

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Indianola, Iowa

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

(OMB Circular A-133, Single Audit Report)

September 30, 2010 and 2009

(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**

Jody Eaton
 Dave Discher
 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	Bill Lusher	Daryl Boelman
Jasper	Vacant	Dennis Stevenson	Jody Eaton
Marion	Vacant	Sam Nichols	John Leeper
Polk	Lori SchraderBachar	Dave Discher	Eva Howe
Warren	Karen DeVore	Marvin Grace	Beverly Dickerson

Management

Central Administrative Office
 Bill Peppmeier

Executive Director

Laura Hudson

Weatherization
 Coordinator/Assistant
 Director/Program Planner

Richard Oosterhuis

Fiscal Manager

Jeremiah Schlegel

Assistant Fiscal Manager

Julie Nichols

Energy Manager

Boone County Center
 Joyce O'Tool

County Coordinator

Jasper County Center
 Sue Eldred

County Coordinator

Marion County Center
 Nancy Hulgán

County Coordinator

Polk County Center
 Jana Vander Ploeg

County Coordinator

Warren County Center
 Catherine Reaman-Gerdes

County Coordinator

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CERTIFIED PUBLIC ACCOUNTANTS

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WILLIAM J. BAUER, 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, 2010 and 2009, 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, 2010 and 2009, 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 December 28, 2010, 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, PLLC
MERIWETHER, WILSON AND COMPANY, PLLC
Certified Public Accountants

December 28, 2010
West Des Moines, Iowa

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Statements of Financial Position

September 30,

	<u>2010</u>	<u>2009</u>
Assets		
Current Assets		
Cash	\$ 200,495	332,004
Receivables	289,687	164,387
Prepaid Expenses	78,020	43,458
Total Current Assets	<u>568,202</u>	<u>539,849</u>
Tenants' Security Deposits Held in Trust - Cash	<u>3,320</u>	<u>3,720</u>
Property and Equipment		
Land	19,200	19,200
Buildings and Improvements	441,080	441,080
Vehicles	64,721	99,104
Furnishings and Equipment	<u>343,001</u>	<u>343,001</u>
	868,002	902,385
Accumulated Depreciation	<u>609,623</u>	<u>584,098</u>
Net Property and Equipment	<u>258,379</u>	<u>318,287</u>
Total Assets	<u><u>\$ 829,901</u></u>	<u><u>861,856</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 38,397	26,733
Mortgages Payable - Current Portion	2,897	2,747
Accrued Expenses	76,847	70,111
Deferred Revenue	<u>45,850</u>	<u>71,479</u>
Total Current Liabilities	<u>163,991</u>	<u>171,070</u>
Deposit Liabilities - Tenants' Security Deposits	<u>3,320</u>	<u>3,720</u>
Long-Term Debt		
Mortgages Payable, Net of Current Portion	<u>115,987</u>	<u>118,887</u>
Total Liabilities	<u>283,298</u>	<u>293,677</u>
Net Assets		
Unrestricted		
Designated for Programs and Counties	543,056	541,324
Undesignated	<u>3,547</u>	<u>26,855</u>
Total Net Assets	<u>546,603</u>	<u>568,179</u>
Total Liabilities and Net Assets	<u><u>\$ 829,901</u></u>	<u><u>861,856</u></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	
	2010	2009
Support and Revenue		
Government Grants and Contract Revenue	\$ 7,178,788	5,879,964
Local Public Support	100,350	96,025
Project Income	79,666	82,813
Contributions and Other Income	16,684	20,375
Interest	793	11,143
Total Support and Revenue	<u>7,376,281</u>	<u>6,090,320</u>
Expenses		
Low Income Home Energy Assistance Program	4,145,999	4,293,971
Weatherization Programs	1,239,640	600,485
Community Services Block Grant Cluster	1,042,296	507,100
Transportation Program Services	358,975	317,809
Homeless Prevention and Rapid Re-Housing	198,980	--
County Funds	121,536	105,170
Emergency Food and Shelter National Board Program	63,196	87,460
I Care Fund	51,895	8,054
Housing Programs	42,749	38,534
Hometown Care	25,620	15,880
Emergency Shelter Grants Program	21,850	29,697
Chore Service Program	14,927	9,524
Embrace Iowa	10,889	11,556
Homeless Shelter Operations Grants Program	--	2,159
Other Programs	3,440	4,142
Undesignated and Property Funds	55,865	68,975
Total Expenses	<u>7,397,857</u>	<u>6,100,516</u>
Change in Net Assets Before Capital Additions	(21,576)	(10,196)
Capital Additions - Grant Funds Provided for Acquisitions of Capital Assets	<u>--</u>	<u>82,466</u>
Change in Net Assets	(21,576)	72,270
Net Assets at Beginning of Year	<u>568,179</u>	<u>495,909</u>
Net Assets at End of Year	<u>\$ 546,603</u>	<u>568,179</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>2010</u>	<u>2009</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ (21,576)	72,270
Adjustments to Reconcile Change in Net Assets to		
Net Cash Flows from Operating Activities - Depreciation	59,908	53,227
(Increase) Decrease in		
Receivables	(125,300)	5,244
Prepaid Expenses	(34,562)	(22,598)
Deposits Held in Trust	400	(100)
Increase (Decrease) in		
Accounts Payable	1,909	8,112
Accrued Expenses	16,491	7,882
Deferred Revenue	(25,629)	56,126
Tenants' Security Deposits	(400)	100
Net Cash Flows from Operating Activities	<u>(128,759)</u>	<u>180,263</u>
Cash Flows from Investing Activities		
Purchase of Property and Equipment	<u>--</u>	<u>(84,496)</u>
Cash Flows from Financing Activities		
Repayments on Mortgages	<u>(2,750)</u>	<u>(2,608)</u>
Change in Cash	(131,509)	93,159
Cash Balances - Beginning of Year	<u>332,004</u>	<u>238,845</u>
Cash Balances - End of Year	<u><u>\$ 200,495</u></u>	<u><u>332,004</u></u>
Supplemental Disclosure of Cash Flow Data		
Cash Paid During the Years for		
Interest	<u>\$ 3,086</u>	<u>3,226</u>
Income Taxes	<u>\$ --</u>	<u>--</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, 2010 and 2009

1. Nature of Activities**Reporting Entity**

Red Rock Area Community Action Program, Inc. (RRACAP or the Organization) 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.

2. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles appropriate for nonprofit organizations. 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 a "private foundation" within the meaning of Section 509A of the Internal Revenue Code.

On October 1, 2009, RRACAP adopted FASB ASC 740-10, *Uncertain Tax Positions*, which requires evaluation of the impact of uncertain tax positions taken or expected to be taken in a tax return and may require recognition of a liability related to those positions. At September 30, 2010, the Organization had no uncertain tax positions requiring recognition in the financial statements.

The Organization is no longer subject to federal and state income tax examinations by tax authorities for years ending before September 30, 2007.

