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**RURAL RESOURCES COMMUNITY ACTION**

A WASHINGTON NON-PROFIT ORGANIZATION

Consolidated Financial Statements

For the Fiscal Year Ended February 29, 2020  
With Comparative Totals for 2019

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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 29, 2020, 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 29, 2020, 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 2019 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated August 7, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended February 28, 2019, 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 27-30 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, 2020 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, 2020

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

<b>February 29, 2020 (With Comparative Totals for 2019)</b>	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
<b>Assets:</b>		
Cash	\$ 1,259,638	\$ 1,103,527
Restricted Cash	1,119,657	1,073,680
	<u>2,379,295</u>	<u>2,177,207</u>
Accounts Receivable	1,654,126	1,720,763
Inventory	39,423	85,646
Prepaid Expenses and Other Assets	170,567	62,405
Deposit, Unemployment Self Insurance Trust	228,718	195,422
Loans & Interest Receivable, net	1,509,912	1,544,554
Property and Equipment, net	4,888,766	4,974,679
Property and Equipment Holding Company, net	<u>2,196,787</u>	<u>2,242,517</u>
<b>Total Assets</b>	<b>\$ <u>13,067,594</u></b>	<b>\$ <u>13,003,193</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities:</b>		
Cash Overdraft - Holding Company	\$ 64,534	\$ 72,383
Accounts Payable and Accrued Expenses	268,543	597,147
Payroll Taxes Payable	167,583	141,038
Accrued Salaries	461,440	429,794
Accrued Vacation	213,609	212,202
Reserve, Unemployment Self Insurance Trust	228,718	195,422
Other Payables	103,744	105,509
Refundable Advances and Other Deferred Liabilities	286,994	211,342
Revolving Loan and Grant Funds Payable	2,589,504	2,605,759
Notes Payable	3,398,931	3,485,251
Notes Payable - Holding Company	<u>1,195,920</u>	<u>1,284,469</u>
<b>Total Liabilities</b>	<b><u>8,979,520</u></b>	<b><u>9,340,316</u></b>
<b>Net Assets:</b>		
Without Donor Restrictions	2,767,877	2,413,038
Without Donor Restrictions - Holding Company	936,333	885,666
With Donor Restrictions	<u>383,864</u>	<u>364,173</u>
<b>Total Net Assets</b>	<b><u>4,088,074</u></b>	<b><u>3,662,877</u></b>
<b>Total Liabilities and Net Assets</b>	<b>\$ <u>13,067,594</u></b>	<b>\$ <u>13,003,193</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 29, 2020 <i>(With Comparative Totals for 2019)</i>	2020		2019	
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	TOTAL
<b>Support &amp; Revenue:</b>				
Governmental Grants	\$ 14,410,801	\$ 2,791	\$ 14,413,592	\$ 13,705,326
Nongovernmental Grants	2,303,905	-	2,303,905	2,406,991
Contributions	55,241	91,080	146,321	172,966
Client Fees	20,742	-	20,742	14,385
Project Income	33,246	60	33,306	46,301
Rent Income	1,150,133	-	1,150,133	1,024,338
Interest Income	8	-	8	7
Other Income	27,011	414	27,425	27,163
Rent Income-Holding Company	53,253	-	53,253	62,744
Net Assets Released from Restrictions:				
Satisfaction of Program Restrictions	74,654	(74,654)	-	-
<b>Total Support &amp; Revenues</b>	<b>18,128,994</b>	<b>19,691</b>	<b>18,148,685</b>	<b>17,460,221</b>
<b>Expenses:</b>				
Program Services:				
Community Services	335,701	-	335,701	295,815
Transportation	908,682	-	908,682	922,910
Job Training & Employment	2,211,041	-	2,211,041	1,963,032
Victim Services	1,349,021	-	1,349,021	1,306,364
Housing Services	5,252,254	-	5,252,254	4,996,203
Head Start & Early Childhood	2,555,694	-	2,555,694	2,247,467
Community Living Connections	4,227,437	-	4,227,437	3,802,419
Fiscal Agent	74,335	-	74,335	479,236
Total Program Services	16,914,165	-	16,914,165	16,013,446
Administrative	649,538	-	649,538	786,612
Fundraising	20,452	-	20,452	36,590
Holding Company	144,333	-	144,333	179,942
<b>Total Expenses</b>	<b>17,728,488</b>	<b>-</b>	<b>17,728,488</b>	<b>17,016,590</b>
<b>Other Revenue &amp; Expenses:</b>				
Gain on Disposal of Assets	5,000	-	5,000	5,681
<b>Change in Net Assets</b>	<b>405,506</b>	<b>19,691</b>	<b>425,197</b>	<b>449,312</b>
NET ASSETS, BEGINNING OF YEAR	3,298,704	364,173	3,662,877	3,105,245
Transfer of Assets	-	-	-	108,320
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 3,704,210</b>	<b>\$ 383,864</b>	<b>\$ 4,088,074</b>	<b>\$ 3,662,877</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 29, 2020 (With Comparative Totals for 2019)**

