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**RURAL RESOURCES COMMUNITY ACTION**

A WASHINGTON NON-PROFIT ORGANIZATION

Consolidated Financial Statements

For the Fiscal Year Ended February 28, 2019  
With Comparative Totals for 2018

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Rural Resources Community Action  
Colville, WA

### Report on the Financial Statements

We have audited the accompanying financial statements of Rural Resources Community Action (a nonprofit organization), which comprise the consolidated statement of financial position as of February 28, 2019, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related consolidated notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization, as of February 28, 2019, and changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**


We have previously audited the Organization's 2018 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated July 13, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended February 28, 2018, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

## **Other Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) 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 consolidated financial statements. The supplementary information on pages 27-29 are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated 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 our report dated August 7, 2019 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



Aiken & Sanders, Inc., PS  
Certified Public Accountants  
& Management Consultants

August 7, 2019

**RURAL RESOURCES COMMUNITY ACTION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>February 28, 2019 (With Comparative Totals for 2018)</b>	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
<b>Assets:</b>		
Cash	\$ 1,103,527	\$ 471,150
Restricted Cash	1,073,680	1,125,429
	<u>2,177,207</u>	<u>1,596,579</u>
Accounts Receivable	1,720,763	1,607,742
Inventory	85,646	57,302
Prepaid Expenses and Other Assets	54,637	33,225
Deposit, Unemployment Self Insurance Trust	195,422	161,484
Loans & Interest Receivable, net	1,544,554	1,426,868
Property and Equipment, net	4,974,679	4,653,507
Property and Equipment Holding Company, net	<u>2,242,517</u>	<u>2,276,765</u>
<b>Total Assets</b>	<b>\$ <u>12,995,425</u></b>	<b>\$ <u>11,813,472</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities:</b>		
Cash Overdraft - Holding Company	\$ 72,383	\$ 19,645
Accounts Payable and Accrued Expenses	597,147	409,789
Payroll Taxes Payable	141,038	131,752
Accrued Salaries	429,794	398,734
Accrued Vacation	212,202	202,986
Reserve, Unemployment Self Insurance Trust	195,422	161,484
Other Payables	97,741	112,968
Refundable Advances and Other Deferred Liabilities	211,342	99,240
Revolving Loan and Grant Funds Payable	2,605,759	2,633,424
Notes Payable	3,485,251	3,169,881
Notes Payable - Holding Company	<u>1,284,469</u>	<u>1,368,324</u>
<b>Total Liabilities</b>	<b><u>9,332,548</u></b>	<b><u>8,708,227</u></b>
<b>Net Assets:</b>		
Without Donor Restrictions	2,413,038	1,902,443
Without Donor Restrictions - Holding Company	885,666	888,796
With Donor Restrictions	<u>364,173</u>	<u>314,006</u>
<b>Total Net Assets</b>	<b><u>3,662,877</u></b>	<b><u>3,105,245</u></b>
<b>Total Liabilities and Net Assets</b>	<b>\$ <u>12,995,425</u></b>	<b>\$ <u>11,813,472</u></b>

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

# RURAL RESOURCES COMMUNITY ACTION

## CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Fiscal Year Ended February 28, 2019 (With Comparative Totals for 2018)	2019		2018	
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	TOTAL
<b>Support &amp; Revenue:</b>				
Governmental Grants	\$ 13,703,477	\$ 1,849	\$ 13,705,326	\$ 13,572,750
Nongovernmental Grants	2,406,955	36	2,406,991	1,358,232
Contributions	69,199	103,767	172,966	137,431
Client Fees	14,385	-	14,385	13,187
Project Income	45,003	1,298	46,301	9,430
Rent Income	1,024,338	-	1,024,338	928,215
Interest Income	7	-	7	60
Other Income	26,887	276	27,163	40,116
Rent Income-Holding Company	62,744	-	62,744	96,812
Net Assets Released from Restrictions:				
Satisfaction of Program Restrictions	57,059	(57,059)	-	-
<b>Total Support &amp; Revenues</b>	<b>17,410,054</b>	<b>50,167</b>	<b>17,460,221</b>	<b>16,156,233</b>
<b>Expenses:</b>				
Program Services:				
Community Services	295,815	-	295,815	260,824
Transportation	922,910	-	922,910	800,608
Job Training & Employment	1,963,032	-	1,963,032	1,730,205
Victim Services	1,306,364	-	1,306,364	1,068,800
Housing Services	4,996,203	-	4,996,203	4,819,484
Head Start & Early Childhood	2,247,467	-	2,247,467	2,020,479
Community Living Connections	3,802,419	-	3,802,419	3,183,626
Fiscal Agent	479,236	-	479,236	1,034,329
<b>Total Program Services</b>	<b>16,013,446</b>	<b>-</b>	<b>16,013,446</b>	<b>14,918,355</b>
Administrative	786,612	-	786,612	865,300
Fundraising	36,590	-	36,590	22,456
Holding Company	179,942	-	179,942	153,120
<b>Total Expenses</b>	<b>17,016,590</b>	<b>-</b>	<b>17,016,590</b>	<b>15,959,231</b>
<b>Other Revenue &amp; Expenses:</b>				
Loss on Disposal of Assets	5,681	-	5,681	-
<b>Change in Net Assets</b>	<b>399,145</b>	<b>50,167</b>	<b>449,312</b>	<b>197,002</b>
NET ASSETS, BEGINNING OF YEAR	2,791,239	314,006	3,105,245	2,908,243
Transfer of Assets	108,320	-	108,320	-
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 3,298,704</b>	<b>\$ 364,173</b>	<b>\$ 3,662,877</b>	<b>\$ 3,105,245</b>

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

**RURAL RESOURCES COMMUNITY ACTION**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**Fiscal Year Ended February 28, 2019 (With Comparative Totals for 2018)**

	<u>Community Services</u>	<u>Transportation</u>	<u>Job Training &amp; Employment</u>	<u>Victim Services</u>	<u>Housing Services</u>	<u>Head Start &amp; Early Childhood</u>	<u>Community Living Connections</u>	<u>Fiscal Agent</u>	<u>Total Program Services</u>
Salaries & Benefits	\$ 145,749	\$ 101,785	\$ 533,450	\$ 953,708	\$ 1,186,423	\$ 1,236,738	\$ 2,400,570	\$ 82,028	\$ 6,640,451
Participant Wages & Benefits	-	-	105,755	-	-	-	-	-	105,755
OJT Employer Reimbursement	-	-	52,852	-	-	-	-	-	52,852
Advertising & Public Relations	260	4,495	621	6,369	1,027	6,693	7,221	2,778	29,464
Contract Services	-	-	905,959	23,631	-	338,555	241,049	318,701	1,827,895
Expense Reimbursement	7,811	-	(548)	(374)	(44,151)	(398)	(2,623)	(5,103)	(45,386)
Fees & Permits	27	-	14	-	1,285	1,835	1,420	-	4,581
Food & Contract Meals	18	-	-	-	38,784	34,944	242,288	569	316,603
Fundraising	-	-	-	17,255	-	1,032	18,302	-	36,589
Insurance	156	1,367	319	2,240	28,776	7,346	4,175	-	44,379
Janitorial & Maintenance	23,390	1,363	623	3,256	143,764	76,554	12,416	-	261,366
Rent	33,952	-	22,447	7,124	3,024	17,479	63,382	3,155	150,563
Meeting	3,260	250	2,993	3,745	1,976	24,709	1,900	4,860	43,693
Office Expenses	8,273	2,340	5,775	27,476	35,110	25,188	61,220	2,617	167,999
Other Equipment	7,934	-	3,869	24,031	25,181	43,709	21,605	-	126,329
Professional Services	7,479	2,333	2,480	27,363	31,195	15,181	11,489	658	98,178
Supplies & Software	14,394	1,911	3,353	36,613	39,406	125,479	21,295	9,779	252,230
Tax & Licenses	4,144	84	-	148	3,137	9	146	-	7,668
Telephone & Utilities	8,803	1,576	8,023	13,406	141,890	34,242	14,360	1,768	224,068
Travel & Training	6,254	8,833	49,652	43,434	73,383	34,743	144,143	11,502	371,944
Vehicle Expenses	1	2,396	-	2,628	22,934	-	12,092	-	40,051
Client Expenses	4,018	110	139,165	46,447	2,866,148	3,819	83,425	-	3,143,132
Volunteer Expenses	-	232,106	5,788	5,263	-	7,673	581	27,629	279,040
Transfers	7,990	2,526	13,230	25,621	91,008	54,457	71,620	1,338	267,790
Pooled Accounts	11,725	442,600	14,332	53,610	37,303	50,322	70,027	137	680,056
Commodities	-	-	-	-	-	-	317,626	-	317,626
AmeriCorps Match	-	-	92,880	-	-	18,620	-	-	111,500
Miscellaneous	177	2,701	-	625	15,553	-	992	16,820	36,868
Interest	-	-	-	-	43,937	29,811	-	-	73,748
Depreciation	-	114,134	-	-	209,110	59,759	-	-	383,003
<b>Total Expenses</b>	<b>\$ 295,815</b>	<b>\$ 922,910</b>	<b>\$ 1,963,032</b>	<b>\$ 1,323,619</b>	<b>\$ 4,996,203</b>	<b>\$ 2,248,499</b>	<b>\$ 3,820,721</b>	<b>\$ 479,236</b>	<b>\$ 16,050,035</b>

