

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.
Indianola, Iowa
FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
(OMB Circular A-133, Single Audit Report)
September 30, 2011 and 2010
(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	Steve Wilson	Beverly Dickerson

Management

Central Administrative Office
 Bill Peppmeier

Executive Director

Laura Hudson

Weatherization
 Coordinator/Assistant
 Director/Program Planner

Richard Oosterhuis

Fiscal Manager

Jeremiah Schlegel

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 Hulgan

County Coordinator

Polk County Center
 Jana Vander Lause

County Coordinator

Warren County Center
 Jeremy Johnson Miller

County Coordinator

MERIWETHER, WILSON AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

2

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SUSAN K. CHANTLAND, CPA
C. MARK LINCOLN, CPA
SCOTT W. MILLER, CPA
WILLIAM J. BAUER, CPA
WENDY G. WIEDNER, CPA
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MICHAEL T. BURTON, 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, 2011 and 2010, 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, 2011 and 2010, 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 February 7, 2012, 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

February 7, 2012
West Des Moines, Iowa

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Statements of Financial Position

September 30,

	<u>2011</u>	<u>2010</u>
Assets		
Current Assets		
Cash	\$ 478,540	200,495
Receivables	238,335	289,687
Prepaid Expenses	91,605	78,020
Total Current Assets	<u>808,480</u>	<u>568,202</u>
Tenants' Security Deposits Held in Trust - Cash	<u>3,380</u>	<u>3,320</u>
Property and Equipment		
Land	19,200	19,200
Buildings and Improvements	441,080	441,080
Vehicles	64,721	64,721
Furnishings and Equipment	<u>333,518</u>	<u>343,001</u>
	858,519	868,002
Accumulated Depreciation	<u>652,198</u>	<u>609,623</u>
Net Property and Equipment	<u>206,321</u>	<u>258,379</u>
Total Assets	<u><u>\$ 1,018,181</u></u>	<u><u>829,901</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 21,088	38,397
Mortgages Payable - Current Portion	3,045	2,897
Accrued Expenses	77,418	76,847
Due 4 R Kids	186,321	--
Deferred Revenue	<u>26,969</u>	<u>45,850</u>
Total Current Liabilities	<u>314,841</u>	<u>163,991</u>
Deposit Liabilities - Tenants' Security Deposits	<u>3,380</u>	<u>3,320</u>
Long-Term Debt		
Mortgages Payable, Net of Current Portion	<u>112,942</u>	<u>115,987</u>
Total Liabilities	<u>431,163</u>	<u>283,298</u>
Net Assets		
Unrestricted		
Designated for Programs and Counties	562,350	543,056
Undesignated	<u>24,668</u>	<u>3,547</u>
Total Net Assets	<u>587,018</u>	<u>546,603</u>
Total Liabilities and Net Assets	<u><u>\$ 1,018,181</u></u>	<u><u>829,901</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,

	<u>Unrestricted</u>	
	<u>2011</u>	<u>2010</u>
Support and Revenue		
Grant and Contract Revenue	\$ 6,768,779	7,178,788
Local Public Support	105,725	100,350
Project Income	76,993	79,666
Contributions and Other Income	55,691	16,684
Interest	290	793
Total Support and Revenue	<u>7,007,478</u>	<u>7,376,281</u>
Expenses		
Low Income Home Energy Assistance Program	3,883,079	4,145,999
Weatherization Programs	1,291,232	1,239,640
Homeless Prevention and Rapid Re-Housing	662,767	198,980
Transportation Program Services	437,111	358,975
Iowans Helping Iowans	268,661	-
Community Services Block Grant	154,235	1,042,296
County Funds	65,848	121,536
Housing Programs	42,415	42,749
Emergency Shelter Grants Program	40,634	21,850
I Care Fund	39,929	51,895
Hometown Care	25,922	25,620
Embrace Iowa	14,278	10,889
Chore Service Program	12,055	14,927
Emergency Food and Shelter National Board Program	12	63,196
Other Programs	5,680	3,440
Undesignated and Property Funds	23,205	55,865
Total Expenses	<u>6,967,063</u>	<u>7,397,857</u>
Change in Net Assets	40,415	(21,576)
Net Assets at Beginning of Year	<u>546,603</u>	<u>568,179</u>
Net Assets at End of Year	<u>\$ 587,018</u>	<u>546,603</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>2011</u>	<u>2010</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 40,415	(21,576)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities - Depreciation	52,058	59,908
(Increase) Decrease in		
Receivables	4,378	(125,300)
Prepaid Expenses	(13,585)	(34,562)
Increase (Decrease) in		
Accounts Payable	(17,309)	1,909
Accrued Expenses	571	16,491
Deferred Revenue	28,093	(25,629)
Due 4 R Kids	186,321	--
Net Cash Flows from Operating Activities	<u>280,942</u>	<u>(128,759)</u>
Cash Flows from Financing Activities		
Repayments on Mortgages	<u>(2,897)</u>	<u>(2,750)</u>
Change in Cash	278,045	(131,509)
Cash Balances - Beginning of Year	<u>200,495</u>	<u>332,004</u>
Cash Balances - End of Year	<u>\$ 478,540</u>	<u>200,495</u>
Supplemental Disclosure of Cash Flow Data		
Cash Paid During the Years for		
Interest	<u>\$ 2,938</u>	<u>3,086</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, 2011 and 2010

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.