	Community Services	Transportation	Job Training & Employment	Victim Services	Housing Services	Head Start & Early Childhood	Community Living Connections	Fiscal Agent	Total Program Services
Salaries & Benefits	\$ 119,519	\$ 163,427	\$ 570,895	\$ 930,220	\$ 1,347,498	\$ 1,393,579	\$ 2,585,893	\$ 40,589	\$ 7,151,620
Participant Wages & Benefits	-	-	90,593	-	-	-	-	-	90,593
OJT Employer Reimbursement	-	-	104,285	-	-	-	-	-	104,285
Advertising & Public Relations	-	3,905	1,087	6,876	2,423	3,200	6,159	65	23,715
Contract Services	-	-	1,011,433	32,405	630	411,082	197,391	-	1,652,941
Expense Reimbursement	565	-	-	(1,661)	(49,598)	-	(7,738)	(100)	(58,532)
Fees & Permits	56	-	11	-	2,299	3,919	2,384	-	8,669
Food & Contract Meals	-	-	-	-	37,902	37,320	242,735	827	318,784
Fundraising	-	-	-	16,027	-	355	4,070	-	20,452
Insurance	40	1,253	293	2,361	30,377	4,267	10,760	2,468	51,819
Janitorial & Maintenance	14,520	14	698	22,430	117,618	56,626	15,301	-	227,207
Rent	29,764	-	18,492	10,402	2,426	26,177	73,116	-	160,377
Meeting	-	127	3,162	3,493	2,136	14,630	4,907	391	28,846
Office Expenses	2,956	3,662	5,444	25,306	34,696	26,003	54,977	302	153,346
Other Equipment	558	-	4,550	24,522	10,680	32,646	28,352	1,453	102,761
Professional Services	2,599	2,930	4,247	36,712	76,016	34,554	15,066	10,476	182,600
Supplies & Software	3,540	1,604	8,482	53,892	47,356	90,464	24,698	7,452	237,488
Tax & Licenses	3,630	84	-	152	3,378	9	138	-	7,391
Telephone & Utilities	10,104	1,397	7,794	16,045	145,122	37,820	14,053	-	232,335
Travel & Training	22,115	17,133	52,563	52,718	86,658	47,941	146,075	6,106	431,309
Vehicle Expenses	2	5,111	-	2,300	25,536	189	12,037	-	45,175
Client Expenses	4,328	-	188,118	52,292	2,897,768	856	95,617	-	3,238,979
Volunteer Expenses	17	251,025	8,412	1,200	-	5,357	689	240	266,940
Transfers	4,742	4,253	14,549	26,038	102,618	63,408	76,155	1,340	293,103
Pooled Accounts	116,240	449,148	17,428	51,114	37,439	51,893	75,219	-	798,481
Commodities	-	-	-	-	-	-	553,453	-	553,453
AmeriCorps Match	-	-	98,500	-	-	-	-	-	98,500
Miscellaneous	406	3,609	5	204	20,108	-	-	2,726	27,058
Interest	-	-	-	-	45,663	28,923	-	-	74,586
Depreciation	-	-	-	-	225,505	184,831	-	-	410,336
<b>Total Expenses</b>	<b>\$ 335,701</b>	<b>\$ 908,682</b>	<b>\$ 2,211,041</b>	<b>\$ 1,365,048</b>	<b>\$ 5,252,254</b>	<b>\$ 2,556,049</b>	<b>\$ 4,231,507</b>	<b>\$ 74,335</b>	<b>\$ 16,934,617</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 29, 2020 (With Comparative Totals for 2019)</b>	<b>2020</b>		<b>2019</b>		
	<u>Administrative</u>	<u>Total</u>	<u>Holding Company</u>	<u>Consolidated Total</u>	<u>Total</u>
Salaries & Benefits	\$ 1,222,286	\$ 8,373,906	\$ 15,414	\$ 8,389,320	\$ 7,927,487
Participant Wages & Benefits	-	90,593	-	90,593	105,755
OJT Employer Reimbursement	-	104,285	-	104,285	52,852
Advertising & Public Relations	6,186	29,901	-	29,901	36,835
Contract Services	604	1,653,545	-	1,653,545	1,827,895
Expense Reimbursement	(110,521)	(169,053)	-	(169,053)	(182,409)
Fees & Permits	576	9,245	-	9,245	4,758
Food & Contract Meals	-	318,784	-	318,784	316,603
Fundraising	-	20,452	-	20,452	36,590
Insurance	53,064	104,883	246	105,129	89,083
Janitorial & Maintenance	85,870	313,077	-	313,077	346,110
Rent	188,319	348,696	-	348,696	238,152
Meeting	1,886	30,732	-	30,732	45,048
