

**REDWOOD COMMUNITY ACTION AGENCY, INC.  
FINANCIAL STATEMENTS, SINGLE AUDIT REPORT  
AND SUPPLEMENTARY SCHEDULES  
DECEMBER 31, 2022**



**redwood  
communityaction  
agency**

**REDWOOD COMMUNITY ACTION AGENCY, INC.**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' report	1 - 3
Financial Statements:	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6 - 7
Statement of Cash Flows	8
Notes to financial statements	9 - 24
Supplementary Information	
Supplemental Contract Information for California Department of Community Services and Development (CSD)	26 - 39
Schedule of Expenditures of Federal Awards	40 - 41
Notes to Schedule of Expenditures of Federal Awards	42
Schedule of Findings and Questioned Costs	43 - 44
Summary Schedule of Prior Audit Findings	45
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	46 - 47
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	48 - 50

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Redwood Community Action Agency, Inc.

### **Opinion**

We have audited the accompanying financial statements of Redwood Community Action Agency, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Redwood Community Action Agency, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Redwood Community Action Agency, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of Matter**

As discussed in Note K to the financial statements, certain prior year amounts have been restated to correct errors discovered by the Organization subsequent to the issuance of the financial statements. The Organization corrected grants and contract revenue and deferred revenue to properly account for revenue received as of December 31, 2021. Our opinion is not modified with respect to that matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Redwood Community Action Agency, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that auditing conducted in accordance with generally accepted auditing standards and *Government Auditing Standards*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Redwood Community Action Agency, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Redwood Community Action Agency, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

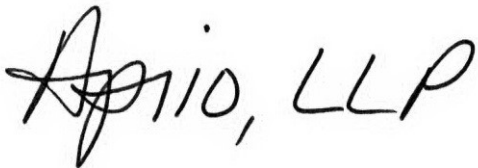
### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information shown on pages 26 - 45 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated October 2, 2023 on our consideration of Redwood Community Action Agency, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 effectiveness of Redwood Community Action Agency, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Redwood Community Action Agency, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Aptio, LLP". The signature is written in a cursive, flowing style.

San Francisco, CA  
October 2, 2023

**REDWOOD COMMUNITY ACTION AGENCY, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2022**

**ASSETS**

Current assets:	
Cash	\$ 1,690,656
Grants and contracts receivable	1,896,814
Prepaid expenses	31,041
Inventory	<u>50,568</u>
Total current assets	<u>3,669,079</u>
Property and equipment, net	<u>1,826,892</u>
Other assets:	
Revolving loans receivable	698,021
Restricted cash	<u>770,106</u>
Total other assets	<u>1,468,127</u>
Total assets	<u>\$ 6,964,098</u>

**LIABILITIES AND NET ASSETS**

Current liabilities:	
Accounts payable	\$ 171,437
Accrued payroll and related expenses	348,528
Accrued expenses	2,575
Deferred revenue	361,532
Current portion of long term debt	<u>34,284</u>
Total current liabilities	<u>918,356</u>
Long-term liabilities:	
Security deposits	126,964
Deferred revolving loan	698,021
Notes payable, net of current portion	2,609,466
Deferred interest - notes payable	<u>1,314,086</u>
Total long-term liabilities	<u>4,748,537</u>
Total liabilities	<u>5,666,893</u>
Net assets:	
Without donor restrictions	1,258,265
With donor restrictions	<u>38,940</u>
Total net assets	<u>1,297,205</u>
Total liabilities and net assets	<u>\$ 6,964,098</u>

See independent auditors' report and accompanying notes

**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and other support:			
Grants and contracts	\$ 7,288,524	\$ -	\$ 7,288,524
Contributions	24,779	16,345	41,124
Rental income	673,820	-	673,820
Miscellaneous income	14,869	-	14,869
Net assets released from restrictions	<u>26,119</u>	<u>(26,119)</u>	<u>-</u>
Total revenues and other support	<u>8,028,111</u>	<u>(9,774)</u>	<u>8,018,337</u>
Expenses:			
Program services	6,364,047	-	6,364,047
Management and general	1,317,409	-	1,317,409
Fundraising	<u>482</u>	<u>-</u>	<u>482</u>
Total expenses	<u>7,681,938</u>	<u>-</u>	<u>7,681,938</u>
Change in net assets	346,173	(9,774)	336,399
Net assets (deficit) as previously reported, beginning of year	(788,713)	48,714	(739,999)
Prior period adjustment	<u>1,700,805</u>	<u>-</u>	<u>1,700,805</u>
Net assets (deficit) as restated, beginning of year	<u>912,092</u>	<u>48,714</u>	<u>960,806</u>
Net assets at end of year	<u>\$ 1,258,265</u>	<u>\$ 38,940</u>	<u>\$ 1,297,205</u>

See independent auditors' report and accompanying notes

**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Program Services						
	YSB	Community Programs	Energy	NRS	Property Management	Home Properties	Total
Payroll and related expenses:							
Salaries and wages	\$ 762,640	\$ 520,629	\$ 689,697	\$ 688,001	\$ 13,545	\$ 89,250	\$ 2,763,762
Employee benefits	77,634	52,998	70,209	70,036	1,379	9,086	281,342
Payroll taxes	<u>70,520</u>	<u>48,141</u>	<u>63,775</u>	<u>63,618</u>	<u>1,252</u>	<u>8,253</u>	<u>255,559</u>
Total payroll and related expenses	<u>910,794</u>	<u>621,768</u>	<u>823,681</u>	<u>821,655</u>	<u>16,176</u>	<u>106,589</u>	<u>3,300,663</u>
Non-personnel costs:							
Professional fees	9,922	97,925	93,219	506,430	4,450	6,470	718,416
Supplies	75,747	63,591	285,657	64,385	5,170	115,950	610,500
Client support	234,081	84,767	345,777	-	-	-	664,625
Repairs and maintenance	40,165	62,615	46,471	9,609	-	22,960	181,820
Utilities	43,295	67,494	50,092	10,358	-	24,750	195,989
Depreciation	-	-	-	-	13,010	9,249	22,259
Insurance	15,333	12,873	57,825	13,033	1,047	23,471	123,582
Information technology	12,366	10,382	46,636	10,511	844	18,930	99,669
Telephone and internet	14,178	291	48,929	25,960	-	-	89,358
Workers compensation	16,954	11,574	15,332	15,294	301	1,984	61,439
Travel	9,574	10,842	58,785	14,009	-	164	93,374
Contract services	4,594	5,985	4,560	673	305	21,086	37,203
Interest expense	-	-	-	-	1,901	71,172	73,073
Professional development	3,250	2,728	12,255	2,762	222	4,975	26,192
Rent	6,020	9,385	6,966	1,440	-	3,442	27,253
Licenses and fees	2,211	1,856	8,338	1,879	151	3,384	17,819
Postage	1,667	1,400	6,288	1,417	114	2,552	13,438
Bad debt	-	-	-	-	-	-	-
Dues and memberships	558	469	2,105	474	38	855	4,499
Bank fees	237	199	892	201	16	362	1,907
Printing	-	-	-	-	-	969	969
Advertising	-	-	-	-	-	-	-
Total non-personnel costs	<u>490,152</u>	<u>444,376</u>	<u>1,090,127</u>	<u>678,435</u>	<u>27,569</u>	<u>332,725</u>	<u>3,063,384</u>
Total expenses	<u>\$ 1,400,946</u>	<u>\$ 1,066,144</u>	<u>\$ 1,913,808</u>	<u>\$ 1,500,090</u>	<u>\$ 43,745</u>	<u>\$ 439,314</u>	<u>\$ 6,364,047</u>

See independent auditors' report and accompanying notes



**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Supporting Services			
	Program Services	Management and General	Fundraising	Total
Payroll and related expenses:				
Salaries and wages	\$ 2,763,762	\$ 509,299	\$ -	\$ 3,273,061
Employee benefits	281,342	115,696	-	397,038
Payroll taxes	<u>255,559</u>	<u>47,094</u>	<u>-</u>	<u>302,653</u>
Total payroll and related expenses	<u>3,300,663</u>	<u>672,089</u>	<u>-</u>	<u>3,972,752</u>
Non-personnel costs:				
Professional fees	718,416	125,220	-	843,636
Supplies	610,500	90,756	-	701,256
Client support	664,625	-	-	664,625
Repairs and maintenance	181,820	59,698	-	241,518
Utilities	195,989	26,112	-	222,101
Depreciation	22,259	143,163	-	165,422
Insurance	123,582	16,217	-	139,799
Information technology	99,669	20,155	-	119,824
Telephone and internet	89,358	21,569	-	110,927
Workers compensation	61,439	44,693	-	106,132
Travel	93,374	4,680	-	98,054
Contract services	37,203	59,955	-	97,158
Interest expense	73,073	8,689	-	81,762
Professional development	26,192	5,358	-	31,550
Rent	27,253	-	-	27,253
Licenses and fees	17,819	1,573	-	19,392
Postage	13,438	1,678	-	15,116
Bad debt	-	7,798	-	7,798
Dues and memberships	4,499	2,719	-	7,218
Bank fees	1,907	5,287	-	7,194
Printing	969	-	-	969
Advertising	<u>-</u>	<u>-</u>	<u>482</u>	<u>482</u>
Total non-personnel costs	<u>3,063,384</u>	<u>645,320</u>	<u>482</u>	<u>3,709,186</u>
Total expenses	<u>\$ 6,364,047</u>	<u>\$ 1,317,409</u>	<u>\$ 482</u>	<u>\$ 7,681,938</u>