The Organization follows generally accepted accounting principles in evaluating its uncertain tax positions. At September 30, 2011 and 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, 2008.

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, 2011 and 2010, 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.

The Organization follows generally accepted accounting principles in evaluating impairment of long-lived assets. No impairment losses were recognized in 2011 or 2010.

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 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 2010 financial statements have been made to conform to the 2011 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 uses these funds primarily to cover operating and administrative expenses. In 2010, this program included 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 (under the American Recovery and Reinvestment Act) 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.

Iowans Helping Iowans

The Iowans Helping Iowans Unmet Needs Disaster Assistance Program is a one-time program created in September, 2010 to help meet the needs of Iowans hit hard by severe storms and flooding in presidential declared disaster areas in the summer of 2010. The program is funded through the Iowa Department of Human Services, and the Organization provides case management services and direct assistance to eligible participants.

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:

	<u>2011</u>	<u>2010</u>
Black Hills Cares	\$ 4,270	1,379
Hunger Hike	757	1,281
Recare Midland	503	--
Indianola Share	150	180
Operation Roundup	--	600
	<u>\$ 5,680</u>	<u>3,440</u>

4. Receivables

Receivables are summarized as follows:

<u>Due From</u>	<u>Program Activity</u>	<u>2011</u>	<u>2010</u>
Grant or Program Funds			
Heart of Iowa Regional Transit Agency	Warren Transportation	\$ 23,674	3,075
Iowa Department of Human Rights	DOE ARRA Weatherization	68,997	103,200
Iowa Department of Human Rights	CSBG	10,637	--
Iowa Department of Human Rights	Weatherization-Utility Co.	10,383	--
Iowa Department of Human Rights	HEAP Weatherization	3,036	18,947
Iowa Finance Authority	HPRP	28,390	41,694
Iowa Institute for Community Alliances	Homeless Shelter Operations	3,033	8,959
Iowa Institute for Community Alliances	Emergency Shelter Grant	--	4,660
United Way	EFSP	12	--
Other Receivables by Program Activity			
Warren Transportation		55,296	48,802
CSBG		3,197	3,045
Undesignated Fund			
Marion County		22,604	34,168
Other		156	10
Warren LPF		5,750	15,033
Chore		2,508	1,392
County Funds		535	535
Boone Co Food Pantry		--	6,000
I Care		127	167
		<u>\$ 238,335</u>	<u>289,687</u>

5. Concentration of Credit Risk

The Organization maintains accounts at several banks, and from time to time may have balances in certain accounts in excess of federally insured limits. As of September 30, 2011 and 2010, the Organization had no cash deposits in excess of insured limits.

6. **Concentration of Support**

In the year ended September 30, 2011, the Organization received approximately 91% (91% in 2010) 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:

2011				
Type of Equipment	Cost	Depreciation Expense	Accumulated Depreciation	Undepreciated Cost
Program Equipment				
CSBG				
Office Equipment	\$ 73,448	9,942	56,204	17,244
LIHEAP				
Office Equipment	86,292	1,230	84,411	1,881
Weatherization				
WX Vehicles and Equipment	86,684	11,326	56,893	29,791
Transportation				
Vans and Related Equipment	20,431	86	20,295	136
I Care				
Office Equipment	3,974	464	3,974	-
I.E. Counsel				
Office Equipment	2,655	453	2,427	228
Emergency Shelter				
Grants Program				
Office Equipment	2,668	-	2,668	-
Total Program Equipment	276,152	23,501	226,872	49,280
Low Income Housing				
Land	10,000	-	-	10,000
Buildings and Improvements	248,633	12,377	209,585	39,048
Furnishings	10,631	541	9,545	1,086
	269,264	12,918	219,130	50,134
Transitional Housing				
Land	2,000	-	-	2,000
Buildings and Improvements	27,317	770	25,761	1,556
Furnishings	939	165	750	189
	30,256	935	26,511	3,745
General Agency and Counties				
Land	7,200	-	-	7,200
Buildings and Improvements	165,130	10,217	70,952	94,178
Furnishings and Equipment	110,517	4,487	108,733	1,784
	282,847	14,704	179,685	103,162
Total Agency	\$ 858,519	52,058	652,198	206,321

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	285,635	30,806	211,283	74,352
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
	269,264	13,253	206,212	63,052
Transitional Housing				
Land	2,000	--	--	2,000
Buildings and Improvements	27,317	770	24,991	2,326
Furnishings	939	165	585	354
	30,256	935	25,576	4,680
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
	282,847	14,914	166,552	116,295
Total Agency	\$ 868,002	59,908	609,623	258,379

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	2011	2010
Hometown Care	\$ 11,986	23,044
I Care Fund	4,713	13,119
Black Hills Cares	5,678	6,095
I.E. Counsel	3,567	3,567
Recare Midland	1,010	25
Indianola Shares	15	--
	\$ 26,969	45,850

9. **Accrued Expenses**

Accrued expenses are summarized as follows:

	2011	2010
Accrued Wages	\$ 48,349	42,891
Compensated Absences	27,562	28,733
Accrued Audit	--	3,517
Property Taxes	1,249	1,249
Interest	270	270
Payroll Taxes and Withholdings	(12)	187
	\$ 77,418	76,847

10. **Long-Term Debt**

Mortgages payable are summarized as follows:

Lender	Date		Balance, Sept. 30,		Interest Rate	Repayment Basis
	Made	Due	2011	2010		
Community Bank of Boone Boone, Iowa	06/18/04	07/01/24	\$ 54,387	57,284	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.
			115,987	118,884		
Less: Amount Classified as Current			3,045	2,897		
			\$ 112,942	115,987		

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, 2011 variable rate and payment amount noted above.