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

## RURAL RESOURCES COMMUNITY ACTION

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

	<b>Fiscal Year Ended February 28, 2019 (With Comparative Totals for 2018)</b>		<b>2019</b>	<b>2018</b>	
	<u>Administrative</u>	<u>Total</u>	<u>Holding Company</u>	<u>Consolidated Total</u>	<u>Total</u>
Salaries & Benefits	\$ 1,241,438	\$ 7,881,889	\$ 45,598	\$ 7,927,487	\$ 7,048,814
Participant Wages & Benefits	-	105,755	-	105,755	92,626
OJT Employer Reimbursement	-	52,852	-	52,852	42,595
Advertising & Public Relations	7,371	36,835	-	36,835	45,741
Contract Services	-	1,827,895	-	1,827,895	2,123,365
Expense Reimbursement	(136,167)	(181,553)	(856)	(182,409)	(190,500)
Fees & Permits	177	4,758	-	4,758	9,115
Food & Contract Meals	-	316,603	-	316,603	275,500
Fundraising	1	36,590	-	36,590	22,456
Insurance	44,704	89,083	-	89,083	91,939
Janitorial & Maintenance	84,744	346,110	-	346,110	289,287
Rent	87,589	238,152	-	238,152	180,796
Meeting	1,355	45,048	-	45,048	41,591
Office Expenses	64,419	232,418	-	232,418	205,748
Other Equipment	18,178	144,507	-	144,507	100,305
Professional Services	10,129	108,307	367	108,674	95,815
Supplies & Software	58,286	310,516	-	310,516	257,544
Tax & Licenses	(2,220)	5,448	154	5,602	6,883
Telephone & Utilities	134,635	358,703	-	358,703	309,711
Travel & Training	24,546	396,490	616	397,106	384,941
Vehicle Expenses	84,360	124,411	-	124,411	153,721
Client Expenses	-	3,143,132	-	3,143,132	3,161,078
Volunteer Expenses	298	279,338	-	279,338	231,743
Transfers	(269,891)	(2,101)	1,101	(1,000)	(955)
Pooled Accounts	(682,525)	(2,469)	2,062	(407)	(1,628)
Commodities	-	317,626	-	317,626	260,787
AmeriCorps Match	-	111,500	-	111,500	66,000
Miscellaneous	14,359	51,227	7,200	58,427	85,181
Interest	54	73,802	68,354	142,156	148,152
Depreciation	773	383,776	55,346	439,122	420,880
	<u>\$ 786,613</u>	<u>\$ 16,836,648</u>	<u>\$ 179,942</u>	<u>\$ 17,016,590</u>	<u>\$ 15,959,231</u>

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



# RURAL RESOURCES COMMUNITY ACTION

## CONSOLIDATED STATEMENT OF CASH FLOWS

Fiscal Year Ended February 28, 2019 (With Comparative Totals for 2018)	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 449,312	\$ 197,001
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	439,122	420,880
Transfer of Assets from Organization	108,320	-
(Gain) Loss on Disposal of Assets	(5,681)	-
(Increase) Decrease in Accounts Receivable	(113,022)	(131,701)
(Increase) Decrease in Loans and Interest Receivable	(117,686)	117,900
(Increase) Decrease in Deposit, Unemployment Self Insurance Trust	(33,938)	(80,287)
(Increase) Decrease in Prepaid Expenses and Other Assets	(21,412)	5,140
(Increase) Decrease in Inventory	(28,344)	(16,377)
Increase (Decrease) in Cash Overdraft - Holding Company	52,738	16,484
Increase (Decrease) in Accounts Payable & Accrued Expenses	187,358	125,569
Increase (Decrease) in Reserve, Advances and Other Deferred Liabilities	33,938	80,288
Increase (Decrease) in Accrued Salaries	31,060	52,370
Increase (Decrease) in Payroll Taxes Payable	9,286	15,022
Increase (Decrease) in Accrued Vacation	9,216	17,192
Increase (Decrease) in Other Payables	(15,227)	73,603
Increase (Decrease) in Refundable Advances & Other Deferred Liabilities	112,102	(69,030)
Increase (Decrease) in Revolving Loan & Grants Funds Payable	(27,665)	(208,503)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>1,069,477</u></b>	<b><u>615,551</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from Sale of Assets	8,250	-
Purchases of Property and Equipment	(728,614)	(369,153)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b><u>(720,364)</u></b>	<b><u>(369,153)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Long-Term Debt	407,216	95,000
Payments on Long-Term Debt	(175,701)	(255,982)
<b>Net Cash Provided (Used) by Financing Activities</b>	<b><u>231,515</u></b>	<b><u>(160,982)</u></b>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	580,628	85,416
BEGINNING CASH AND CASH EQUIVALENTS	<u>1,596,579</u>	<u>1,511,163</u>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<b><u>\$ 2,177,207</u></b>	<b><u>\$ 1,596,579</u></b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOWS:</b>		
Cash Paid During the Fiscal Years for Interest	<u>\$ 139,882</u>	<u>\$ 148,152</u>

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

**RURAL RESOURCES COMMUNITY ACTION**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**Fiscal Year Ended February 28, 2019**

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**NOTE 1: NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

Rural Resources Community Action (Organization) is a non-profit organization, organized to assist and carry out various community action programs under grants received from various agencies of federal, state, and local governments. The acceptance of these grants requires compliance with prescribed grant conditions and other special requirements including the furnishing of certain amounts of cash or noncash contributions to programs from nonfederal sources. The Organization operates in the following Washington State counties: Okanogan, Chelan, Douglas, Grant, Lincoln, Adams, Spokane, Whitman, Garfield, Asotin, Ferry, Stevens, and Pend Oreille.

The Organization accounts for its operations through the following program divisions:

Community Services: This division accounts for all revenues and expenditures related to community services that are general in nature. Major programs include community service and community development grants (administrative and block grants), Vista programs, and private donations. The division's major sources of revenue are government grants.

Transportation: This division accounts for all revenues and expenditures related to the Organization's rural mobility and senior transportation support programs. The division's major sources of revenue are government grants.

Job Training and Employment: This division accounts for all revenues and expenditures related to the Organization's administering of Work Force Investment Act grants and similar activities, in addition to literacy programs. The division's major sources of revenue are government grants.

Victim Services: This division accounts for all revenues and expenditures related to the Organization's crime victims grant programs. The division's major funding sources of revenue are government and private grants and contributions.

Housing Services: This division accounts for all revenues and expenditures related to the Organization's housing, weatherization assistance, low income energy programs, and shelter programs. The division's sources of revenue are government grants and program revenues.

Head Start and Early Childhood: This division accounts for all revenues and expenditures related to the Organization's Head Start and Early Childhood Education and Assistance program (ECEAP) and other early childhood programs. The division's major sources of revenue are government and private grants and contributions.

Community Living Connections: This division accounts for all revenues and expenditures related to adult and senior services, food stamp outreach, food bank programs, and senior nutrition. The division's sources of revenue are government grants and private donations of cash, material and services.

Fiscal Agent: This division accounts for revenues and expenditures related to other non-profits and coalitions that the Organization provides fiscal services. Revenues sources are provided by the administrative section, of contracts held for these outside entities.

**Principles of consolidation:**

The consolidated financial statements include the accounts of Rural Resources Community Action and Rural Resources Holding (collectively referred to as Organization). All significant intercompany transactions and balances have been eliminated.

**RURAL RESOURCES COMMUNITY ACTION**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**Fiscal Year Ended February 28, 2019**

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**NOTE 1: NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Rural Resources Community Action has majority control of Rural Resources Holding. Rural Resources Holding was incorporated in April 2013. The general purpose of Rural Resources Holding is to acquire real estate, holding title to and collecting income from such property.

**Liquidity and availability:**

The Organization has \$2,824,290 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure, consisting of cash of \$1,103,527 and accounts receivable of \$1,720,763 as of December 31, 2018. The Organization has \$2,078,892 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure, consisting of cash of \$471,150 and accounts receivable of \$1,607,742 as of December 31, 2017. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. The Organization has ongoing grants and contracts that will reimburse the Organization allowable expenditures for that grant or contract. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

For restricted cash, the Organization has debt and replacement reserves that can be used for the various facilities that the Organization owns. As of February 28, 2019 and 2018, that was \$218,343 and \$129,999, respectively. See note 12. The Organization also has housing repair funds. As of February 28, 2019 and 2018, that was \$855,337 and \$995,430, respectively. See note 12.

