

**RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.**

**Indianola, Iowa**

**FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

**(OMB Circular A-133, Single Audit Report)**

**September 30, 2005 and 2004**

**(With Independent Auditor's Reports Thereon)**

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Indianola, Iowa

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## RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

**Board of Directors and Officers****Officers**

Dave Discher  
 Dave Reed  
 Beverly Dickerson

President  
 Vice-President  
 Secretary-Treasurer

**Board Members**

<u>County</u>	<u>Representing Private</u>	<u>Representing Government</u>	<u>Representing Low-Income</u>
Boone	Pat Triska	Dave Reed	Orvil Nelson
Jasper	Jody Elscott	Bill Ward	Jerry Sawin
Marion	Vacant	Vacant	Bill McDonald
Polk	Eva Howe	Dave Discher	Jerry Harmison
Warren	Vacant	Marvin Grace	Beverly Dickerson

**Management**

## Central Administrative Office

Bill Peppmeier  
 Laura Hudson

Richard Oosterhuis  
 Laverta Foust  
 Rob Foster

Boone County Center  
 Joyce O'Tool

Jasper County Center  
 Sue Eldred

Marion County Center  
 Nancy Hulgán

Polk County Center  
 Sharon Brooks

Warren County Center  
 Laurel Cogswell

Executive Director  
 Weatherization/Operations  
 Manager  
 Fiscal Manager  
 Energy Coordinator  
 Weatherization Evaluator

County Coordinator

County Coordinator

County Coordinator

County Coordinator

County Coordinator

CRAIG A. DITSWORTH, CPA  
WILLIAM H. BOORN, CPA  
DENNIS L. MUELLER, CPA  
DENNIS J. WAGNER, CPA  
STEPHEN L. KOEHN, CPA  
SUSAN K. CHANTLAND, CPA  
C. MARK LINCOLN, CPA  
JOHN E. ORTHAUS, CPA  
SCOTT W. MILLER, CPA  
WILLIAM J. BAUER, CPA  
WENDY G. WIEDNER, CPA  
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INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Red Rock Area Community Action Program, Inc.  
Indianola, Iowa

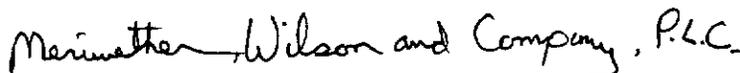
We have audited the accompanying Statements of Financial Position of Red Rock Area Community Action Program, Inc. (a nonprofit organization) as of September 30, 2005 and 2004, and the related Statements of Activities and Changes in Net Assets and Cash Flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Red Rock Area Community Action Program, Inc. as of September 30, 2005 and 2004, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated November 23, 2005, on our consideration of Red Rock Area Community Action Program, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations, and is not a required part of the basic financial statements. The additional supporting schedules that follow are presented for purposes of further analysis and also are not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
MERIWETHER, WILSON AND COMPANY, P.L.C.  
Certified Public Accountants

November 23, 2005  
West Des Moines, Iowa

## RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

## Statements of Financial Position

September 30,

	2005	2004 (As Restated)
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 158,664	161,207
Receivables	99,981	200,681
Prepaid Expenses	7,389	6,471
Total Current Assets	<u>266,034</u>	<u>368,359</u>
<b>Tenants' Security Deposits Held in Trust - Cash</b>	<u>3,229</u>	<u>3,521</u>
<b>Property and Equipment</b>		
Land	19,200	19,200
Buildings and Improvements	418,203	386,481
Vehicles	50,412	50,412
Furnishings and Equipment	238,212	199,989
	<u>726,027</u>	<u>656,082</u>
Accumulated Depreciation	387,964	351,017
Net Property and Equipment	<u>338,063</u>	<u>305,065</u>
Total Assets	<u>\$ 607,326</u>	<u>676,945</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 24,541	74,436
Mortgages Payable - Current Portion	12,955	12,093
Accrued Expenses	27,664	43,869
Deferred Revenue	1,720	1,660
Total Current Liabilities	<u>66,880</u>	<u>132,058</u>
<b>Deposit Liabilities - Tenants' Security Deposits</b>	<u>3,229</u>	<u>3,521</u>
<b>Long-Term Debt</b>		
Mortgages Payable, Net of Current Portion	<u>152,961</u>	<u>165,916</u>
Total Liabilities	<u>223,070</u>	<u>301,495</u>
<b>Net Assets</b>		
Unrestricted		
Designated for Programs and Counties	355,646	344,804
Undesignated	28,610	30,646
Total Net Assets	<u>384,256</u>	<u>375,450</u>
Total Liabilities and Net Assets	<u>\$ 607,326</u>	<u>676,945</u>

The accompanying notes are an integral part of these financial statements.

## RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

**Statements of Activities and Changes in Net Assets**

Years Ended September 30,

	Unrestricted	
	2005	2004 (As Restated)
<b>Support and Revenue</b>		
Government Grants and Contract Revenue	\$ 2,440,140	2,243,438
Project Income	75,032	68,172
Local Public Support	69,907	87,762
Contributions and Other Income	22,975	26,177
Interest	4,948	2,856
<b>Total Support and Revenue</b>	<u>2,613,002</u>	<u>2,428,405</u>
<b>Expenses</b>		
Low Income Home Energy Assistance Program	1,746,265	1,625,837
Community Services Block Grant	356,545	337,916
Transportation Program Services	203,009	189,016
County Funds	95,826	87,045
Homeless Shelter Operations Grants Program	42,742	12,866
Housing Programs	32,443	34,774
Emergency Food and Shelter National Board Program	32,022	33,587
I Care Fund	24,187	24,969
HEAP Weatherization - Start Up	20,095	--
HACAP Alliant I.E.	11,460	36,078
Emergency Shelter Grants Program	24,423	17,583
Chore Service Program	8,091	11,544
Other Programs	14,332	15,850
Undesignated Fund	13,310	30,466
<b>Total Expenses</b>	<u>2,624,750</u>	<u>2,457,531</u>
<b>Change in Net Assets Before Capital Additions</b>	(11,748)	(29,126)
<b>Capital Additions - Funds Provided for   Acquisitions of Capital Assets</b>	<u>20,554</u>	<u>4,966</u>
<b>Change in Net Assets</b>	8,806	(24,160)
<b>Net Assets at Beginning of Year (as Restated)</b>	<u>375,450</u>	<u>399,610</u>
<b>Net Assets at End of Year</b>	<u>\$ 384,256</u>	<u>375,450</u>

The accompanying notes are an integral part of these financial statements.

## RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

**Statements of Cash Flows**

Years Ended September 30,

	<u>2005</u>	<u>2004</u> <u>(As Restated)</u>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 8,806	(24,160)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operations - Depreciation	36,947	29,855
(Increase) Decrease in		
Receivables	100,700	(146,006)
Prepaid Expenses	(918)	2,848
Deposits Held in Trust	292	(108)
Increase (Decrease) in		
Accounts Payable	(49,895)	30,629
Accrued Expenses	(16,205)	21,242
Deferred Revenue	60	(942)
Tenants' Security Deposits	(292)	108
Net Cash Flows from Operating Activities	<u>79,495</u>	<u>(86,534)</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of Property and Equipment	<u>(69,945)</u>	<u>(90,415)</u>
<b>Cash Flows from Financing Activities</b>		
Repayments on Mortgages	<u>(12,093)</u>	<u>(9,478)</u>
<b>Decrease in Cash</b>	(2,543)	(186,427)
<b>Cash Balances - Beginning of Year</b>	<u>161,207</u>	<u>347,634</u>
<b>Cash Balances - End of Year</b>	<u>\$ 158,664</u>	<u>161,207</u>
<b>Supplemental Disclosure of Cash Flow Data</b>		
Cash Paid During the Years for		
Interest	<u>\$ 6,626</u>	<u>4,379</u>
Income Taxes	<u>\$ --</u>	<u>--</u>
<b>Non-Cash Investing Activities:</b>		
Acquisition of Building through Issuance of Mortgage	<u>\$ --</u>	<u>72,000</u>

The accompanying notes are an integral part of these financial statements.

## RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

**Notes to Financial Statements**

September 30, 2005 and 2004

**1. Nature of Activities****Reporting Entity**

Red Rock Area Community Action Program, Inc. (RRACAP) is a private nonprofit corporation organized and incorporated in 1976 under Chapter 504A of the Code of Iowa. RRACAP is a community action agency as defined in state law, and the mission of the Organization is to provide advocacy, coordination of services, access to other programs and direct services when necessary to meet the basic needs of the economically disadvantaged and others. RRACAP administers programs funded by federal, state, and local agencies for the benefit of eligible participants. The Organization serves five central Iowa counties and its main office is located in Indianola, Iowa. This report includes the financial statements of all programs (including general funds) administered by RRACAP.

Through September 30, 2004, management presented consolidated financial information for RRACAP and Boone County Opportunity Programs, Inc. During the year ended September 30, 2005, management determined that consolidation is no longer appropriate; as described in Note 6, the 2004 comparative financial statements have been restated for this change in reporting entity.

**2. Summary of Significant Accounting Policies**

The accompanying financial statements have been prepared in accordance with guidelines established for nonprofit organizations by the American Institute of Certified Public Accountants. The following describes the significant accounting policies.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Income Taxes**

RRACAP is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Chapter 504A of the Code of Iowa. RRACAP has been determined not to be "private foundations" within the meaning of Section 509A of the Internal Revenue Code.

**Financial Statement Presentation and Contributions**

The Organization reports financial information in accordance with Statements of Financial Accounting Standards (SFAS) Nos. 117 and 116. SFAS No. 117 requires the Organization to report information regarding its financial position and activities according to three classes of net assets, while SFAS No. 116 requires classification of contributions received as unrestricted, temporarily restricted, or permanently restricted depending on donor restrictions.

**Cash**

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents.

**Receivables**

Receivables, comprised primarily of reimbursements from grant award activities, are reported at net realizable value. All amounts are considered collectible and accordingly, no provision for bad debts has been recorded.

**Property and Equipment**

Use of unrestricted funds for property and equipment acquisitions are accounted for as transfers to the property and equipment fund. Proceeds from the sale of property and equipment assets, if unrestricted, are transferred to unrestricted net assets, or, if restricted, to restricted or temporarily restricted net assets for property and equipment acquisition.

Property and equipment are recorded at cost when purchased or at their fair value when contributed. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Property and equipment acquired with grantor funds is expensed to the appropriate program and capitalized through a direct charge to net assets.

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. When required, impairment losses on assets would be recognized based upon the fair value of the asset. During the years ended September 30, 2005 and 2004, no events or changes in circumstances indicated that the carrying values of long-lived assets might not be recoverable, and no impairment losses were recognized.

#### **Revenue Recognition**

Revenue from grant awards, contracts, and other services are recognized when earned. Revenue from grants and contracts is recognized only to the extent that they are expended in accordance with grantor designation. Any designated revenues which have been received but not expended, are classified as deferred revenue in the liability section of the accompanying Statement of Financial Position. Revenue from other support and donations is recognized when received.

#### **Contributed Services**

RRACAP receives a significant amount of services donated from unpaid volunteers assisting with various programs. No amounts have been recognized in the statement of activities because the criteria for recognition under SFAS No.116 have not been satisfied.

#### **Allocation of Expenses**

The Organization generally allocates building rent, telephones and utilities to program activities based on estimates of usage. Wage and benefit costs are allocated directly to programs benefited on the basis of time sheets. Other costs of operations are allocated based on estimates of usage or direct charges incurred.

#### **Financial Instruments**

The carrying amounts of current assets and liabilities approximate their fair values due to the short-term maturities of these financial instruments. The carrying amounts of mortgages payable and debt issued pursuant to the Company's bank credit agreements approximate fair value because the interest rates on these financial instruments approximate a market rate.

#### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

#### **Reclassifications**

Certain reclassifications to the 2004 financial statements have been made to conform to the 2005 presentation.

### **3. Principal Programs**

The following is a summary description of the principal programs administered by the Organization:

#### **Housing Programs**

The Organization has established a program to provide housing for low-income families. To fund this program, the Organization has received loans, grants and donations to purchase and maintain facilities for low-income housing.

#### **Community Services Block Grant (CSBG)**

Funded by the U.S. Department of Health and Human Services through the Iowa Department of Human Rights. The Organization used these funds primarily to cover operating and administrative expenses.

#### **Low Income Home Energy Assistance Program (LIHEAP)**

Funded by the U.S. Department of Health and Human Services through the Iowa Department of Human Rights. The program is established to aid low-income families and individuals in paying their household heating costs.

#### **Transportation Program Services**

Aging Resources administers Federal Title IIIB Funds. The Heart of Iowa Regional Transit Agency (HIRTA) administers State Transit Assistance Funds, FTA Operating Funds, and FTA Capital Funds. HIRTA has contracted Red Rock Area Community Action Program, Inc. to provide public transit services, which are open to the public without discrimination in Warren County. Other contracted funding includes Warren County Area Empowerment Board and Warren County Mental Health.

**Other Programs**

A summary of expenses of other programs administered by the Organization not specifically set forth on the Statement of Activities is as follows:

<u>Program Title</u>	<u>2005</u>	<u>2004</u>
Embrace Iowa	\$ 9,070	7,816
Project H.E.L.P.E.R.	2,347	2,168
Hunger Hike	1,740	1,776
Other Programs	1,175	4,090
	<u>\$ 14,332</u>	<u>15,850</u>

**4. Cash in Banks**

The Organization maintains bank accounts in several local banks and these balances may sometimes exceed the maximum amount insured by the Federal Deposit Insurance Corporation (\$100,000). At September 30, 2005, the Organization had deposits in excess of insured limits totaling \$123,375 (\$103,698 in 2004), which were held in a corporate cash management sweep account. Funds in this account are collateralized by U.S. Treasury Notes pledged by the bank.