Interest expense for the year ended September 30, 2011, totaled \$2,938 (\$3,086 in 2010).

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
2012	\$ 3,045	3,045	—
2013	64,817	3,217	61,600
2014	3,388	3,388	—
2015	3,570	3,570	—
2016	3,758	3,758	—
Thereafter	37,409	37,409	—
	<u>\$ 115,987</u>	<u>54,387</u>	<u>61,600</u>

11. Lease Commitments

The Organization leases office space and equipment under noncancelable leases with terms in excess of one year, and has other leases written for one-year periods with options to renew. At September 30, 2011, the Organization had three noncancelable operating leases with terms in excess of one year. Future minimum lease payments on these leases are summarized as follows, as of the most recent year-end:

2012	\$ 36,881
2013	29,501
2014	27,041
2015	27,041
2016	24,300
Thereafter	—
	<u>\$ 144,764</u>

Total rent and lease expense for the year ended September 30, 2011, amounted to \$43,745 (\$63,615 in 2010).

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 5.38% (4.50% through June 2011) of their annual covered salary and the Organization is required to contribute 8.07% (6.95% 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, 2011, was \$61,332 (\$65,070 in 2010), 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 \$105,725 during the year ended September 30, 2011 (\$100,350 in 2010).

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, 2011 totaled \$3,868 (\$3,912 in 2010). Amounts due RRACAP from BCOP for management fees and expense reimbursements totaled \$0 at September 30, 2011 and 2010.

14. **Due 4 R Kids**

4 R Kids Early Childhood Iowa Area Board (4 R Kids or the Board) has designated Red Rock Area Community Action Program as its fiscal agent to administer grant funds, pursuant to Iowa Code Chapter 28, under an agreement extending from July 1, 2011 to June 30, 2012. Under this agreement, the Organization deposits 4 R Kids' grant funds into its accounts and issues payments as directed by 4 R Kids personnel. This agreement may be renewed or extended by the written agreement of the parties.

The Organization also acts as the employer-of-record for the Executive Director of 4 R Kids, under a separate 28E agreement with an indefinite duration. The Executive Director reports directly to the Board, and the Board shall hold Red Rock Area Community Action Program harmless for any costs associated with any and all claims arising out of the employment of the Executive Director.

RRACAP will earn a fee of \$10,000 for the period July 1, 2011 to June 30, 2012 for fiscal agent and employer-of-record duties and responsibilities.

4 R Kids' grant funds are held in RRACAP's general accounts; accordingly, these monies are reflected on RRACAP's financial statements as Due 4 R Kids. 4 R Kids is a separate entity from Red Rock Community Action Program; accordingly, none of 4 R Kids' financial activity, except for the monies due them, is reflected on this report.

15. **Evaluation of Subsequent Events**

The Organization has evaluated transactions and events occurring after September 30, 2011 for recognition and disclosure in the financial statements. Subsequent events were evaluated through February 7, 2012, the date the financial statements were available to be issued.

MERIWETHER, WILSON AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

14

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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, 2011, and have issued our report thereon dated February 7, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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.

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

February 7, 2012
West Des Moines, Iowa

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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, 2011. 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, 2011.

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

February 7, 2012
West Des Moines, Iowa

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Schedule of Findings and Questioned Costs

Year Ended September 30, 2011

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:

<u>Federal Grant</u>	<u>CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Housing and Urban Development ARRA - Homeless Prevention & Rapid Re-Housing	14.257	\$ 662,767
U.S. Department of Energy ARRA - Weatherization Assistance Programs	81.042	962,739
U.S. Department of Health and Human Services Low-Income Home Energy Assistance	93.568	3,952,840
		<u>\$ 5,578,346</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, 2010 through September 30, 2011