Office Expenses	60,909	214,255	-	214,255	232,418
Other Equipment	14,564	117,325	-	117,325	144,507
Professional Services	16,509	199,109	705	199,814	108,674
Supplies & Software	57,467	294,955	-	294,955	310,516
Tax & Licenses	2,062	9,453	148	9,601	5,602
Telephone & Utilities	136,241	368,576	-	368,576	358,703
Travel & Training	19,406	450,715	-	450,715	397,106
Vehicle Expenses	81,973	127,148	-	127,148	124,411
Client Expenses	-	3,238,979	-	3,238,979	3,143,132
Volunteer Expenses	533	267,473	-	267,473	279,338
Transfers	(294,329)	(1,226)	216	(1,010)	(1,000)
Pooled Accounts	(901,320)	(102,839)	(2,339)	(105,178)	(407)
Commodities	-	553,453	-	553,453	317,626
AmeriCorps Match	-	98,500	-	98,500	111,500
Miscellaneous	9,310	36,368	7,200	43,568	58,427
Interest	-	74,586	65,095	139,681	142,156
Depreciation	(2,057)	408,279	57,648	465,927	439,122
	<u>\$ 649,538</u>	<u>\$ 17,584,155</u>	<u>\$ 144,333</u>	<u>\$ 17,728,488</u>	<u>\$ 17,016,590</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 29, 2020 (With Comparative Totals for 2019)	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 425,197	\$ 449,312
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	465,927	439,122
Transfer of Assets from Organization	-	108,320
(Gain) Loss on Disposal of Assets	(5,000)	(5,681)
(Increase) Decrease in Accounts Receivable	66,637	(113,022)
(Increase) Decrease in Loans and Interest Receivable	34,642	(117,686)
(Increase) Decrease in Deposit, Unemployment Self Insurance Trust	(33,296)	(33,938)
(Increase) Decrease in Prepaid Expenses and Other Assets	3,933	(21,412)
(Increase) Decrease in Inventory	46,223	(28,344)
Increase (Decrease) in Cash Overdraft - Holding Company	(7,849)	52,738
Increase (Decrease) in Accounts Payable & Accrued Expenses	(328,605)	187,358
Increase (Decrease) in Reserve, Advances and Other Deferred Liabilities	33,296	33,938
Increase (Decrease) in Accrued Salaries	31,646	31,060
Increase (Decrease) in Payroll Taxes Payable	26,545	9,286
Increase (Decrease) in Accrued Vacation	1,407	9,216
Increase (Decrease) in Other Payables	(113,860)	(15,227)
Increase (Decrease) in Refundable Advances & Other Deferred Liabilities	75,652	112,102
Increase (Decrease) in Revolving Loan & Grants Funds Payable	(16,254)	(27,665)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>706,241</u></b>	<b><u>1,069,477</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from Sale of Assets	5,000	8,250
Purchases of Property and Equipment	(334,285)	(728,614)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b><u>(329,285)</u></b>	<b><u>(720,364)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Long-Term Debt	-	407,216
Payments on Long-Term Debt	(174,868)	(175,701)
<b>Net Cash Provided (Used) by Financing Activities</b>	<b><u>(174,868)</u></b>	<b><u>231,515</u></b>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	202,088	580,628
BEGINNING CASH AND CASH EQUIVALENTS	<u>2,177,207</u>	<u>1,596,579</u>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<b><u>\$ 2,379,295</u></b>	<b><u>\$ 2,177,207</u></b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOWS:</b>		
Cash Paid During the Fiscal Years for Interest	<u>\$ 139,681</u>	<u>\$ 139,882</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 29, 2020**