See independent auditors' report and accompanying notes

**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

Cash flows from operating activities	\$ 336,399
Change in net assets	
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	165,422
Deferred interest - notes payable	43,721
(Increase) decrease in assets:	
Grants and contracts receivable	228,130
Prepaid insurance	(15,945)
Inventory	73,538
Revolving loans receivable	(12,155)
Increase (decrease) in liabilities:	
Accounts payable	(398,509)
Accrued payroll and related expenses	66,608
Accrued expenses	(2,655)
Deferred revenue	172,582
Security deposits	(100,977)
Deferred revolving loans	<u>12,155</u>
Net cash provided by operating activities	<u>568,314</u>
 Cash flows from investing activities	
Purchase of fixed assets	<u>(107,952)</u>
Net cash used in investing activities	<u>(107,952)</u>
 Cash flows from financing activities	
Principal payments on notes payable	<u>(35,667)</u>
Net cash used in financing activities	<u>(35,667)</u>
 Increase in cash during the year	424,695
Cash and restricted cash, beginning of year	<u>2,036,067</u>
Cash and restricted cash, end of year	<u>\$ 2,460,762</u>
 Supplemental disclosure of cash flow information:	
Interest paid	<u>\$ 81,762</u>
 Cash and restricted cash consisted of the following:	
Cash	\$ 1,690,656
Restricted cash	<u>770,106</u>
Total cash at year end	<u>\$ 2,460,762</u>

See independent auditors' report and accompanying notes

**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**Note A**

**Nature of Organization**

Redwood Community Action Agency, Inc. (the Organization) was designated the Community Action Agency for Humboldt County in 1980. The Organization was formed to mobilize and coordinate anti-poverty resources within Humboldt County and to preserve land for scenic, scientific, educational and open space opportunities. The Organization is primarily supported through federal and state grants.

The Organization's programs and projects consist of the following:

**Youth Service Bureau (YSB):**

YSB's mission is, "To inspire youth and families to recognize their strengths and power to live, learn, socialize and work in their community." Youth who access YSB services are homeless, fleeing abusive or dangerous situations, or experiencing severe family conflict. YSB provides a variety of services to support youth with addressing the challenges in their lives. YSB services include a 24-hour youth referral line, street outreach and drop-in services, temporary emergency shelter, and long term transitional housing. The Youth Service Bureau is the only program in Humboldt County, and one of the few in the nation, providing housing to runaway and homeless young people.

- Our House Shelter - Our House Crisis Shelter was established in 1991 as our community recognized a need to offer services to prevent youth from entering the Juvenile Justice and Child Welfare Systems. Youth who call Our House for shelter services may be experiencing homelessness, severe family conflict or fleeing from an unhealthy living situation. Our House Shelter is a temporary housing program (maximum stay of 21 days) with the goal of family reunification. The majority of all sheltered youth return to their parent or guardian's home after a brief intervention by YSB. If re-entering the home is not a possibility, then we help explore the next best option.
- Launch Pad - Transitional Living - The Launch Pad is a long term (maximum stay of 21-months) transitional living program for homeless youth or youth who are fleeing unhealthy living situations between the ages of 18 to 22. The goal of the program is to assist youth and young adults in making the transition to self-sufficiency. Youth reside in a shared two bedroom or three bedroom apartment, 5 bedroom house, or YSB subsidized apartments. Apartments for youth under 18 are located in our main building, which has a staff person on duty 24-hours a day.
- Transitional Housing - Transitional housing for youth emancipated from foster care or juvenile probation, ages 18-24 years old. Youth learn important life skills to prepare them for independence.
- The Turner House - The Turner House was purchased in part by a generous donation from a community member in the amount of \$100,000, which kick started a fundraising campaign called, "On Solid Ground. When the Organization finally raised a little over \$300,000, we bought a beautiful 4-plex apartment building right next door to YSB. The building was named "The Turner House" in honor of our original investor, Sara Turner. This new youth housing program started in 2017. The main goal is to offer safe housing for foster youth who have turned 18 but can still benefit from services designed to help them reach their full potential. The Turner House is similar to our other Housing Programs where youth learn life skills.
- The RAVEN Project - The Youth Service Bureau recognized the need for peer-based services within the youth and young adult community. Therefore, the Youth Service Bureau created a youth-led street outreach program called The RAVEN Project.

**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**Note A**

**Nature of Organization (Continued)**

- Drop-in Center - Drop-in provides youth an opportunity to check in with themselves regarding the status of their lives and current issues concerning their personal well-being. During drop-in youth may access our services and receive referrals for alternate assistance. The atmosphere in RAVEN is very neutral and enforces a “hate free zone.” RAVEN supports all lifestyles and positive means of expression. Art supplies and opportunities for publication in RAVEN's youth-magazines are available.
- Street Outreach - Traveling in teams of two or three, youth educators and street outreach workers take to the streets with resource materials, safer sex supplies, first-aid supplies, and toiletries, socks, and snacks. This is the RAVEN Project's method of bringing the program to the youth in their environment.
- Youth Groups - RAVEN normally holds various weekly groups with specific activities geared toward certain populations. However, the only group the Organization has currently is the Queer Coffee House. This is a fun and safe space for gay, lesbian, bisexual, transgender, and questioning youth. This group provides an environment in which youth can begin to become comfortable with their sexuality, practice initiating conversations about safer sex, receive health education information, and begin to love and respect themselves. These issues are addressed through movies, art, games, and participating in community events.

**Community Programs:**

The Community Services Division is responsible for service projects and programs which help to build the assets of individuals and organizations, maintain and increase community's assets, and establish household or individual self-sufficiency. Community Services works to build the assets of our community's citizens by identifying needs or problems and working toward resolving issues effectively.

- Adult and Family Services (AFS) - The Adult and Family Services programs are part of the Organization's Community Services Division. The AFS programs provide diverse and comprehensive services to community members who hold lived experiences and/or who are surviving the high risk challenges of: houselessness, poverty, intergenerational and complex traumas, disabilities, health risks, high ACE's scores, behavioral health and substance use disorder challenges, disabilities, lack of resources and natural supports, abuse, neglect, family separation, foster care and/or out of home placements.

**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**Note A**

**Nature of Organization (Continued)**

- Parents and Children in Transition (PACT) - The PACT program is a unique transitional living, hybrid harm reduction, program in Eureka that serves families with minor children that are surviving with lived experiences and current challenges of family separation, homelessness, intergenerational traumas, behavioral and physical health and substance use disorder challenges. The families the Organization has the privilege of joining with and serving, are currently working with, and are directly referred by Humboldt County's Child Welfare Services (CWS). In addition to CWS, Humboldt County's Healthy Mom's program has a long-term relationship with the PACT Program and they are a consistent provider group that collaborates regularly with the PACT and CWS team. Each family referred to the PACT program are currently working towards family reunification and family bonding, stabilization, vocational and/or educational opportunities, school and childcare placements for children, obtaining and maintaining benefits and housing, additionally, many families are working on their initial early recovery stages and healing processes. The Organization serves families how they identify their households and for example this could be: a single parent/caregiver with 9 children, a 3-parent household with a pregnant parent, a multigenerational household with an aunt, uncle, grandparent and 5 children, a blended family of adult caregivers and many minor children that are previous neighbors that have chosen to live and identify together as a family.
- Homeless housing, assistance and prevention (HHAP-APS) - The HHAP-APS program is a community-based program that serves adults 18+, that are considered high-risk, vulnerable, and homeless and/or soon to be homeless, and their households. All clients are referred directly through Humboldt County's Adult Protective Services (APS) and must meet the eligibility criteria of current homelessness and/or at risk of homelessness within 14 days. The HHAP Case Workers team together to provide intensive case management services with a harm reduction focus and assess the client's individual needs and the needs of their family that they will obtain permanent housing with. The Case Worker's begin working with the client almost immediately on housing-related services, with the ultimate goal being that of obtaining and sustaining permanent housing in Humboldt County. Through the process of obtaining housing, Case Workers are also striving to holistically support their clients in stabilizing, whether it be through obtaining a Primary Care Physician, attending a Psychiatry or Behavioral Health appt, starting their application process for disability benefits, building a natural support, looking at their finances, acclimating to the idea and reality of becoming housed indoors and the changes that will come with this huge shift in their daily reality. The HHAP-APS program is also able to provide temporary rental assistance and subsidies for housing, and on-going supportive services to assist in sustaining their housing, while increasing their wellness, safety and stability.