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-11-12	\$ 154,235
Low Income Home Energy Assistance Program	93.568	LIHEAP-11-12	3,883,079
HEAP Weatherization Assistance	93.568	HEAP-11-12	30,329
HEAP Weatherization Assistance	93.568	HEAP-10-12	39,432
Total CFDA #93.568			<u>3,952,840</u> **
Aging Resources			
Transportation Program Title IIIB (10-11)	93.044	FY 2012	10,762
Transportation Program Title IIIB (11-12)	93.044	FY 2011	18,758
Total CFDA #93.044			<u>29,520</u>
Total U.S. Department of Health and Human Services			<u>4,136,595</u>
U.S. Department of Energy			
Iowa Department of Human Rights			
ARRA - Weatherization Assistance Programs	81.042	DOE-ARRA-09-12U	962,739
Total CFDA #81.042 and U.S. Department of Energy			<u>962,739</u> **
U.S. Department of Transportation			
Iowa Department of Transportation/ Heart of Iowa Regional Transit Agency			
Federal Transit Non-Urban Operating Grant (11-12)	20.509	FY 2012	21,584
Federal Transit Non-Urban Operating Grant (10-11)	20.509	FY 2011	60,271
Total CFDA #20.509 and U.S. Department of Transportation			<u>81,855</u>
U.S. Department of Housing and Urban Development			
Iowa Institute for Community Alliances			
Emergency Shelter Grant Program-Polk	14.231	12-II-77028	15,253
Emergency Shelter Grant Program-Polk	14.231	11-II-77028	8,340
Emergency Shelter Grant Program	14.231	12-II-91001	13,000
Emergency Shelter Grant Program	14.231	11-II-91001	4,041
Total CFDA #14.231			<u>40,634</u>

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Schedule of Expenditures of Federal Awards

October 1, 2010 through September 30, 2011

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA* Number	Grant or Award Number	Federal Expenditures
U.S. Department of Housing and Urban Development (Cont.)			
Iowa Finance Authority			
ARRA - Homeless Prevention & Rapid Re-Housing	14.257	S09-DY-19-0001	<u>662,767</u> **
Total U.S. Department of Housing and Urban Development			<u>703,401</u>
Department of Homeland Security			
United Way of America			
Emergency Food and Shelter National Board Program			
Boone County	97.024	28-2862-00	<u>12</u>
Total CFDA #97.024 and Department of Homeland Security			<u>12</u>
Total Federal Expenditures			<u><u>\$ 5,884,602</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, 2011

	Total All Funds	Total Designated Program Funds	Community Services Block Grant
Assets			
Cash	\$ 481,920	196,159	19,299
Receivables	238,335	209,290	13,834
Prepaid Expenses	91,605	79,916	900
Property and Equipment	858,519	--	--
Accumulated Depreciation	(652,198)	--	--
Total Assets	\$ 1,018,181	485,365	34,033
Liabilities and Net Assets			
Liabilities			
Accounts Payable	\$ 21,088	20,399	1,402
Mortgages Payable	115,987	--	--
Accrued Expenses	80,798	68,345	32,631
Due 4 R Kids	186,321	186,321	--
Deferred Revenue	26,969	26,969	--
Total Liabilities	431,163	302,034	34,033
Net Assets	587,018	183,331	--
Total Liabilities and Net Assets	\$ 1,018,181	485,365	34,033

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Combining Statement of Financial Position

September 30, 2011

Designated Program Funds

Low Income Home Energy Assistance	HEAP WX	DOE WX ARRA	WX Cost Pool	WX Assistance Utility Companies	Homeless Prevention and Rapid Re-Housing	Transportation Program Services
14,763	(3,036)	(68,997)	(54,739)	(10,383)	(21,508)	109,193
--	3,036	68,997	--	10,383	28,390	78,970
--	--	--	79,016	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>14,763</u>	<u>--</u>	<u>--</u>	<u>24,277</u>	<u>--</u>	<u>6,882</u>	<u>188,163</u>
8,815	--	--	307	--	797	7,412
--	--	--	--	--	--	--
5,948	--	--	10,504	--	6,085	9,071
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>14,763</u>	<u>--</u>	<u>--</u>	<u>10,811</u>	<u>--</u>	<u>6,882</u>	<u>16,483</u>
--	--	--	13,466	--	--	171,680
<u>14,763</u>	<u>--</u>	<u>--</u>	<u>24,277</u>	<u>--</u>	<u>6,882</u>	<u>188,163</u>

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Combining Statement of Financial Position - Continued

September 30, 2011

	Emergency Food and Shelter National Board Program	Chore Service Program	Emergency Shelter Grants	Hunger Hike
Assets				
Cash	\$ --	(8,309)	(2,211)	5,604
Receivables	12	2,508	3,033	--
Prepaid Expenses	--	--	--	--
Property and Equipment	--	--	--	--
Accumulated Depreciation	--	--	--	--
Total Assets	\$ 12	(5,801)	822	5,604
Liabilities and Net Assets				
Liabilities				
Accounts Payable	\$ --	1,666	--	--
Mortgage Payable	--	--	--	--
Accrued Expenses	12	--	822	--
Due 4 R Kids	--	--	--	--
Deferred Revenue	--	--	--	--
Total Liabilities	12	1,666	822	--
Net Assets	--	(7,467)	--	5,604
Total Liabilities and Net Assets	\$ 12	(5,801)	822	5,604

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Combining Statement of Financial Position - Continued

September 30, 2011

Designated Program Funds

Hometown Care	Black Hills Cares	I Care Fund	Recare Midland	Operation Roundup	I.E. Counsel	Indianola Share	(Fiscal Agent Fund) 4 R Kids
12,598	5,678	4,922	1,010	48	3,567	15	188,645
--	--	127	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>12,598</u>	<u>5,678</u>	<u>5,049</u>	<u>1,010</u>	<u>48</u>	<u>3,567</u>	<u>15</u>	<u>188,645</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
612	--	336	--	--	--	--	2,324
--	--	--	--	--	--	--	186,321
11,986	5,678	4,713	1,010	--	3,567	15	--
<u>12,598</u>	<u>5,678</u>	<u>5,049</u>	<u>1,010</u>	<u>--</u>	<u>3,567</u>	<u>15</u>	<u>188,645</u>
--	--	--	--	48	--	--	--
<u>12,598</u>	<u>5,678</u>	<u>5,049</u>	<u>1,010</u>	<u>48</u>	<u>3,567</u>	<u>15</u>	<u>188,645</u>

RED ROCK AREA COMMUNITY ACTION PROGRAM INC.