The Organization also has a line of credit of \$150,000 that it can draw on if needed. See note 10.

**Basis of accounting:**

The Organization maintains its financial records on the accrual basis of accounting. Revenues on all grants are recognized (accrued) when qualifying expenditures under the grant are made. Grant funds are accounted for as with donor restrictions or without donor restrictions as provided in the particular terms of the respective grant contracts. However, if the restrictions on grant funds are met in the same year the funds are awarded, it is the Organization's policy to report the grant funds as with donor restrictions on the statement of activities and changes in net assets.

**Use of estimates:**

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of certain assets and liabilities as of the date of the financial statements. Actual results could differ, either positively or negatively, from those estimates.

**Recognition of contribution revenue:**

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, with donor restriction net assets are reclassified to without donor restriction net assets and are reported in the statement of activities and changes in net assets as net assets released from restrictions.

**RURAL RESOURCES COMMUNITY ACTION**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**Fiscal Year Ended February 28, 2019**

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**NOTE 1: NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Organization reports gifts of land, buildings, and equipment as without donor restriction support unless explicit donor stipulations specify how the assets are to be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as with donor restriction support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

If the restrictions on restricted contributions are met in the same year the gift is received, it is the Organization's policy to report the contribution as without donor restrictions on the statement of activities and changes in net assets.

**Cash and cash equivalents:**

The Organization considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

**Property and equipment:**

Property and equipment purchased by the Organization with unrestricted funds is recorded at cost. Items of less than \$5,000 per unit cost are charged to expense as minor equipment or supplies.

Depreciation is provided over the estimated useful lives of the assets using the straight-line method ranging from 5 to 30 years. Maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When items of equipment are sold or are otherwise disposed of, the appropriate cost and related accumulated depreciation amounts are removed from the accounts, and any gain or loss is included in income.

**Loans receivable:**

The Organization obtains funds to loan to individuals. As discussed further in Note 15, an allowance for estimated uncollectible amounts is provided, and amounts are recorded at their discounted present value. The allowance for estimated uncollectible accounts is based on prior years' collection experience. The allowance for estimated uncollectible accounts as of February 28, 2019 and February 28, 2018, was \$39,500. For the fiscal years ended February 28, 2019 and February 28, 2018, bad debts were \$0.

**With donor restriction net assets:**

With donor restriction net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose. Upon the fulfillment of the purpose for which the net assets were restricted, expiration of a donor-imposed restriction, or withdrawal of a restriction by a donor, with donor restriction net assets are reclassified to without donor restriction net assets.

**Advertising costs:**

The costs of advertising are expensed as incurred. Advertising expense for the fiscal years ended February 28, 2019 and February 28, 2018, was \$31,759 and \$43,125, respectively.

**Inventory:**

Inventories consist of USDA surplus commodities shown at the cost value provided by the USDA, supplies and weatherization materials shown at cost. As of February 28, 2019 and February 28, 2018, inventory was \$85,646 and \$57,302, respectively.

**Accounts receivable:**

Grants receivable are recorded to the extent of qualifying grant expenditures made during the current year that are to be reimbursed after year end.

**RURAL RESOURCES COMMUNITY ACTION**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**Fiscal Year Ended February 28, 2019**

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**NOTE 1: NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Receivables are considered past due if not collected within 90 days. The Organization does not charge interest on past due receivables. As of February 28, 2019, all receivables are current.

**Refundable advances & other deferred liabilities:**

Deferred liabilities are recognized for program (grant) advances received by the Organization that are in excess of current grant expenditures. Such amounts are restricted funds and as such can only be maintained and used in accordance with the respective grant contracts.

**Allocation of indirect costs:**

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. Payroll and related costs are allocated based on time spent on each function. Phone costs are allocated by number of phones for each department. Space costs are allocated based on square footage. Technology costs are allocated by number of internet connections for each department.

**NOTE 2: EMPLOYEE BENEFITS AND COMPENSATED ABSENCES**

The Organization sponsors a SEP/IRA plan (the Plan) which covers all employees meeting certain eligibility requirements (age, length of service, and minimum earnings). The Organization contributed four percent (4%) of each eligible employee's qualifying wages to the Plan through December 31, 2018. Beginning January 1, 2019, the Organization will match up to six percent (6%). Employees are also entitled to make salary reduction agreements under the terms of the Plan. Pension costs for the fiscal years ended February 28, 2019 and February 28, 2018, were \$229,715 and \$205,443 respectively.

The Organization also offers two separate 403(b) plans for the voluntary participation of the employees. Employees may make contributions to a tax-deferred annuity (TDA) account or tax sheltered account (TSA).

The Organization also provides its employees with paid annual and sick leave in accordance with its current policies. Sick leave benefits are cumulative to a maximum of 360 hours. Unused annual leave is payable to employees in cash upon termination.

**NOTE 3: DONATED GOODS AND SERVICES**

The Organization receives substantial donations of labor and facilities. For financial reporting purposes, these amounts are not recorded on the financial statements since they do not meet the requirements for recording. In-kind revenues received but not recorded consist of the following for the fiscal year ended February 28, 2019:

Donated labor	\$ 579,963
Donated rent	3,650
Donated professional services	11,221
Donated transportation	69,309
Other	<u>428,725</u>
Total	\$ <u><u>1,092,868</u></u>

In-kind revenues received but not recorded for the fiscal year ended February 28, 2018, was \$1,149,768.

**RURAL RESOURCES COMMUNITY ACTION**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**Fiscal Year Ended February 28, 2019**

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**NOTE 4: PROPERTY AND EQUIPMENT**

Depreciation of property and equipment is calculated on the straight-line basis over the estimated useful lives of the assets. The cost and estimated useful lives of such assets are as follows at February 28, 2019:

	<u>Estimated Useful Lives</u>	
Land		\$ 944,756
Buildings and improvements	30 years	10,700,158
Furniture, fixtures, and equipment	5-10 years	334,553
Vehicles	10 years	<u>1,214,063</u>
		13,193,530
Less: accumulated depreciation		<u>(5,976,334)</u>
Net Property and Equipment		<u>\$ 7,217,196</u>

Accumulated depreciation as of February 28, 2018, was \$5,674,467.

**NOTE 5: LEASES**

The Organization leases facilities and equipment used in its operations under various lease agreements with terms ranging from one to six years. All leases are accounted for as operating leases.

The Organization's future minimum payments under lease commitment as of February 28, 2019, are as follows:

Fiscal years ending on the last day of February:	
2020	\$ 113,110
2021	63,209
2022	34,906
2023	12,666
2024	<u>8,520</u>
	<u>\$ 232,411</u>

For the fiscal years ended February 28, 2019 and February 28, 2018, Rural Resources Community Action paid Rural Resources Holding \$147,178 and \$114,865 in rent expense, respectively. This expense and income was removed in the consolidated financial statements.

Rental expense for the fiscal years ended February 28, 2019 and February 28, 2018, was \$238,152 and \$180,796, respectively.

**RURAL RESOURCES COMMUNITY ACTION**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**Fiscal Year Ended February 28, 2019**

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**NOTE 6: LEASE INCOME**

The Organization leases office space to other organizations. The Organization's future lease income under lease commitments as of February 28, 2019, are as follows:

Fiscal years ending on the last day of February:

2020	\$ 52,036
2021	21,140
2022	-
2023	-
2024	-
	<hr/>
	\$ <u>73,176</u>

**NOTE 7: UNEMPLOYMENT COMPENSATION TRUST**

The Organization has elected to provide unemployment benefits through the Northwest Agencies Trust. Rural Resources Community Action makes payments to the Trust, and the Trust administers the Plan and pays benefits to eligible recipients.

At February 28, 2019 and February 28, 2018, the Organization had funds on deposit with the Trust of \$195,422 and \$195,422 respectively. A corresponding liability has been accrued for the estimated claims liability at February 28, 2019 and February 28, 2018, of \$161,484 and \$161,484 respectively.

**NOTE 8: CONCENTRATION OF CREDIT RISK**

For the fiscal years ended February 28, 2019 and February 28, 2018, approximately 78% and 84%, respectively, of the Organization's funding was derived from grants funded through the Washington State Department of Commerce and other state and federal departments of government. These programs are funded primarily by federal funding through congressional budget appropriations.

The Organization, at times, has cash deposits that exceed the insured limit by the U.S. Federal Deposit Insurance Corporation.

**NOTE 9: CONTINGENCIES**

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. A determination of the estimate of possible loss, if any, cannot be made. However, the Organization's management believes disallowances, if any, would be immaterial.

**NOTE 10: LINE OF CREDIT**

The Organization has a \$150,000 unsecured revolving line of credit with KeyBank. Interest is accrued at 6.5%. At February 28, 2019 and February 28, 2018, there was no balance drawn against the line.