**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**Note A**

**Nature of Organization (Continued)**

- Homeless housing, assistance and prevention (HHAP-WVS) - The HHAP-WVS program is an on-site, permanent supportive housing program that is located at the Danco-Group's new HOMEKEY project called West Village Studios, located in Arcata's Valley West neighborhood. The West Village Studios is a newly renovated permanent supportive housing project consisting of 78 studio units. Each resident has been referred for tenancy through the Humboldt County Coordinated Entry System, and community members must be houseless and/or chronically houseless to be considered for tenancy. The Organization provides the on-site supportive services at West Village Studios, and these services are available to each tenant that chooses to access the support. The supportive services staff at WVS will also coordinate on-site and community-based activities and events, work with clients through a holistic case management lens, support tenants with tenant/landlord advocacy, assist with daily needs, provide life skills education, access vocational/educational and employment services, coordination of medical/dental/behavioral health and substance use disorder care and treatment, referrals, linkages, supporting the tenants with the on-site garden maintenance and harvesting of produce, accessing community resources, building natural supports and peer integration supports, also supporting all tenants through a harm reduction focus. The HHAP-WVS program also provides rental assistance and subsidies to support WVS tenants with sustaining their housing.
- Blue Vic permanent supportive housing project (Blue Vic) - The Blue Vic is a large Victorian home located in the City of Eureka that provides Permanent Supportive Housing for youth and adults 18yo+ that hold lived experience with medical, mental health, and/or SUD challenges and have a history of houselessness. This is a multigenerational, congregate, and shared living housing project, as tenants share the common spaces in the home including the kitchen, living rooms, sunroom, yards, laundry rooms, and the general spaces in the home. All utilities are included, and the units and common spaces are furnished, and additionally there are kitchen appliances, and washers/dryers on site and free for tenants to use. There are on-site supportive services available to each tenant, with a focus on maintaining benefits, landlord/tenant advocacy, and stabilization of medical, dental, behavioral health and substance use disorder treatment and care. The Blue Vic project is a collaboration with the Organization, Arcata House Partnership, and Providence Health Care. The referral system for the Blue Vic is not open to the public.

**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**Note A**

**Nature of Organization (Continued)**

- Onyx permanent supportive family housing project (Onyx) - The Onyx was created and developed by a partnership and collaborative process between Strombeck Properties, Providence-St. Joes Health Care, Arcata House Partnership, Dr. Evan Bauxbaum, and the Organization. The Onyx is a 10-unit housing project for families with minor children that hold lived experiences of houselessness, poverty, lack of resources, and may be surviving with medical and behavioral health challenges, substance use disorders and recovery, generational trauma, and lack of natural supports. The Organization provides the on-site supportive services for tenants of the Onyx with a focus on tenant/landlord advocacy, sustaining housing and benefits, financial budgeting, and providing on-site and community-based activities and events for children and their parents/caregivers. The Onyx project has a beautiful and spacious community room that tenants can access to work and play with the on-site support staff. Referrals and housing applications for the ONYX are not open to the public at this time, yet may be appropriate if the family is a participant of Arcata House Partnership, the Organization, Betty Chinn, and/or Bringing Families Home with Humboldt County's Child Welfare Services.
- SOARing to stability (SOAR) - This is a new pilot project that is currently limited to internal agency referrals only and is not open to the public. SSI/SSDI Outreach, Access, and Recovery is a model that was developed by the Social Security Administration (SSA) and the Substance Abuse and Mental Health Administration (SAMHA), that assists individuals experiencing or at risk of homelessness who have a serious mental illness, medical impairment, and/or a co-occurring substance use disorder, apply for Social Security disability benefits. The Case Worker II in this project will provide: technical case management services, client advocacy, assess client's eligibility for disability benefits, hold the responsibility and title of "Authorized Representative" for the individual's process with SSA, and submit their complete and quality disability application for benefits through the SSA.

**Energy:**

The Energy and Environmental Services Division is committed to assisting low to moderate income households reduce their energy burden, improve the health and safety conditions of occupied housing and to foster client self-sufficiency. In support of these goals, we provide the following services in Humboldt County: energy efficiency retrofits, health and safety repairs, utility and energy assistance, lead-based paint abatement, client education & advocacy, and other services to people in need.

We also serve Modoc County eligible residents once per year for weatherization services only.

- Utility assistance programs - The Organization provides help with heating bills through a program called Low-income Home Energy Assistance Program (HEAP or LIHEAP). The Organization provides assistance with gas and electric bills, wood, propane, and heating oil.

**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**Note A**

**Nature of Organization (Continued)**

- Weatherization - The Organization provides weatherization services to income-eligible households. The Weatherization Program provides high-quality energy efficiency and weatherization services for income-qualified low to moderate households. The services are available for qualified renters and homeowners.

The Organization's crews employ the latest technology to identify the most energy saving methods for reducing energy waste, air pollution and related energy costs for the client. Crews also test appropriate appliances for health and safety issues.

**Natural Resources Services (NRS):**

Natural Resources Services (NRS) is committed to working with private landowners, government agencies, timber and fisheries industries, tribes, and community-based groups to promote healthy communities and healthy watersheds.

- Watershed services - works with diverse landowners to restore local watersheds, protect water quality, and promote informed communities. In the last three decades, NRS' Watershed Program has designed and implemented several hundred fisheries enhancement, water quality improvement, riparian and wetland restoration, erosion and sediment control, urban stream, and educational projects on the north coast to improve conditions for fish, wildlife, and people.
- Active living - fosters local and regional partnerships to cultivate a stronger focus for healthy community design, local food security and community empowerment. NRS' Active Living Program plans and implements projects to support local jurisdictions, residents and grassroots organizations in efforts around the built environment, trails, community gardens, and outreach and education.

**Property Management:**

The Organization offers affordable housing for qualified low to moderate income individuals and families, including ADA units. The Organization is working together with Rural Community Homes, which enables the Organization to offer a larger variety of properties and locations. Rural Community Homes has properties in Arcata, McKinleyville, Eureka and Fortuna. Cats and small dogs may be considered according to the specific pet policy of each location.

**Home Properties:**

Murray Road (20 units in McKinley, CA), Ninth Street (16 units in Fortuna, CA), Lon Drive (12 units in Fortuna, CA), Third Street (6 units in Eureka, CA), and AC Street (8 units in Eureka, CA) (collectively the HOME Properties) are low-income housing projects that were developed and owned by the Organization. The Organization was designated the Community Action Agency for Humboldt County on July 1, 1980. The purpose of which is to mobilize and coordinate anti-poverty resources within Humboldt County and to preserve land for scenic, scientific, educational, and open space opportunities.



**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**Note B**  
**Summary of Significant Accounting Policies**

Basis of Accounting:

The financial statements of the Organization are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

New Accounting Pronouncements:

The Organization adopted ASC 842 – Leases, effective January 1, 2022, with all the available practical expedients, prospectively at the beginning of the period of adoption. There was substantially no impact on the financial statements per the adoption of the ASC 842. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract when the terms of an existing contract are changed.

Financial Statement Presentation:

Financial statement presentation is in accordance with accounting standards regarding the reporting of net assets. The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

- Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.
- Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor-imposed restrictions may be temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Net Assets Released from Donor Restrictions:

Net assets with donor restriction are “released” to net assets without donor restriction when the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed.

Other Basis of Presentation Policies:

Revenues or support are reported as increases in net assets without donor restriction unless subject to donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless restricted by explicit donor stipulation or by law.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash:

For the purpose of the statement of cash flows, the Organization considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**Note B**  
**Summary of Significant Accounting Policies (Continued)**

Restricted Cash:

Restricted cash represents cash that is restricted for specific purposes. The HOME properties are required by the debt agreements to establish and maintain certain reserves including replacement and operating reserves in separate federally insured bank accounts.

Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits:

The Organization maintains cash balances at one commercial bank, these balances can exceed the FDIC insured deposit limit of \$250,000 per financial institution. At December 31, 2022, the Organization's cash balances held at the commercial bank exceeded the FDIC limit by approximately \$1,309,979. The Organization has not experienced any losses through the date when the financial statements were available to be issued.

Concentrations of Credit Risk:

The Organization's major sources of revenue are grants. During the year ended December 31, 2022, the Organization received revenue totaling \$1,943,762 from a single grantor. The total amounts received represent approximately 24% of all revenue and support for the year ended December 31, 2022.

During the year ended December 31, 2022, the Organization's receivables consisted of 35% from two grantors. The total amounts due from the grantors total \$612,762 year ended December 31, 2022.

Revenue Recognition:

Contributions and Grants:

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue from grants is recognized according to the specific agreement. Generally, revenues from restricted grants are recognized in the period of the grant award while revenues from cost reimbursement contracts are recognized to the extent of project expenses incurred. If the restriction expires in the same accounting period as the contribution is received, the revenue is shown as without restriction.

**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**Note B**  
**Summary of Significant Accounting Policies (Continued)**

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Grant awards that are contributions

Grants that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related allowable expenses or asset acquisition costs are incurred. Amounts received in excess of expenses or asset acquisitions are reflected as refundable advances.

Grant awards that are exchange transactions

Exchange transactions reimburse based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed.

Grants and Contracts Receivable:

Grants and contracts receivable consist of amounts billed for grants and contracts as services are performed. The Organization uses the allowance method to determine uncollectible, unconditional receivables. The allowance is based on prior years' experience and management's analysis of specific receivables. Management has determined that no allowance was necessary at December 31, 2022.

Rental Income:

Rental income is recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the Organization and the tenants are typically one year or less.

Revolving Loans:

The Organization received a housing preservation grant (HPG) to provide funds for rehabilitation of residences of qualifying low-income owner/occupants. Provisions of the rehabilitation contracts resulted in loans to home owners in the amount of the cost to rehabilitate the properties benefiting from the HPG programs. All loans are recorded as deferred revolving loans in the same amount as the revolving loans receivable. The Organization follow default and foreclosure policies as contained in the HPG Housing Rehabilitation Guidelines. Loan payments are recorded as program income and are restricted for use in connection with HPG program eligible activities.

Contributions Receivable:

The Organization records unconditional promises to give (pledges) as receivables and contributions within the appropriate net asset category based on the existence or absence of donor-imposed restrictions. Contributions that are expected to be collected after one year are discounted at a discount rate commensurate with the risks involved and the period of time over which the contributions are expected to be collected. Amortization of any such discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for doubtful contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution and current aging of contributions receivable. The Organization recognizes conditional promises to give when the conditions stipulated by the donor are substantially met.