Combining Statement of Financial Position - Continued

September 30, 2011

	<u>Total Property and Equipment Funds</u>	<u>Property Housing Transi- tional Housing</u>
Assets		
Cash	\$ 94,018	2,237
Receivables	--	--
Prepaid Expenses	--	--
Property and Equipment	639,141	30,256
Accumulated Depreciation	<u>(535,981)</u>	<u>(26,511)</u>
Total Assets	<u>197,178</u>	<u>5,982</u>
Liabilities and Net Assets		
Liabilities		
Accounts Payable	740	206
Mortgages Payable	61,600	--
Accrued Expenses	2,780	400
Due 4 R Kids	--	--
Deferred Revenue	--	--
Total Liabilities	<u>65,120</u>	<u>606</u>
Net Assets	<u>132,058</u>	<u>5,376</u>
Total Liabilities and Net Assets	<u>\$ 197,178</u>	<u>5,982</u>

RED ROCK AREA COMMUNITY ACTION PROGRAM INC.

Combining Statement of Financial Position - Continued

September 30, 2011

and Equipment Funds			Local Funds		
Programs					
Low Income Housing	Program	General Agency	Total Local Funds	County Funds	Undesig- nated Fund
91,781	--	--	191,743	195,049	(3,306)
--	--	--	29,045	6,285	22,760
--	--	--	11,689	--	11,689
269,263	276,153	63,469	219,378	219,378	--
<u>(219,129)</u>	<u>(226,872)</u>	<u>(63,469)</u>	<u>(116,217)</u>	<u>(116,217)</u>	<u>--</u>
<u>141,915</u>	<u>49,281</u>	<u>--</u>	<u>335,638</u>	<u>304,495</u>	<u>31,143</u>
534	--	--	(51)	289	(340)
61,600	--	--	54,387	54,387	--
2,380	--	--	9,673	2,858	6,815
--	--	--	--	--	--
--	--	--	--	--	--
<u>64,514</u>	<u>--</u>	<u>--</u>	<u>64,009</u>	<u>57,534</u>	<u>6,475</u>
<u>77,401</u>	<u>49,281</u>	<u>--</u>	<u>271,629</u>	<u>246,961</u>	<u>24,668</u>
<u>141,915</u>	<u>49,281</u>	<u>--</u>	<u>335,638</u>	<u>304,495</u>	<u>31,143</u>

SEE INDEPENDENT AUDITOR'S REPORT

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Combining Statement of Activities

Year Ended September 30, 2011

	Total All Funds	Total Designated Program Funds	Community Services Block Grant
Support and Revenue			
Iowa Department of Human Rights	\$ 5,327,952	5,327,952	154,235
Iowa Finance Authority	662,767	662,767	--
Iowa Department of Human Services	268,661	268,661	--
Christian Opportunity Center	221,698	221,698	--
Heart of Iowa Regional Transit Agency	100,987	100,987	--
Utility Companies	70,624	70,624	--
Iowa Institute for Community Alliances	40,634	40,634	--
Aging Resources	29,520	29,520	--
County Funding	20,514	20,514	--
Warren County	10,982	10,982	--
Department of Homeland Security	12	12	--
Other Agencies	14,428	14,428	--
Local Public Support	105,725	--	--
Project Income	76,993	28,817	--
Contributions and Other Income	36,745	7,753	--
Transportation Management Services	18,946	18,946	--
Interest	290	16	--
Total Support and Revenue	<u>7,007,478</u>	<u>6,824,311</u>	<u>154,235</u>
Expenses	<u>6,967,063</u>	<u>6,835,595</u>	<u>154,235</u>
Excess (Deficiency) of Support and Revenue Over Expenses	40,415	(11,284)	--
Net Assets - Beginning of Year	<u>546,603</u>	<u>194,615</u>	<u>--</u>
Net Assets - End of Year	<u>\$ 587,018</u>	<u>183,331</u>	<u>--</u>

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Combining Statement of Activities

Year Ended September 30, 2011

Designated Program Funds

Low Income Home Energy Assistance	HEAP WX	DOE WX ARRA	WX Assistance Utility Companies	WX Cost Pool	Transportation Program Services
3,883,079	69,761	962,739	258,138	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	221,698
--	--	--	--	--	100,987
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	29,520
--	--	--	--	--	20,514
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	7,441	19,621
--	--	--	--	--	2,923
--	--	--	--	--	18,946
--	--	--	--	--	16
<u>3,883,079</u>	<u>69,761</u>	<u>962,739</u>	<u>258,138</u>	<u>7,441</u>	<u>414,225</u>
<u>3,883,079</u>	<u>69,761</u>	<u>962,739</u>	<u>258,138</u>	<u>594</u>	<u>437,111</u>
--	--	--	--	6,847	(22,886)
--	--	--	--	6,619	194,566
--	--	--	--	<u>13,466</u>	<u>171,680</u>