Financial Statement Presentation and Contributions

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Differences in the classification of net assets are determined based on the nature or existence of donor restrictions. At September 30, 2010 and 2009, the Organization has no temporarily or permanently restricted net assets.

Cash

Cash, for purposes of the Statement of Cash Flows, consists of checking, savings, and money market accounts, and petty cash.

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 if purchased or at fair value if contributed. Expenses for maintenance, repair, and minor replacements are charged to expense, while the cost of major replacements, betterments, and acquisitions is capitalized. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Property and equipment acquired with grant funds is expensed to the appropriate program and capitalized through a direct charge to net assets. Consistent with its grantors' requirements, the Organization's policy is to capitalize discrete items of property and equipment costing \$5,000 or more and having a useful life in excess of one year.

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, 2010 and 2009, 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 is recognized when earned. Revenue from grants and contracts is recognized only to the extent that it is expended in accordance with grantor requirements. Amounts received in advance and not expended are classified as deferred revenue. 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 FASB ASC 958-605-25-16 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 2009 financial statements have been made to conform to the 2010 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. This program includes a component under the American Recovery and Reinvestment Act (ARRA).

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.

Weatherization Programs

Weatherization assistance programs are funded through grants from the U.S. Department of Energy and the U.S. Department of Health and Human Services through the Iowa Department of Human Rights. Area utility companies also provide funding through the Iowa Department of Human Rights. These programs provide resources to increase the energy efficiency of homes of qualifying low-income households, and in 2010 also included an ARRA component.

Emergency Food and Shelter National Board Programs

These programs are funded by the Department of Homeland Security through the United Way of America. The programs help supplement and expand ongoing efforts to provide shelter, food, and supportive services for needy families and individuals, and include an ARRA component.

I Care and Hometown Care

I Care and Hometown Care are funded by customer contributions to local utility companies. These companies provide funds to the Organization to help provide assistance to low-income utility customers in local communities.

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:

	2010	2009
Hunger Hike	\$ 1,281	2,208
Black Hills Cares (Aquila)	1,379	894
Recare Midland	-	835
Indianola Share	180	180
Operation Roundup	600	25
	<u>\$ 3,440</u>	<u>4,142</u>

4. Receivables

Receivables are summarized as follows:

Due From	Program Activity	2010	2009
Grant or Program Funds			
Heart of Iowa Regional Transit Agency	Warren Transportation	\$ 3,075	33,425
Iowa Department of Human Rights	HEAP Weatherization	18,947	32,482
Iowa Department of Human Rights	Weatherization - Utility Cos.	-	16,018
Iowa Department of Human Rights	DOE Weatherization	103,200	5,272
Iowa Department of Human Rights	CSBG	3,045	4,119
Iowa Institute for Community Alliances	Homeless Shelter Operations	8,959	16,620
Iowa Institute for Community Alliances	Emergency Shelter Grant	4,660	5,149
Iowa Finance Authority	HPRP	41,694	-
Other Receivables by Program Activity			
Warren Transportation		48,802	23,713
Undesignated Fund			
Marion County		34,168	19,870
Other		10	11
LIHEAP		-	3,045
Warren LPF		15,033	-
Chore		1,392	4,073
County Funds		535	535
CSBG		-	47
Boone Co Food Pantry		6,000	-
I Care		167	8
		<u>\$ 289,687</u>	<u>164,387</u>

5. Concentration of Credit Risk

The Organization maintains accounts at several local banks, and balances in certain accounts may exceed maximum amounts insured by the Federal Deposit Insurance Corporation. At September 30, 2010, the Organization had cash deposits in excess of insured limits totaling \$-0- (\$224,024 in 2009).

6. **Concentration of Support**

In the year ended September 30, 2010, the Organization received approximately 91% (90% in 2009) 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.

7. **Property and Equipment**

Property and equipment are summarized as follows:

2010				
Type of Equipment	Cost	Depreciation Expense	Accumulated Depreciation	Undepreciated Cost
Program Equipment				
CSBG				
Office Equipment	\$ 73,448	10,906	46,262	27,186
LIHEAP				
Office Equipment	86,292	1,550	83,181	3,111
Weatherization				
WX Vehicles and Equipment	86,684	16,220	45,566	41,118
Transportation				
Vans and Related Equipment	20,430	93	20,208	222
Chore				
Yard Equipment	9,484	759	7,914	1,570
I Care				
Office Equipment	3,974	795	3,510	464
I.E. Counsel				
Office Equipment	2,655	483	1,974	681
Emergency Shelter Grants Program				
Office Equipment	2,668	--	2,668	--
Total Program Equipment				
	<u>285,635</u>	<u>30,806</u>	<u>211,283</u>	<u>74,352</u>
Low Income Housing				
Land	10,000	--	--	10,000
Buildings and Improvements	248,633	12,497	197,208	51,425
Furnishings	10,631	756	9,004	1,627
	<u>269,264</u>	<u>13,253</u>	<u>206,212</u>	<u>63,052</u>
Transitional Housing				
Land	2,000	--	--	2,000
Buildings and Improvements	27,317	770	24,991	2,326
Furnishings	939	165	585	354
	<u>30,256</u>	<u>935</u>	<u>25,576</u>	<u>4,680</u>
General Agency and Counties				
Land	7,200	--	--	7,200
Buildings and Improvements	165,130	10,217	60,735	104,395
Furnishings and Equipment	110,517	4,697	105,817	4,700
	<u>282,847</u>	<u>14,914</u>	<u>166,552</u>	<u>116,295</u>
Total Agency	<u>\$ 868,002</u>	<u>59,908</u>	<u>609,623</u>	<u>258,379</u>

2009

Type of Equipment	Cost	Depreciation Expense	Accumulated Depreciation	Undepreciated Cost
Program Equipment				
CSBG				
Office Equipment	\$ 73,448	8,518	35,355	38,093
LIHEAP				
Office Equipment	86,292	1,532	81,630	4,662
Weatherization				
WX Vehicles and Equipment	86,684	9,508	29,346	57,338
Transportation				
Vans and Related Equipment	54,813	70	54,498	315
Chore				
Yard Equipment	9,484	777	7,154	2,330
I Care				
Office Equipment	3,974	795	2,716	1,258
I.E. Counsel				
Office Equipment	2,655	483	1,491	1,164
Emergency Shelter				
Grants Program				
Office Equipment	2,668	—	2,668	—
Total Program Equipment	320,018	21,683	214,858	105,160
Low Income Housing				
Land	10,000	—	—	10,000
Buildings and Improvements	248,633	12,648	184,640	63,993
Furnishings	10,631	1,089	8,318	2,313
	<u>269,264</u>	<u>13,737</u>	<u>192,958</u>	<u>76,306</u>
Transitional Housing				
Land	2,000	—	—	2,000
Buildings and Improvements	27,317	770	24,222	3,095
Furnishings	939	165	420	519
	<u>30,256</u>	<u>935</u>	<u>24,642</u>	<u>5,614</u>
General Agency and Counties				
Land	7,200	—	—	7,200
Buildings and Improvements	165,130	9,921	49,834	115,296
Furnishings and Equipment	110,517	6,951	101,806	8,711
	<u>282,847</u>	<u>16,872</u>	<u>151,640</u>	<u>131,207</u>
Total Agency	\$902,385	53,227	584,098	318,287

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.

