs	<u>11,149</u>	<u>63</u>	<u>8,037</u>	<u>64,930</u>	<u>127,231</u>
Allocation of Indirect Costs.				3,070	11,453
Total Expenses	<u>11,149</u>	<u>63</u>	<u>8,037</u>	<u>68,000</u>	<u>138,684</u>
Transfer (to) from 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, 2014

	Local Funds	Family Preservation Fixed Assets	GAAP Differences	Total Family Preservation and Strength- ening Programs
Revenue:				
Governmental Funding Sources:				
Iowa Department of Human Rights.....	\$	\$	\$	\$ 206,684
Iowa Department of Education.....				393,108
Iowa Department of Human Services.....				931,707
Iowa Department of Public Health.....				1,885,740
Iowa Department of Agriculture and Land Stewardship.....				8,100
In-Kind Contributions.....			(380,876)	0
Early Childhood Iowa Funds.....				288,310
Public Support and Donations.....	65,556			65,556
Gain on Disposal of Assets.....		25,294		25,294
Other Income.....				119,956
	<u>65,556</u>	<u>25,294</u>	<u>(380,876)</u>	<u>3,924,455</u>
Expense:				
Salaries and Wages.....				985,059
Fringe Benefits.....				330,745
Professional and Contract Service Fees.....				113,831
Travel.....				79,528
Space Costs.....				31,240
Supplies.....				79,127
Equipment Purchase/Lease.....				914
Depreciation.....		11,489		11,489
Insurance.....				8,216
Telephone.....				38,557
Printing and Postage.....				37,348
Training.....				81,548
Advertising.....				26,552
Computer Costs.....				28,877
Assistance to Individuals.....				1,746,993
Outreach Services.....	26,128			71,548
Other Costs.....				7,451
In-Kind Expenses.....			(380,876)	0
Total Expenses Before Allocation of Indirect Costs	<u>26,128</u>	<u>11,489</u>	<u>(380,876)</u>	<u>3,679,023</u>
Allocation of Indirect Costs.....				183,397
Total Expenses	<u>26,128</u>	<u>11,489</u>	<u>(380,876)</u>	<u>3,862,420</u>
Transfer (to) from Other Funds.....		21,697		0
Change in Net Assets.....	39,428	35,502	0	62,035
Net Assets, October 1,.....	<u>220,411</u>	<u>20,328</u>		<u>354,686</u>
Net Assets, September 30,	<u>\$ 259,839</u>	<u>\$ 55,830</u>	<u>\$ 0</u>	<u>\$ 416,721</u>

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

For the Year Ended September 30, 2014

	<u>Head Start/Early Head Start</u>		Head Start/ Early Head Start and Shared Vision USDA Food Reimburse- ment
	2-28-14	2-28-15	
Revenue:			
Governmental Funding Sources:			
U.S. Department of Health and Human Services.....	\$ 1,012,559	\$ 1,039,792	\$
Iowa Department of Education.....			128,380
Iowa Department of Human Services.....			
Iowa Department of Public Health.....			
In-Kind Contributions.....	532,354	418,645	
Public Support and Donations.....	2,723	1,094	
Gain on Disposal of Assets.....			
Other Income.....	<u>3,038</u>	<u>3,309</u>	
	1,550,674	1,462,840	<u>128,380</u>
Expense:			
Salaries and Wages.....	448,100	492,282	21,222
Fringe Benefits.....	196,292	207,816	12,891
Professional and Contract Service Fees.....	36,271	33,601	1,147
Travel.....	3,452	9,301	
Space Costs.....	41,350	63,864	
Supplies.....	55,126	22,725	7,533
Depreciation.....			
Insurance.....	15,041	18,789	
Telephone.....	10,595	14,122	
Printing and Postage.....	10,520	5,080	
Utilities.....	8,390	9,353	
General Maintenance.....	8,104	8,961	
Vehicle Costs.....	19,063	23,342	
Computer Costs.....	17,373	9,691	
Training.....	3,709	16,152	
Assistance to Individuals.....	9,010	8,683	80,811
Other Costs.....	33	2,130	
In-Kind Expenses.....	<u>532,354</u>	<u>418,645</u>	
Total Expenses Before Allocation of Indirect Costs	1,414,783	1,364,537	123,604
Allocation of Indirect Costs.....	<u>90,215</u>	<u>98,013</u>	<u>4,776</u>
Total Expenses	1,504,998	1,462,550	128,380
Transfer (to) from Other Funds.....	<u>(45,676)</u>	<u>(290)</u>	
Change in Net Assets.....	0	0	0
Carryforward Net Assets.....			
Net Assets, October 1,.....			
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, 2014