**RURAL RESOURCES COMMUNITY ACTION**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**Fiscal Year Ended February 28, 2019**

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**NOTE 11: HEAD START**

During the fiscal years ended February 28, 2019 and February 28, 2018, the Organization had expenses of \$1,875,362 and \$1,693,349, respectively, on the Head Start program.

**NOTE 12: RESTRICTED CASH**

Restricted cash as of February 28, 2019, consists of the following:

Replacement Reserves:

Allegiance	\$ 12,482
Quail Manor Apts	39,800
Columbia Senior Apts	5,684
San Poil	77,022

Debt Reserve:

Main Facility	83,355
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Housing Repair Funds:

See Note 15	<u>855,337</u>
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\$ 1,073,680

Restricted cash as of February 28, 2018, was \$1,125,429.

**NOTE 13: INCOME TAX & UNCERTAIN TAX POSITIONS**

Rural Resources Community Action is a tax exempt non-profit organization under the Internal Revenue Code Section 501(c)(3) and is not classified as a private foundation. Rural Resources Holding is a tax exempt non-profit organization under the Internal Revenue Code Section 501(c)(25) and is not classified as a private foundation. Accordingly, the financial statements do not include any provision for income taxes.

The organization files income tax returns in the U.S. federal jurisdiction. The organization is no longer subject to U.S. federal income tax examinations by tax authorities for years before February 28, 2016. Currently, there is no examination or pending examination with the Internal Revenue Service (IRS).

As of February 28, 2019, there are no tax positions for which the deductibility is certain but for which there is uncertainty regarding the timing of such deductibility.

**NOTE 14: SUBSEQUENT EVENTS**

No events have occurred through August 7, 2019, which is the date the financial statements were available to be issued based on organization facts and circumstances, for events requiring recording or disclosure in the financial statements for the fiscal year ended February 28, 2019.



**RURAL RESOURCES COMMUNITY ACTION**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**Fiscal Year Ended February 28, 2019**

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**NOTE 15: CLIENT LOAN PROGRAMS**

The deferred loan programs (HPG, MHRP, HTF) were designed to assist low-income individuals by providing funding for home improvements or replace mobile homes. These loans are secured by a deed of trust and promissory note naming the Organization as the beneficiary. Deferred loans of \$277,880 and \$311,647 at February 28, 2019 and February 28, 2018, respectively, are non-interest bearing and require no monthly payments, with principal to be paid in full when the property is sold or a transfer of title occurs. These loans have a present value at February 28, 2019 and February 28, 2018, of \$179,712 and \$213,479, respectively. A corresponding revolving loan fund payable of \$179,712 and \$213,479 has also been accrued at February 28, 2019, and February 28, 2018, respectively.

Interest bearing loans of \$1,302,615 and \$1,153,862 at February 28, 2019 and February 28, 2018, respectively, carry a monthly repayment amount based upon the person's ability to make repayments with the same transfer of title clause as deferred loans. These loans bear interest at a rate of 1-3%. These loans may, under certain conditions and approval of the agency, be assumed if it is beneficial to the person and the agency. A corresponding revolving loan fund payable of \$1,452,064 and \$1,308,569 at February 28, 2019 and February 28, 2018, respectively, has also been accrued.

The loan fund may also be used to further the housing needs of the low-income population with activities such as transitional housing and down payment assistance for first time homebuyers. The agency, through grant agreements, retained the right to grant small amounts (under \$1,500) for housing projects where no repayment is required.

The Organization also has \$911,756 and \$1,051,849 at February 28, 2019, and February 28, 2018, respectively, in housing repair funds recorded as a liability. These funds will be used to make housing repair loans to clients.

Beginning in 2005, the MHRP deferred loans provide for a 3% interest rate. Interest accrued at February 28, 2019 and February 28, 2018, respectively, was \$62,227 and \$59,527. Under terms of the program, when a client pays off their loan they will also pay the accrued interest.

**RURAL RESOURCES COMMUNITY ACTION**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**Fiscal Year Ended February 28, 2019**

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**NOTE 16: NOTES PAYABLE**

Notes payable as of February 28, 2019, was the following:

Non-interest bearing note payable to the Washington State Department of Commerce. The note is deferred until sale, refinance, change of ownership or use of buildings, or July 2046, whichever occurs first. The note is secured by real estate.	\$ 339,600
Non-interest bearing note payable to the Washington State Department of Commerce. The note is deferred until the sale, refinance, change of ownership or use of buildings, or November 2032, whichever occurs first. If after review of the project in 2032 the Department determines there is insufficient cash flow, then the loan will be forgiven. The note is secured by real estate.	147,372
Note payable to the Farmers Home Administration in semi-annual installments of \$4,785, including interest at 4.875%. The note matures in November 2032 and is secured by real estate.	68,944
Note payable to Washington Community Reinvestment Association in monthly installments of \$450 including interest at 3.50%. The note matures in December 2022 and is secured by real estate.	43,957
Note payable to USDA in monthly installments of \$898, including interest at 4.5%. The note matures in November 2039 and is secured by real estate.	144,437
Note payable to USDA in monthly installments of \$450, including interest at 4.5%. The note matures in September 2040 and is secured by real estate.	74,052
Note payable to the Washington State Department of Commerce, due in annual installments of \$12,888, including interest at 1.00%. The note matures in January 2050 and is secured by real estate.	351,453
Note payable to Tri County Economic Development District due in monthly installments of \$645. The balance is to pay off over a 20-year period, including interest at 6.00%. The loan matures in November 2034, and is secured by real estate.	91,778

**RURAL RESOURCES COMMUNITY ACTION**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**Fiscal Year Ended February 28, 2019**

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**NOTE 16: NOTES PAYABLE (Continued)**

Note payable to Tri County Economic Development District due in monthly installments of \$1,075. The balance is to be paid off over a 20-year period, including interest at 4.00%. The loan matures in July 2030, and is secured by real estate. 134,871

Note payable to Tri County Economic Development District due in monthly installments of \$359. The balance is to be paid off over a 20-year period, including interest at 6.00%. The loan matures in July 2030, and is secured by real estate. 44,925

Note payable to USDA in monthly installments of \$9,061, including interest at 4.75%. The note matures in July 2032 and is secured by real estate. 1,029,840

Note payable to KeyBank due in monthly installments of \$2,189. The balance is to be paid off over a 20-year period, including interest at 7.972%. The loan matures August 1, 2022, and is secured by real estate. 74,833

Note payable to Banner Bank due in monthly installments of \$659, including interest at 4.75% for the first 60 payments. The next 60 payments will be at interest rate for 5 year FHLB Fixed Rate (currently 2.35% plus 2.550). The loan matures November 10, 2027, and is secured by real estate. 90,614

Note payable to the Washinton State Department of Commerce, due in quarterly installments of \$1,974, including interest at 1.00%. The note matures in December 2044 and is secured by a deed of trust on real estate. 180,545

Note payable to Mountain West Bank in monthly installments of \$312, including interest at 4.50%. The loan matures June 1, 2021, and is secured by a deed of trust on real estate. 8,382

Note payable to USDA in monthly installments of \$34, including interest at 9.00%. The note matures in February 2037 and is secured by real estate. 13,050

**RURAL RESOURCES COMMUNITY ACTION**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**Fiscal Year Ended February 28, 2019**

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**NOTE 16: NOTES PAYABLE (Continued)**

Note payable to USDA in monthly installments of \$1,730, including interest at 4.25%. The note matures in April of 2049 and is secured by real estate. 351,570

Note payable to USDA in monthly installments of \$1,018, including interest at 9.00%. The note matures in February of 2037 and is secured by real estate. 389,075

Note payable to USDA in monthly installments of \$2,390, including interest at 4.00%. The note matures in November of 2044 and is secured by real estate. 459,891

Loan payable to the state of Washington, Department of Commerce. Payable in annual payments of \$6,365, which includes interest at 2.00%. The loan matures on December 31, 2048. The loan is secured by a deed of trust on real estate. Loan terms include a requirement that the project provide low income housing for a 50-year period. 142,537

Note payable to KeyBank, payable in monthly payments of \$2,243, including interest at 7.45%. The note matures October 1, 2019, and is secured by the real estate of the project and an assignment of rents. 19,930

Non-interest bearing note payable to the Washington State Department of Commerce. The note is deferred and matures in December 2044. The note is secured by real estate. 568,064

\$ 4,769,720

Notes payable as of February 28, 2018, was \$4,538,205.