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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 29, 2020**

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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 \$2,913,764 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 \$1,259,638 and accounts receivable of \$1,654,126 as of February 29, 2020. 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 February 28, 2019. 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 29, 2020 and 2019, that was \$241,065 and \$218,343, respectively. See note 12. The Organization also has housing repair funds. As of February 29, 2020 and 2019, that was \$878,592 and \$855,337, 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.

**Recognizing Revenue from Contracts with Customers:**

The Financial Accounting Standards Board (FASB) issued amended guidance to clarify the principles for recognizing revenue from contracts with customers. The standard will be effective for annual periods beginning after December 15, 2018. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The Organization follows these principles. The guidance will initially be applied retrospectively. There was no changes in receivables and deferred revenue for 2020 and 2019.

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

**Fiscal Year Ended February 29, 2020**

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

Upon receipt of an advance from grants and contracts from their funding sources, the Organization recognizes deferred revenue in the amount of the advance for its performance obligation to perform services in the future. At February 29, 2020 and 2019, the Organization has recorded deferred revenue of \$286,994 and \$211,342 respectively, which the Organization expects to recognize as revenue in the following year, when it performs those services and, therefore, satisfies its performance obligation to the funding sources.

The balances of receivables and deferred revenue from grants and contracts are as follows as of February 29, 2020 and 2019:

	2020	2019
Grants & Contracts Receivable	\$1,616,278	\$1,594,881
Deferred Revenue	\$ 286,994	\$ 211,342

**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.

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.

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

**Fiscal Year Ended February 29, 2020**

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

**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 29, 2020 and February 28, 2019, was \$39,500. For the fiscal years ended February 29, 2020 and February 28, 2019, 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 29, 2020 and February 28, 2019, was \$27,804 and \$31,759, 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 29, 2020 and February 28, 2019, inventory was \$39,423 and \$85,646, 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.

Receivables are considered past due if not collected within 90 days. The Organization does not charge interest on past due receivables. As of February 29, 2020, 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.

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

**Fiscal Year Ended February 29, 2020**

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**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 29, 2020 and February 28, 2019, were \$235,894 and \$229,715 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 29, 2020:

Donated labor	\$ 599,627
Donated rent	6,200
Donated professional services	20,493
Donated transportation	72,127
Other	<u>258,661</u>
Total	<u>\$ 957,108</u>

In-kind revenues received but not recorded for the fiscal year ended February 28, 2019, was \$1,092,868.