	<u>Shared Vision Grants</u>		<u>Wrap-Around Grants</u>
	6-30-14	6-30-15	8-31-14
Revenue:			
Governmental Funding Sources:			
U.S. Department of Health and Human Services.....	\$	\$	\$
Iowa Department of Education.....	64,864	14,207	
Iowa Department of Human Services.....			62,815
Iowa Department of Public Health.....			
In-Kind Contributions.....	10,725	6,203	
Public Support and Donations.....	500		
Gain on Disposal of Assets.....			
Other Income.....			
	<u>76,089</u>	<u>20,410</u>	<u>62,815</u>
Expense:			
Salaries and Wages.....	28,078	7,221	8,068
Fringe Benefits.....	9,910	2,462	4,961
Professional and Contract Service Fees.....	1,087	611	47,962
Travel.....	297	121	
Space Costs.....	9,664	1,504	
Supplies.....	6,939	586	
Depreciation.....			
Insurance.....	647	188	
Telephone.....	286	91	
Printing and Postage.....	903	297	
Utilities.....			
General Maintenance.....			
Vehicle Costs.....			
Computer Costs.....			
Training.....	1,438	220	
Assistance to Individuals.....	598	51	
Other Costs.....			
In-Kind Expenses.....	<u>10,725</u>	<u>6,203</u>	
Total Expenses Before Allocation of Indirect Costs.....	70,572	19,555	60,991
Allocation of Indirect Costs.....	<u>5,017</u>	<u>1,355</u>	<u>1,824</u>
Total Expenses.....	<u>75,589</u>	<u>20,910</u>	<u>62,815</u>
Transfer (to) from Other Funds.....			
Change in Net Assets.....	500	(500)	0
Carryforward Net Assets.....	(500)	500	
Net Assets, October 1,.....			
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, 2014

	Miscellaneous Grants		Fixed Assets Utilized in Education Services	GAAP Differences	Total Educational Services for the Dis- advantaged Programs
	12-31-13	12-31-14			
Revenue:					
Governmental Funding Sources:					
U.S. Department of Health and Human Services.....	\$	\$	\$	\$	\$ 2,052,351
Iowa Department of Education.....					207,451
Iowa Department of Human Services.....					62,815
Iowa Department of Public Health.....		1,250			1,250
In-Kind Contributions.....				(911,632)	56,295
Public Support and Donations.....					4,317
Gain on Disposal of Assets.....			14,000		14,000
Other Income.....	2,346	11,000			19,693
	<u>2,346</u>	<u>12,250</u>	<u>14,000</u>	<u>(911,632)</u>	<u>2,418,172</u>
Expense:					
Salaries and Wages.....					1,004,971
Fringe Benefits.....					434,332
Professional and Contract Service Fees.....	1,591	5,755			128,025
Travel.....		250			13,421
Space Costs.....					116,382
Supplies.....		1,000			93,909
Depreciation.....			51,670		51,670
Insurance.....					34,665
Telephone.....					25,094
Printing and Postage.....					16,800
Utilities.....					17,743
General Maintenance.....					17,065
Vehicle Costs.....					42,405
Computer Costs.....					27,064
Training.....					21,519
Assistance to Individuals.....					99,153
Other Costs.....					2,163
In-Kind Expenses.....				(911,632)	56,295
Total Expenses Before Allocation of Indirect Costs	1,591	7,005	51,670	(911,632)	2,202,676
Allocation of Indirect Costs.....					201,200
Total Expenses	1,591	7,005	51,670	(911,632)	2,403,876
Transfer (to) from Other Funds.....		(6,000)	51,966		0
Change in Net Assets.....	755	(755)	14,296	0	14,296
Carryforward Net Assets.....	(755)	755			0
Net Assets, October 1,.....			285,374		285,374
Net Assets, September 30,	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 299,670</u>	<u>\$ 0</u>	<u>\$ 299,670</u>