**RURAL RESOURCES COMMUNITY ACTION**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**Fiscal Year Ended February 28, 2019**

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**NOTE 16: NOTES PAYABLE (Continued)**

For fiscal years ending on the last day of February, principal payments required under these loan and note agreements are as follows:

2020	\$ 180,232
2021	180,408
2022	168,758
2023	174,917
2024	162,000
Thereafter	<u>3,903,405</u>
	<u>\$4,769,720</u>

**NOTE 17: TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes or periods as of February 28, 2019:

Newport Donations	\$ 19,745
Page Ahead	970
Literacy Donations	2,642
Victim Services Stock Equity	4,187
Head Start Fund Raising	90
Victim Services Special Projects & Fundraising	211,597
Assorted Adult Services Conferences	4,189
Senior Projects & Sr. Nutrition Projects	4,478
Senior Nutrition Fundraising	20,032
Emergency Shelter Special Projects	925
Stock Donations	3,010
Employment & Training Special Projects	83,391
Columbia Senior Housing Donations	314
Legal Aid Donations	1,337
Warming Center	269
Youth Donations	<u>6,997</u>
	<u>\$ 364,173</u>

Temporarily restricted net assets as of February 28, 2018, was \$314,006.

**RURAL RESOURCES COMMUNITY ACTION**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**Fiscal Year Ended February 28, 2019**

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**NOTE 17: TEMPORARILY RESTRICTED NET ASSETS (Continued)**

Temporarily restricted net assets released from restriction for the fiscal year ended February 28, 2019, were as follows:

Newport Donations	\$ 3,998
Victim Services Stock Equity	18
Victim Services Special Projects	12,399
ROE Foundation Victim Services	18
Employment and Training Special Projects	(43,728)
Women Making a Difference	18,312
Columbia Sr. Housing Donations	438
Youth Donations	892
Page Ahead	630
Head Start Fund Raising	1,033
Assorted Adult Services Conferences	1,388
Senior Projects & Sr. Nutrition Projects	11,803
Senior Nutrition Fund Raising	46,783
Dispute Resolution Center	<u>3,075</u>
	<u>\$ 57,059</u>

Temporarily restricted net assets released from restriction for the fiscal year ended February 28, 2018, were \$76,231.

**NOTE 18: CHANGE IN PRESENTATION**

The Organization adopted Accounting Standards Update 2016-14 (ASU 2016-14) during the year ended December 31, 2018. ASU 2016-14 requires net assets to be presented as ‘without donor restrictions’ and ‘with donor restrictions’ on the statement of financial position. Also on the statement of activities, the columns will be labeled as ‘without donor restrictions’ and ‘with donor restrictions’. Prior to adoption, the net assets on the statement of financial position were presented as unrestricted, temporarily restricted, and permanently restricted. Also on the statement of activities, the columns were also labeled as unrestricted, temporarily restricted, and permanently restricted. There was no changes in the net asset classes and there was no reclassifications.

# RURAL RESOURCES COMMUNITY ACTION

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**FISCAL YEAR ENDED FEBRUARY 28, 2019**

Federal Grantor/ Pass-Through Grantor Program Title	Program ID	CFDA Number	Award Number	Period of Award	Total Authorized Award	Funds Received During the Year	Expenditures		
							From Pass-Through Awards	From Direct Awards	
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>									
Head Start	HS	93.600	10CH020204-04	06/01/17	05/31/18	\$ 1,786,794	\$ 715,676	\$ -	\$ 676,563
Head Start	HS	93.600	10CH020204-05	06/01/18	05/31/19	1,836,969	1,145,638	-	1,198,799
Passed through Washington State Department of Commerce:									
Low Income Home Energy Assistance Pgm WAP	LWXN	93.568	F17-53101-419	10/01/17	09/30/19	400,844	213,658	196,479	-
Low Income Home Energy Assistance Pgm EAP	EAPX	93.568	F17-32606-072	10/01/16	03/31/18	901,285	-	-	-
Low Income Home Energy Assistance Pgm EAP	EAPX	93.568	F18-32606-072	10/01/17	03/31/19	886,622	768,604	675,712	-
Low Income Home Energy Assistance Pgm EAP	EAP	93.568	F19-32606-072	10/01/18	03/31/20	962,029	9,997	109,056	-
Community Services Block Grant	CSBGX	93.569	F17-32101-024	10/01/16	09/30/18	166,824	-	-	-
Community Services Block Grant	CSBGX	93.569	F18-32101-024	10/01/17	09/30/19	167,194	142,165	109,364	-
Community Services Block Grant	CSBG	93.569	F19-32101-024	10/01/18	09/30/20	168,404	33,611	50,818	-
Rape Prevention Education	RPEX	93.136	F18-31310-611	02/01/18	01/31/19	66,698	66,698	63,218	-
Rape Prevention Education	RPE	93.136	F19-31310-611	02/01/19	01/31/20	-	-	5,176	-
Passed through Washington State Department of Social and Health Services:									
Domestic Violence	DVX	93.671	1712-95705	07/01/17	06/30/18	47,991	20,601	15,193	-
Domestic Violence	DV	93.671	1812-32634	07/01/18	06/30/19	49,161	41,516	95,675	-
Substance Abuse Block Grant	SABGX	93.959	1712-94301	07/01/17	06/30/18	31,143	25,424	16,205	-
Substance Abuse Block Grant	SABG	93.959	1712-94301	07/01/18	06/30/19	68,338	32,645	43,297	-
Partnership for Success	PFSX	93.243	1712-94301	07/01/17	06/30/18	53,906	21,680	20,616	-
Partnership for Success	PFS	93.243	1712-94301	07/01/18	06/30/19	13,477	13,391	13,391	-
Passed through Department of Early Learning:									
Parent Education & Support Services	SFX	93.590	16-1372-05	07/01/17	06/30/18	28,154	11,484	8,265	-
Parent Education & Support Services	SF	93.590	16-1372-06	07/01/18	06/30/19	18,020	678	10,068	-
Passed through Washington State Health Care Authority:									
ABCD Health Care	ABCDHCX	93.778	K758	07/01/15	06/30/18	33,650	7,163	4,254	-
ABCD Health Care	ABCDHC	93.778	K2742	07/01/18	06/30/20	19,100	4,775	6,104	-
Passed through Aging and Long Term Care of Eastern Washington:									
Senior Transportation	SRTRSX	93.044	2018:41:25	01/01/18	12/31/18	109,024	109,024	88,091	-
Senior Transportation	SRTRS	93.044	18-19:41:25(3)	01/01/19	12/31/19	136,139	8,963	24,677	-
Senior Nutrition	CONGX, HDMX	93.045	15-18:61,64:25(10)	01/01/18	12/31/18	195,180	195,180	168,155	-
Senior Nutrition	CONGX, HDMX	93.044	15-18:61,64:25(10)	01/01/18	12/31/18	3,350	3,350	3,350	-
Senior Nutrition	CONG, HDM	93.045	2019:61,64:25	01/01/19	12/31/19	204,336	16,577	56,295	-
Case Management	CMX, IA-WCX	93.044	16-18:42,43:25(6)	01/01/18	12/31/18	88,940	88,940	73,174	-
Case Management	CM, IA-WC	93.044	16-19:42,43:25(8)	01/01/19	12/31/19	115,111	7,887	15,080	-
Senior Nutrition	NSIPX	93.045	N/A	01/01/18	12/31/18	44,007	32,444	32,444	-
Senior Nutrition	NSIP	93.045	N/A	01/01/18	12/31/18	35,249	-	-	-
Senior Legal Assistance	SLASX	93.044	17-18:31:25(1)	01/01/18	12/31/18	10,260	8,376	7,626	-
Senior Legal Assistance	SLAS	93.044	17-19:31:25(3)	01/01/19	12/31/19	10,750	250	1,000	-
<i>Subtotal Cluster</i>						952,346	470,991	469,893	-

# RURAL RESOURCES COMMUNITY ACTION

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**FISCAL YEAR ENDED FEBRUARY 28, 2019**