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Combining Statement of Activities - Continued

Year Ended September 30, 2011

	Emergency Food and Shelter National Board Program	Iowa Helping Iowa	IHI Case Management	Homeless Prevention and Rapid Re-Housing
Support and Revenue				
Iowa Department of Human Rights	\$	--	--	--
Iowa Finance Authority	--	--	--	662,767
Iowa Department of Human Services	--	173,492	95,169	--
Christian Opportunity Center	--	--	--	--
Heart of Iowa Regional Transit Agency	--	--	--	--
Utility Companies	--	--	--	--
Iowa Institute for Community Alliances	--	--	--	--
Aging Resources	--	--	--	--
County Funding	--	--	--	--
Warren County	--	--	--	--
Department of Homeland Security	12	--	--	--
Other Agencies	--	--	--	--
Local Public Support	--	--	--	--
Project Income	--	--	--	--
Contributions and Other Income	--	--	--	--
Transportation Management Services	--	--	--	--
Interest	--	--	--	--
Total Support and Revenue	12	173,492	95,169	662,767
Expenses	12	173,492	95,169	662,767
Excess (Deficiency) of Support and Revenue Over Expenses	--	--	--	--
Net Assets - Beginning of Year	--	--	--	--
Net Assets - End of Year	\$	--	--	--

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Combining Statement of Activities - Continued

Year Ended September 30, 2011

Designated Program Funds

Emergency Shelter Grant	Chore Service Program	Embrace Iowa	Hometown Care	Black Hills Care	I Care Fund	Recare Midland	Indianola Share	Operation Roundup	Hunger Hike
--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--
40,634	--	--	25,922	4,270	39,929	503	--	--	--
--	--	--	--	--	--	--	--	--	--
--	10,982	--	--	--	--	--	--	--	--
--	--	14,278	--	--	--	--	150	--	--
--	1,755	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	4,830
--	--	--	--	--	--	--	--	--	--
40,634	12,737	14,278	25,922	4,270	39,929	503	150	--	4,830
40,634	12,055	14,278	25,922	4,270	39,929	503	150	--	757
--	682	--	--	--	--	--	--	--	4,073
--	(8,149)	--	--	--	--	--	--	48	1,531
--	(7,467)	--	--	--	--	--	--	48	5,604

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Combining Statement of Activities - Continued

Year Ended September 30, 2011

	<u>Total Property and Equipment Funds</u>
Support and Revenue	
Iowa Department of Human Rights	\$ --
Iowa Finance Authority	--
Iowa Department of Human Services	--
Christian Opportunity Center	--
Heart of Iowa Regional Transit Agency	--
Utility Companies	--
Iowa Institute for Community Alliances	--
Aging Resources	--
County Funding	--
Warren County	--
Department of Homeland Security	--
Other Agencies	--
Warren County	--
Local Public Support	--
Project Income	38,476
Contributions and Other Income	--
Transportation Management Services	--
Interest	68
Total Support and Revenue	<u>38,544</u>
Expenses	<u>67,486</u>
Excess (Deficiency) of Support and Revenue Over Expenses	(28,942)
Net Assets - Beginning of Year	<u>161,000</u>
Net Assets - End of Year	<u>\$ 132,058</u>

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Combining Statement of Activities - Continued

Year Ended September 30, 2011

Property and Equipment Funds			Local Funds		
Housing Programs			Total Local Funds	County Funds	Undesignated Fund
Transitional Housing	Low Income Housing	Program			
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	105,725	105,725	--
4,400	34,076	--	9,700	7,200	2,500
--	--	--	28,992	12,414	16,578
--	--	--	--	--	--
--	68	--	206	29	177
<u>4,400</u>	<u>34,144</u>	--	<u>144,623</u>	<u>125,368</u>	<u>19,255</u>
<u>3,960</u>	<u>38,455</u>	<u>25,071</u>	<u>63,982</u>	<u>65,848</u>	<u>(1,866)</u>
440	(4,311)	(25,071)	80,641	59,520	21,121
<u>4,936</u>	<u>81,712</u>	<u>74,352</u>	<u>190,988</u>	<u>187,441</u>	<u>3,547</u>
<u>5,376</u>	<u>77,401</u>	<u>49,281</u>	<u>271,629</u>	<u>246,961</u>	<u>24,668</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-11-12
(Contract Period 10/1/10 - 12/31/11)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 10/1/10 - 9/30/11</u>
Personnel		
Salaries and Wages	\$ 225,869	83,661
Fringe Benefits	96,346	29,120
	<u>322,215</u>	<u>112,781</u>
Travel		
Staff	5,000	3,698
Space Costs		
Rental	11,500	5,716
Utilities	3,700	2,528
Insurance	2,000	1,865
Other	--	1,138
	<u>17,200</u>	<u>11,247</u>
Equipment Costs		
Purchase, Rental, and Maintenance	13,600	3,593
Consultants	10,000	3,480
Co-Funded Programs	6,000	6,000
Other Costs		
Telephone	10,500	2,125
Printing and Postage	7,500	2,970
Publications and Dues	6,000	1,065
Registration Fees	4,000	599
Bonding	500	326
Audit	6,500	2,421
Consumable Supplies	3,300	2,066
Other	1,750	1,864
	<u>40,050</u>	<u>13,436</u>
	<u>\$ 414,065</u>	<u>154,235</u>