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

For the Year Ended September 30, 2014

	FADSS		LIHEAP	Home Energy Assistance Program	
	6-30-14	6-30-15	9-30-14	12-31-13	12-31-14
Revenue:					
Governmental Funding Sources:					
Iowa Department of Human Rights.	\$ 107,382	\$ 36,707	\$ 1,195,175	\$ 162,038	\$ 101,463
Public Support and Donations.					
Other Income.	<u>1,855</u>	<u>1,500</u>		<u>(28,575)</u>	<u>29,112</u>
	<u>109,237</u>	<u>38,207</u>	<u>1,195,175</u>	<u>133,463</u>	<u>130,575</u>
Expense:					
Salaries and Wages.	55,189	18,841	57,947	16,181	19,065
Fringe Benefits.	20,401	7,979	19,626	4,656	5,160
Professional and Contract Service Fees.				46,067	56,070
Travel.	8,200	4,462	1,708	100	467
Space Costs.	1,953	651	6,349	4,995	4,625
Supplies.	4,775	(351)	2,224	391	1,466
Depreciation.					
Insurance.	285	95	260	6,076	1,453
Telephone.	3,468	1,207	3,491	809	1,138
Printing and Postage.	194	99	3,499	207	441
Vehicle Costs.				(155)	749
Computer Costs.	4,005	1,379	8,467	1,018	2,124
Training.	110	90		520	3,681
Assistance to Individuals.			1,080,744		
Other Costs.	<u>75</u>			<u>78,256</u>	<u>30,745</u>
Total Expenses Before Allocation of Indirect Costs	<u>98,655</u>	<u>34,452</u>	<u>1,184,315</u>	<u>159,121</u>	<u>127,184</u>
Allocation of Indirect Costs.	<u>10,582</u>	<u>3,755</u>	<u>10,860</u>	<u>2,917</u>	<u>3,391</u>
Total Expenses	<u>109,237</u>	<u>38,207</u>	<u>1,195,175</u>	<u>162,038</u>	<u>130,575</u>
Change in Net Assets.	0	0	0	(28,575)	0
Carryforward Net Assets.					
Net Assets, October 1,				<u>28,575</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, 2014

	Utility Fund	U. S. Department of Energy Weatherization Assistance		Inventory Contract
		3-31-14	3-31-15	
Revenue:				
Governmental Funding Sources:				
Iowa Department of Human Rights.	\$	\$ 9,098	\$ 68,006	\$
Public Support and Donations.	26,981			
Other Income.				
	<u>26,981</u>	<u>9,098</u>	<u>68,006</u>	<u>0</u>
Expense:				
Salaries and Wages.		15,344		
Fringe Benefits.		5,321		
Professional and Contract Service Fees.		8,314	23,303	
Travel.		99		
Space Costs.		848		
Supplies.		2,462		
Depreciation.				
Insurance.		727		
Telephone.		783		
Printing and Postage.		3		
Vehicle Costs.				
Computer Costs.		879		
Training.				
Assistance to Individuals.	13,499			
Other Costs.		(28,575)	44,703	
Total Expenses Before Allocation of Indirect Costs	<u>13,499</u>	<u>6,205</u>	<u>68,006</u>	<u>0</u>
Allocation of Indirect Costs.		2,893		
Total Expenses	<u>13,499</u>	<u>9,098</u>	<u>68,006</u>	<u>0</u>
Change in Net Assets.	13,482	0	0	0
Carryforward Net Assets.				
Net Assets, October 1,	<u>41,567</u>			<u>17,855</u>
Net Assets, September 30,	<u>\$ 55,049</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, 2014