**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**Note B**  
**Summary of Significant Accounting Policies (Continued)**

Donated Goods and Services:

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization.

Additionally, volunteers donate a significant amount of time to the Organization's programs. The fair value of these donated services are not recognized in the statement of activities since they do not meet the criteria for recognition under generally accepted accounting principles.

Inventory:

Inventory consists of weatherization products. The inventory is stated at cost determined on FIFO method.

Property and Equipment:

Property and equipment is recorded at cost if purchased and at fair market value on the date of donation if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets for periods of 3 to 30 years. The Organization capitalizes individual assets with cost of \$5,000 or greater.

*Building and Improvements* - The Organization owns its main office building and the buildings of the HOME projects. Actual building costs are allocated to grants based on square footage occupied by each program. Both the main office building and HOME buildings are pledged as collateral to secure notes payable.

*Equipment and Vehicles* - Equipment and vehicles purchased are stated at cost. Donated assets are recorded at their estimated fair market values at the date of contribution. Maintenance, repairs and minor improvements are charged to operating expense as incurred. Major improvements are capitalized.

Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, as follows:

Buildings	2 - 30 years
Improvements	7 - 15 years
Equipment	3 - 5 years
Vehicles	3 - 5 years

**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**Note B**  
**Summary of Significant Accounting Policies (Continued)**

Impairment of Long-Lived Assets:

Long-lived assets and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to their fair value, which is normally determined through analysis of the future net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount that the carrying amount of the assets exceeds the fair value of the assets. No impairment loss has been recognized during the year ended December 31, 2022.

Advertising:

Advertising costs are expensed as incurred and paid. For the year ended December 31, 2022, advertising expense totaled \$482.

Functional Expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services. Program service expenses are tracked on a project-by-project basis, and those costs not directly associated with a project are allocated to administration and general expenses. Such allocations are determined by management on an equitable basis.

Tax Exempt Status:

The Organization is exempt from Federal and State Income taxes under Internal Revenue Code Section 501(c)(3). Therefore, no provision for income taxes has been made in the accompanying financial statements. In addition, the Internal Revenue Service has determined The Organization is not a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

Management of the Organization considers the likelihood of changes by taxing authorities in its filed tax returns and recognizes a liability for or discloses potential significant changes if management believes it is more likely than not for a change to occur, including changes to the Organization's status as a not-for-profit entity. Management believes the Organization met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax. The Organization's tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**Note C**  
**Liquidity and Availability of Resources**

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31, 2022:

Financial assets available for general expenditure within one year:

Cash and cash equivalents	\$	1,690,656
Grants and contracts receivable		<u>1,896,814</u>
Total financial assets		3,587,470
Less: donor-restricted		<u>(38,940)</u>
Total financial assets available for general expenditure within one year	\$	<u><u>3,548,530</u></u>

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments. In addition to financial assets available for general expenditure within one year, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Because the donor restrictions require resources to be used in a particular manner or in future periods, the Organization maintains sufficient resources to meet the responsibility to its donors. Thus, financial assets as they relate to donor restrictions may not be available for general expenditure within one year.

**Note D**  
**Property and Equipment**

The following is a summary of property and equipment at cost at December 31, 2022:

Land	\$	1,123,255
Buildings and improvements		5,605,051
Equipment		678,802
Vehicles		<u>679,411</u>
		8,086,519
Less: accumulated depreciation		<u>(6,259,627)</u>
Property and equipment, net	\$	<u><u>1,826,892</u></u>

Depreciation expense for the year ended December 31, 2022 totaled \$165,422.

**Note E**  
**Notes Payable**

Notes payable are as follows as of December 31, 2022:

<u>HUD properties</u>		<u>Principal</u>
<b>Murray Road</b> - The property received financing with a promissory note with CD for new construction and rehabilitation projects under the HOME Investment Partnership (HOME) Program. The note bears simple interest at the rate of 3% per annum and matures in December 2033. The promissory note is secured by the Trust Deed covering the real and personal property.	\$	850,000

**REDWOOD COMMUNITY ACTION AGENCY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**Note E**  
**Notes Payable (Continued)**

<b>Ninth Street</b> - The property received financing with a promissory note with CD for new construction and rehabilitation projects under the HOME Program. The note bears simple interest at the rate of 3% per annum and matures in September 2034. The promissory note is secured by the Trust Deed covering the real and personal property.	515,000
<b>Lon Drive</b> - The property received financing with a promissory note with CD for new construction and rehabilitation projects under the HOME Program. The note bears simple interest at the rate of 3% per annum and matures in March 2035. The promissory note is secured by the Trust Deed covering the real and personal property.	410,000
<b>AC Street</b> - The property received financing with a promissory note with CD for new construction and rehabilitation projects under the HOME Program. The note bears simple interest at the rate of 3% per annum and matures in January 2036. The promissory note is secured by the Trust Deed covering the real and personal property.	317,432
<b>AC Street</b> - The property received financing with a promissory note with the City of Eureka in the original amount of \$50,000. The note bears simple interest at the rate of 3% per annum and matures in February 2049. The promissory note is secured by the Trust Deed covering the real and personal property.	50,000
<b>Third Street</b> - The property received financing with a promissory note with CD for new construction and rehabilitation projects under the HOME Program. The note bears simple interest at the rate of 3% per annum and matures in August 2027. The promissory note is secured by the Trust Deed covering the real and personal property.	230,000
<b>Redwood Capital Bank - 539 T Street</b> - The Organization received financing with a promissory note in the original amount of \$178,000. The note bears simple interest at the rate of 6.5% per annum and matures in February 2027. The promissory note is secured by the Trust Deed covering the real and personal property.	61,174
<b>Redwood Capital Bank - 523 T Street</b> - The Organization received financing with a promissory note in the original amount of \$176,000. The note bears simple interest at the rate of 6.5% per annum and matures in February 2027. The promissory note is secured by the Trust Deed covering the real and personal property.	60,487
<b>County of Humboldt</b> - The Organization received financing with a promissory note in the original amount of \$140,000. The note bears simple interest at the rate of 1% per annum. The promissory note is secured by the Trust Deed covering the real and personal property.	140,000

**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**Note E**  
**Notes Payable (Continued)**

**Chase - Crossland** - The Organization received financing with a promissory note in the original amount of \$120,000. The note bears simple interest at the rate of 7% per annum and matures in August 2028. The promissory note is secured by the Trust Deed covering the real and personal property.

	9,657
Total long term debt	2,643,750
Less: current maturities	(34,284)
Total	\$ 2,609,466

If the Organization is in full compliance with the conditions set forth in the HUD HOME loan agreements, the remaining principal balance and accrued interest will be forgiven and the loan and accrued interest shall become grant income. It is management's intent to comply with the loan restrictions throughout the terms of the loans.

Payments of principal and interest on the notes with CD and the City of Eureka are determined annually from cash available from operations. Future maturities of these notes are subject to the financial performance of the apartment communities. Therefore, estimated maturities are not provided in these financial statements as they could be misleading.

Aggregate future principal payments are as follows at December 31, 2022:

Year Ending December 31,	Amount
2023	\$ 34,284
2024	26,276
2025	28,036
2026	29,914
2027	12,806
Thereafter	2,512,434
	\$ 2,643,750

**Note F**  
**Net Assets With Donor Restrictions**

Net assets with donor restrictions consist of the following as of December 31, 2022:

	Beginning Balance	Transfers	Contributions and Income	Released from Restrictions	Ending Balance
Emergency food and shelter	\$ 3,574	\$ -	\$ 10,675	\$ -	\$ 14,249
NRS division	1,606	-	-	-	1,606
Water quality	27,751	-	-	25,653	2,098
Henderson Garden	2,876	-	-	466	2,410
Bike Kitchen	12,907	-	5,670	-	18,577
	\$ 48,714	\$ -	\$ 16,344	\$ 26,119	\$ 38,940



**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**Note G**  
**Line of Credit**

The Organization holds a line of credit line totaling \$750,000 with an interest rate of 4.25%. It draws funds on the line of credit to pay program expenditures in cases where payments from funding sources have not been received in a timely manner. The line of credit balance is repaid when program funds are received from funding sources. Outstanding balances are secured by real property. There was no outstanding balance on the line of credit at December 31, 2022. The line of credit matured in April 2023 and was subsequently renewed through April 2043.

**Note H**  
**Retirement Plan**

The Organization has a simplified employee benefit plan (the "Plan") qualified under the Internal Revenue Code Section 403(b). The Plan is available to all employees over the age of 21 that have at least one year of service. Under the Plan, the participant contributions are permitted and subject to Internal Revenue Service limitations. The Organization also contributes and automatic contribution of 2% of each participant's annual wages and a 100% match of each participant's contribution up to 3% of their annual wages. Retirement expenses for the year ended December 31, 2022 totaled \$54,394.

**Note I**  
**Commitments and Contingencies**

In the normal course of business, there are outstanding various commitments and contingent liabilities, such as commitments to enter into and/or renew contracts related to ongoing operations, which are not reflected in the financial statements. Such commitments and contingencies also include risks associated with various economic and operating factors, which include (a) contractual restrictions and donor conditions which obligate the Organization to fulfill certain requirements as set forth in legal instruments, (b) funding levels which vary based on factors beyond the Organization's control, such as general economic conditions, (c) employment and service agreements with key management personnel, and (d) financial risks associated with funds on deposited in accounts at financial institutions.