**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 29, 2020:

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

**Fiscal Year Ended February 29, 2020**

**NOTE 4: PROPERTY AND EQUIPMENT (Continued)**

	<u>Estimated Useful Lives</u>	
Land		\$ 944,756
Buildings and improvements	30 years	10,952,351
Furniture, fixtures, and equipment	5-10 years	348,502
Vehicles	10 years	1,166,874
		13,412,483
Less: accumulated depreciation		(6,326,930)
Net Property and Equipment		\$ 7,085,553

Accumulated depreciation as of February 28, 2019, was \$5,976,334.

**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 29, 2020, are as follows:

Fiscal years ending on the last day of February:	
2021	\$ 96,246
2022	70,143
2023	47,903
2024	35,817
2025	35,817
	285,926
	\$ 285,926

For the fiscal years ended February 29, 2020 and February 28, 2019, Rural Resources Community Action paid Rural Resources Holding \$141,747 and \$147,178 in rent expense, respectively. This expense and income was removed in the consolidated financial statements.

Rental expense for the fiscal years ended February 29, 2020 and February 28, 2019, was \$348,696 and \$238,152, respectively.

**NOTE 6: LEASE INCOME**

The Organization leases office space to other organizations. The Organization's future lease income under lease commitments as of February 29, 2020, are as follows:

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

**Fiscal Year Ended February 29, 2020**

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**NOTE 6: LEASE INCOME (Continued)**

Fiscal years ending on the last day of February:

2021	\$	23,235
2022		6,000
2023		2,000
2024		-
2025		-
		<hr/>
	\$	<u>31,235</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 29, 2020 and February 28, 2019, the Organization had funds on deposit with the Trust of \$228,718 and \$195,422 respectively. A corresponding liability has been accrued for the estimated claims liability at February 29, 2020 and February 28, 2019, of \$228,718 and \$195,422 respectively.

**NOTE 8: CONCENTRATION OF CREDIT RISK**

For the fiscal years ended February 29, 2020 and February 28, 2019, approximately 79% and 78%, 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. For the fiscal years ended February 29, 2020 and February 28, 2019, there was no balance drawn against the line.

**NOTE 11: HEAD START**

During the fiscal years ended February 29, 2020 and February 28, 2019, the Organization had expenses of \$2,043,197 and \$1,875,362, respectively, on the Head Start program.



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

**Fiscal Year Ended February 29, 2020**

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**NOTE 12: RESTRICTED CASH**

Restricted cash as of February 29, 2020, consists of the following:

Replacement Reserves:

Allegiance	\$	15,296
Quail Manor Apts		42,200
Columbia Senior Apts		11,683
San Poil		82,531

Debt Reserve:

Main Facility		89,355
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Housing Repair Funds:

See Note 15		<u>878,592</u>
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\$ 1,119,657

Restricted cash as of February 28, 2019, was \$1,073,680.

**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, 2017. Currently, there is no examination or pending examination with the Internal Revenue Service (IRS).

As of February 29, 2020, 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, 2020, 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 29, 2020.

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

**Fiscal Year Ended February 29, 2020**

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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 \$276,780 and \$277,880 at February 29, 2020 and February 28, 2019, 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 29, 2020 and February 28, 2019, of \$191,739 and \$179,712, respectively. A corresponding revolving loan fund payable of \$191,739 and \$179,712 has also been accrued at February 29, 2020, and February 28, 2019, respectively.

Interest bearing loans of \$1,249,333 and \$1,302,615 at February 29, 2020 and February 28, 2019, 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 \$1,393,915 and \$1,452,064 at February 29, 2020 and February 28, 2019, 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 \$935,010 and \$911,756 at February 29, 2020, and February 28, 2019, 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 29, 2020 and February 28, 2019, respectively, was \$68,840 and \$62,227. Under terms of the program, when a client pays off their loan they will also pay the accrued interest.