	Crisis Fund	Utility Weatherization Programs		
		MEC		IPL
		12-31-13	12-31-14	12-31-14
Revenue:				
Governmental Funding Sources:				
Iowa Department of Human Rights.	\$	\$ 20,049	\$ 82,663	\$ 9,233
Public Support and Donations.	53,767			
Other Income.				
	<u>53,767</u>	<u>20,049</u>	<u>82,663</u>	<u>9,233</u>
Expense:				
Salaries and Wages.			5,998	623
Fringe Benefits.			3,230	335
Professional and Contract Service Fees.		10,533	30,344	4,325
Travel.				
Space Costs.			1,000	
Supplies.				
Depreciation.				
Insurance.				
Telephone.			313	
Printing and Postage.			615	
Vehicle Costs.				
Computer Costs.				
Training.				
Assistance to Individuals.	86,297			
Other Costs.		9,516	39,871	3,816
Total Expenses Before Allocation of Indirect Costs	<u>86,297</u>	<u>20,049</u>	<u>81,371</u>	<u>9,099</u>
Allocation of Indirect Costs.			1,292	134
Total Expenses	<u>86,297</u>	<u>20,049</u>	<u>82,663</u>	<u>9,233</u>
Change in Net Assets.	(32,530)	0	0	0
Carryforward Net Assets.				
Net Assets, October 1,	<u>102,857</u>			
Net Assets, September 30,	<u>\$ 70,327</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, 2014

	Miscellaneous Grants		Fixed Assets Utilized in Crisis Intervention	GAAP Differences	Total Crisis Intervention and Prevention Programs
	12-31-13	12-31-14			
Revenue:					
Governmental Funding Sources:					
Iowa Department of Human Rights.	\$	\$	\$	\$ 6,456	\$ 1,798,270
Public Support and Donations.					80,748
Other Income.	<u>3,956</u>	<u>147,886</u>	<u>0</u>	<u>189</u>	<u>155,923</u>
	3,956	147,886	0	6,645	2,034,941
Expense:					
Salaries and Wages.	124	4,738			194,050
Fringe Benefits.	41	4,552			71,301
Professional and Contract Service Fees.					178,956
Travel.					15,036
Space Costs.					20,421
Supplies.					10,967
Depreciation.			9,306		9,306
Insurance.					8,896
Telephone.					11,209
Printing and Postage.					5,058
Vehicle Costs.					594
Computer Costs.					17,872
Training.					4,401
Assistance to Individuals.	5,764	129,740		6,456	1,322,500
Other Costs.				189	178,596
Total Expenses Before Allocation of Indirect Costs	<u>5,929</u>	<u>139,030</u>	<u>9,306</u>	<u>6,645</u>	<u>2,049,163</u>
Allocation of Indirect Costs.	<u>23</u>	<u>1,301</u>	<u>0</u>	<u>0</u>	<u>37,148</u>
Total Expenses	<u>5,952</u>	<u>140,331</u>	<u>9,306</u>	<u>6,645</u>	<u>2,086,311</u>
Change in Net Assets.	(1,996)	7,555	(9,306)	0	(51,370)
Carryforward Net Assets.	(744)	744			0
Net Assets, October 1,	<u>2,740</u>		<u>13,621</u>		<u>207,215</u>
Net Assets, September 30,	<u>\$ 0</u>	<u>\$ 8,299</u>	<u>\$ 4,315</u>	<u>\$ 0</u>	<u>\$ 155,845</u>