Management believes that such commitments or contingencies have been properly addressed, appropriate amounts have been accrued (where necessary), and there will not be any resolution with a material adverse effect on the financial statements. Certain grants and contracts are subject to audit and final acceptance by granting agencies.

**Note J**  
**Subsequent Events**

Management considered all events through October 2, 2023, the date the financial statements were available for release, in preparing the financial statements and the related disclosures. The Organization is not aware of any other significant events that occurred subsequent to December 31, 2022, but prior to the issuance of this report, that would have a material impact on the financial statements.

**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**Note K**  
**Prior Period Adjustment**

Certain prior year amounts have been restated to correct errors discovered by the Organization subsequent to the issuance of the financial statements. The Organization corrected grants and contract revenue and deferred revenue to properly account for revenue received as of December 31, 2021. Net assets as of December 31, 2022 was increased by \$1,700,805 from \$(739,999) to \$960,806 for previously unrecorded grants and contract revenue. The changes in net assets as of December 31, 2021 was increased by \$524,462 from \$173,307 to \$697,769.

**SUPPLEMENTARY INFORMATION**

**REDWOOD COMMUNITY ACTION AGENCY, INC.  
SUPPLEMENTAL CONTRACT INFORMATION FOR CSD  
DECEMBER 31, 2022**

**20C-2006  
HUMBOLDT AND MODOC DOE WEATHERIZATION  
RSCs 2115316 & 2115317**

	1/1/2020 - 12/31/2020	1/1/2021 - 12/31/2021	1/1/2022 - 12/31/2022	Total reported expenses	CSD Budget
Grant revenue	\$ 50,790	\$ 72,183	\$ 96,743	\$ 219,716	\$ 250,000
<b>Total revenue</b>	<b>50,790</b>	<b>72,183</b>	<b>96,743</b>	<b>219,716</b>	<b>250,000</b>
<b>10-ADMINISTRATIVE COSTS</b>					
Administrative costs	2,376	5,297	4,433	12,106	14,184
<b>Total Administrative Costs</b>	<b>2,376</b>	<b>5,297</b>	<b>4,433</b>	<b>12,107</b>	<b>14,184</b>
<b>20-TRAINING AND TECHNICAL ASSISTANCE</b>					
Training and technical assistance	2,873	13,726	3,924	20,523	28,251
Out-of-state travel	-	-	1,000	1,000	1,000
<b>Total training and technical assistance</b>	<b>2,873</b>	<b>13,726</b>	<b>4,924</b>	<b>21,523</b>	<b>29,251</b>
<b>PROGRAM COSTS SECTION 1</b>					
Liability insurance	2,204	4,520	2,132	8,856	8,000
Health and safety activities (from section 165)	1,661	2,430	6,686	10,777	10,000
<b>TOTAL PROGRAM COSTS SECTION 1</b>	<b>3,865</b>	<b>6,950</b>	<b>8,818</b>	<b>19,633</b>	<b>18,000</b>
<b>PROGRAM COSTS SECTION 2</b>					
Intake	174	19	622	815	20,000
Outreach	108	12	389	509	12,500
Direct program activities	3,741	8,354	39,878	51,972	103,065
Minor vehicle and field equipment (less than \$5,000)	-	-	-	-	3,000
General overhead costs	2,783	8,240	4,531	15,555	26,000
Other program costs (from section 250)	28,301	47,398	18,779	94,477	11,000
Client education	69	8	249	326	8,000
Automation supplemental	-	2,800	-	2,800	5,000
<b>TOTAL PROGRAM COSTS SECTION 2</b>	<b>35,176</b>	<b>66,830</b>	<b>64,448</b>	<b>166,454</b>	<b>188,565</b>
	<b>39,041</b>	<b>73,780</b>	<b>73,266</b>	<b>186,086</b>	<b>206,565</b>
<b>Total costs submitted to EARS</b>	<b>44,289</b>	<b>92,803</b>	<b>82,623</b>	<b>219,716</b>	<b>250,000</b>
Recorded cost to be submitted in 2021	6,501	(6,501)	-	-	
Recorded cost to be submitted in 2022	-	(14,120)	14,120	-	
<b>Total recorded cost</b>	<b>\$ 50,790</b>	<b>\$ 72,183</b>	<b>\$ 96,743</b>	<b>\$ 219,716</b>	

**REDWOOD COMMUNITY ACTION AGENCY, INC.  
SUPPLEMENTAL CONTRACT INFORMATION FOR CSD  
DECEMBER 31, 2022**

**21B-5009  
415 HUMBOLDT AND MODOC LIHEAP EHA  
420 HUMBOLDT AND MODOC LIHEAP ASSURANCE 16  
RSCs 22002113 & 22002114**

	1/1/2020 - 12/31/2020	1/1/2021 - 12/31/2021	1/1/2022 - 12/31/2022	Total reported expenses	CSD Budget
Grant revenue	\$ 3,491	\$ 576,262	\$ 242,593	\$ 822,346	\$ 672,557
<b>Total revenue</b>	<b><u>3,491</u></b>	<b><u>576,262</u></b>	<b><u>242,593</u></b>	<b><u>822,346</u></b>	<b><u>672,557</u></b>
<b>ASSURANCE 16 COSTS</b>					
Assurance 16 Activities	-	84,839	27,058	111,897	129,579
<b>ADMINISTRATIVE COSTS</b>					
Administrative cost total	-	78,978	26,064	105,042	123,396
<b>Total A-16 /Administrative Costs</b>	<b><u>-</u></b>	<b><u>163,817</u></b>	<b><u>53,122</u></b>	<b><u>216,939</u></b>	<b><u>252,975</u></b>
<b>PROGRAM COSTS (ECIP AND HEAP)</b>					
Intake	-	32,725	26,788	59,513	70,979
Outreach	-	20,452	16,741	37,193	58,612
Training and technical assistance	-	1,226	441	1,667	30,245
<b>TOTAL PROGRAM COSTS</b>	<b><u>-</u></b>	<b><u>54,402</u></b>	<b><u>43,971</u></b>	<b><u>98,373</u></b>	<b><u>159,836</u></b>
<b>40-PROGRAM SERVICES &amp; PROGRAM COSTS</b>					
Program services and program costs total	-	377,272	129,762	507,034	410,304
<b>TOTAL COSTS</b>	<b><u>-</u></b>	<b><u>595,491</u></b>	<b><u>226,855</u></b>	<b><u>822,346</u></b>	<b><u>823,115</u></b>
<b>Total costs submitted to EARS</b>	<b><u>-</u></b>	<b><u>595,491</u></b>	<b><u>226,855</u></b>	<b><u>822,346</u></b>	
Recorded cost to be submitted in 2021	3,491	(3,491)	-	-	-
Recorded cost to be submitted in 2022	-	(15,738)	15,738	-	769
Total recorded cost	<b><u>\$ 3,491</u></b>	<b><u>\$ 576,262</u></b>	<b><u>\$ 242,593</u></b>	<b><u>\$ 822,346</u></b>	

**REDWOOD COMMUNITY ACTION AGENCY, INC.  
SUPPLEMENTAL CONTRACT INFORMATION FOR CSD  
DECEMBER 31, 2022**

**21B-5009  
410 HUMBOLDT AND MODOC LIHEAP WEATHERIZATION  
RSCs 22002113 & 22002114**

	1/1/2020 - 12/31/2020	1/1/2021 - 12/31/2021	1/1/2022 - 12/31/2022	Total reported expenses	Total audited costs	CSD Budget
Grant revenue	\$ <u>1,835</u>	\$ <u>384,127</u>	\$ <u>186,959</u>	\$ <u>572,921</u>	\$ <u>572,921</u>	\$ <u>672,557</u>
<b>Total revenue</b>	<b><u>1,835</u></b>	<b><u>384,127</u></b>	<b><u>186,959</u></b>	<b><u>572,921</u></b>	<b><u>572,921</u></b>	<b><u>672,557</u></b>
<b>WEATHERIZATION PROGRAM COSTS</b>						
Intake	-	5,226	10,510	15,736	15,736	45,805
Outreach	-	3,266	6,568	9,834	9,834	28,628
Training and technical assistance	-	<u>28,628</u>	-	<u>28,628</u>	<u>28,628</u>	<u>28,628</u>
<b>TOTAL WEATHERIZATION PROGRAM COSTS</b>	<b>-</b>	<b><u>37,120</u></b>	<b><u>17,078</u></b>	<b><u>54,199</u></b>	<b><u>54,199</u></b>	<b><u>103,061</u></b>
<b>WX PROGRAM ACTIVITIES AND PROGRAM COSTS</b>						
WX program activities and program costs total	-	357,315	161,044	518,358	518,358	469,496
<b>TOTAL WEATHERIZATION DIRECT PROGRAM COSTS</b>	<b>-</b>	<b><u>357,315</u></b>	<b><u>161,044</u></b>	<b><u>518,358</u></b>	<b><u>518,358</u></b>	<b><u>469,496</u></b>
<b>Total costs submitted to EARS</b>	<b><u>-</u></b>	<b><u>394,435</u></b>	<b><u>178,122</u></b>	<b><u>572,557</u></b>	<b><u>572,557</u></b>	<b><u>572,557</u></b>
Recorded cost to be submitted in 2021	1,835	(1,835)	-	-		
Recorded cost to be submitted in 2022	-	<u>(8,837)</u>	<u>8,837</u>	-		
<b>Total recorded cost</b>	<b>\$ <u>1,835</u></b>	<b>\$ <u>383,763</u></b>	<b>\$ <u>186,959</u></b>	<b>\$ <u>572,557</u></b>	<b><u>572,557</u></b>	<b><u>572,557</u></b>