8. **Deferred Revenue**

Amounts received and deferred to future periods are as follows:

Program Title	2010	2009
Hometown Care	\$ 23,044	20,046
I Care Fund	13,119	30,754
Black Hills (Aquila) Cares	6,095	3,884
I.E. Counsel	3,567	2,919
Recare Midland	25	25
EFSP	--	10,738
CSBG	--	3,113
	\$ 45,850	71,479

9. **Accrued Expenses**

Accrued expenses are summarized as follows:

	2010	2009
Accrued Wages	\$ 42,891	41,271
Compensated Absences	28,733	27,274
Accrued Audit	3,517	--
Property Taxes	1,249	1,158
Interest	270	270
Payroll Taxes and Withholdings	187	138
	\$ 76,847	70,111

10. **Long-Term Debt**

Mortgages payable are summarized as follows:

Lender	Date		Balance, Sept. 30,		Interest Rate	Repayment Basis
	Made	Due	2010	2009		
Community Bank of Boone Boone, Iowa	06/18/04	07/01/24	\$ 57,284	60,034	5.25%	\$486 per month, 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.
			118,884	121,634		
Less: Amount Classified as Current			2,897	2,747		
			\$ 115,987	118,887		

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

The mortgage payable to Community Bank of Boone carried a fixed interest rate of 5.25% through July 1, 2009, after which it became a variable rate indexed at 3.0% above an average yield on treasuries, with the September 30, 2010 variable rate and payment amount (unchanged from July 1) noted above.

Interest expense for the year ended September 30, 2010, totaled \$3,086 (\$3,226 in 2009).

Estimated repayment amounts on long-term debt as of the most recent year-end are as follows:

	Total	Community Bank of Boone	Iowa Department of Economic Development
2011	\$ 2,897	2,897	—
2012	3,045	3,045	—
2013	64,817	3,217	61,600
2014	3,388	3,388	—
2015	3,570	3,570	—
Thereafter	41,167	41,167	—
	<u>\$ 118,884</u>	<u>57,284</u>	<u>61,600</u>

11. Lease Commitments

The Organization leases office space and equipment. Most leases are written for one-year periods with options to renew. At September 30, 2010, the Organization had four noncancelable operating leases with initial or remaining terms in excess of one year.

Future minimum lease payments on these noncancelable leases are summarized as follows, as of the most recent year-end:

2011	\$ 64,740
2012	49,740
2013	26,760
2014	24,300
2015	—
Thereafter	—
	<u>\$ 165,540</u>

Total rent and lease expense for the year ended September 30, 2010, amounted to \$63,615 (\$48,528 in 2009).

12. 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 4.50% (4.30% through June 2010) of their annual covered salary and the Organization is required to contribute 6.95% (6.65% through June 2010) of annual covered payroll. Contribution requirements are established by state statute. The Organization's contribution to IPERS for the year ended September 30, 2010, was \$65,070 (\$42,792 in 2009), equal to the required contribution for the year.

13. 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 \$100,350 during the year ended September 30, 2010 (\$96,025 in 2009).

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, 2010 totaled \$3,912 (\$3,731 in 2009). Amounts due RRACAP from BCOP for management fees and expense reimbursements totaled \$0 at September 30, 2010 and 2009.

14. Evaluation of Subsequent Events

The Organization has evaluated transactions and events occurring after September 30, 2010 for recognition and disclosure in the financial statements. Subsequent events were evaluated through December 28, 2010, the date the financial statements were issued.

MERIWETHER, WILSON AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2010, and have issued our report thereon dated December 28, 2010. 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 Red Rock Area Community Action Program, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Page Two

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Organization in a separate letter dated December 28, 2010.

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

Meriwether, Wilson and Company, PLLC

MERIWETHER, WILSON AND COMPANY, PLLC
Certified Public Accountants

December 28, 2010
West Des Moines, Iowa

MERIWETHER, WILSON AND COMPANY, PLLC
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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditor's Report

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

Compliance

We have audited Red Rock Area Community Action Program, 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 Red Rock Area Community Action Program, Inc.'s major federal programs for the year ended September 30, 2010. Red Rock Area Community Action Program, Inc.'s major federal programs are identified in the Summary of Independent Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Red Rock Area Community Action Program, Inc.'s management. Our responsibility is to express an opinion on Red Rock Area Community Action Program, Inc.'s compliance based on our audit.

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

In our opinion, Red Rock Area Community Action Program, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010.

Internal Control over Compliance

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 Red Rock Area Community Action Program, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with 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 the Organization's internal control over compliance.

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

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

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

Meriwether, Wilson and Company, PLLC

MERIWETHER, WILSON AND COMPANY, PLLC
Certified Public Accountants

December 28, 2010
West Des Moines, Iowa

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Schedule of Findings and Questioned Costs

Year Ended September 30, 2010

Section I - Summary of Auditor's Results

Financial statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? yes no

Identification of major programs:

Federal Grant	CFDA Number	Expenditures
U.S. Department of Health and Human Services		
Community Services Block Grant	93.569	\$ 423,900
Community Services Block Grant (ARRA)	93.710	<u>618,396</u>
Total CSBG Cluster		1,042,296
Low-Income Home Energy Assistance	93.568	4,284,045
U.S. Department of Energy		
Weatherization Assistance Programs (ARRA)	81.042	<u>811,793</u>
		<u><u>\$ 6,138,134</u></u>

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? yes no

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Schedule of Expenditures of Federal Awards

October 1, 2009 through September 30, 2010

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA* Number	Grant or Award Number	Federal Expenditures
U.S. Department of Health and Human Services			
Iowa Department of Human Rights			
Community Services Block Grant	93.569	CSBG-10-12-CU	\$ 423,900
Community Services Block Grant (ARRA)	93.710	CSBG-R9-12	618,396
Total Community Services Block Grant Cluster			1,042,296 **
Low Income Home Energy Assistance Program	93.568	LIHEAP-09-12-U	4,145,999
HEAP Weatherization Assistance	93.568	HEAP-09-12U	69,701
HEAP Weatherization Assistance	93.568	HEAP-10-12U	68,345
Total CFDA #93.568			4,284,045 **
Aging Resources			
Transportation Program Title IIIB (08-09)	93.044	FY 2010	20,500
Transportation Program Title IIIB (09-10)	93.044	FY 2011	6,198
Total CFDA #93.044			26,698
Total U.S. Department of Health and Human Services			5,353,039
U.S. Department of Energy			
Iowa Department of Human Rights			
Weatherization Assistance Programs (ARRA)	81.042	DOE-ARRA-09-12U	811,793
Total CFDA #81.042 and U.S. Department of Energy			811,793 **
U.S. Department of Transportation			
Iowa Department of Transportation/ Heart of Iowa Regional Transit Agency			
Federal Transit Non-Urban Operating Grant (08-09)	20.509	FY 2010	45,796
Federal Transit Non-Urban Operating Grant (09-10)	20.509	FY 2011	20,091
Total CFDA #20.509 and U.S. Department of Transportation			65,887
U.S. Department of Housing and Urban Development			
Iowa Institute for Community Alliances			
Emergency Shelter Grant Program	14.231	09-II-77028	6,851
Emergency Shelter Grant Program	14.231	10-II-77028	4,660
Emergency Shelter Grant Program	14.231	09-II-91001	1,380
Emergency Shelter Grant Program	14.231	10-II-91001	8,959
Total CFDA #14.231			21,850