**5. Concentration of Support**

In the year ended September 30, 2005, the Organization received approximately 93% (92% in 2004) of its support and revenue from governmental grants. A significant reduction in the level of government funding would have a major effect on the Organization's program activities.

**6. Change in Reporting Entity**

Prior to September 30, 2005, RRACAP presented consolidated financial statements showing the combined financial position and results of operations of RRACAP and Boone County Opportunity Programs, Inc. During the current year, management determined that consolidation was no longer appropriate. As a result of this change in reporting entity, the 2004 comparative financial statements and net assets as of September 30, 2003, have been restated as follows:

<u>Statement of Financial Position as of September 30, 2003:</u>	
	<u>Increase (Decrease)</u>
Cash	\$ (17,313)
Other Current Assets	2,280
Other Assets	(6,293)
Net Property and Equipment	<u>(186,432)</u>
Total Assets	<u>\$ (207,758)</u>
Current Liabilities	\$ (664)
Other Liabilities	(1,150)
Long-Term Debt, Net of Current Maturity	(179,164)
Net Assets	<u>(26,780)</u>
Total Liabilities and Net Assets	<u>\$ (207,758)</u>
<u>Net Assets as of September 30, 2003:</u>	
As Originally Presented	\$ 426,390
Effect of Changes Described Above	<u>(26,780)</u>
As Restated	<u>\$ 399,610</u>

Statement of Financial Position as of September 30, 2004:

	<u>Increase (Decrease)</u>
Cash	\$ (16,546)
Other Current Assets	10
Other Assets	(8,309)
Net Property and Equipment	<u>(192,157)</u>
<b>Total Assets</b>	<b><u>\$ (217,002)</u></b>
Current Liabilities	\$ (1,423)
Other Liabilities	(1,300)
Long-Term Debt, Net of Current Maturity	(178,428)
Net Assets	<u>(35,851)</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ (217,002)</u></b>

Statement of Activities for the Year Ended September 30, 2004:

Support and Revenue	\$ (50,759)
Expenses	<u>(41,688)</u>
Effect of Restatement on Change in Net Assets	(9,071)
Change in Net Assets as Originally Presented	<u>(15,089)</u>
Change in Net Assets as Restated	<b><u>\$ (24,160)</u></b>

**7. Receivables**

Receivables are summarized as follows:

<u>Due From</u>	<u>Program Activity</u>	<u>2005</u>	<u>2004</u>
Grant or Program Funds			
Iowa Institute for Community Alliances	Homeless Shelter Operations	\$ 17,905	9,624
Heart of Iowa Regional Transit Agency	Warren Transportation	2,325	2,325
City of Des Moines	Emergency Shelter Grant	8,919	1,417
Iowa Department of Human Rights	HEAP WX - Start Up	19,706	--
Iowa Department of Human Rights	LIHEAP	2,284	125,909
Iowa Department of Human Rights	CSBG	--	9,381
Other Receivables by Program Activity			
Undesignated Fund			
Marion County		20,007	19,016
Boone Co. Opportunity Programs, Inc.		3,259	672
Other		232	231
Warren Transportation		19,498	12,636
CSBG		2,910	2,910
Chore		1,555	92
County Funds		1,171	16,468
I Care		210	--
		<b><u>\$ 99,981</u></b>	<b><u>200,681</u></b>

8. **Property and Equipment**

Property and equipment are summarized as follows:

2005				
Type of Equipment	Cost	Depreciation Expense	Accumulated Depreciation	Undepreciated Cost
Program Equipment				
CSBG				
Office Equipment	\$ 19,575	2,414	13,318	6,257
LIHEAP				
Office Equipment	78,699	1,588	75,811	2,888
HEAP				
WX Equipment	16,504	275	275	16,229
Transportation				
Vans and Related Equipment	54,349	10	54,311	38
Chore				
Yard Equipment	6,135	317	4,753	1,382
Emergency Shelter				
Grants Program Office Equipment	2,668	--	2,668	--
Total Program Equipment	177,930	4,604	151,136	26,794
Low Income Housing				
Land	10,000	--	--	10,000
Buildings and Improvements	238,566	13,494	134,766	103,800
Furnishings	7,210	722	4,363	2,847
	255,776	14,216	139,129	116,647
Transitional Housing				
Land	2,000	--	--	2,000
Buildings and Improvements	23,121	666	20,533	2,588
	25,121	666	20,533	4,588
General Agency and Counties				
Land	7,200	--	--	7,200
Building and Improvements	156,516	8,336	9,391	147,125
Furnishings and Equipment	103,484	9,125	67,775	35,709
	267,200	17,461	77,166	190,034
Total Agency	\$ 726,027	36,947	387,964	338,063

2004

Type of Equipment	Cost	Depreciation Expense	Accumulated Depreciation	Undepreciated Cost
Program Equipment				
CSBG				
Office Equipment	\$ 17,876	2,248	10,904	6,972
LIHEAP				
Office Equipment	78,425	4,671	74,223	4,202
Transportation				
Vans and Related Equipment	54,349	2	54,301	48
Chore				
Yard Equipment	5,768	368	4,436	1,332
Emergency Shelter Grants Program				
Office Equipment	2,668	--	2,668	--
Total Program Equipment	159,086	7,289	146,532	12,554
Low Income Housing				
Land	10,000	--	--	10,000
Buildings and Improvements	238,566	13,470	121,272	117,294
Furnishings	4,807	455	3,641	1,166
	253,373	13,925	124,913	128,460
Transitional Housing				
Land	2,000	--	--	2,000
Buildings and Improvements	21,411	538	19,867	1,544
	23,411	538	19,867	3,544
General Agency and Counties				
Land	7,200	--	--	7,200
Building and Improvements	126,504	1,055	1,055	125,449
Furnishings and Equipment	86,508	7,048	58,650	27,858
	220,212	8,103	59,705	160,507
Total Agency	\$ 656,082	29,855	351,017	305,065

The program equipment and portions of the housing property were acquired with grant funds. Accordingly, the corresponding grantors retain a reversionary interest in such assets.

#### 9. Deferred Revenue

Amounts received and deferred to future periods are as follows:

Program Title	2005	2004
I Care Fund	\$ 739	792
Recare Midland	422	15
Transitional Housing (Rent Rec'd in Advance)	300	--
Project H.E.L.P.E.R.	155	135
Indianola Share	104	--
Emergency Food and Shelter National Board Program	--	718
	\$ 1,720	1,660

10. **Long-Term Debt**

Notes and mortgages payable are summarized as follows:

Lender	Date		Balance, Sept. 30,		Interest Rate	Repayment Basis
	Made	Due	2005	2004		
Commercial Federal Mortgage Corporation Boone, Iowa	03/15/95	06/06/07	\$ 34,628	44,605	7.25%	\$1,074 monthly applied first to interest then principal. \$16,322 balloon payment due on 6/6/07.
Community Bank of Boone Boone, Iowa	06/18/04	07/01/24	69,688	71,804	5.25%	\$486 monthly applied first to interest then to principal.
Iowa Department of Economic Development Des Moines, Iowa	12/27/94	12/31/12	61,600	61,600	--%	\$61,600 balloon payment due 12/31/12.
			<u>165,916</u>	<u>178,009</u>		
Less: Amount Classified as Current			<u>12,955</u>	<u>12,093</u>		
			<u>\$152,961</u>	<u>165,916</u>		

Assets mortgaged on the Commercial Federal and Iowa Department of Economic Development loans are comprised of land and apartment buildings acquired in 1995 at a cost of \$190,900. Assets mortgaged on the Boone Community Bank loan consist of land and a building acquired in June 2004 at a cost of \$72,000.