Federal Grantor/ Pass-Through Grantor Program Title	Program ID	CFDA Number	Award Number	Period of Award	Total Authorized Award	Funds Received During the Year	Expenditures		
							From Pass-Through Awards	From Direct Awards	
Benefits Enrollment Center	BECX	93.071	2018:BEC:25	01/01/18	12/31/18	22,429	30,154	29,551	-
Benefits Enrollment Center	BEC	93.071	2018:BEC:25	01/01/19	06/30/19	10,840	9,091	16,536	-
Home Care Referral Registry	HCRRX	93.778	15-17:93:25(4)	01/01/17	12/31/17	20,080	16,798	14,360	-
Home Care Referral Registry	HCRR	93.778	15-18:93:25(6)	01/01/18	12/31/18	17,580	667	2,000	-
Case Management	SSCMX, SSCM-WCX	93.778	16-18:43.1:25(6)	01/01/18	12/31/18	949,556	949,213	785,326	-
Case Management	SSCM, SSCM-WC	93.778	16-18:43.1:25(7)	01/01/19	12/31/19	968,547	85,027	163,248	-
Family Caregiver Support	FCGS, FCGS-WC	93.052	16-18:78.1,78.2,79:25(12)	01/01/18	12/31/18	105,383	105,284	89,037	-
Family Caregiver Support	FCGS, FCGS-WC	93.052	16-19:78.1,78.2,79:25(16)	01/01/19	12/31/19	104,570	6,418	12,704	-
Kinship Closet	KC	93.052	2018:90:25	10/01/18	06/30/20	18,550	2,964	5,517	-
Passed through Blue Mountain Action Council:									
Community Jobs & Supported Work Programs	CJX	93.558	S18-32710-001RR	07/01/17	06/30/18	42,779	18,176	10,332	-
Community Jobs & Supported Work Programs	CJ	93.558	S19-32710-001RR	07/01/08	06/30/19	42,555	38,651	32,819	-
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						<b>10,961,818</b>	<b>5,008,839</b>	<b>3,074,214</b>	<b>1,875,362</b>
<b>U.S. DEPARTMENT OF ENERGY</b>									
Passed through Washington State Department of Commerce:									
DOE Weatherization Program	DOEX	81.042	F17-53103-419	07/01/17	06/30/18	62,075	40,487	26,200	-
DOE Weatherization Program	DOE	81.042	F18-53103-419	07/01/18	06/30/19	68,811	12,557	18,292	-
Bonneville Power Low Income Weatherization Pgm	BPAWXN	81.999	F17-53104-419	10/01/17	09/30/19	125,246	35,012	29,926	-
<b>TOTAL DEPARTMENT OF ENERGY</b>						<b>256,132</b>	<b>88,056</b>	<b>74,418</b>	<b>-</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>									
Head Start USDA	HS/ECEAP USDAX	10.558	N/A	06/01/17	05/31/18	45,000	24,293	-	24,293
Head Start USDA	HS/ECEAP USDA	10.558	N/A	06/01/18	05/31/19	50,000	25,607	-	25,607
USDA Loan**	2806	COLVILLE HS	10.218	97-13	11/15/99	11/15/39	197,600	-	148,613
USDA Loan**	2807	COLVILLE HS	10.218	97-14	09/20/00	09/20/40	100,000	-	76,071
USDA Loan**	2812	MAIN BLDG LOAN	10.218	97-15	07/30/02	07/30/32	1,720,000	-	1,088,163
USDA Loan**	2808	NEWPORT HS	10.218	97-17	03/12/09	03/12/49	398,500	-	357,260
USDA Loan**		ALLEGIANCE	10.766		12/03/14	12/03/44	500,000	-	469,960
USDA Loan**		SAN POIL	10.415	56-010-501252274	07/30/18	02/06/37	394,001	-	394,001
USDA Loan**		SAN POIL	10.415	56-010-501252274	07/30/18	02/06/37	13,216	-	13,216
Farmers Home Administration Loan**	2805	CHEWELAH HS	10.218	97-11	11/26/97	11/26/27	150,000	-	74,934
Passed through People for People:									
Basic Food Education & Outreach	BFE0X	10.561	RR-1713-15508	10/01/17	09/30/18	158,224	118,665	85,751	-
Basic Food Education & Outreach	BFE0	10.561	RR-1713-15508	10/01/18	09/30/19	221,268	55,317	65,655	-



# RURAL RESOURCES COMMUNITY ACTION

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**FISCAL YEAR ENDED FEBRUARY 28, 2019**

Federal Grantor/ Pass-Through Grantor Program Title	Program ID	CFDA Number	Award Number	Period of Award	Total Authorized Award	Funds Received During the Year	Expenditures		
							From Pass-Through Awards	From Direct Awards	
Passed through Washington State Department of Agriculture:									
The Emergency Food Assistance Program	TEFAPX	10.568	K2180	10/01/17	09/30/18	46,045	39,250	31,160	-
The Emergency Food Assistance Program	TEFAP	10.568	K2180	10/01/17	09/30/18	43,445	16,911	23,101	-
Commodities TEFAP Food*		10.569	N/A	03/01/17	02/28/18	197,306	197,306	197,306	-
Commodity Supplemental Food Program	CSFPX	10.565	K2180	10/01/17	09/30/18	32,615	25,931	19,984	-
Commodity Supplemental Food Program	CSFP	10.565	K2180	10/01/17	09/30/18	24,713	9,400	11,985	-
Commodities CSFP Food*		10.565	N/A	03/01/17	02/28/18	120,321	120,321	120,321	-
<i>Subtotal Cluster</i>						464,445	409,120	403,857	-
Passed through Colville National Forest Service:									
Forest Service Youth Work Experience	FSYWE	10.202	17-PA-11062100-016	05/01/17	12/31/19	36,000	11,806	11,817	-
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>						<b>4,448,254</b>	<b>644,809</b>	<b>567,080</b>	<b>2,672,118</b>
<b>Federal Emergency Management Assistance</b>									
Food & Shelter Assistance Program	FEMA	97.024				-	4,333	-	4,333
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>									
Passed through Washington State Department of Commerce:									
Tenant Based Rental Assistance	TBRAX	14.239	15-42401-122	07/01/16	06/30/18	350,590	95,334	83,495	-
Tenant Based Rental Assistance	TBRA	14.239	18-42401-125	07/01/18	06/30/19	287,082	127,170	134,684	-
Passed through Stevens County:									
Community Development Block Grant	CDBGX	14.228	17-62210-013	07/01/17	06/30/18	95,604	75,737	42,703	-
Community Development Block Grant	CDBG	14.228	C-122-2018	07/01/18	06/30/19	94,207	19,787	57,669	-
Passed through Spokane Housing Authority:									
Rental Assistance Program	RAPX	14.856	N/A	01/01/18	12/31/18	170,000	119,696	115,500	-
Rental Assistance Program	RAP	14.856	N/A	01/01/19	12/31/19	180,000	23,581	30,453	-
Section 8 Housing Choice Vouchers		14.871	N/A			1,800,000	1,466,478	1,466,478	-
<b>Passed through Washington State Housing Finance Commission:</b>									
Super NOFA Housing Counseling	SNHCX	14.169	N/A	10/01/16	06/30/18	55,000	13,231	6,829	-
Super NOFA Housing Counseling	SNHCX	14.169	N/A	10/01/17	09/30/19	68,000	31,174	44,533	-
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>						<b>3,100,483</b>	<b>1,972,189</b>	<b>1,982,343</b>	<b>-</b>

# RURAL RESOURCES COMMUNITY ACTION

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**FISCAL YEAR ENDED FEBRUARY 28, 2019**