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Schedule of Expenditures of Federal Awards

October 1, 2009 through September 30, 2010

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA*	Grant or Award Number	Federal Expenditures
U.S. Department of Housing and Urban Development (Cont.)			
Iowa Finance Authority			
Homeless Prevention & Rapid Re-Housing (ARRA)	14.257	S09-DY-19-0001	198,980
Total U.S. Department of Housing and Urban Development			<u>220,830</u>
Department of Homeland Security			
United Way of America			
Emergency Food and Shelter National Board Program			
Boone County	97.024	28-2862-00	9,443
Jasper County	97.024	28-2948-00	4,731
Marion County	97.024	27-2978-00	693
Marion County	97.024	28-2978-00	8,892
Polk County	97.024	28-3006-00	15,300
Warren County	97.024	27-3040-00	10,806
Warren County	97.024	27-3040-00	93
Total CFDA #97.024			<u>49,958</u>
Emerg. Food and Shelter National Board Progr. (ARRA)			
Boone County	97.114	AR-2862-00	5,165
Jasper County	97.114	AR-2948-00	2,697
Marion County	97.114	AR-2978-00	1,675
Polk County	97.114	AR-3006-00	44
Warren County	97.114	AR-3040-00	3,657
Total CFDA #97.114			<u>13,238</u>
Total Department of Homeland Security			<u>63,196</u>
Total Federal Expenditures			<u><u>\$6,514,745</u></u>

* Catalog of Federal Domestic Assistance

** Audited as a Major Program

Note 1: Basis of Presentation

The 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 Organization. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

SEE INDEPENDENT AUDITOR'S REPORT

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Combining Statement of Financial Position

September 30, 2010

	Total All Funds	Total Designated Program Funds	Community Services Block Grant	Community Services Block Grant ARRA
Assets				
Cash	\$ 203,815	39,975	34,436	5,802
Receivables	289,687	233,941	3,045	--
Prepaid Expenses	78,020	69,018	--	--
Property and Equipment	868,002	--	--	--
Accumulated Depreciation	(609,623)	--	--	--
Total Assets	\$ 829,901	342,934	37,481	5,802
Liabilities and Net Assets				
Liabilities				
Accounts Payable	\$ 38,397	34,225	3,788	--
Mortgages Payable	118,884	--	--	--
Accrued Expenses	80,167	68,244	33,693	5,802
Deferred Revenue	45,850	45,850	--	--
Total Liabilities	283,298	148,319	37,481	5,802
Net Assets	546,603	194,615	--	--
Total Liabilities and Net Assets	\$ 829,901	342,934	37,481	5,802

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Combining Statement of Financial Position

September 30, 2010

Designated Program Funds

Low Income Home Energy Assistance	HEAP WX	DOE WX ARRA	WX Cost Pool	Homeless Prevention and Rapid Re-Housing	Transportation Program Services
20,824	(18,947)	(103,200)	(53,242)	(36,742)	165,125
--	18,947	103,200	--	41,694	51,877
--	--	--	69,018	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>20,824</u>	<u>--</u>	<u>--</u>	<u>15,776</u>	<u>4,952</u>	<u>217,002</u>
13,357	--	--	630	--	15,474
--	--	--	--	--	--
7,467	--	--	8,527	4,952	6,962
--	--	--	--	--	--
<u>20,824</u>	<u>--</u>	<u>--</u>	<u>9,157</u>	<u>4,952</u>	<u>22,436</u>
--	--	--	6,619	--	194,566
<u>20,824</u>	<u>--</u>	<u>--</u>	<u>15,776</u>	<u>4,952</u>	<u>217,002</u>

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Combining Statement of Financial Position - Continued

September 30, 2010

	Emergency Food and Shelter National Board Program	Chore Service Program	Emergency Shelter Grants
Assets			
Cash	\$ 310	(8,791)	(13,254)
Receivables	--	1,392	13,619
Prepaid Expenses	--	--	--
Property and Equipment	--	--	--
Accumulated Depreciation	--	--	--
	<u>310</u>	<u>(8,791)</u>	<u>(13,254)</u>
Total Assets	<u>\$ 310</u>	<u>(7,399)</u>	<u>365</u>
Liabilities and Net Assets			
Liabilities			
Accounts Payable	\$ 226	750	--
Mortgage Payable	--	--	--
Accrued Expenses	84	--	365
Deferred Revenue	--	--	--
	<u>310</u>	<u>750</u>	<u>365</u>
Total Liabilities	<u>310</u>	<u>750</u>	<u>365</u>
Net Assets	<u>--</u>	<u>(8,149)</u>	<u>--</u>
Total Liabilities and Net Assets	<u>\$ 310</u>	<u>(7,399)</u>	<u>365</u>

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Combining Statement of Financial Position - Continued

September 30, 2010

Designated Program Funds

<u>Hometown Care</u>	<u>Black Hills Cares</u>	<u>I Care Fund</u>	<u>Recare Midland</u>	<u>Operation Roundup</u>	<u>Hunger Hike</u>	<u>I.E. Counsel</u>
23,240	6,109	13,134	25	48	1,531	3,567
--	--	167	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>23,240</u>	<u>6,109</u>	<u>13,301</u>	<u>25</u>	<u>48</u>	<u>1,531</u>	<u>3,567</u>
--	--	--	--	--	--	--
--	--	--	--	--	--	--
196	14	182	--	--	--	--
<u>23,044</u>	<u>6,095</u>	<u>13,119</u>	<u>25</u>	<u>--</u>	<u>--</u>	<u>3,567</u>
<u>23,240</u>	<u>6,109</u>	<u>13,301</u>	<u>25</u>	<u>--</u>	<u>--</u>	<u>3,567</u>
--	--	--	--	48	1,531	--
<u>23,240</u>	<u>6,109</u>	<u>13,301</u>	<u>25</u>	<u>48</u>	<u>1,531</u>	<u>3,567</u>

RED ROCK AREA COMMUNITY ACTION PROGRAM INC.