Interest expense for the year ended September 30, 2005, totaled \$6,577 (\$4,649 in 2004).

Scheduled repayments on long-term debt as of the most recent year-end are as follows:

	Total	Commercial Federal Mortgage Corporation	Community Bank of Boone	Iowa Department of Economic Development
2006	\$ 12,955	10,725	2,230	--
2007	26,253	23,903	2,350	--
2008	2,467	--	2,467	--
2009	2,609	--	2,609	--
2010	2,737	--	2,737	--
Thereafter	118,895	--	57,295	61,600
	<u>\$ 165,916</u>	<u>34,628</u>	<u>69,688</u>	<u>61,600</u>

11. **Lease Commitments**

The Organization leases administrative offices in several counties and office equipment. Most leases are written for one-year periods with options to renew. At September 30, 2005, the Organization had the following lease with terms in excess of one year:

	Commencement	Term
1009 South Jefferson, Indianola	10/01/04	10 Years

The lease requires monthly payments of \$1,210 plus an additional amount (initially \$290 per month) for operating expenses, including common area maintenance, property taxes and insurance. If the actual cost of the operating expenses exceeds the original estimated amount, the lessor may increase the estimated operating expenses on an annual basis up to a maximum of 12.5% per year. At September 30, 2005 and 2004, the monthly adjusted payment including rent and operating expenses totaled \$1,500.

Future minimum annual lease payments for leases with terms in excess of one year are summarized as follows as of the most recent year-end:

2006	\$ 14,520
2007	14,520
2008	14,520
2009	14,520
2010	14,520
Thereafter	<u>58,080</u>
	<u>\$ 130,680</u>

Total rent and lease expense for the year ended September 30, 2005, amounted to \$35,228 (\$37,095 in 2004).

**12. Employee Tax Sheltered Annuity Policies**

The Organization has purchased annuity policies from National Western Life Insurance Company and Massachusetts Mutual Life Insurance Company, on behalf of its employees for retirement benefits.

The Organization's contributions totaled \$0 and employee contributions totaled \$2,378 during the year ended September 30, 2005 (\$0 and \$7,105, respectively, in 2004).

**13. Iowa Public Employees Retirement System**

The Organization contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits that are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information.

Plan members are required to contribute 3.70% of their annual covered salary and the Organization is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by state statute. The Organization's contribution to IPERS for the year ended September 30, 2005, was \$30,547 (\$27,672 in 2004), equal to the required contribution for the year.

**14. Compensated Absences**

The Organization allows for the accrual and accumulation of unused vacation time of its employees and the payment for such vacation upon termination of employment. The unused vacation at the year-end date is accrued as a liability on the financial statements.

**15. Related Party Transactions**

The Red Rock Area Community Action Program, Inc. has certain mutual directors with local nonprofit corporations located in Jasper, Marion, Polk, and Warren counties and administers various programs for these corporations. The local corporations receive funding from their respective counties under service agreement contracts and reimburse Red Rock Area Community Action Program, Inc. for the administration of these agreements. These reimbursements totaled \$69,907 during the year ended September 30, 2005 (\$85,760 in 2004).

The Organization also has certain mutual directors with Boone County Opportunity Programs, Inc. (BCOP). BCOP and RRACAP have entered into a management agreement under which RRACAP receives a monthly management fee for accounting and other services. Fees earned by RRACAP under this agreement for the year ended September 30, 2005 totaled \$2,646 (\$1,930 in 2004). Amounts due RRACAP from BCOP for management fees and expense reimbursements totaled \$3,259 at September 30, 2005 (\$672 in 2004).

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OFFICES AT  
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Red Rock Area Community Action Program, Inc.  
Indianola, Iowa

We have audited the financial statements of Red Rock Area Community Action Program, Inc. (a nonprofit organization) as of and for the year ended September 30, 2005, and have issued our report thereon dated November 23, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the internal controls of Red Rock Area Community Action Program, Inc. over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

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

*Meriwether, Wilson and Company, P.L.C.*

MERIWETHER, WILSON AND COMPANY, P.L.C.  
Certified Public Accountants

November 23, 2005  
West Des Moines, Iowa

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors  
Red Rock Area Community Action Program, Inc.  
Indianola, Iowa

Compliance

We have audited the compliance of Red Rock Area Community Action Program, Inc. (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended September 30, 2005. The major federal program of Red Rock Area Community Action Program, Inc. is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Red Rock Area Community Action Program, Inc. Our responsibility is to express an opinion on the compliance of Red Rock Area Community Action Program, Inc. based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Nonprofit 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 the compliance of Red Rock Area Community Action Program, Inc. with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the compliance of Red Rock Area Community Action Program, Inc. with those requirements.

In our opinion, Red Rock Area Community Action Program, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended September 30, 2005.

Internal Control over Compliance

The management of Red Rock Area Community Action Program, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the internal controls of Red Rock Area Community Action Program, Inc. over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Page Two

Report on Compliance with Requirements Applicable to Each Major Program  
and Internal Control over Compliance in Accordance with OMB Circular A-133

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

*Meriwether, Wilson and Company, P.L.C.*

MERIWETHER, WILSON AND COMPANY, P.L.C.  
Certified Public Accountants

November 23, 2005  
West Des Moines, Iowa

## RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

**Schedule of Findings and Questioned Costs**

Year Ended September 30, 2005

Summary of Auditor's Results

1. We have issued an unqualified opinion in our report on the financial statements of Red Rock Area Community Action Program, Inc. as of and for the year ended September 30, 2005.
2. No reportable conditions relating to the audit of the financial statements are reported in the auditor's report on compliance and on internal control over financial reporting.
3. The results of our audit disclosed no instances of noncompliance that were considered material to the financial statements and would require reporting in accordance with Government Auditing Standards.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133.
5. We have issued an unqualified opinion in our report on compliance for major programs for the year ended September 30, 2005.
6. The results of our audit disclosed no audit findings which we are required to report under Government Auditing Standards or OMB Circular A-133.
7. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
8. Red Rock Area Community Action Program, Inc. received the following federal award that was audited as a major program in accordance with OMB Circular A-133 during the year ended September 30, 2005:

<u>Federal Grant</u>	<u>CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services Low Income Home Energy Assistance Program and Home Energy Assistance Program	93.568	<u>\$ 1,766,360</u>