**REDWOOD COMMUNITY ACTION AGENCY, INC.  
SUPPLEMENTAL CONTRACT INFORMATION FOR CSD  
DECEMBER 31, 2022**

**21V-5558  
415 HUMBOLDT AND MODOC LIHEAP EHA  
RSC 22002125**

	1/1/2021 - 12/31/2021	1/1/2022 - 12/31/2022	Total reported expenses	CSD Budget
Grant revenue	\$ 260,101	\$ 511,713	\$ 771,814	\$ 260,101
<b>Total revenue</b>	<b><u>260,101</u></b>	<b><u>511,713</u></b>	<b><u>771,814</u></b>	<b><u>260,101</u></b>
<b>ASSURANCE 16 COSTS</b>				
Assurance 16 activities	14,782	37,209	51,991	66,991
<b>ADMINISTRATIVE COSTS</b>				
Administrative cost total	<u>21,362</u>	<u>41,233</u>	<u>62,595</u>	<u>117,219</u>
<b>Total A-16 / Administrative Costs</b>	<b><u>36,144</u></b>	<b><u>78,442</u></b>	<b><u>114,586</u></b>	<b><u>184,210</u></b>
<b>PROGRAM COSTS (ECIP AND HEAP)</b>				
Intake	20,498	38,045	58,543	112,979
Outreach	20,043	36,429	56,472	70,612
Training and technical assistance	1,451	63	1,514	28,245
Automation cost	<u>6,000</u>	<u>-</u>	<u>6,000</u>	<u>-</u>
<b>TOTAL PROGRAM COSTS</b>	<b><u>47,992</u></b>	<b><u>74,537</u></b>	<b><u>122,529</u></b>	<b><u>211,836</u></b>
<b>DIRECT SERVICE COSTS</b>				
Wood, propane and oil	102,250	91,880	194,130	-
SWEATS	1,846	10,397	12,243	-
PSPS	<u>-</u>	<u>214,528</u>	<u>214,528</u>	<u>-</u>
<b>TOTAL DIRECT SERVICE COSTS</b>	<b><u>104,096</u></b>	<b><u>316,805</u></b>	<b><u>420,901</u></b>	
<b>PROGRAM SERVICES &amp; PROGRAM COSTS</b>				
Program services and program costs total	<u>76,706</u>	<u>41,613</u>	<u>118,319</u>	<u>410,304</u>
<b>TOTAL COSTS</b>	<b><u>264,938</u></b>	<b><u>511,397</u></b>	<b><u>776,335</u></b>	<b><u>806,350</u></b>
<b>Total costs submitted to EARS</b>	<b><u>264,938</u></b>	<b><u>511,397</u></b>	<b><u>776,335</u></b>	
Recorded cost to be submitted in 2022	(4,836)	4,836	-	
Recorded cost to be submitted in 2023	<u>-</u>	<u>(4,520)</u>	<u>(4,520)</u>	
Total recorded cost	<b><u>\$ 260,101</u></b>	<b><u>\$ 511,713</u></b>	<b><u>\$ 771,814</u></b>	

**REDWOOD COMMUNITY ACTION AGENCY, INC.  
SUPPLEMENTAL CONTRACT INFORMATION FOR CSD  
DECEMBER 31, 2022**

**22B-4009  
415 HUMBOLDT AND MODOC LIHEAP EHA  
420 HUMBOLDT AND MODOC LIHEAP ASSURANCE 16  
RSCs 22002213 & 22002214**

	1/1/2022 - 12/31/2022	Total reported expenses	CSD Budget
Grant revenue	<u>\$ 524,530</u>	<u>\$ 524,530</u>	<u>\$ 749,812</u>
<b>Total revenue</b>	<b><u>524,530</u></b>	<b><u>524,530</u></b>	<b><u>749,812</u></b>
<b>ASSURANCE 16 COSTS</b>			
Assurance 16 activities	48,544	48,544	131,337
<b>ADMINISTRATIVE COSTS</b>			
Administrative cost total	<u>64,671</u>	<u>64,671</u>	<u>124,641</u>
<b>Total A-16 / Administrative Costs</b>	<b><u>113,215</u></b>	<b><u>113,215</u></b>	<b><u>255,978</u></b>
<b>PROGRAM COSTS (ECIP AND HEAP)</b>			
Intake	36,927	36,927	109,302
Outreach	23,078	23,078	68,314
Training and technical assistance	<u>6,358</u>	<u>6,358</u>	<u>27,325</u>
<b>TOTAL PROGRAM COSTS</b>	<b><u>66,362</u></b>	<b><u>66,362</u></b>	<b><u>204,941</u></b>
<b>40-PROGRAM SERVICES &amp; PROGRAM COSTS</b>			
Program services and program costs total	<u>337,769</u>	<u>337,769</u>	<u>288,893</u>
<b>TOTAL COSTS</b>	<b><u>517,346</u></b>	<b><u>517,346</u></b>	<b><u>749,812</u></b>
<b>Total costs submitted to EARS</b>	<b><u>517,346</u></b>	<b><u>517,346</u></b>	
Recorded cost to be submitted in 2023	<u>7,184</u>	<u>7,184</u>	
Total recorded cost	<u>\$ 524,530</u>	<u>\$ 524,530</u>	



**REDWOOD COMMUNITY ACTION AGENCY, INC.  
SUPPLEMENTAL CONTRACT INFORMATION FOR CSD  
DECEMBER 31, 2022**

**22B-4009  
410 HUMBOLDT AND MODOC LIHEAP WEATHERIZATION  
RSCs 22002213 & 22002214**

	1/1/2022 - 12/31/2022	Total reported expenses	Total audited costs	CSD Budget
Grant revenue	<u>\$ 314,287</u>	<u>\$ 314,287</u>	<u>\$ 314,287</u>	<u>\$ 337,967</u>
<b>Total revenue</b>	<b><u>314,287</u></b>	<b><u>314,287</u></b>	<b><u>314,287</u></b>	<b><u>337,967</u></b>
<b>WEATHERIZATION PROGRAM COSTS</b>				
Intake	9,142	9,142	9,142	27,037
Outreach	5,713	5,713	5,713	16,898
Training and technical assistance	<u>16,892</u>	<u>16,892</u>	<u>16,892</u>	<u>16,898</u>
<b>TOTAL WEATHERIZATION PROGRAM COSTS</b>	<b><u>31,747</u></b>	<b><u>31,747</u></b>	<b><u>31,747</u></b>	<b><u>60,833</u></b>
<b>WX PROGRAM ACTIVITIES AND PROGRAM COSTS</b>				
WX program activities and program costs total	266,221	266,221	266,221	277,134
<b>TOTAL WEATHERIZATION DIRECT PROGRAM COSTS</b>	<b><u>266,221</u></b>	<b><u>266,221</u></b>	<b><u>266,221</u></b>	<b><u>277,134</u></b>
<b>Total costs submitted to EARS</b>	<b><u>297,968</u></b>	<b><u>297,968</u></b>	<b><u>297,968</u></b>	<b><u>337,967</u></b>
Recorded cost to be submitted in 2023	<u>16,319</u>	<u>16,319</u>	<u>16,319</u>	
Total recorded cost	<u>\$ 314,287</u>	<u>\$ 314,287</u>	<u>314,287</u>	<u>\$ 337,967</u>

**REDWOOD COMMUNITY ACTION AGENCY, INC.  
SUPPLEMENTAL CONTRACT INFORMATION FOR CSD  
DECEMBER 31, 2022**

**23B-5009  
415 HUMBOLDT AND MODOC LIHEAP EHA  
420 HUMBOLDT AND MODOC LIHEAP ASSURANCE 16  
RSCs 22002313 & 22002314**

	1/1/2022 - 12/31/2022	Total reported expenses	CSD Budget
Grant revenue	<u>\$ 101,111</u>	<u>\$ 101,111</u>	<u>\$ 916,570</u>
<b>Total revenue</b>	<b><u>101,111</u></b>	<b><u>101,111</u></b>	<b><u>916,570</u></b>
<b>ASSURANCE 16 COSTS</b>			
Assurance 16 activities	12,867	12,867	141,096
<b>ADMINISTRATIVE COSTS</b>			
Administrative cost total	<u>11,263</u>	<u>11,263</u>	<u>135,589</u>
<b>Total A-16 / Administrative Costs</b>	<b><u>24,130</u></b>	<b><u>24,130</u></b>	<b><u>276,685</u></b>
<b>PROGRAM COSTS (ECIP AND HEAP)</b>			
Intake	10,315	10,315	121,883
Outreach	6,446	6,446	76,177
Training and technical assistance	<u>-</u>	<u>-</u>	<u>30,471</u>
<b>TOTAL PROGRAM COSTS</b>	<b><u>16,761</u></b>	<b><u>16,761</u></b>	<b><u>228,531</u></b>
<b>40-PROGRAM SERVICES &amp; PROGRAM COSTS</b>			
Program services and program costs total	<u>54,136</u>	<u>54,136</u>	<u>411,354</u>
<b>TOTAL COSTS</b>	<b><u>95,027</u></b>	<b><u>95,027</u></b>	<b><u>916,570</u></b>
<b>Total costs submitted to EARS</b>	<b><u>95,027</u></b>	<b><u>95,027</u></b>	
Recorded cost to be submitted in 2023	<u>6,084</u>	<u>6,084</u>	
Total recorded cost	<u>\$ 101,111</u>	<u>\$ 101,111</u>	