Combining Statement of Financial Position - Continued

September 30, 2010

	<u>Total Property and Equipment Funds</u>	<u>Property Housing Transi- tional Housing</u>
Assets		
Cash	83,510	256
Receivables	--	--
Prepaid Expenses	--	--
Property and Equipment	648,623	30,256
Accumulated Depreciation	<u>(506,539)</u>	<u>(25,576)</u>
Total Assets	<u><u>225,594</u></u>	<u><u>4,936</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts Payable	274	--
Mortgages Payable	61,600	--
Accrued Expenses	2,720	--
Deferred Revenue	--	--
Total Liabilities	<u>64,594</u>	<u>--</u>
Net Assets	<u>161,000</u>	<u>4,936</u>
Total Liabilities and Net Assets	<u><u>225,594</u></u>	<u><u>4,936</u></u>

RED ROCK AREA COMMUNITY ACTION PROGRAM INC.

Combining Statement of Financial Position - Continued

September 30, 2010

and Equipment Funds			Local Funds		
Programs			Total	County	Undesig-
Low		General	Local	Funds	nated
Income	Program	Agency	Funds		Fund
Housing					
83,254	--	--	80,330	112,674	(32,344)
--	--	--	55,746	21,568	34,178
--	--	--	9,002	--	9,002
269,264	285,634	63,469	219,379	219,379	--
<u>(206,212)</u>	<u>(211,282)</u>	<u>(63,469)</u>	<u>(103,084)</u>	<u>(103,084)</u>	<u>--</u>
<u>146,306</u>	<u>74,352</u>	<u>--</u>	<u>261,373</u>	<u>250,537</u>	<u>10,836</u>
274	--	--	3,898	2,710	1,188
61,600	--	--	57,284	57,284	--
2,720	--	--	9,203	3,102	6,101
--	--	--	--	--	--
<u>64,594</u>	<u>--</u>	<u>--</u>	<u>70,385</u>	<u>63,096</u>	<u>7,289</u>
<u>81,712</u>	<u>74,352</u>	<u>--</u>	<u>190,988</u>	<u>187,441</u>	<u>3,547</u>
<u>146,306</u>	<u>74,352</u>	<u>--</u>	<u>261,373</u>	<u>250,537</u>	<u>10,836</u>

SEE INDEPENDENT AUDITOR'S REPORT

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Combining Statement of Activities

Year Ended September 30, 2010

	Total All Funds	Total Designated Program Funds	Community Services Block Grant
Support and Revenue			
Iowa Department of Human Rights	\$ 6,443,845	6,443,845	423,900
Christian Opportunity Center	199,620	199,620	--
Heart of Iowa Regional Transit Agency	94,793	94,793	--
Utility Companies	78,894	78,894	--
County Funding	32,400	32,400	--
Iowa Institute for Community Alliances	21,850	21,850	--
Iowa Finance Authority	198,980	198,980	--
Department of Homeland Security	63,196	63,196	--
Aging Resources	26,698	26,698	--
Other Agencies	11,069	11,069	--
Warren County	7,443	7,443	--
Local Public Support	100,350	--	--
Project Income	79,666	34,778	--
Contributions and Other Income	16,684	11,588	--
Interest	793	9	--
Total Support and Revenue	<u>7,376,281</u>	<u>7,225,163</u>	<u>423,900</u>
Expenses	<u>7,397,857</u>	<u>7,177,707</u>	<u>423,900</u>
Excess (Deficiency) of Support and Revenue over Expenses Before Capital Additions	(21,576)	47,456	--
Capital Additions - Grant Funds Provided for Acquisition of Capital Assets	--	--	--
Transfers			
Property and Equipment Acquisitions Paid from Current Funds	--	--	--
Net Assets - Beginning of Year	<u>568,179</u>	<u>147,159</u>	<u>--</u>
Net Assets - End of Year	<u>\$ 546,603</u>	<u>194,615</u>	<u>--</u>

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Combining Statement of Activities

Year Ended September 30, 2010

Designated Program Funds

Community Services Block Grant ARRA	Low Income Home Energy Assistance	HEAP WX	DOE WX ARRA	WX Assistance Utility Companies	WX Cost Pool	Transpor- tation Program Services
618,396	4,145,999	138,046	811,793	305,711	--	--
--	--	--	--	--	--	199,620
--	--	--	--	--	--	94,793
--	--	--	--	--	--	--
--	--	--	--	--	--	32,400
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	26,698
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	7,824	24,664
--	--	--	--	--	--	9,563
--	--	--	--	--	--	9
618,396	4,145,999	138,046	811,793	305,711	7,824	387,747
618,396	4,145,999	138,046	811,793	305,711	(15,910)	358,975
--	--	--	--	--	23,734	28,772
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	(17,115)	165,794
--	--	--	--	--	6,619	194,566

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Combining Statement of Activities - Continued

Year Ended September 30, 2010

	Emergency Food and Shelter National Board Program	Chore Service Program	Emergency Shelter Grant	Homeless Prevention and Rapid Re-Housing
Support and Revenue				
Iowa Department of Human Rights	\$ --	--	--	--
Christian Opportunity Center	--	--	--	--
Heart of Iowa Regional Transit Agency	--	--	--	--
Utility Companies	--	--	--	--
County Funding	--	--	--	--
Iowa Institute for Community Alliances	--	--	21,850	--
Iowa Finance Authority	--	--	--	198,980
Department of Homeland Security	63,196	--	--	--
Aging Resources	--	--	--	--
Other Agencies	--	--	--	--
Warren County	--	7,443	--	--
Local Public Support	--	--	--	--
Project Income	--	2,290	--	--
Contributions and Other Income	--	--	--	--
Interest	--	--	--	--
Total Support and Revenue	<u>63,196</u>	<u>9,733</u>	<u>21,850</u>	<u>198,980</u>
Expenses	<u>63,196</u>	<u>14,927</u>	<u>21,850</u>	<u>198,980</u>
Excess (Deficiency) of Support and Revenue over Expenses Before Capital Additions	--	(5,194)	--	--
Capital Additions - Grant Funds Provided for Acquisition of Capital Assets	--	--	--	--
Transfers				
Property and Equipment Acquisitions Paid from Current Funds	--	--	--	--
Net Assets - Beginning of Year	--	(2,955)	--	--
Net Assets - End of Year	<u>\$ --</u>	<u>(8,149)</u>	<u>--</u>	<u>--</u>

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Combining Statement of Activities - Continued

Year Ended September 30, 2010

Designated Program Funds

Embrace Iowa	Hometown Care	Black Hills Cares	I Care Fund	Indianola Share	Operation Roundup	Hunger Hike
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	25,620	1,379	51,895	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
10,889	--	--	--	180	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	2,025
--	--	--	--	--	--	--
<u>10,889</u>	<u>25,620</u>	<u>1,379</u>	<u>51,895</u>	<u>180</u>	<u>--</u>	<u>2,025</u>
<u>10,889</u>	<u>25,620</u>	<u>1,379</u>	<u>51,895</u>	<u>180</u>	<u>600</u>	<u>1,281</u>
--	--	--	--	--	(600)	744
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	648	787
--	--	--	--	--	48	1,531