SEE INDEPENDENT AUDITOR'S REPORT

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

Schedule of Expenses Compared to Budget

Homeless Prevention and Rapid Re-Housing

Contract No. S09-DY-19-0001

(Contract Period 7/14/09 - 7/13/12)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/1/10 - 9/30/2011</u>	<u>7/14/09 - 9/30/2010</u>
Financial Assistance (Rapid Rehousing)	\$ 200,000	124,760	86,448	38,312
Housing Relocation and Stabilization Services (Rapid Rehousing)	55,000	30,429	30,429	--
Financial Assistance (Homeless Prevention)	623,500	496,553	340,337	156,216
Housing Relocation and Stabilization Services (Homeless Prevention)	311,788	190,753	186,301	4,452
Administration	<u>29,864</u>	<u>19,252</u>	<u>19,252</u>	<u>--</u>
Total	<u>\$ 1,220,152</u>	<u>861,747</u>	<u>662,767</u>	<u>198,980</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-11-12
(Contract Period 10/1/10 - 9/30/11)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 10/1/10 - 9/30/11</u>
Assistance		
Regular Assistance	\$3,273,955	3,210,014
Energy Crisis Intervention	182,299	182,291
Summer Deliverable Fuel	200,967	200,967
Client Services	49,859	49,859
Total Assistance	<u>3,707,080</u>	<u>3,643,131</u>
Administration		
Staff Salaries	--	119,956
Fringe Benefits	--	67,031
Building Space, Rental, and Storage	--	12,169
Utilities	--	2,356
Material and Supplies	--	6,110
Telephone	--	5,971
Travel	--	836
Postage	--	3,351
Printing and Copying	--	2,996
Contracted Services	--	6,000
Audit	--	3,645
Other Costs	--	9,527
Total Administration	<u>239,948</u> **	<u>239,948</u>
Total	<u>\$ 3,947,028</u>	<u>3,883,079</u>

** Budget not provided by natural category.

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

Schedule of Expenses Compared to Budget

Weatherization Assistance Programs

Contract No. HEAP-11-12
(Contract Period 1/01/11 - 12/31/11)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/01/11 - 9/30/11</u>
Administration	\$ 12,878	--
Health and Safety	46,427	29,434
Support	60,183	79
Labor	62,762	337
Materials	62,762	325
Equipment/Training	30,000	154
Total	\$ 275,012	30,329

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

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/01/10 - 12/31/10</u>	<u>01/01/10 - 09/30/10</u>
Administration	\$ 9,764	--	--	--
Health and Safety	32,637	89,257	36,975	52,282
Support	42,307	586	586	--
Labor	44,120	75	--	75
Materials	44,120	3,327	983	2,344
Equipment/Training	26,295	2,228	888	1,339
Pollution Occurrence Insurance	12,305	12,305	--	12,305
Total	\$ 211,548	107,778	39,432	68,345

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-RA-12U

(Contract Period 4/01/09 - 3/31/12)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Total</u>	<u>Actual Expenses</u>	
			<u>10/01/10 - 09/30/11</u>	<u>04/01/09 - 09/30/10</u>
Administration	\$ 115,773	84,897	49,934	34,963
Health and Safety	376,339	393,643	220,098	173,545
Support	485,671	547,596	274,285	273,311
Labor	509,844	394,050	213,298	180,752
Materials	509,844	295,746	164,455	131,291
Administration-Equipment	56,736	56,736	--	56,736
Travel and Technical Assistance	100,856	75,806	40,669	35,137
Total	<u>\$ 2,155,063</u>	<u>1,848,474</u>	<u>962,739</u>	<u>885,735</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. IPL-11-12

(Contract Period 1/01/11 - 12/31/11)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/01/11 - 9/30/11</u>
Administration	\$ 4,683	2,808
Support	9,367	6,762
Labor	39,808	43,123
Materials	39,808	40,973
 Total	 <u>\$ 93,666</u>	 <u>93,666</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. MEC-11-12

(Contract Period 1/01/11 - 12/31/11)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/01/11 - 9/30/11</u>
Administration	\$ 8,778	3,988
Support	17,558	11,290
Labor	74,620	73,932
Materials	<u>74,620</u>	<u>66,149</u>
 Total	 <u>\$ 175,576</u>	 <u>155,359</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. BHE-11-12
(Contract Period 1/01/11 - 12/31/11)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/01/11 - 9/30/11</u>
Administration	\$ 456	--
Support	911	710
Labor	3,873	3,918
Materials	<u>3,873</u>	<u>4,485</u>
 Total	 <u>\$ 9,113</u>	 <u>9,113</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 7/1/11 - 6/30/12)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 7/1/11 - 9/30/11</u>
Salaries and Wages	\$ 146,432	55,252
Fringe Benefits	35,886	12,877
Fuel	66,000	22,946
Maintenance and Repair	52,400	10,126
Radio Maintenance	1,500	387
Vehicle Insurance	24,000	4,132
Audit	800	17
Travel, Training, and Supplies	800	517
Telephone	1,200	140
Drug Testing and Physicals	1,100	25
Capital Replacement	3,700	--
Marketing and Miscellaneous	<u>1,000</u>	<u>634</u>
Total	<u><u>\$ 334,818</u></u>	<u><u>107,053</u></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 - 6/30/11)