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

For the Year Ended September 30, 2014

	Management and General								Fund- raising and Com- munity Devel- opment	
	Payroll Clearing	Internal Service Fund	Admin- istration	Agency AB Un- restricted	Agency Un- restricted	ICAA/ ICAP*	General Fixed Assets	GAAP Differ- ences		Total
Revenue:										
Public Support and Donations.....	\$	\$	\$	\$	\$	\$	\$	\$	\$ 0	\$ 4,125
Interest Income.....	396				2,139				2,535	
Other Income.....		142,738			186,108	25,617		(271,067)	83,396	23,065
	<u>396</u>	<u>142,738</u>	<u>0</u>	<u>0</u>	<u>188,247</u>	<u>25,617</u>	<u>0</u>	<u>(271,067)</u>	<u>85,931</u>	<u>27,190</u>
Expense:										
Salaries and Wages.....		2,840	248,594						251,434	
Fringe Benefits.....		1,051	84,119		3,249				88,419	
Professional and Contract Service Fees.....			44,694	426	57,737	669		(937)	102,589	
Travel.....			12,842		12,699	168		(24,512)	1,197	11
Space Costs.....			270	123				(96,288)	(95,895)	
Supplies.....	154	1,703	7,734	39	5,865	574			16,069	
Equipment Purchase/Lease.....		10,957	1,257						12,214	
Depreciation.....		36,502					25,479		61,981	
Insurance.....		8,127	12,354		103,633			(100,067)	24,047	
Telephone.....		372	7,972						8,344	
Utilities.....		16,419							16,419	
Printing and Postage.....		6,647	5,211			443		(23,770)	(11,469)	545
General Maintenance.....		20,332							20,332	
Computer Costs.....		19,371	4,757					(25,493)	(1,365)	
Assistance to Individuals.....				70					70	
Loss on Disposal of Assets.....		3,493							3,493	
Other Costs.....			5,358		5,041				10,399	18,621
Total Expenses Before Allocation of Indirect Costs	<u>154</u>	<u>127,814</u>	<u>435,162</u>	<u>658</u>	<u>188,224</u>	<u>1,854</u>	<u>25,479</u>	<u>(271,067)</u>	<u>508,278</u>	<u>19,177</u>
Allocation of Indirect Costs.....		545	(422,290)						(421,745)	
Total Expenses	<u>154</u>	<u>128,359</u>	<u>12,872</u>	<u>658</u>	<u>188,224</u>	<u>1,854</u>	<u>25,479</u>	<u>(271,067)</u>	<u>86,533</u>	<u>19,177</u>
Transfer (to) from Other Funds.....			<u>12,872</u>		<u>(16,990)</u>	<u>(12,872)</u>	<u>16,990</u>		<u>0</u>	<u>0</u>
Change in Net Assets.....	<u>242</u>	<u>14,379</u>	<u>0</u>	<u>(658)</u>	<u>(16,967)</u>	<u>10,891</u>	<u>(8,489)</u>	<u>0</u>	<u>(602)</u>	<u>8,013</u>
Net Assets, October 1,.....	<u>47,115</u>	<u>359,350</u>		<u>48,041</u>	<u>292,175</u>	<u>8,911</u>	<u>98,873</u>		<u>854,465</u>	<u>91,915</u>
Net Assets, September 30,	<u>\$ 47,357</u>	<u>\$ 373,729</u>	<u>\$ 0</u>	<u>\$ 47,383</u>	<u>\$ 275,208</u>	<u>\$ 19,802</u>	<u>\$ 90,384</u>	<u>\$ 0</u>	<u>\$ 853,863</u>	<u>\$ 99,928</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, 2014

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	07CH6102/47	\$ 1,012,559
Head Start/Early Head Start.	93.600	07CH6102/48	<u>1,039,792</u>
Total Direct Awards Expended			2,052,351
Iowa Department of Public Health:			
PPHF - Community Transformation Grants and National Dissemination and Support for Community Transformation Grants.	93.531		250
Assistance Programs for Chronic Disease Prevention and Control.	93.945		1,000
Maternal and Child Health Services Block Grant to the States.	93.994	5883MH18	128,939
Maternal and Child Health Services Block Grant to the States.	93.994	5883DH05	14,855
Iowa Department of Human Services:			
Child Care and Development Block Grant.. . . .	93.575	ACFS-12-093	831,252
Child Care and Development Block Grant.. . . .	93.575	DCFS-09-089-18	62,815
Siouxland Human Investment Partnership:			
Child Care and Development Block Grant.. . . .	93.575	1448-T	8,330
Buena Vista, Crawford, and Sac Early Childhood Iowa:			
Child Care and Development Block Grant.. . . .	93.575		6,470
Linking Families and Communities:			
Child Care and Development Block Grant.. . . .	93.575		6,344
Early Childhood North Central Iowa Area Board:			
Child Care and Development Block Grant.. . . .	93.575		4,649
Iowa Department of Human Rights:			
Temporary Assistance for Needy Families.	93.558	FADSS-14-06	51,544
Temporary Assistance for Needy Families.	93.558	FADSS-15-06	17,263
Low Income Home Energy Assistance.. . . .	93.568	LIHEAP-14-06	1,195,175
Low Income Home Energy Assistance.. . . .	93.568	HEAP-13-06	162,038
Low Income Home Energy Assistance.. . . .	93.568	HEAP-14-06	101,463
Community Services Block Grant.	93.569	CSBG-13-06	68,000
Community Services Block Grant.	93.569	CSBG-14-06	<u>138,684</u>
			2,799,071
U.S. Department of Agriculture:			
Iowa Department of Public Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children.	10.557	5884A039	1,636,777
Iowa Department of Agriculture and Land Stewardship:			
WIC Farmers' Market Nutrition Program.	10.572		7,972
Iowa Department of Education:			
Child and Adult Care Food Program.	10.558	75-8012	398,756
Child and Adult Care Food Program.	10.558	75-8010	<u>128,380</u>
			2,171,885