Federal Grantor/ Pass-Through Grantor Program Title	Program ID	CFDA Number	Award Number	Period of Award	Total Authorized Award	Funds Received During the Year	From Pass-Through Awards	From Direct Awards	
<b>DEPARTMENT OF LABOR</b>									
Passed through Washington State Employment Security Department:									
Title I-B Adult	IBADULT	17.258	6110-7106	07/01/16	06/30/18	58,524	-	-	
Title I-B Adult	IBADULT	17.258	6110-1107	10/01/16	06/30/18	401,076	843	-	
Title I-B Dislocated Worker	IBDW	17.278	6110-7206	07/01/16	06/30/18	57,095	-	-	
Title I-B Dislocated Worker	IBDW	17.278	6110-1207	10/01/16	06/30/18	304,213	90,808	16,839	
Title I-B Youth	IBYOUTH	17.259	6110-7006	04/01/16	06/30/18	606,777	-	-	
Title I-B Administrative Cost Pool	WIAADM	258, 259, 278	6110-7306	04/01/16	06/30/18	80,267	-	-	
Title I-B Administrative Cost Pool	WIAADM	258, 259, 278	6110-1307	10/01/16	06/30/18	78,365	1,591	-	
Title I-B Dislocated Worker	IBDW	17.278	6110-7207	07/01/17	06/30/19	78,297	78,297	78,297	
Title I-B Dislocated Worker	IBDW	17.278	6110-1208	10/01/17	06/30/19	420,111	301,074	388,446	
Title I-B Adult	IBADULT	17.258	6110-7107	07/01/17	06/30/19	59,499	298	298	
Title I-B Adult	IBADULT	17.258	6110-1108	10/01/17	06/30/19	404,824	404,306	343,776	
Title I-B Youth	IBYOUTH	17.259	6110-7007	04/01/17	06/30/19	604,834	474,936	411,029	
Title I-B Administrative Cost Pool	WIAADM	258, 259, 278	6110-7307	04/01/17	06/30/19	82,859	82,859	82,859	
Title I-B Administrative Cost Pool	WIAADM	258, 259, 278	6110-1308	10/01/17	06/30/19	91,661	63,262	57,165	
Title I-B Dislocated Worker	IBDW	17.278	6110-7208	07/01/18	06/30/20	83,437	-	-	
Title I-B Dislocated Worker	IBDW	17.278	6110-1209	10/01/18	06/30/20	395,886	-	-	
Title I-B Adult	IBADULT	17.258	6110-7108	07/01/18	06/30/20	81,231	30,140	81,231	
Title I-B Adult	IBADULT	17.258	6110-1109	10/01/18	06/30/20	431,839	-	7,060	
Title I-B Youth	IBYOUTH	17.259	6110-7008	04/01/18	06/30/20	679,216	116,431	187,875	
Title I-B Administrative Cost Pool	WIAADM	258, 259, 278	6110-7308	04/01/18	06/30/20	93,765	-	-	
Title I-B Administrative Cost Pool	WIAADM	258, 259, 278	6110-1309	10/01/18	06/30/20	91,969	-	-	
Youth Works	YW	258, 259, 278	6110-7625-04	07/01/16	03/31/18	63,798	3,014	1,243	
Rapid Response Increased Employment	RRIEX	17.278	6110-7506-11	11/01/16	06/30/18	127,083	36,407	19,009	
Rapid Response Increased Employment	RRIE	17.278	6110-7507-10	10/01/17	06/30/19	150,419	-	-	
Rapid Response Increased Employment	RRIE	17.278	6110-7508-10	11/13/18	06/30/20	122,544	3,106	4,290	
Career Connected Learning	CCL	258, 259, 278	6110-7627-04	01/01/18	09/30/19	263,303	73,298	80,097	
<i>Subtotal Cluster</i>						<b>5,912,892</b>	<b>1,760,671</b>	<b>1,759,515</b>	-
<b>TOTAL DEPARTMENT OF LABOR</b>									
<b>VETERANS AFFAIRS ADMINISTRATION</b>									
Passed through the WA State Veterans Affairs									
Ferry County Veterans Van		64.035	305E-14-099	07/01/13		<b>78,085</b>	<b>7,152</b>	<b>4,836</b>	-
<b>U.S. DEPARTMENT OF JUSTICE</b>									
Passed through Washington State Department of Commerce:									
STOP Violence Against Women	STOPX	16.588	F17-31103-062	01/01/18	12/31/18	67,855	65,498	60,986	-
STOP Violence Against Women	STOP	16.588	F18-31103-062	01/01/19	12/31/19	79,133	1,276	4,839	-
Sexual Assault Treatment / Prevention	SAX	16.575	18-31310-143	07/01/17	06/30/18	155,633	70,913	60,659	-
Sexual Assault Treatment / Prevention	SA	16.575	19-31310-143	07/01/18	06/30/19	242,960	95,757	111,185	-
Crime Victim Service Center	CVSCX	16.575	S18-31119-031	07/01/17	06/30/18	273,968	96,436	80,374	-
Crime Victim Service Center	CVSC	16.575	S19-31219-031	07/01/18	06/30/19	281,556	132,692	154,912	-
CAC Child Centered Services	CCSVX	16.575	18-31219-411	01/01/17	06/30/18	120,766	38,356	29,002	-
CAC Child Centered Services	CCSV	16.575	19-31219-411	07/01/18	06/30/19	87,858	45,863	50,818	-
Training Bank Grant Program	TBGP	16.575	F17-31119-923	07/01/17	06/30/18	5,000	288	5	-

# RURAL RESOURCES COMMUNITY ACTION

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**FISCAL YEAR ENDED FEBRUARY 28, 2019**

Federal Grantor/ Pass-Through Grantor Program Title	Program ID	CFDA Number	Award Number	Period of Award		Total Authorized Award	Funds Received During the Year	Expenditures	
								From Pass-Through Awards	From Direct Awards
Passed through Washington State Department of Social & Health Services:									
Domestic Violence	DV	16.575	1712-95705	07/01/17	06/30/18	237,018	93,850	79,341	-
Domestic Violence	DV	16.575	1812-32634	07/01/18	06/30/19	130,111	138,990	128,793	-
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>						<b>1,681,858</b>	<b>779,919</b>	<b>760,914</b>	<b>-</b>
<b>DEPARTMENT OF EDUCATION</b>									
Passed through Employment Security Department:									
Pre-Employment Transition Services	Pre-ETS	84.126	1612-64022	05/01/16	09/30/18	230,000	45,642	45,309	-
<b>TOTAL DEPARTMENT OF EDUCATION</b>						<b>230,000</b>	<b>45,642</b>	<b>45,309</b>	<b>-</b>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>						<b>\$ 26,669,522</b>	<b>\$ 10,311,610</b>	<b>\$ 8,268,629</b>	<b>\$ 4,551,813</b>

\* Noncash Assistance

\*\* Loans

# RURAL RESOURCES COMMUNITY ACTION

## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended February 28, 2019

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### NOTE 1: BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the Organization's financial statements. The Organization uses the accrual basis of accounting.

### NOTE 2: DE-MINIMIS COST RATE

The Organization did not use the 10% de-minimis cost rate.

### NOTE 3: FEDERAL EXPENDITURES FROM LOANS

	<u>Beginning Balance</u>	<u>Current Year Activity</u>	<u>Ending Balance</u>
USDA Loan	\$ 479,635	\$ (9,675)	\$ 469,960
USDA Loan	1,143,785	(55,622)	1,088,163
USDA Loan	78,001	(1,930)	76,071
USDA Loan	152,605	(3,992)	148,613
Farmers Home Administration	80,642	(5,708)	74,934
USDA Loan	-	394,001	394,001
USDA Loan	-	13,216	13,216
USDA Loan	<u>362,714</u>	<u>(5,454)</u>	<u>357,260</u>
Total	<u>\$2,297,382</u>	<u>\$ 324,836</u>	<u>\$2,622,218</u>

### NOTE 4: SUB RECIPIENTS

During the fiscal year ended February 28, 2019, the Organization paid the following program amounts to sub recipients:

Pre-Employment Transition	84.126	\$ 30,771
Title IB Dislocated Worker	17.278	\$ 466,564
Title IB Youth	17.259	\$ 265,780
Title IB Adult	17.258	\$ 100,287
Youth Works	17.258, 259, 278	\$ 29,169
Rapid Response Increased Employment	17.278	\$ 14,003
STOP Violence Against Women	16.588	\$ 35,343
The Emergency Food Assistance Program	10.569	\$ 197,306

# RURAL RESOURCES COMMUNITY ACTION

## SCHEDULE OF EXPENDITURES OF NON-FEDERAL AWARDS

**FISCAL YEAR ENDED FEBRUARY 28, 2019**

Pass-Through Grantor Program Title	Program ID	Award Number	Period of Award	Total Authorized Award	Funds			
					Received During the Year	Expenditures During the Year		
Washington State Department of Commerce:								
31517	Domestic Violence Legal Advocacy	DVLA	S17-31108-013	07/01/17	06/30/18	\$ 23,000	\$ 12,635	\$ 10,915
31518	Domestic Violence Legal Advocacy	DVLA	S18-31108-013	07/01/18	06/30/19	24,075	11,901	13,533
343**	Homeowners Revolving Loan Fund	HRLF	08-94100-008	05/01/08	12/31/33	1,105,100	-	-
	Quail Manor - HTF Loan	2823	QUAIL	99-40497-215	01/01/00	12/31/50	505,162	360,734
42017	Sexual Assault Treatment / Prevention	SA	18-31310-143	07/01/17	06/30/18	121,328	58,751	47,660
42018	Sexual Assault Treatment / Prevention	SA	19-31310-143	07/01/18	06/30/19	132,610	90,428	106,824
31617	Crime Victim Service Center Program	CVSCX	S18-31119-031	07/01/17	06/30/18	28,425	10,006	8,339
31618	Crime Victim Service Center Program	CVSC	S19-31219-031	07/01/18	06/30/19	34,696	16,400	19,146
34018	Matchmaker Program	MP	S17-94101-419	01/01/18	06/30/19	200,953	110,508	135,757
33117	Consolidated Homeless Grant	CHG	17-46108-31	07/01/17	06/30/19	444,229	181,777	185,968
31017	Community Services Block Grant State	CSBGSX	S18-32101-224	07/01/17	06/30/18	15,008	9,520	8,603
31018	Community Services Block Grant State	CSBGS	S18-32101-224	07/01/18	06/30/19	15,001	9,791	12,119
Washington State Department of Social and Health Services:								
41017	Domestic Violence	DV	1712-95705	07/01/17	06/30/18	221,331	127,649	74,277
41018	Domestic Violence	DV	1812-32634	07/01/18	06/30/19	147,750	139,054	143,513
38017	Work First Domestic Violence	WFDVX	1712-96718	07/01/17	06/30/18	11,200	700	394
38018	Work First Domestic Violence	WFDV	1712-96718	07/01/18	06/30/19	11,200	300	250
42517	Child Advocacy Centers of WA	CACWA	1732-89779	07/01/17	06/30/18	990,000	471,168	386,665
40617/40717	Substance Abuse Block Grant	SABX	1712-94301	07/01/17	06/30/18	2,708	2,390	1,603
40618	Substance Abuse Block Grant	SABG	1712-94301	07/01/18	06/30/19	5,942	-	10,652
40817	Dedicated Marijuana Account	DMAX	1712-94301	07/01/17	06/30/18	22,243	15,259	8,768
40818	Dedicated Marijuana Account	DMA	1712-94301	07/01/18	06/30/19	22,243	7,037	7,390
Passed through CACWA:								
43018	Kids First - CACWA	KF-CACWA	340-A-STEVENS-CAP-18	07/01/18	06/30/19	40,574	21,062	25,451
Passed through Aging and Long Term Care of Eastern Washington:								
80618	Senior Nutrition	CONGX, HDMX	15-18:61,64:25(10)	01/01/18	12/31/18	8,130	20,442	20,442
80619	Senior Nutrition	CONG, HDM	2019:61,64:25	01/01/19	12/31/19	12,658	-	-
8008A/8B	Case Management	IA, CM-WC	16-18:42,43:25(6)	01/01/18	12/31/18	210,050	208,743	175,719
8009A/9B	Case Management	IA, CM-WC	16-19:42,43:25(8)	01/01/19	12/31/19	214,338	17,211	33,164
80118/8A/8B	Family Caregiver Support	FCGS, KG, KN, FCGS-WC, KG-WC, KN-WC	16-18:78.1,78.2,79:25(12)	01/01/18	12/31/18	357,153	355,038	298,690
80119/9A/9B	Family Caregiver Support	FCGS, KG, KN, FCGS-WC, KG-WC, KN-WC	16-19:78,7,78.2,79:25(16)	01/01/19	12/31/19	379,724	28,513	59,528
8038A/8B	Home Care Referral Registry	HCRRX	15-17:93:25(4)	01/01/17	12/31/17	20,080	16,798	14,360
8039A/9B	Home Care Referral Registry	HCRR	15-18:93:25(6)	01/01/18	12/31/18	17,580	667	2,000
81318	Senior Farmers Market	SFM	2017:67:25	06/01/18	11/30/18	500	500	1,054