<u>Cost Category</u>	Approved Budget	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/1/10 - 6/30/11</u>	<u>7/1/10 - 9/30/10</u>
Salaries and Wages	\$ 146,432	194,712	148,290	46,422
Fringe Benefits	35,886	78,682	61,944	16,738
Fuel	66,000	70,317	55,773	14,544
Maintenance and Repair	52,400	46,976	33,813	13,163
Radio Maintenance	1,500	--	--	--
Vehicle Insurance	24,000	17,373	13,132	4,241
Audit	800	3,184	2,434	750
Travel, Training, and Supplies	800	3,147	2,541	606
Telephone	1,200	1,985	1,895	90
Drug Testing and Physicals	1,100	--	--	--
Capital Replacement	3,700	--	--	--
Marketing and Miscellaneous	1,000	13,039	10,236	2,803
Total	<u>\$ 334,818</u>	<u>429,415</u>	<u>330,058</u>	<u>99,357</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. 11-II-91001
(Contract Period 1/1/11 - 12/31/11)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/1/11 - 9/30/11</u>
Operations	\$ 1,000	1,000
Homeless Prevention	<u>12,000</u>	<u>12,000</u>
Total	<u>\$ 13,000</u>	<u>13,000</u>

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

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/1/10 - 12/31/10</u>	<u>7/1/10 - 9/30/10</u>
Operations	1,000	\$ 1,000	502	498
Homeless Prevention	<u>12,000</u>	<u>12,000</u>	<u>3,539</u>	<u>8,461</u>
Total	<u>13,000</u>	<u>\$ 13,000</u>	<u>4,041</u>	<u>8,959</u>

Contract No. 11-II-77028
(Contract Period 1/1/11 - 12/31/11)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/1/11 - 9/30/11</u>
Homeless Prevention	<u>\$ 17,000</u>	<u>15,253</u>

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

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/1/10 - 12/31/10</u>	<u>7/1/10 - 9/30/10</u>
Homeless Prevention	<u>\$ 13,000</u>	<u>13,000</u>	<u>8,340</u>	<u>4,660</u>

SEE INDEPENDENT AUDITOR'S REPORT

RED ROCK AREA COMMUNITY ACTION PROGRAM, INC.

Schedule of Expenses

October 1, 2010 through September 30, 2011

Low Income Housing - Greene Apartments

<u>Expense Classification</u>	<u>Amount</u>
Depreciation	\$ 12,918
Building Maintenance	12,550
Utilities	9,150
Insurance	3,403
Other	434
Total	<u><u>\$38,455</u></u>

Transitional Housing

<u>Expense Classification</u>	<u>Amount</u>
Utilities	\$ 2,180
Depreciation	935
Insurance	803
Building Maintenance	42
Total	<u><u>\$ 3,960</u></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, 2010 through September 30, 2011

Description	Total	Discretionary	County				
			Warren	Marion	Polk	Jasper	Boone
Net Assets - Beginning of Year	\$ 190,988	3,547	96,324	1,176	(782)	6,160	84,563
Support and Revenue							
Local Public Support	105,725	--	46,282	10,000	--	--	49,443
Project Income	9,700	2,500	--	--	--	--	7,200
Contributions	25,124	16,578	--	--	4,076	4,470	--
Interest	206	177	--	--	--	--	29
Other	3,868	--	--	--	--	--	3,868
Total Revenue	144,623	19,255	46,282	10,000	4,076	4,470	60,540
Expenses							
Salaries	9,287	486	3,707	--	--	15	5,079
Payroll Tax & Fringe Benefits	(4,154)	(7,895)	1,704	--	--	1	2,036
Food Pantry	16,457	--	--	--	--	--	16,457
Depreciation	13,133	--	6,454	679	100	297	5,603
Rent	6,137	--	6,137	--	--	--	--
Direct Assistance	5,252	--	1,130	--	1,179	1,349	1,594
Utilities	4,228	53	1,023	--	--	--	3,152
Interest	3,688	750	--	--	--	--	2,938
Property Taxes	1,624	--	--	--	--	--	1,624
Building Maintenance	1,275	--	18	--	--	98	1,159
Audit	1,085	872	152	--	--	--	61
Youth Services	206	206	--	--	--	--	--
Weatherization Materials	179	--	179	--	--	--	--
Insurance	133	--	--	--	--	--	133
Other Expense	5,452	3,662	875	--	--	601	314
Total Expenses	63,982	(1,866)	21,379	679	1,279	2,361	40,150
Excess of Support and Revenue over Expenses	80,641	21,121	24,903	9,321	2,797	2,109	20,390
Net Assets - End of Year	\$ 271,629	24,668	121,227	10,497	2,015	8,269	104,953

SEE INDEPENDENT AUDITOR'S REPORT