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Combining Statement of Activities - Continued

Year Ended September 30, 2010

	Total Property and Equipment Funds	Property and Equipment Housing Programs	
		Transitional Housing	Low Income Housing
Support and Revenue			
Iowa Department of Human Rights	\$ --	--	--
Christian Opportunity Center	--	--	--
Heart of Iowa Regional Transit Agency	--	--	--
Utility Companies	--	--	--
County Funding	--	--	--
Iowa Institute for Community Alliances	--	--	--
Iowa Finance Authority	--	--	--
Department of Homeland Security	--	--	--
Aging Resources	--	--	--
Other Agencies	--	--	--
Warren County	--	--	--
Local Public Support	--	--	--
Project Income	37,688	3,960	33,728
Contributions and Other Income	--	--	--
Interest	235	--	235
Total Support and Revenue	<u>37,923</u>	<u>3,960</u>	<u>33,963</u>
Expenses	<u>73,757</u>	<u>5,432</u>	<u>37,317</u>
Excess (Deficiency) of Support and Revenue over Expenses Before Capital Additions	(35,834)	(1,472)	(3,354)
Capital Additions - Grant Funds Provided for Acquisition of Capital Assets	--	--	--
Transfers			
Property and Equipment Acquisitions Paid from Current Funds	--	--	--
Net Assets - Beginning of Year	<u>196,834</u>	<u>6,408</u>	<u>85,066</u>
Net Assets - End of Year	<u>\$ 161,000</u>	<u>4,936</u>	<u>81,712</u>

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Combining Statement of Activities - Continued

Year Ended September 30, 2010

Funds		Local Funds		
Program	General Agency	Total Local Funds	County Funds	Undesignated Fund
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	100,350	100,350	--
--	--	7,200	7,200	--
--	--	5,096	3,912	1,184
--	--	549	184	365
--	--	<u>113,195</u>	<u>111,646</u>	<u>1,549</u>
<u>30,808</u>	<u>200</u>	<u>146,393</u>	<u>121,536</u>	<u>24,857</u>
(30,808)	(200)	(33,198)	(9,890)	(23,308)
--	--	--	--	--
--	--	--	--	--
<u>105,160</u>	<u>200</u>	<u>224,186</u>	<u>197,331</u>	<u>26,855</u>
<u>74,352</u>	<u>--</u>	<u>190,988</u>	<u>187,441</u>	<u>3,547</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-10-12

(Contract Period 10/1/09 - 12/31/10)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 10/1/09 - 9/30/10</u>
Personnel		
Salaries and Wages	\$ 246,669	252,932
Fringe Benefits	100,110	102,908
	<u>346,779</u>	<u>355,840</u>
Travel		
Staff	8,500	5,733
Space Costs		
Rental	12,000	11,607
Utilities	2,200	2,965
Insurance	1,500	2,418
Other	--	--
	<u>15,700</u>	<u>16,990</u>
Equipment Costs		
Purchase, Rental, and Maintenance	8,600	6,152
Consultants	6,000	5,310
Co-Funded Programs	6,000	6,000
Other Costs		
Telephone	8,500	4,910
Printing and Postage	7,500	5,061
Publications and Dues	2,500	2,342
Registration Fees	2,500	1,867
Bonding	200	174
Audit	6,500	8,878
Consumable Supplies	2,871	2,265
Other	1,750	2,378
	<u>32,321</u>	<u>27,875</u>
	<u>\$ 423,900</u>	<u>423,900</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 (ARRA)

Contract No. CSBG-R9-12

(Contract Period 4/10/09 - 9/30/10)

Cost Category	Approved Budget	Actual Expenses		
		Total	10/1/10 - 9/30/10	4/10/09 - 9/30/09
Personnel				
Salaries and Wages	\$ 114,579	114,257	97,613	16,644
Fringe Benefits	72,000	69,561	66,124	3,437
	<u>186,579</u>	<u>183,818</u>	<u>163,737</u>	<u>20,081</u>
Travel				
Staff	9,850	9,132	8,524	608
Space Costs				
Rental	7,500	7,995	7,937	58
Utilities	1,657	1,688	1,624	64
Insurance	1,800	1,818	1,818	--
Other	1,702	1,665	1,549	116
	<u>12,659</u>	<u>13,166</u>	<u>12,928</u>	<u>238</u>
Equipment Costs				
Purchase, Rental, and Maintenance	14,112	14,027	1,684	12,343
Consultants	--	--	--	--
Co-Funded Programs	117,619	116,252	116,252	--
Other Costs				
Telephone	4,500	4,402	4,377	25
Printing and Postage	3,650	3,217	3,065	152
Publications and Dues	--	--	--	--
Registration Fees	2,500	2,512	2,512	--
Bonding	--	--	--	--
Audit	3,500	3,517	3,517	--
Consumable Supplies	3,200	3,121	1,310	1,811
Other	5,030	5,030	5,030	--
	<u>22,380</u>	<u>21,799</u>	<u>19,811</u>	<u>1,988</u>
Other Costs				
New CSBG ARRA Programs	290,455	295,460	295,460	--
	<u>\$ 653,654</u>	<u>653,654</u>	<u>618,396</u>	<u>35,258</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. LIHEAP-10-12-U
(Contract Period 10/1/09 - 9/30/10)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 10/1/09 - 9/30/10</u>
Assistance		
Regular Assistance	\$3,616,445	3,606,894
Energy Crisis Intervention	168,903	168,903
Summer Deliverable Fuel	113,576	113,576
Client Services	45,498	45,498
Total Assistance	<u>3,944,422</u>	<u>3,934,871</u>
Administration		
Staff Salaries	110,084	110,084
Fringe Benefits	64,211	64,211
Building Space, Rental, and Storage	6,265	6,265
Utilities	1,733	1,733
Material and Supplies	734	734
Telephone	4,415	4,415
Travel	18	18
Postage	2,787	2,787
Printing and Copying	1,632	1,632
Contracted Services	6,000	6,000
Other Costs	13,249	13,249
Total Administration	<u>211,128</u>	<u>211,128</u>
Total	<u>\$ 4,155,550</u>	<u>4,145,999</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 Programs

Contract No. HEAP-10-12U
(Contract Period 1/01/10 - 12/31/10)

Cost Category	Approved Budget	Actual Expenses 1/01/10 - 9/30/10
Administration	\$ 9,764	--
Health and Safety	32,637	52,282
Support	42,307	--
Labor	44,120	75
Materials	44,120	2,344
Equipment/Training	26,295	1,339
Pollution Occurrence Insurance	12,305	12,305
Total	\$ 211,548	68,345

Contract No. HEAP-09-12U
(Contract Period 1/01/09 - 12/31/09)