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

For the Year Ended September 30, 2014

Grantor/Program	CFDA Number	Agency or Pass-Through Entity Number	Program Expenditures
U.S. Department of Energy:			
Iowa Department of Human Rights:			
Weatherization Assistance for Low-Income Persons.....	81.042	DOE-13-06	\$ 9,098
Weatherization Assistance for Low-Income Persons.....	81.042	DOE-14-06	<u>68,006</u>
			<u>77,104</u>
Total Indirect Awards Expended			<u>5,048,060</u>
Total Federal Awards Expended			<u>\$ 7,100,411</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	\$ 1,227,035
Farmers' Market Nutrition Program Vouchers Rendered.	<u>7,671</u>
	<u>\$ 1,234,706</u>

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

For the Year Ended September 30, 2014

	Actual	Original Budget
Receipts:		
Indirect Costs Allocated.	\$ 422,290	
Other Income.	<u>12,872</u>	
Total Receipts	435,162	
Disbursements:		
Salaries and Wages.	248,593	\$ 241,557
Fringe Benefits.	84,119	78,488
Professional and Contract Service Fees.	44,694	41,317
Travel.	12,842	20,248
Space Costs.	270	270
Supplies.	7,735	9,764
Insurance.	12,354	14,000
Telephone.	7,972	8,599
Printing and Postage.	5,211	5,463
Computer Costs.	4,757	5,000
Other Costs.	<u>6,615</u>	<u>8,127</u>
Total Disbursements	<u>435,162</u>	<u>\$ 432,833</u>
Excess of Amounts Allocated Over Costs	<u>\$ 0</u>	

MID-SIOUX OPPORTUNITY, INC.
IOWA DEPARTMENT OF HUMAN RIGHTS -
COMMUNITY SERVICE BLOCK GRANT (CSBG-13-06)
SCHEDULE OF GRANT/CONTRACT ACTIVITY

For the Period from October 1, 2012 to September 30, 2014

Receipts:

Governmental Funding Sources:	
Iowa Department of Human Rights.....	\$ 186,806

Disbursements:

Other.....	43,000
Outreach Services.....	<u>143,806</u>
Total Disbursements	<u>186,806</u>

Excess of Receipts Over Disbursements.....	0
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Fund Balance, October 1, 2012.....	<u>0</u>
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Fund Balance, September 30, 2014	<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 (07CH6102/47)
SCHEDULE OF GRANT/CONTRACT ACTIVITY

For the Year Ended February 28, 2014

	Actual	Original Budget
Receipts:		
Governmental Funding Sources:		
U.S. Department of Health and Human Services.....	\$ 2,120,340	\$ 2,120,340
In-Kind Contributions.....	909,299	558,980
Organization Contribution.....	2,723	
Other Income.....	<u>8,065</u>	
Total Receipts	3,040,427	<u>2,679,320</u>
Disbursements:		
Grantor's Share:		
Salaries and Wages.....	953,341	942,909
Fringe Benefits.....	445,125	441,946
Professional and Contract Service Fees.....	78,453	78,081
Travel.....	12,253	12,134
Space Costs.....	90,679	89,101
Supplies.....	69,486	68,915
Depreciation.....	13,594	13,603
Insurance.....	32,743	32,557
Telephone.....	24,176	23,887
Printing and Postage.....	18,826	18,799
Utilities.....	17,354	17,358
Assistance to Individuals.....	19,722	18,640
Vehicle Costs.....	96,447	96,451
General Maintenance.....	18,119	17,927
Computer Costs.....	27,850	27,850
Training.....	12,289	12,125
Other Costs.....	2,163	2,163
Indirect Costs.....	<u>195,785</u>	<u>205,894</u>
Total Grantor's Share	2,128,405	2,120,340
Grantee's Share:		
Salaries/Fringe.....	775,545	488,889
Contractual.....	54,768	15,340
Travel.....	6,677	10,651
Space Costs.....	61,291	30,280
Supplies.....	<u>11,018</u>	<u>13,820</u>
Total Grantee's Share	909,299	558,980
Contribution Expense.....	<u>2,723</u>	<u>2,723</u>
Total Disbursements	<u>3,040,427</u>	<u>2,682,043</u>
Excess (Deficiency) of Receipts Over Disbursements.....	0	\$ (2,723)
Fund Balance, March 1, 2013.....	<u>0</u>	
Fund Balance, February 28, 2014	\$ <u>0</u>	