**REDWOOD COMMUNITY ACTION AGENCY, INC.  
SUPPLEMENTAL CONTRACT INFORMATION FOR CSD  
DECEMBER 31, 2022**

**23B-5009  
410 HUMBOLDT AND MODOC LIHEAP WEATHERIZATION  
RSCs 22002313 & 22002314**

	1/1/2022 - 12/31/2022	Total reported expenses	Total audited costs	CSD Budget
Grant revenue	<u>\$ 56,492</u>	<u>\$ 56,492</u>	<u>\$ 56,492</u>	<u>\$ 326,815</u>
<b>Total revenue</b>	<b><u>56,492</u></b>	<b><u>56,492</u></b>	<b><u>56,492</u></b>	<b><u>326,815</u></b>
<b>WEATHERIZATION PROGRAM COSTS</b>				
Intake	5,795	5,795	5,795	26,145
Outreach	3,622	3,622	3,622	16,341
Training and technical assistance	<u>4,938</u>	<u>4,938</u>	<u>4,938</u>	<u>16,341</u>
<b>TOTAL WEATHERIZATION PROGRAM COSTS</b>	<b><u>14,355</u></b>	<b><u>14,355</u></b>	<b><u>14,355</u></b>	<b><u>58,827</u></b>
<b>WX PROGRAM ACTIVITIES AND PROGRAM COSTS</b>				
WX program activities and program costs total	35,033	35,033	35,033	267,988
<b>TOTAL WEATHERIZATION DIRECT PROGRAM COSTS</b>	<b><u>35,033</u></b>	<b><u>35,033</u></b>	<b><u>35,033</u></b>	<b><u>267,988</u></b>
<b>Total costs submitted to EARS</b>	<b><u>49,387</u></b>	<b><u>49,387</u></b>	<b><u>49,387</u></b>	<b><u>326,815</u></b>
Recorded cost to be submitted in 2023	<u>7,105</u>	<u>7,105</u>	<u>7,105</u>	
Total recorded cost	<u>\$ 56,492</u>	<u>\$ 56,492</u>	<u>\$ 56,492</u>	<u>\$ 326,815</u>

**REDWOOD COMMUNITY ACTION AGENCY, INC.  
SUPPLEMENTAL CONTRACT INFORMATION FOR CSD  
DECEMBER 31, 2022**

**21W-9004  
415 HUMBOLDT LIHWAP ADMIN SUPPORT  
RSC 22002120**

	1/1/2022 - 12/31/2022	Total reported expenses	CSD Budget
Grant revenue	<u>\$ 6,077</u>	<u>\$ 6,077</u>	<u>\$ 105,317</u>
<b>Total revenue</b>	<b><u>6,077</u></b>	<b><u>6,077</u></b>	<b><u>105,317</u></b>
<b>ADMINISTRATIVE COSTS</b>			
Administrative cost total	<u>434</u>	<u>434</u>	<u>45,136</u>
<b>Total Administrative Costs</b>	<b><u>434</u></b>	<b><u>434</u></b>	<b><u>45,136</u></b>
<b>PROGRAM SUPPORT COSTS</b>			
Program support	<u>5,642</u>	<u>5,642</u>	<u>60,181</u>
<b>TOTAL PROGRAM COSTS</b>	<b><u>5,642</u></b>	<b><u>5,642</u></b>	<b><u>60,181</u></b>
<b>TOTAL COSTS</b>	<b><u>6,077</u></b>	<b><u>6,077</u></b>	<b><u>105,317</u></b>
<b>Total costs submitted to EARS</b>	<b><u>6,077</u></b>	<b><u>6,077</u></b>	
Total recorded cost	<u>\$ 6,077</u>	<u>\$ 6,077</u>	

**REDWOOD COMMUNITY ACTION AGENCY, INC.  
SUPPLEMENTAL CONTRACT INFORMATION FOR CSD  
DECEMBER 31, 2022**

**21F-4012  
CSBG SALARIES ONLY  
RSC 2200830**

	1/1/2021 - 12/31/2021	1/1/2022 - 12/31/2022	Total audited	CSD Budget
Grant revenue	\$ 143,158	\$ 136,225	\$ 279,383	\$ 279,383
<b>Total revenue</b>	<b><u>143,158</u></b>	<b><u>136,225</u></b>	<b><u>279,383</u></b>	<b><u>279,383</u></b>
<b>10-ADMINISTRATIVE COSTS</b>				
Salaries and wages	97,321	93,433	190,754	190,754
Fringe benefits	<u>45,836</u>	<u>42,792</u>	<u>88,628</u>	<u>88,628</u>
<b>Total Administrative Costs</b>	<b><u>143,158</u></b>	<b><u>136,225</u></b>	<b><u>279,383</u></b>	<b><u>279,382</u></b>
<b>20-PROGRAM COSTS</b>				
<b>TOTAL PROGRAM COSTS</b>	<u>-</u>	<u>-</u>		<u>-</u>
<b>Total costs submitted to EARS</b>	<b><u>143,158</u></b>	<b><u>136,225</u></b>	<b><u>279,383</u></b>	<b><u>279,382</u></b>
Total recorded cost	<u>\$ 143,158</u>	<u>\$ 136,225</u>	<u>\$ 279,383</u>	<u>\$ 279,382</u>

**REDWOOD COMMUNITY ACTION AGENCY, INC.  
SUPPLEMENTAL CONTRACT INFORMATION FOR CSD  
DECEMBER 31, 2022**

**22F-5012  
CSBG SALARIES ONLY  
RSC 2200834**

	1/1/2022 - 12/31/2022	Total audited	CSD Budget
Grant revenue	<u>\$ 198,554</u>	<u>\$ 198,554</u>	<u>\$ 283,081</u>
<b>Total revenue</b>	<b><u>198,554</u></b>	<b><u>198,554</u></b>	<b><u>283,081</u></b>
<b>10-ADMINISTRATIVE COSTS</b>			
Salaries and wages	134,692	134,692	202,173
Fringe benefits	<u>63,862</u>	<u>63,862</u>	<u>80,908</u>
<b>Total Administrative Costs</b>	<b><u>198,554</u></b>	<b><u>198,554</u></b>	<b><u>283,081</u></b>
<b>20-PROGRAM COSTS</b>			
<b>TOTAL PROGRAM COSTS</b>	<u>-</u>		<u>-</u>
<b>Total costs submitted to EARS</b>	<b><u>198,554</u></b>	<b><u>198,554</u></b>	<b><u>283,081</u></b>
Total recorded cost	<u>\$ 198,554</u>	<u>\$ 198,554</u>	<u>\$ 283,081</u>

**REDWOOD COMMUNITY ACTION AGENCY, INC.  
SUPPLEMENTAL CONTRACT INFORMATION FOR CSD  
DECEMBER 31, 2022**

**22F-5012 DISC  
CSBG SALARIES ONLY  
RSC 2200836**

	1/1/2022 - 12/31/2022	Total audited	CSD Budget
Grant revenue	<u>\$ 19,396</u>	<u>\$ 19,396</u>	<u>\$ 31,000</u>
<b>Total revenue</b>	<b><u>19,396</u></b>	<b><u>19,396</u></b>	<b><u>31,000</u></b>
<b>10-ADMINISTRATIVE COSTS</b>			
<b>Total Administrative Costs</b>	<u>-</u>		<u>-</u>
<b>20-PROGRAM COSTS</b>			
Operating expenses	19,396	19,396	19,396
Equipment	<u>-</u>		<u>11,604</u>
<b>TOTAL PROGRAM COSTS</b>	<b><u>19,396</u></b>	<b><u>19,396</u></b>	<b><u>31,000</u></b>
 <b>Total costs submitted to EARS</b>	 <b><u>19,396</u></b>	 <b><u>19,396</u></b>	 <b><u>31,000</u></b>
Total recorded cost	<u>\$ 19,396</u>	<u>\$ 19,396</u>	<u>\$ 31,000</u>

**REDWOOD COMMUNITY ACTION AGENCY, INC.  
SUPPLEMENTAL CONTRACT INFORMATION FOR CSD  
DECEMBER 31, 2022**

**20F-3651  
CSBG CARES  
RSC 22009XX**

	1/1/2020 - 12/31/2020	1/1/2021 - 12/31/2021	1/1/2022 - 12/31/2022	Total audited	CSD Budget
Grant revenue	\$ 19,303	\$ 263,261	\$ 93,781	\$ 376,345	\$ 376,345
<b>Total revenue</b>	<b><u>19,303</u></b>	<b><u>263,261</u></b>	<b><u>93,781</u></b>	<b><u>376,345</u></b>	<b><u>376,345</u></b>
<b>10-ADMINISTRATIVE COSTS</b>					
<b>Total Administrative Costs</b>	-	-	-		-
<b>20-PROGRAM COSTS</b>					
Salaries and wages	-	12,073	185	12,258	12,258
Fringe benefits	-	1,423	1,429	2,852	2,853
Operating expenses	-	58,064	28,868	86,932	106,235
Equipment	2,100	111,843	33,157	147,100	145,000
Contract / Consultant services	17,203	78,858	31,142	127,203	110,000
<b>TOTAL PROGRAM COSTS</b>	<b><u>19,303</u></b>	<b><u>262,261</u></b>	<b><u>94,781</u></b>	<b><u>376,345</u></b>	<b><u>376,345</u></b>
<b>Total costs submitted to EARS</b>	<b><u>19,303</u></b>	<b><u>262,261</u></b>	<b><u>94,781</u></b>	<b><u>376,345</u></b>	<b><u>376,345</u></b>
Recorded cost submitted in 2022	-	1,000	(1,000)		-
Total recorded cost	\$ <u>19,303</u>	\$ <u>263,261</u>	\$ <u>93,781</u>	\$ <u>376,345</u>	\$ <u>376,345</u>