**NOTE 16: NOTES PAYABLE**

Notes payable as of February 29, 2020, was the following:

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.	\$ 345,634
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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.	384,249
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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.	449,411
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**RURAL RESOURCES COMMUNITY ACTION**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**Fiscal Year Ended February 29, 2020**

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

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.	62,658
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.	40,033
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.	140,069
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.	71,940
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.	342,080
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.	89,586
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

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

**Fiscal Year Ended February 29, 2020**

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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. 130,079

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. 43,318

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. 968,686

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. 53,837

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. 86,986

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. 174,433

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. 4,906

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. 12,888

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

**Fiscal Year Ended February 29, 2020**

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

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.

139,022

\$ 4,594,851

Notes payable as of February 28, 2019, was \$4,769,720.

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

2021	\$ 167,277
2022	173,303
2023	160,224
2024	161,449
2025	169,075
Thereafter	<u>3,763,523</u>
	<u>\$4,594,851</u>

**NOTE 17: NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes or periods as of February 29, 2020:

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

**Fiscal Year Ended February 29, 2020**

**NOTE 17: NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Newport Donations	\$	19,591
Page Ahead		332
Literacy Donations		1,435
Victim Services Stock Equity		4,380
Head Start Fund Raising		125
Victim Services Special Projects & Fundraising		220,681
Assorted Adult Services Conferences		5,571
Senior Projects & Sr. Nutrition Projects		1,467
Senior Nutrition Fundraising		8,425
Emergency Shelter Special Projects		925
Stock Donations		3,231
Employment & Training Special Projects		111,484
Columbia Senior Housing Donations		314
Legal Aid Donations		1,337
Warming Center		269
Youth Donations		4,297
		<u>4,297</u>
	\$	<u><u>383,864</u></u>

Net assets with donor restrictions as of February 28, 2019, was \$364,173.

Net assets with donor restrictions released from restriction for the fiscal year ended February 29, 2020, were as follows:

Newport Donations	\$	4,204
Victim Services Special Projects		33,521
Literacy Special Fund		1,207
Employment and Training Special Projects		(28,093)
Women Making a Difference		16,751
Youth Donations		2,700
Page Ahead		638
Head Start Fund Raising		355
Assorted Adult Services Conferences		718
Senior Projects & Sr. Nutrition Projects		7,281
Senior Nutrition Fund Raising		35,372
		<u>35,372</u>
	\$	<u><u>74,654</u></u>

Net assets with donor restrictions released from restriction for the fiscal year ended February 28, 2019, were \$57,059.

# RURAL RESOURCES COMMUNITY ACTION

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**FISCAL YEAR ENDED FEBRUARY 29, 2020**