9. Red Rock Area Community Action Program, Inc. did qualify as a low-risk auditee.

Findings Related to the Financial Statements

None

Findings and Questioned Costs Related to Federal Awards

None

## RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

**Schedule of Expenditures of Federal Awards**

October 1, 2004 through September 30, 2005

Federal Grantor/ Pass-Through Grantor/ Program Title	Grant or Award Number
U.S. Department of Health and Human Services	
Iowa Department of Human Rights	
Community Services Block Grant	CSBG-05-12-CU
Low Income Home Energy Assistance Program	LIHEAP-05-12-U
HEAP Weatherization Assistance - Start Up	HEAP-05-12U-SU
Total CFDA #93.568	
Aging Resources	
Transportation Program Title IIIB	N/A
Transportation Program Title IIIB	N/A
Total CFDA #93.044	
U.S. Department of Transportation	
Iowa Department of Transportation/Heart of Iowa Regional Transit Agency	
Federal Transit Non-Urban Operating Grant	N/A
Department of Homeland Security	
United Way of America	
Emergency Food and Shelter National Board Program	
Boone County	23-2862-00
Jasper County	23-2948-00
Marion County	23-2978-00
Polk County	23-3006-00
Warren County	23-3040-00
Total CFDA #97.024	
U.S. Department of Housing and Urban Development	
Iowa Department of Economic Development	
City of Des Moines: Emergency Shelter Grant	ESGP04-05
City of Des Moines: Emergency Shelter Grant	ESGP05-06
Total CFDA #14.231	
Total Federal Expenditures	

\* Catalog of Federal Domestic Assistance

\*\* Audited as a Major Program

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Schedule of Expenditures of Federal Awards

October 1, 2004 through September 30, 2005

<u>Federal CFDA* Number</u>	<u>Period of Grant</u>	<u>Grant or Award Amount</u>	<u>Federal Expenditures</u>
93.569	10/01/04-09/30/05	356,545	<u>356,545</u>
93.568	10/01/04-09/30/05	1,749,767	1,746,265 **
93.568	08/29/05-12/31/05	43,258	<u>20,095 **</u> <u>1,766,360</u>
93.044	07/01/04-06/30/05	20,000	14,341
93.044	07/01/05-06/30/06	20,000	<u>5,000</u> <u>19,341</u>
20.509	07/01/04-06/30/05	35,056	<u>26,292</u>
97.024	10/01/04-09/30/05	5,583	5,993
97.024	10/01/04-09/30/05	4,230	4,230
97.024	10/01/04-09/30/05	6,166	6,407
97.024	10/01/04-09/30/05	10,525	10,525
97.024	10/01/04-09/30/05	4,867	<u>4,867</u> <u>32,022</u>
14.231	07/01/04-06/30/05	17,000	15,504
14.231	07/01/05-06/30/06	17,000	<u>8,919</u> <u>24,423</u>
			<u>\$ 2,224,983</u>

SEE INDEPENDENT AUDITOR'S REPORT

## RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

**Notes to Schedule of Expenditures of Federal Awards**

Year Ended September 30, 2005

**Note 1 – Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Red Rock Area Community Action Program, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

## RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

**Combining Statement of Financial Position**

September 30, 2005

	Total	Total	Community Services Block Grant	Low Income Home Energy Assistance Program	HEAP WX Start-Up	Transportation Program Services
<b>Assets</b>						
Cash	\$161,893	9,777	14,427	8,799	(19,299)	27,590
Receivables	99,981	75,313	2,910	2,284	19,706	21,823
Prepaid Expenses	7,389	2,601	1,242	822	537	--
Property and Equipment	726,027	--	--	--	--	--
Accumulated Depreciation	(387,964)	--	--	--	--	--
<b>Total Assets</b>	<b>\$607,326</b>	<b>87,691</b>	<b>18,579</b>	<b>11,905</b>	<b>944</b>	<b>49,413</b>
<b>Liabilities and Net Assets</b>						
<b>Liabilities</b>						
Accounts Payable	\$ 27,770	16,666	5,913	3,043	944	4,943
Mortgage Payable	165,916	--	--	--	--	--
Accrued Expenses	27,664	21,528	12,666	8,862	--	--
Deferred Revenue	1,720	1,420	--	--	--	--
<b>Total Liabilities</b>	<b>223,070</b>	<b>39,614</b>	<b>18,579</b>	<b>11,905</b>	<b>944</b>	<b>4,943</b>
<b>Net Assets</b>	<b>384,256</b>	<b>48,077</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>44,470</b>
<b>Total Liabilities and Net Assets</b>	<b>\$607,326</b>	<b>87,691</b>	<b>18,579</b>	<b>11,905</b>	<b>944</b>	<b>49,413</b>

## RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

## Combining Statement of Financial Position

September 30, 2005

## Designated Program Funds

Care Fund	Project H.E.L.P.E.R.	Emergency Food and Shelter National Board Program	Chore Service Program	Indianola Share	Recare Midland	Emergency Shelter Grant
529	155	67	(1,294)	104	422	(8,618)
210	--	--	1,555	--	--	8,920
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>739</u>	<u>155</u>	<u>67</u>	<u>261</u>	<u>104</u>	<u>422</u>	<u>302</u>
--	--	67	696	--	--	302
--	--	--	--	--	--	--
--	--	--	--	--	--	--
739	155	--	--	104	422	--
<u>739</u>	<u>155</u>	<u>67</u>	<u>696</u>	<u>104</u>	<u>422</u>	<u>302</u>
--	--	--	(435)	--	--	--
<u>739</u>	<u>155</u>	<u>67</u>	<u>261</u>	<u>104</u>	<u>422</u>	<u>302</u>

## RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

## Combining Statement of Financial Position - Continued

September 30, 2005

	<u>Designated Program Funds</u>		
	<u>Homeless Shelter Operations Grants Program</u>	<u>Operation Roundup</u>	<u>Hunger Hike</u>
<b>Assets</b>			
Cash	\$ (17,147)	1,527	2,515
Receivables	17,905	--	--
Prepaid Expenses	--	--	--
Property and Equipment	--	--	--
Accumulated Depreciation	--	--	--
Total Assets	<u>\$ 758</u>	<u>1,527</u>	<u>2,515</u>
<b>Liabilities and Net Assets</b>			
Liabilities			
Accounts Payable	\$ 758	--	--
Mortgage Payable	--	--	--
Accrued Expenses	--	--	--
Deferred Revenue	--	--	--
Total Liabilities	<u>758</u>	<u>--</u>	<u>--</u>
Net Assets	<u>--</u>	<u>1,527</u>	<u>2,515</u>
Total Liabilities and Net Assets	<u>\$ 758</u>	<u>1,527</u>	<u>2,515</u>

## RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

## Combining Statement of Financial Position - Continued

September 30, 2005

Property and Equipment Funds					Local Funds		
Total	Housing Programs		Program	General Agency	Total	County Funds	Undesignated Fund
	Transitional Housing	Low Income Housing					
67,236	9,315	57,921	--	--	84,880	74,103	10,777
--	--	--	--	--	24,668	1,171	23,497
--	--	--	--	--	4,788	535	4,253
522,298	25,121	255,778	177,930	63,469	203,729	203,729	--
<u>(370,359)</u>	<u>(20,532)</u>	<u>(139,130)</u>	<u>(151,136)</u>	<u>(59,561)</u>	<u>(17,605)</u>	<u>(17,605)</u>	<u>--</u>
<u>219,175</u>	<u>13,904</u>	<u>174,569</u>	<u>26,794</u>	<u>3,908</u>	<u>300,460</u>	<u>261,933</u>	<u>38,527</u>
3,551	312	3,239	--	--	7,553	1,276	6,277
96,228	--	96,228	--	--	69,688	69,688	--
152	--	152	--	--	5,984	2,344	3,640
300	300	--	--	--	--	--	--
<u>100,231</u>	<u>612</u>	<u>99,619</u>	<u>--</u>	<u>--</u>	<u>83,225</u>	<u>73,308</u>	<u>9,917</u>
<u>118,944</u>	<u>13,292</u>	<u>74,950</u>	<u>26,794</u>	<u>3,908</u>	<u>217,235</u>	<u>188,625</u>	<u>28,610</u>
<u>219,175</u>	<u>13,904</u>	<u>174,569</u>	<u>26,794</u>	<u>3,908</u>	<u>300,460</u>	<u>261,933</u>	<u>38,527</u>

SEE INDEPENDENT AUDITOR'S REPORT

## RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

## Combining Statement of Activities

Year Ended September 30, 2005

	Total	Total	CSBG	LIHEAP	HEAP WX - Start Up
<b>Support and Revenue</b>					
Iowa Department of Human Rights	\$ 2,125,088	2,125,088	356,545	1,746,265	20,095
Iowa Department of Economic Development	67,165	67,165	--	--	--
Heart of Iowa Regional Transit Agency	57,747	57,747	--	--	--
County Funding	31,544	31,544	--	--	--
Winifred Law Opportunity Center, Inc.	55,647	55,647	--	--	--
Aging Resources	27,904	27,904	--	--	--
Department of Homeland Security	32,022	32,022	--	--	--
MidAmerican Energy	33,333	33,333	--	--	--
Iowa Department of Public Health	6,219	6,219	--	--	--
Other Agencies	3,471	3,471	--	--	--
Project Income	75,032	31,246	--	--	--
Interest	4,948	70	--	--	--
Local Public Support	69,907	--	--	--	--
Donations and Other	22,975	18,161	--	--	--
<b>Total Support and Revenue</b>	<b>2,613,002</b>	<b>2,489,617</b>	<b>356,545</b>	<b>1,746,265</b>	<b>20,095</b>
<b>Expenses</b>	<b>2,624,750</b>	<b>2,483,171</b>	<b>356,545</b>	<b>1,746,265</b>	<b>20,095</b>
<b>Excess (Deficiency) of Support and Revenue over Expenses Before Capital Additions</b>	<b>(11,748)</b>	<b>6,446</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Capital Additions - Grant Funds Provided for Acquisition of Capital Assets</b>	<b>20,554</b>	<b>20,554</b>	<b>1,699</b>	<b>274</b>	<b>16,504</b>
<b>Transfers</b>					
Property and Equipment Acquisitions Paid from Current Funds	--	(20,554)	(1,699)	(274)	(16,504)
Other	--	--	--	--	--
<b>Net Assets - Beginning of Year (as Restated)</b>	<b>375,450</b>	<b>38,208</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Net Assets - End of Year</b>	<b>\$ 384,256</b>	<b>44,654</b>	<b>--</b>	<b>--</b>	<b>--</b>

## RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

## Combining Statement of Activities

Year Ended September 30, 2005

Designated Program Funds							
Transportation Program Services	I Care Fund	Embrace Iowa	Project H.E.L.P.E.R.	Emergency Food and Shelter National Board Program	Chore Service Program	Emergency Shelter Grant	Homeless Shelter Operations Grants Program
--	--	--	2,183	--	--	--	--
--	--	--	--	--	--	24,423	42,742
57,747	--	--	--	--	--	--	--
31,544	--	--	--	--	--	--	--
55,647	--	--	--	--	--	--	--
27,904	--	--	--	--	--	--	--
--	--	--	--	32,022	--	--	--
--	24,187	9,070	--	--	--	--	--
--	--	--	--	--	6,219	--	--
--	--	--	--	--	--	--	--
29,170	--	--	--	--	2,076	--	--
70	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
13,487	--	--	--	--	--	--	--
<u>215,569</u>	<u>24,187</u>	<u>9,070</u>	<u>2,183</u>	<u>32,022</u>	<u>8,295</u>	<u>24,423</u>	<u>42,742</u>
<u>203,009</u>	<u>24,187</u>	<u>9,070</u>	<u>2,347</u>	<u>32,022</u>	<u>8,091</u>	<u>24,423</u>	<u>42,742</u>
12,560	--	--	(164)	--	204	--	--
--	--	--	--	--	367	--	1,710
--	--	--	--	--	(367)	--	(1,710)
--	--	--	--	--	3,423	--	--
<u>31,910</u>	<u>--</u>	<u>--</u>	<u>164</u>	<u>--</u>	<u>(4,062)</u>	<u>--</u>	<u>--</u>
<u>44,470</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(435)</u>	<u>--</u>	<u>--</u>

## RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

## Combining Statement of Activities - Continued

Year Ended September 30, 2005

	HACAP Alliant I.E.	Warm Holidays	Operation Roundup	Hunger Hike	Indianola Share	Recare Midland
<b>Support and Revenue</b>						
Iowa Department of Human Rights	\$ --	--	--	--	--	--
Iowa Department of Economic Development	--	--	--	--	--	--
Heart of Iowa Regional Transit Agency	--	--	--	--	--	--
County Funding	--	--	--	--	--	--
Winifred Law Opportunity Center, Inc.	--	--	--	--	--	--
Aging Resources	--	--	--	--	--	--
Department of Homeland Security	--	--	--	--	--	--
MidAmerican Energy	--	--	--	--	76	--
Iowa Department of Public Health	--	--	--	--	--	--
Other Agencies	3,078	--	--	--	--	393
Project Income	--	--	--	--	--	--
Interest	--	--	--	--	--	--
Local Public Support	--	--	--	--	--	--
Donations and Other	--	706	982	2,986	--	--
Total Support and Revenue	3,078	706	982	2,986	76	393
<b>Expenses</b>	11,460	706	--	1,740	76	393
<b>Excess (Deficiency) of Support and Revenue over Expenses Before Capital Additions</b>	(8,382)	--	982	1,246	--	--
<b>Capital Additions - Grant Funds Provided for Acquisition of Capital Assets</b>	--	--	--	--	--	--
<b>Transfers</b>						
Property and Equipment Acquisitions Paid from Current Funds	--	--	--	--	--	--
Other	--	--	--	--	--	--
<b>Net Assets - Beginning of Year (as Restated)</b>	8,382	--	545	1,269	--	--
<b>Net Assets - End of Year</b>	\$ --	--	1,527	2,515	--	--

## RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

## Combining Statement of Activities - Continued

Year Ended September 30, 2005

Property and Equipment Funds					Local Funds		
Total	Housing Programs		Program	General Agency	Total	County Funds	Undesignated Fund
	Transitional Housing	Low Income Housing					
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
38,386	3,523	34,863	--	--	5,400	5,400	--
1,434	--	1,434	--	--	3,444	--	3,444
--	--	--	--	--	69,907	69,907	--
--	--	--	--	--	4,814	--	4,814
<u>39,820</u>	<u>3,523</u>	<u>36,297</u>	<u>--</u>	<u>--</u>	<u>83,565</u>	<u>75,307</u>	<u>8,258</u>
<u>40,382</u>	<u>2,348</u>	<u>30,095</u>	<u>4,604</u>	<u>3,335</u>	<u>101,197</u>	<u>95,826</u>	<u>5,371</u>
(562)	1,175	6,202	(4,604)	(3,335)	(17,632)	(20,519)	2,887
--	--	--	--	--	--	--	--
22,054	1,710	--	18,844	1,500	(1,500)	--	(1,500)
(8,000)	--	(8,000)	--	--	4,577	8,000	(3,423)
<u>105,452</u>	<u>10,407</u>	<u>76,748</u>	<u>12,554</u>	<u>5,743</u>	<u>231,790</u>	<u>201,144</u>	<u>30,646</u>
<u>118,944</u>	<u>13,292</u>	<u>74,950</u>	<u>26,794</u>	<u>3,908</u>	<u>217,235</u>	<u>188,625</u>	<u>28,610</u>

SEE INDEPENDENT AUDITOR'S REPORT

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.  
Iowa Department of Human Rights

**Schedule of Expenses Compared to Budget**

**Community Services Block Grant**

Contract No. CSBG 05-12-CU  
(Contract Period 10/1/04 - 9/30/05)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 10/1/04 - 9/30/05</u>
Personnel		
Salaries and Wages	\$ 207,000	212,278
Fringe Benefits	95,059	95,343
	<u>302,059</u>	<u>307,621</u>
Travel		
Staff	<u>5,000</u>	<u>3,605</u>
Space Costs		
Rental	7,000	6,735
Utilities	2,500	2,590
Insurance	3,000	2,409
Building Maintenance	500	629
	<u>13,000</u>	<u>12,363</u>
Equipment Costs		
Purchase, Rental, and Maintenance	<u>4,440</u>	<u>3,934</u>
Co-Funded Programs	<u>6,000</u>	<u>6,000</u>
Other Costs		
Telephone	7,796	7,572
Printing and Postage	4,500	4,209
Publications and Dues	3,000	3,020
Registration Fees	2,000	1,050
Bonding	500	244
Audit	4,500	4,500
Consumable Supplies	2,000	1,913
Personnel Training and Miscellaneous	1,750	514
	<u>26,046</u>	<u>23,022</u>
	<u>\$ 356,545</u>	<u>356,545</u>

SEE INDEPENDENT AUDITOR'S REPORT

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.  
Iowa Department of Human Rights

**Schedule of Expenses Compared to Budget**

**Low Income Home Energy Assistance Program**

Contract No. 05-12-U

(Contract Period 10/1/04 - 9/30/05)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 10/1/04 - 9/30/05</u>
<b>Assistance</b>		
Regular Assistance	\$1,361,631	1,358,605
Energy Crisis Intervention	100,875	100,399
Summer Fuel Delivery	123,400	123,400
Client Services	40,116	40,116
Total Assistance	<u>1,626,022</u>	<u>1,622,520</u>
<b>Administration</b>		
Staff Salaries	62,783	62,783
Fringe Benefits	24,710	24,710
Building Space and Utilities	10,911	10,911
Material and Supplies	787	787
Telephone	4,697	4,697
Travel	689	689
Postage	3,312	3,312
Printing and Copying	665	665
Contracted Services	6,000	6,000
Audit	5,000	5,000
Office Equipment	274	274
Other Costs	3,917	3,917
Total Administration	<u>123,745</u>	<u>123,745</u>
<b>Total</b>	<u>\$ 1,749,767</u>	<u>1,746,265</u>

SEE INDEPENDENT AUDITOR'S REPORT

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.  
Iowa Department of Human Rights

**Schedule of Expenses Compared to Budget**

**Weatherization Assistance - Start Up**

Contract No. HEAP 05-12U-SU  
(Contract Perio 8/29/05 - 12/31/05)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 8/29/05 - 9/30/05</u>
Salary/Fringes	\$ 15,558	3,186
Equipment/Training	24,900	16,504
Mileage	800	405
Pollution Occurrence Insurance	<u>2,000</u>	<u>--</u>
Total	<u>\$ 43,258</u>	<u>20,095</u>

SEE INDEPENDENT AUDITOR'S REPORT

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.  
MidAmerican Energy Company

**Schedule of Expenses**

**I Care Fund**

October 1, 2004 through September 30, 2005

<u>Cost Category</u>	<u>Actual Expenses 10/1/04 to 9/30/05</u>
I Care Utility Assistance	\$ 23,014
Administration	<u>1,173</u>
Total	<u>\$ 24,187</u>

SEE INDEPENDENT AUDITOR'S REPORT

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.  
Heart of Iowa Regional Transit Agency

**Schedule of Expenses Compared to Budget**

**Transportation Program Services - Warren County**  
(Contract Period 7/1/05 - 6/30/06)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 7/1/05 - 9/30/05</u>
Salaries and Wages	\$ 111,998	29,179
Fringe Benefits	23,520	6,304
Fuel	27,030	10,357
Maintenance and Repair	25,845	4,385
Radio Maintenance	750	--
Vehicle Insurance	16,500	2,756
Audit	650	--
Travel, Training, and Supplies	400	54
Telephone	900	150
Drug Testing	550	--
Capital Replacement	1,457	--
Miscellaneous	<u>400</u>	<u>254</u>
Total	<u>\$ 210,000</u>	<u>53,439</u>

SEE INDEPENDENT AUDITOR'S REPORT

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.  
Heart of Iowa Regional Transit Agency

**Schedule of Expenses Compared to Budget**

**Transportation Program Services - Warren County**  
(Contract Period 7/1/04 - 6/30/05)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/1/04 - 6/30/05</u>	<u>7/1/04 - 9/30/04</u>
Salaries and Wages	\$ 107,976	106,082	79,353	26,729
Fringe Benefits	22,675	24,974	17,686	7,288
Fuel	17,160	28,838	22,248	6,590
Maintenance and Repair	19,650	22,294	15,988	6,306
Radio Maintenance	500	920	571	349
Vehicle Insurance	10,300	14,627	12,285	2,342
Audit	600	306	306	--
Travel, Training, and Supplies	500	197	178	19
Telephone	900	750	750	--
Drug Testing	750	--	--	--
Miscellaneous	500	490	205	285
Total	<u>\$ 181,511</u>	<u>199,478</u>	<u>149,570</u>	<u>49,908</u>