## RURAL RESOURCES COMMUNITY ACTION

### SCHEDULE OF EXPENDITURES OF NON-FEDERAL AWARDS

**FISCAL YEAR ENDED FEBRUARY 28, 2019**

Pass-Through Grantor Program Title	Program ID	Award Number	Period of Award			Total Authorized Award	Funds Received During the Year	Expenditures During the Year
Washington State Department of Transportation:								
60517	WSDOT Consolidated Grant Program	WSDOT	UCB1465	07/01/17	06/30/19	1,380,532	701,882	710,228
60017	Vehicle Purchase Grant	VPG	UCB1469	07/01/17	06/30/18	106,385	106,385	54,533
Washington State Department of Early Learning:								
66017	Early Childhood Education and Assistance Program	ECEAPX	16-1120-07	07/01/17	06/30/18	491,243	256,312	140,290
66018	Early Childhood Education and Assistance Program	ECEAP	16-1120-07	07/01/18	06/30/19	615,307	294,861	353,620
6617B	Strengthening Families	SFX	16-1372-05	07/01/17	06/30/18	13,128	5,656	5,510
66118	Strengthening Families	SF	16-1372-06	07/01/18	06/30/19	18,020	452	6,712
70018	Head Start	HS		06/01/18	05/31/19	7,000	7,000	7,000
Washington State Office of Insurance Commission:								
65017	Statewide Health Insurance Benefits Advisors	SHIBA	C201912	07/01/17	06/30/19	96,004	44,311	30,251
Washington State Housing Finance Commission:								
64018	Attorney General's Office Grant	AGO		07/01/18	05/31/19	12,500	3,100	9,249
Washington State Health Care Authority:								
67515	ABCD Health Care	ABCDHCX	K758 03	07/01/15	06/30/18	33,650	7,163	4,254
67518	ABCD Health Care	ABCDHC	K2742	07/01/18	06/30/20	19,100	4,775	6,104
Washington State Department of Agriculture:								
32517	Emergency Food Assistance Program	EFAPX	K2180	07/01/17	06/30/18	88,522	45,664	21,092
32518	Emergency Food Assistance Program	EFAP	K2180	07/01/18	06/30/19	88,374	53,099	64,111
<b>TOTAL - STATE AWARDS</b>						<b>8,314,756</b>	<b>3,474,906</b>	<b>3,586,470</b>
<b><u>COUNTY AWARDS</u></b>								
Stevens County:								
76017	2060 Low-Income Housing Expenses	HR2060X		01/01/17	12/31/17	29,200	7,492	7,492
76018	2060 Low-Income Housing Expenses	HR2060X		01/01/18	12/31/18	4,500	1,178	647
76019	2060 Low-Income Housing Expenses	HR2060		01/01/19	12/31/19	25,000	-	26
75518	2163 Homeless Housing & Assistance	HB2163X		01/01/18	12/31/18	94,400	95,830	76,733
75519	2163 Homeless Housing & Assistance	HB2163		01/01/19	12/31/19	108,900	-	17,567
75618	Ferry County 2163 Homeless Housing & Assistance	FC HB2163X		01/01/18	12/31/18	15,000	32,785	32,372
75619	Ferry County 2163 Homeless Housing & Assistance	FC HB2163		01/01/19	12/31/19	15,000	-	5,885
75719	Lincoln County 2163 Homeless Housing & Assistance	LHB2133		01/01/19	12/31/19	49,500	49,500	355

# RURAL RESOURCES COMMUNITY ACTION

## SCHEDULE OF EXPENDITURES OF NON-FEDERAL AWARDS

**FISCAL YEAR ENDED FEBRUARY 28, 2019**

Pass-Through Grantor Program Title	Program ID	Award Number	Period of Award	Total Authorized Award	Funds Received During the Year	Expenditures During the Year		
<b><u>CITY AWARDS</u></b>								
City Police Departments	Chewelah, Colville, Kettle Falls	A.101.24.42	01/01/18	12/31/2018	14,500	15,250	10,721	
City Police Departments	Chewelah, Colville, Kettle Falls	A.101.24.42	01/01/19	12/31/2019	14,500	-	1,435	
<b>TOTAL - COUNTY/CITY AWARDS</b>					<b>370,500</b>	<b>202,034</b>	<b>153,231</b>	
<b><u>VENDORS</u></b>								
Passed through Washington State Department of Social and Health Services								
80518	Medicaid Transformation Project Demo	MTPDX	17-18:MTPD:25(1)	01/01/18	12/31/18	154,000	154,000	134,929
80519	Medicaid Transformation Project Demo	MTPD	17-19:MTD:25(3)	01/01/18	12/31/18	274,123	17,648	34,159
40518	COPEX	COPEX	101259202	01/01/17	12/31/17	5,452	7,579	8,012
40519	COPEX	COPEX	101259202	01/01/18	12/31/18	5,452	884	994
88018	Allegiance	Allegiance	101259201	03/01/17	02/28/18	304,150	317,664	467,497
<b>TOTAL - VENDORS</b>					<b>743,177</b>	<b>497,775</b>	<b>645,591</b>	
<b>TOTAL - AWARDS</b>					<b>\$ 9,428,433</b>	<b>\$ 4,174,715</b>	<b>\$ 4,385,292</b>	

**RURAL RESOURCES COMMUNITY ACTION**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Fiscal Year Ended February 28, 2019**

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No matters are reportable.



**INDEPENDENT AUDITOR'S 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  
Rural Resources Community Action  
Colville, WA

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 consolidated financial statements of Rural Resources Community Action (a nonprofit organization), which comprise the statement of financial position as of February 28, 2019, and the related statements of activities, and cash flows for the fiscal year then ended, and the related consolidated notes to the financial statements, and have issued our report thereon dated August 7, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated 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.

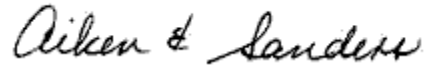
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Aiken & Sanders, Inc., PS  
Certified Public Accountants  
& Management Consultants

August 7, 2019

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

To the Board of Directors  
Rural Resources Community Action  
Colville, WA

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

We have audited the Rural Resources Community Action (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended February 28, 2019. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Project's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Organization 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 February 28, 2019.

## Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

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



Aiken & Sanders, Inc., PS  
Certified Public Accountants  
& Management Consultants

August 7, 2019

**RURAL RESOURCES COMMUNITY ACTION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Fiscal Year Ended February 28, 2019**

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**Section I - Summary of Auditor's Results:**

**Financial Statements**

Type of auditor's report issued: Unmodified

**Internal control over financial reporting:**

Material weaknesses identified: No

Significant deficiencies identified not considered to be material weaknesses: No

Noncompliance material to financial statements noted: No

**Federal Awards**

**Internal control over major programs:**

Material weaknesses identified: No

Significant deficiencies identified not considered to be material weaknesses: No

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Section 200.516(a): No

**Identification of major programs:**

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
93.600	Head Start
14.871	Section 8 Housing Choice Vouchers

**Dollar threshold used to distinguish between Type A and Type B programs: \$750,000**

**Auditee qualified as low-risk auditee: Yes**

**Section II – Financial Statement Findings: None**

**Section III – Federal Award Findings and Questioned Costs: None**