MID-SIOUX OPPORTUNITY, INC.
IOWA DEPARTMENT OF HUMAN RIGHTS -
FAMILY DEVELOPMENT AND SELF-SUFFICIENCY (FADSS 14-06)
SCHEDULE OF GRANT/CONTRACT ACTIVITY

For the Year Ended June 30, 2014

Receipts:

Governmental Funding Sources:	
Iowa Department of Human Rights.	\$ 138,844
Public Support and Donations.	<u>1,855</u>
Total Receipts	<u>140,699</u>

Disbursements:

Salaries and Wages.	71,530
Fringe Benefits.	24,793
Travel.	12,481
Space Costs.	2,604
Supplies.	5,172
Telephone.	4,387
Postage.	252
Publications.	75
Other Costs.	5,920
Indirect Costs.	<u>13,485</u>
Total Disbursements	<u>140,699</u>

Excess of Receipts Over Disbursements. 0

Fund Balance, July 1, 2013. 0

Fund Balance, June 30, 2014 \$ 0

MID-SIOUX OPPORTUNITY, INC.
IOWA DEPARTMENT OF HUMAN RIGHTS -
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP-14-06)
SCHEDULE OF GRANT/CONTRACT ACTIVITY

For the Year Ended September 30, 2014

	Actual	Original Budget
Receipts:		
Governmental Funding Sources:		
Iowa Department of Human Rights.	\$ 1,195,175	\$ 1,288,631
Disbursements:		
Grantor's Share:		
Client Assistance:		
Regular.	815,859	907,874
ECIP.	132,321	132,321
Client Services.	14,007	14,007
Summer Deliverable Fuel.	132,564	132,564
Administration.	<u>100,424</u>	<u>101,865</u>
Total Disbursements	<u>1,195,175</u>	<u>1,288,631</u>
Excess of Receipts Over Disbursements.	0	\$ <u>0</u>
Fund Balance, October 1, 2013.	<u>0</u>	
Fund Balance, September 30, 2014	\$ <u>0</u>	

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

For the Year Ended December 31, 2013

	Actual	Original Budget
Receipts:		
Governmental Funding Sources:		
Iowa Department of Human Rights	\$ 340,056	\$ 406,690
Other	<u>1,025</u>	<u> </u>
Total Receipts	341,081	406,690
Disbursements:		
Administration	16,672	20,494
Support	94,719	92,256
Labor	80,783	95,918
Materials	78,368	95,918
Health and Safety	60,493	71,270
Insurance	5,348	5,348
Training/Equipment	<u>4,698</u>	<u>25,486</u>
Total Disbursements	<u>341,081</u>	<u>406,690</u>
Excess of Receipts Over Disbursements	0	\$ <u> </u> 0
Fund Balance, January 1, 2013	<u> </u> 0	
Fund Balance, December 31, 2013	\$ <u> </u> 0	

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

For the Year Ended December 31, 2013

	Actual	Original Budget
Receipts:		
Governmental Funding Sources:		
Iowa Department of Human Rights.	\$ 189,480	\$ 189,480
Disbursements:		
Administration.	9,469	9,474
Health and Safety.	37,243	36,001
Support.	71,408	45,475
Labor.	38,576	49,265
Materials.	<u>32,784</u>	<u>49,265</u>
Total Disbursements	<u>189,480</u>	<u>189,480</u>
Excess of Receipts Over Disbursements.	0	\$ <u>0</u>
Fund Balance, January 1, 2013.	<u>0</u>	
Fund Balance, December 31, 2013	\$ <u>0</u>	