Cost Category	Approved Budget	Total	Actual Expenses	
			10/01/09 - 12/31/09	01/01/09 - 09/30/09
Administration	\$ 13,018	7,914	3,352	4,562
Health and Safety	43,227	44,118	21,962	22,156
Support	56,035	40,372	13,241	27,131
Labor	58,436	28,644	13,359	15,285
Materials	58,436	24,786	11,307	13,479
Equipment/Training	17,637	1,342	--	1,342
Pollution Occurrence Insurance	6,980	6,980	6,480	500
Total	\$ 253,769	154,156	69,701	84,455

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 Programs

Contract No. DOE-ARRA-09-12U
(Contract Period 4/01/09 - 3/31/12)

Cost Category	Approved Budget	Total	Actual Expenses	
			10/01/09 - 03/31/10	04/01/09 - 09/30/09
Administration	\$ 103,468	34,963	34,676	287
Health and Safety	299,327	173,545	173,080	465
Support	385,936	273,311	270,616	2,695
Labor	405,687	180,752	180,716	36
Materials	405,687	131,291	130,607	684
Administration - Equipment	56,736	56,736	2,890	53,846
Training and Technical Assistance	285,917	35,137	19,208	15,929
Total	\$ 1,942,758	885,735	811,793	73,942

Contract No. DOE-09-12U
(Contract Period 4/01/09 - 3/31/11)

Cost Category	Approved Budget	Total	Actual Expenses	
			10/01/09 - 09/30/10	04/01/09 - 09/30/09
Administration	\$ 15,996	10,963	--	10,963
Health and Safety	49,154	35,633	--	35,633
Support	63,718	65,228	--	65,228
Labor	66,449	29,563	--	29,563
Materials	66,449	27,547	--	27,547
Total	\$ 261,766	168,934	--	168,934

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 Programs

Contract No. IPL-10-12U
(Contract Period 1/01/10 - 12/31/10)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/01/10 - 9/30/10</u>
Administration	\$ 4,683	1,266
Support	9,367	3,596
Labor	39,808	45,222
Materials	39,808	43,582
Total	\$ 93,666	93,666

Contract No. IPL-09-12U
(Contract Period 1/01/09 - 12/31/09)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/01/09 - 12/31/09</u>	<u>01/01/09 - 09/30/09</u>
Administration	\$ 7,183	5,628	3,088	2,540
Support	14,366	11,831	7,316	4,515
Labor	61,058	64,255	39,330	24,925
Materials	61,058	61,951	36,541	25,410
Total	\$ 143,665	143,665	86,275	57,390

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 Programs

Contract No. MEC-10-12U

(Contract Period 1/01/10 - 12/31/10)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/01/10 - 9/30/10</u>
Administration	\$ 4,248	76
Support	8,496	6,088
Labor	36,106	41,350
Materials	36,106	37,442
Total	<u>\$ 84,956</u>	<u>84,956</u>

Contract No. MEC-09-12U
(Contract Period 1/01/09 - 12/31/09)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Total</u>	<u>Actual Expenses</u>	
			<u>10/01/09 - 12/31/09</u>	<u>01/01/09 - 09/30/09</u>
Administration	\$ 5,426	3,949	--	3,949
Support	10,851	10,204	3,065	7,139
Labor	46,118	45,489	12,465	33,024
Materials	46,118	48,871	10,024	38,847
Total	<u>\$ 108,513</u>	<u>108,513</u>	<u>25,554</u>	<u>82,959</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 Programs

Contract No. AQU-10-12U
(Contract Period 1/01/10 - 12/31/10)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/01/10 - 9/30/10</u>
Administration	\$ 445	--
Support	889	--
Labor	3,778	4,020
Materials	<u>3,778</u>	<u>4,870</u>
Total	<u>\$ 8,890</u>	<u>8,890</u>

Contract No. BHE-09-12U
(Contract Period 1/01/09 - 12/31/09)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/1/09 - 12/31/09</u>	<u>1/1/2009 - 9/30/09</u>
Administration	\$ 454	351	222	129
Support	908	814	579	235
Labor	3,862	4025	2,511	1514
Materials	<u>3,862</u>	<u>3896</u>	<u>3,058</u>	<u>838</u>
Total	<u>\$ 9,086</u>	<u>9,086</u>	<u>6,370</u>	<u>2,716</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 7/1/10 - 6/30/13)

(Budget for the Period 7/1/10 - 6/30/11)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 7/1/10 - 9/30/10</u>
Salaries and Wages	\$ 146,432	46,422
Fringe Benefits	35,886	16,738
Fuel	66,000	14,544
Maintenance and Repair	52,400	13,163
Radio Maintenance	1,500	--
Vehicle Insurance	24,000	4,241
Audit	800	750
Travel, Training, and Supplies	800	606
Telephone	1,200	90
Drug Testing and Physicals	1,100	--
Capital Replacement	3,700	--
Marketing and Miscellaneous	<u>1,000</u>	<u>2,803</u>
Total	<u>\$ 334,818</u>	<u>99,357</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 7/1/09 - 6/30/10)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/1/09 - 6/30/10</u>	<u>7/1/09 - 9/30/09</u>
Salaries and Wages	\$ 165,000	177,718	132,535	45,183
Fringe Benefits	33,000	39,216	30,737	8,479
Fuel	60,000	50,903	38,757	12,146
Maintenance and Repair	47,200	43,791	33,137	10,654
Radio Maintenance	900	4,277	2,815	1,462
Vehicle Insurance	22,000	22,514	16,822	5,692
Audit	800	--	--	--
Travel, Training, and Supplies	400	1,170	855	315
Telephone	1,200	748	606	142
Drug Testing and Physicals	1,100	--	--	--
Capital Replacement	3,400	470	--	470
Marketing and Miscellaneous	1,000	4,096	3,354	742
Total	<u>\$ 336,000</u>	<u>344,903</u>	<u>259,618</u>	<u>85,285</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 10/1/09 - 9/30/10)

	<u>Food</u>	<u>Shelter</u>	<u>Utilities</u>	<u>Administrative</u>	<u>Total</u>
Warren County RRACAP	\$ --	7,478	3,205	216	10,899
Polk County RRACAP	--	5,269	10,031	--	15,300
Marion County RRACAP	2,398	3,485	3,522	180	9,585
Boone County RRACAP	--	4,497	4,757	189	9,443
Jasper County RRACAP	--	--	4,636	95	4,731
Total	<u>\$ 2,398</u>	<u>20,729</u>	<u>26,151</u>	<u>680</u>	<u>49,958</u>

Emergency Food and Shelter National Board Program - ARRA
(Contract Period 4/1/09 - 12/31/09)

	<u>Food</u>	<u>Shelter</u>	<u>Utilities</u>	<u>Administrative</u>	<u>Total</u>
Warren County RRACAP	\$ --	2,543	1,114	--	3,657
Polk County RRACAP	--	44	--	--	44
Marion County RRACAP	430	961	284	--	1,675
Boone County RRACAP	--	4,089	1,076	--	5,165
Jasper County RRACAP	--	1,394	1,303	--	2,697
Total	<u>\$ 430</u>	<u>9,031</u>	<u>3,777</u>	<u>--</u>	<u>13,238</u>