SEE INDEPENDENT AUDITOR'S REPORT

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.  
Iowa Department of Human Rights

**Schedule of Expenses**

**Project H.E.L.P.E.R.**  
(Contract Period 10/1/04 - 9/30/05)

<u>Cost Category</u>	<u>Amount</u>
Heating Bills for Elderly and Low Income Customers of Peoples Natural Gas	<u>\$2,347</u>

SEE INDEPENDENT AUDITOR'S REPORT

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.  
United Way of America

**Schedule of Expenses**

**Emergency Food and Shelter National Board Program**  
(Contract Period 10/1/04 - 9/30/05)

	<u>Food</u>	<u>Shelter</u>	<u>Utilities</u>	<u>Administrative</u>	<u>Total</u>
Warren County RRACAP	\$ --	2,713	2,057	97	4,867
Polk County RRACAP	--	4,442	6,083	--	10,525
Marion County RRACAP	1,960	1,838	2,486	123	6,407
Boone County RRACAP	--	2,666	3,215	112	5,993
Jasper County RRACAP	<u>--</u>	<u>--</u>	<u>4,145</u>	<u>85</u>	<u>4,230</u>
Total	<u>\$ 1,960</u>	<u>11,659</u>	<u>17,986</u>	<u>417</u>	<u>32,022</u>

SEE INDEPENDENT AUDITOR'S REPORT

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.  
Iowa Department of Public Health  
Warren County Board of Supervisors

**Schedule of Expenses Compared to Budget**

**Chore Service Program**

(Contract Period 7/1/05 - 6/30/06)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 7/1/05 - 9/30/05</u>
Salaries	\$ 8,005	2,375
Fringe and Taxes	1,480	155
Mileage	1,100	61
Office Supplies, Postage and Miscellaneous	125	--
Other Supplies	250	--
Equipment Purchase/Rental/ Repair/Maintenance	<u>900</u>	<u>181</u>
	<u>\$ 11,860</u>	<u>2,772</u>

(Contract Period 7/1/04 - 6/30/05)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Total</u>	<u>Actual Expenses</u>	
			<u>10/1/04 - 6/30/05</u>	<u>7/1/04 - 9/30/04</u>
Salaries	\$ 6,930	7,077	4,627	2,450
Fringe and Taxes	1,315	741	327	414
Mileage	800	463	155	308
Office Supplies, Postage and Miscellaneous	125	27	--	27
Other Supplies	250	97	--	97
Equipment Purchase/Rental/ Repair/Maintenance	<u>580</u>	<u>1,255</u>	<u>210</u>	<u>1,045</u>
	<u>\$ 10,000</u>	<u>9,660</u>	<u>5,319</u>	<u>4,341</u>

SEE INDEPENDENT AUDITOR'S REPORT

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.  
Iowa Department of Economic Development

**Schedule of Expenses Compared to Budget**

**Homeless Shelter Operations Grants Program**

Contract No. 06-II-91001  
(Contract Period 7/1/05 - 6/30/06)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 7/1/05- 9/30/05</u>
Rehab	\$ 2,500	1,710
Operations	5,000	7,500
Homeless Prevention	<u>25,000</u>	<u>20,662</u>
Total	<u>\$ 32,500</u>	<u>29,872</u>

Contract No. 05-II-91001  
(Contract Period 7/1/04 - 6/30/05)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/1/04 - 6/30/05</u>	<u>7/1/04 - 9/30/04</u>
Rehab	\$ 2,000	2,000	--	2,000
Operations	2,000	2,000	1,687	313
Homeless Prevention	<u>18,500</u>	<u>18,500</u>	<u>11,183</u>	<u>7,317</u>
Total	<u>\$ 22,500</u>	<u>22,500</u>	<u>12,870</u>	<u>9,630</u>

SEE INDEPENDENT AUDITOR'S REPORT

## RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

**Schedule of Expenses**

October 1, 2004 through September 30, 2005

**Low Income Housing - Greene Apartments**

<u>Expense Classification</u>	<u>Amount</u>
Depreciation	\$ 14,216
Utilities	6,002
Maintenance and Supplies	4,876
Interest	2,868
Insurance	2,133
Total	<u>\$30,095</u>

**Transitional Housing**

<u>Expense Classification</u>	<u>Amount</u>
Utilities	\$ 1,339
Depreciation	666
Building Maintenance	343
Total	<u>\$ 2,348</u>

SEE INDEPENDENT AUDITOR'S REPORT

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.  
Local Funds

**Schedule of Changes in Fund Balances**

October 1, 2004 through September 30, 2005

Description	Total	Discretionary	County				
			Warren	Marion	Polk	Jasper	Boone
Net Assets - Beginning of Year	\$ 231,790	30,646	132,821	6,522	6,628	13,202	41,971
Support and Revenue							
Local Public Support	69,907	--	27,684	2,500	6,513	3,628	29,582
Program Revenue	5,400	--	--	--	--	--	5,400
Other	4,814	4,814	--	--	--	--	--
Interest	3,444	3,444	--	--	--	--	--
Total Revenue	83,565	8,258	27,684	2,500	6,513	3,628	34,982
Expenses							
Salaries	24,755	(5,820)	14,450	--	--	--	16,125
Fringe Benefits	9,724	632	1,105	--	--	--	7,987
Rent	22,050	--	22,050	--	--	--	--
Depreciation	14,125	--	7,266	857	78	--	5,924
Subscriptions and Dues	4,855	4,855	--	--	--	--	--
Our Lady Church	4,331	--	--	--	4,331	--	--
Interest	3,710	--	--	--	--	--	3,710
Building and Equipment							
Maintenance	3,000	823	999	--	--	--	1,178
Property Taxes	2,080	--	--	--	--	--	2,080
Jaycee Expense - Polk	1,941	--	--	--	1,941	--	--
Utilities	1,564	--	--	--	--	--	1,564
Supplies and Copying	1,304	1,304	--	--	--	--	--
Building Insurance	1,084	--	--	--	--	--	1,084
Chris Street Fund	903	--	903	--	--	--	--
Telephone	791	791	--	--	--	--	--
Audit	702	702	--	--	--	--	--
Travel	685	685	--	--	--	--	--
Other Expense	3,593	1,399	915	--	380	506	393
Total Expenses	101,197	5,371	47,688	857	6,730	506	40,045
Excess (Deficiency) of Support and Revenue over Expenses Before Transfers	(17,632)	2,887	(20,004)	1,643	(217)	3,122	(5,063)
Transfers							
Property and Equipment	(1,500)	(1,500)	--	--	--	--	--
Other	4,577	(3,423)	--	--	--	--	8,000
Net Assets - End of Year	\$ 217,235	28,610	112,817	8,165	6,411	16,324	44,908

SEE INDEPENDENT AUDITOR'S REPORT