**REDWOOD COMMUNITY ACTION AGENCY, INC.  
SUPPLEMENTAL CONTRACT INFORMATION FOR CSD  
DECEMBER 31, 2022**

**20F-3651  
CSBG CARES  
RSC 2200912**

	1/1/2021 - 12/31/2021	1/1/2022 - 12/31/2022	Total audited	CSD Budget
Grant revenue	\$ 33,156	\$ 7,214	\$ 40,370	\$ 40,370
<b>Total revenue</b>	<b><u>33,156</u></b>	<b><u>7,214</u></b>	<b><u>40,370</u></b>	<b><u>40,370</u></b>
<b>10-ADMINISTRATIVE COSTS</b>				
Total Administrative Costs	-	-		-
<b>20-PROGRAM COSTS</b>				
Equipment	33,156	7,214	40,370	40,370
<b>TOTAL PROGRAM COSTS</b>	<b><u>33,156</u></b>	<b><u>7,214</u></b>	<b><u>40,370</u></b>	<b><u>40,370</u></b>
<b>Total costs submitted to EARS</b>	<b><u>33,156</u></b>	<b><u>7,214</u></b>	<b><u>40,370</u></b>	<b><u>40,370</u></b>
Total recorded cost	\$ <u>33,156</u>	\$ <u>7,214</u>	\$ <u>40,370</u>	\$ <u>40,370</u>

**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**DECEMBER 31, 2022**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Contract Number	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures
<b>U.S. Department of Agriculture:</b>				
Emergency Food and Shelter	N/A	97.024	N/A	\$ <u>32,176</u>
Total U.S. Department of Agriculture				<u>32,176</u>
<b>U.S. Department of Health &amp; Human Services:</b>				
Street Outreach	90YO2418	93.557	N/A	181,156
Basic Center	90CY7117-01-00	93.623	N/A	148,035
Basic Center 22-24	90CX7371-01-00	93.623	N/A	76,271
Launch Pad	90CX7371-01-00	93.623	N/A	<u>335,743</u>
Total 93.623				<u>560,049</u>
Low Income Home Energy Assistance Program	N/A	93.568	21B-5009	1,139,021
Low Income Home Energy Assistance Program	N/A	93.568	21W-9004	6,077
Low Income Home Energy Assistance Program LIWAP	N/A	93.568	21V-5558	511,713
Low Income Home Energy Assistance Program	N/A	93.568	22B-4009	129,349
Low Income Home Energy Assistance Program	N/A	93.568	23B-5009	<u>157,603</u>
Total 93.568				<u>1,943,763</u>
Community Services Block Grants	N/A	93.569	21F-4012	136,225
Community Services Block Grants	N/A	93.569	22F-5012	198,554
Community Services Block Grants - Discretionary	N/A	93.569	22F-5012 CAA	19,396
Community Services Block Grants - Discretionary	N/A	93.569	20-F3651	<u>93,781</u>
Total 93.569				<u>447,955</u>
Total U.S. Department of Health & Human Services				<u>3,132,923</u>
<b>U.S. Department of Energy:</b>				
State of California				
Low Income Home Energy Weatherization	N/A	81.042	20C-6006	<u>96,743</u>
Total U.S. Department of Energy				<u>96,743</u>

See independent auditors' report and notes to schedule of expenditures of federal awards

**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**DECEMBER 31, 2022**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Contract Number	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures
<b>U.S. Department of Housing &amp; Urban Development:</b>				
California Department of Housing and Urban Development				
HOME Program Loans:				
Ninth Street, Fortuna	N/A	14.239	N/A	515,000
Murray Road, McKinleyville	N/A	14.239	N/A	850,000
Loni Drive, Fortuna	N/A	14.239	N/A	410,000
829 C Street, Eureka	N/A	14.239	N/A	317,432
1528 Third Street, Eureka	N/A	14.239	N/A	<u>230,000</u>
Total U.S. Department of Housing & Urban Development				<u>2,322,432</u>
Total Expenditures of Federal Awards				<u>\$ 5,584,274</u>

See independent auditors' report and notes to schedule of expenditures of federal awards

**REDWOOD COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**DECEMBER 31, 2022**

**Note 1: Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal activity of Redwood Community Action Agency, Inc. (the Organization) for the year ended December 31, 2022, and is presented in the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. The Organization received federal awards that were passed through from various governmental agencies, which are included on the Schedule of Federal Awards.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Subpart E - Cost Principles of the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Organization's significant accounting policies are presented in Note B in the Organization's basic financial statements.

**Note 3: Relationship to Financial Statements**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with the amounts reported within the financial statements.

**Note 5: Indirect Cost Rate**

The Organization has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 6: Loan and Loan Balances**

The outstanding balance of loan and loan guarantee programs at December 31, 2022, with continuing compliance requirements which are reported as federal expenditures on the accompanying schedule of expenditures of federal awards was \$2,322,432.

**REDWOOD COMMUNITY ACTION AGENCY, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Section I-Summary of Auditors' Results**

Financial Statements

Report on the Financial Statements and on the Supplementary Schedule of Federal Awards:

Opinion on audited financial statements:	Unmodified
Going concern issue	No

Report on Supporting Information:

Opinion on supporting information	Unmodified
-----------------------------------	------------

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with Government Auditing Standards:

Instances of fraud, non-compliance, or abuse of law, regulations, contracts or grants that have a material effect on the financial statements	No
Significant deficiencies or material weaknesses indicator	Yes

Federal Awards

Report on Compliance and Internal Control over Compliance Applicable to Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance:

Opinion on compliance with laws, regulations, and contracts applicable to each major program	Unmodified
Significant deficiencies or material weaknesses in internal controls over compliance indicator	No

Schedule of Findings and Questioned Costs

Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of OMB Uniform Guidance	No
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Low-risk auditee indicator	Yes

Identification of Major Programs

Grantor/Program or Cluster Title	Federal Assistance Listing Number
U.S. Department of Health and Human Services / Low income home energy assistance program	93.568

**REDWOOD COMMUNITY ACTION AGENCY, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Section II - Findings - Financial Statements Audit**

2022-001 - Recording of deferred revenue

*Criteria: Proper recording of grants that are contributions.*

*Condition:* The Organization was recording unused grants and contributions at year end to deferred revenue.

*Cause and Effect:* The Organization was incorrectly applying ASC 606 and 605 resulting in an understatement of revenue and net assets.

*Auditors' Recommendations:* Organizations policy should be adjusted to be sure donation and grants are properly accounted for in the year earned. If the grant is an unconditional contribution, revenue should be recognized when the grant award is received as an increase in either net assets without donor restrictions or net assets with donor restrictions depending on the nature of any grantor-imposed limitations on the use of the assets transferred. If the grant is a conditional contribution, the contribution revenue should be recognized when the conditions are substantially met. If the grant proceeds are transferred to the nonprofit organization before the conditions are substantially met, the proceeds should be reported as a refundable advance (deferred revenue).

**Section III - Findings and Questioned Costs - Major Federal Award Programs Audit**

None

**REDWOOD COMMUNITY ACTION AGENCY, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

There were no findings from the prior audit report.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Redwood Community Action Agency, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Redwood Community Action Agency, Inc., which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 2, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Redwood Community Action Agency, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Redwood Community Action Agency, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Redwood Community Action Agency, Inc.'s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings, and questioned costs as item 2022-001 that we consider to be significant deficiencies.

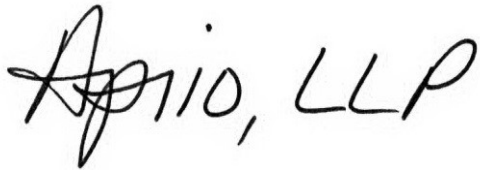


## **Report on Compliance and Other Matters**

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

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Aprio, LLP". The signature is written in a cursive, flowing style.

San Francisco, CA  
October 2, 2023

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Redwood Community Action Agency, Inc.

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Redwood Community Action Agency, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Redwood Community Action Agency, Inc.'s major federal programs for the year ended December 31, 2022. Redwood Community Action Agency, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Redwood Community Action Agency, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Redwood Community Action Agency, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Redwood Community Action Agency, Inc.'s compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Redwood Community Action Agency, Inc.'s federal programs.

## ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Redwood Community Action Agency, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Redwood Community Action Agency, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Redwood Community Action Agency, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Redwood Community Action Agency, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Redwood Community Action Agency, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

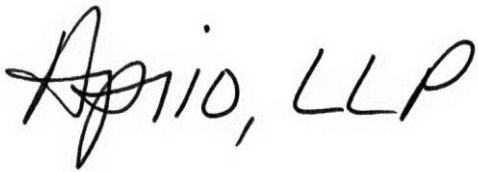
## **Report on Internal Control over Compliance**

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

A handwritten signature in black ink that reads "Aptio, LLP". The signature is written in a cursive, flowing style with a large initial 'A'.

San Francisco, CA  
October 2, 2023