SEE INDEPENDENT AUDITOR'S REPORT

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.
Iowa Institute for Community Alliances

Schedule of Expenses Compared to Budget

Emergency Shelter Grants Program

Contract No. 10-II-91001
(Contract Period 7/1/10 - 12/31/10)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 7/1/10 - 9/30/10</u>
Operations	\$ 3,000	498
Homeless Prevention	<u>15,000</u>	<u>8,461</u>
Total	<u>\$ 18,000</u>	<u>8,959</u>

Contract No. 9-II-91001
(Contract Period 7/1/09 - 6/30/10)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/1/09 - 6/30/10</u>	<u>7/1/09 - 9/30/09</u>
Operations	\$ 3,000	1,380	1,620	
Homeless Prevention	<u>15,000</u>	<u>--</u>	<u>15,000</u>	
Total	<u>\$ 18,000</u>	<u>1,380</u>	<u>16,620</u>	

Contract No. 10-II-77028
(Contract Period 7/1/010 - 12/31/10)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 7/1/10 - 9/30/10</u>
Homeless Prevention	<u>\$ 13,000</u>	<u>4,660</u>

Contract No. 09-II-77028
(Contract Period 7/1/09 - 6/30/10)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/1/09 - 6/30/10</u>	<u>7/1/09 - 9/30/09</u>
Homeless Prevention	<u>\$ 12,000</u>	<u>12,000</u>	<u>6,851</u>	<u>5,149</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 7/1/10 - 6/30/11)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 7/1/10 - 9/30/10</u>
Salaries	\$ 7,515	488
Fringe and Taxes	1,200	78
Contracted Services	--	3,750
Mileage	1,800	--
Office Supplies, Postage, and Miscellaneous	200	1,868
Fuel Supplies	550	--
Equipment Purchase/Rental/ Repair/Maintenance	<u>1,580</u>	<u>530</u>
	<u>\$ 12,845</u>	<u>6,714</u>

(Contract Period 7/1/09 - 6/30/10)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/1/09 - 6/30/10</u>	<u>7/1/09 - 9/30/09</u>
Salaries	\$ 7,515	4,504	2,104	2,400
Fringe and Taxes	1,200	860	556	304
Mileage	1,800	5,850	5,250	600
Contracted Services	--	64	64	--
Office Supplies, Postage, and Miscellaneous	200	185	185	--
Fuel Supplies	550	129	30	99
Equipment Purchase/Rental/ Repair/Maintenance	<u>1,580</u>	<u>794</u>	<u>24</u>	<u>770</u>
	<u>\$ 12,845</u>	<u>12,386</u>	<u>8,213</u>	<u>4,173</u>

SEE INDEPENDENT AUDITOR'S REPORT

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Schedule of Expenses

October 1, 2009 through September 30, 2010

Low Income Housing - Greene Apartments

<u>Expense Classification</u>	<u>Amount</u>
Depreciation	\$ 13,253
Utilities	7,728
Building Maintenance	12,870
Insurance	3,380
Other	86
Total	<u>\$37,317</u>

Transitional Housing

<u>Expense Classification</u>	<u>Amount</u>
Utilities	\$ 2,728
Depreciation	935
Building Maintenance	1,409
Other	360
Total	<u>\$ 5,432</u>

SEE INDEPENDENT AUDITOR'S REPORT

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.
Discretionary and Local Funds

Schedule of Changes in Fund Balances

October 1, 2009 through September 30, 2010

Description	Total	Discretionary	County				
			Warren	Marion	Polk	Jasper	Boone
Net Assets - Beginning of Year	\$ 224,186	26,855	114,847	2,641	10,901	8,728	60,214
Support and Revenue							
Local Public Support	100,350	--	45,790	--	3,225	1,934	49,401
Project Income	7,200	--	--	--	--	--	7,200
Contributions	--	--	--	--	--	--	--
Interest	549	365	13	--	--	--	171
Other	5,096	1,184	--	--	--	--	3,912
Total Revenue	113,195	1,549	45,803	--	3,225	1,934	60,684
Expenses							
Salaries	37,376	15,178	18,329	--	--	--	3,869
Payroll Tax & Fringe Benefits	9,063	(248)	7,496	--	--	--	1,815
Rent	24,375	--	24,375	--	--	--	--
Depreciation	14,713	--	6,987	1,082	202	621	5,821
Food Pantry	11,002	--	--	--	--	--	11,002
Direct Assistance	18,999	--	1,647	--	14,706	--	2,646
Utilities	1,810	--	1,810	--	--	--	--
Moose Lodge	5,692	--	--	--	--	3,051	2,641
Interest	3,086	--	--	--	--	--	3,086
Insurance	2,057	--	317	--	--	--	1,740
Weatherization Materials	971	--	971	--	--	--	--
Property Taxes	1,709	--	--	--	--	--	1,709
Consultants	--	--	--	--	--	--	--
Audit	908	908	--	--	--	--	--
Building Maintenance	4,597	2,634	316	--	--	--	1,647
Other Expense	10,035	6,385	2,078	383	--	830	359
Total Expenses	146,393	24,857	64,326	1,465	14,908	4,502	36,335
Excess (Deficiency) of Support and Revenue over Expenses	(33,198)	(23,308)	(18,523)	(1,465)	(11,683)	(2,568)	24,349
Net Assets - End of Year	\$ 190,988	3,547	96,324	1,176	(782)	6,160	84,563

SEE INDEPENDENT AUDITOR'S REPORT

MERIWETHER, WILSON AND COMPANY, PLLC
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December 28, 2010

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

We have audited the financial statements of Red Rock Area Community Action Program, Inc. for the year ended September 30, 2010, and have issued our report thereon dated December 28, 2010. Professional standards require that we provide you information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 1, 2010. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Red Rock Area Community Action Program, Inc. are described in Note 2 to the financial statements. As described in Note 2, the Organization adopted FASB ASC 740-10, *Uncertain Tax Positions*, during the year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In our judgment, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Last year, we suggested that management of the Organization calculate and record the year-end adjustment to weatherization inventory and record depreciation expense. We were pleased to note that both adjustments were made by the Organization prior to audit fieldwork this year.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 28, 2010.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

The Organization filed its required Single Audit data collection form and reporting package for the year ended September 30, 2009 on December 17, 2010, approximately six months late. Management must establish and maintain a process to file the required Single Audit information by the due date, and should also consider establishing a formal process to monitor completion of the filing with the Federal Audit Clearinghouse.

This communication is intended solely for the information and use of the Board of Directors, management, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Meriwether, Wilson and Company, PLLC

MERIWETHER, WILSON AND COMPANY, PLLC
Certified Public Accountants