MID-SIOUX OPPORTUNITY, INC.
IOWA DEPARTMENT OF HUMAN RIGHTS -
WEATHERIZATION ASSISTANCE PROGRAM (DOE 13-06)
SCHEDULE OF GRANT/CONTRACT ACTIVITY

For the Period from August 1, 2013 to March 31, 2014

	Actual	Original Budget
Receipts:		
Governmental Funding Sources:		
Iowa Department of Human Rights.	\$ 83,602	\$ 83,602
Disbursements:		
Administration.....	9,098	9,098
Health and Safety.	11,000	14,901
Support.	28,575	19,297
Labor.	21,107	20,153
Materials.	<u>13,822</u>	<u>20,153</u>
Total Disbursements	<u>83,602</u>	<u>83,602</u>
Excess of Receipts Over Disbursements.....	0	\$ <u>0</u>
Fund Balance, August 1, 2013.	<u>0</u>	
Fund Balance, March 31, 2014	\$ <u>0</u>	

**MID-SIOUX OPPORTUNITY, INC.
 IOWA DEPARTMENT OF HUMAN RIGHTS -
 WEATHERIZATION ASSISTANCE (MEC 13-06)
 SCHEDULE OF GRANT/CONTRACT ACTIVITY**

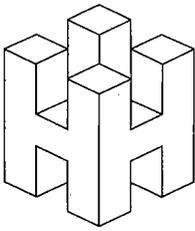
For the Year Ended December 31, 2013

	Actual	Original Budget
Receipts:		
Governmental Funding Sources:		
Iowa Department of Human Rights	\$ 81,967	\$ 81,967
Disbursements:		
Administration.....	4,098	4,098
Support	8,197	8,197
Labor.....	33,180	34,836
Materials.....	<u>36,492</u>	<u>34,836</u>
Total Disbursements	<u>81,967</u>	<u>81,967</u>
Excess of Receipts Over Disbursements.....	0	\$ <u>0</u>
Fund Balance, January 1, 2013.....	<u>0</u>	
Fund Balance, December 31, 2013	\$ <u>0</u>	

MID-SIOUX OPPORTUNITY, INC.
IOWA DEPARTMENT OF HUMAN RIGHTS -
WEATHERIZATION ASSISTANCE (IPL 13-06)
SCHEDULE OF GRANT/CONTRACT ACTIVITY

For the Year Ended December 31, 2013

	Actual	Original Budget
Receipts:		
Governmental Funding Sources:		
Iowa Department of Human Rights	\$ 30,421	\$ 30,421
Disbursements:		
Administration.....	1,521	1,521
Support.....	2,987	3,042
Labor.....	11,763	12,929
Materials.....	<u>14,150</u>	<u>12,929</u>
Total Disbursements	<u>30,421</u>	<u>30,421</u>
Excess of Receipts Over Disbursements.....	0	\$ <u>0</u>
Fund Balance, January 1, 2013.....	<u>0</u>	
Fund Balance, December 31, 2013	\$ <u>0</u>	



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

CERTIFIED PUBLIC ACCOUNTANTS

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FAX (712) 233-3431

**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, 2014, 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 January 28, 2015.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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.

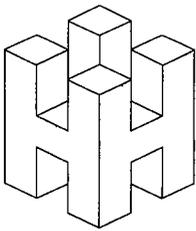
The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

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

Sioux City, Iowa
January 28, 2015



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

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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, 2014. 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, 2014.

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.

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

Sioux City, Iowa
January 28, 2015

MID-SIOUX OPPORTUNITY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Part I: Summary of the Independent Auditors' Results

- a. The auditor's report expresses an unmodified opinion on the financial statements.
- b. No significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements.
- 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 # 93.600 - Head Start
 - CFDA # 10.558 - Child and Adult Care Food Program
- 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, 2014

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.

Material Weakness:

No matters were reported.

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

Part IV: Summary Schedule of Prior Audit Findings

Significant Deficiency:

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

Condition: During the 2013 audit, a material adjustment was required to accurately report in-kind contribution revenue and expense in accordance with generally accepted accounting principles in the Agency's financial statements.

Recommendation: The auditor recommended that procedures regarding the review of GAAP in-kind should be examined and followed. Management concurred with the recommendation and indicated that the procedures would be implemented.

Current Status: The recommendation was adopted in February 2014. No similar findings were noted in the 2014 audit.