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	HSX	93.600	10CH020204-05	06/01/18	05/31/19	\$ 1,836,969	\$ 773,265	\$ -	\$ 720,105
Head Start	HS	93.600	10CH010912-01-00	06/01/19	05/31/20	2,104,029	1,153,668	-	1,323,093
Passed through Washington State Department of Commerce:									
Low Income Home Energy Assistance Pgm WAP	LWXNX	93.568	F17-53101-419	10/01/17	09/30/19	400,844	124,386	112,479	-
Low Income Home Energy Assistance Pgm WAP	LWXN	93.568	F19-53101-419	10/01/19	09/30/20	163,712	-	22,493	-
Low Income Home Energy Assistance Pgm EAP	EAPX	93.568	F18-32606-072	10/01/17	03/31/19	886,622	-	-	-
Low Income Home Energy Assistance Pgm EAP	EAP	93.568	F19-32606-072	10/01/18	06/30/20	1,063,580	879,464	921,175	-
Low Income Home Energy Assistance Pgm EAP	EAP	93.568	F20-32606-072	10/01/19	03/31/21	946,849	-	4,782	-
Community Services Block Grant	CSBGX	93.569	F18-32101-024	10/01/17	09/30/19	167,194	-	-	-
Community Services Block Grant	CSBG	93.569	F19-32101-024	10/01/18	09/30/20	168,404	134,481	117,586	-
Community Services Block Grant	CSBG	93.569	F20-32101-024	10/01/19	09/30/21	170,786	-	11,325	-
Rape Prevention Education	RPEX	93.136	F19-31310-611	02/01/19	01/31/20	65,198	64,337	59,161	-
Rape Prevention Education	RPE	93.136	F20-31310-611	02/01/20	01/31/21	63,050	-	4,225	-
Passed through Washington State Department of Social and Health Services:									
Domestic Violence	DV	93.671	1812-32634	07/01/18	06/30/19	98,322	36,373	25,198	-
Domestic Violence	DV	93.671	1912-58353	07/01/19	06/30/20	54,790	17,600	31,377	-
Substance Abuse Block Grant	SABGX	93.959	1712-94301	07/01/18	06/30/19	68,338	31,672	29,633	-
Substance Abuse Block Grant	SABG	93.959	K3938	07/01/19	06/30/20	80,737	245	28,264	-
Partnership for Success	PFSX	93.243	1712-94301	07/01/18	06/30/19	13,477	-	-	-
Passed through Department of Early Learning:									
Parent Education & Support Services	SFX	93.59	16-1372-06	07/01/18	06/30/19	46,174	14,219	10,595	-
Passed through Washington State Health Care Authority:									
ABCD Health Care	ABCDHC	93.778	K2742	07/01/18	06/30/20	19,100	9,550	7,209	-
Passed through Aging and Long Term Care of Eastern Washington:									
Senior Transportation	SRTRSX	93.044	18-19:41:25(3)	01/01/19	12/31/19	136,139	127,176	111,957	-
Senior Transportation	SRTRS	93.044	18-20:41:25(4)	01/01/20	12/31/20	149,643	13,787	29,771	-
Senior Nutrition	CONG, HDMX	93.045	2019:61,64:25	01/01/19	12/31/19	204,336	187,759	148,039	-
Senior Nutrition	CONG, HDM	93.045	19-20:61,64:25(2)	01/01/20	12/31/20	203,588	14,654	45,170	-
Case Management	CM, IA-WCX	93.044	16-19:42,43:25(8)	01/01/19	12/31/19	115,111	107,091	99,898	-
Case Management	CM, IA-WC	93.044	2020:42,43:25	01/01/20	12/31/20	114,691	10,844	21,054	-
Senior Nutrition	NSIPX	93.045	N/A	01/01/19	12/31/19	35,249	33,016	33,016	-
Senior Nutrition	NSIP	93.045	N/A	01/01/20	12/31/20	37,448	-	-	-
Senior Legal Assistance	SLASX	93.044	17-19:31:25(3)	01/01/19	12/31/19	10,750	9,925	9,175	-
Senior Legal Assistance	SLAS	93.044	18-20:41:25(4)	01/01/20	12/31/20	10,711	450	1,700	-
<i>Subtotal Cluster</i>						1,017,666	504,702	499,780	-

# RURAL RESOURCES COMMUNITY ACTION

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**FISCAL YEAR ENDED FEBRUARY 29, 2020**

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
Home Care Referral Registry	HCRRX	93.778	15-18:93:25(6)	01/01/19	12/31/19	17,580	16,913	15,731	-
Home Care Referral Registry	HCRR	93.778	15-20:93:25(8)	01/01/20	12/31/20	17,580	1,647	3,139	-
Case Management	SSCM, SSCM-WCX	93.778	16-19:43.1:25(7)	01/01/19	12/31/19	968,547	877,480	799,260	-
Case Management	SSCM, SSCM-WC	93.778	2020:43.1:25	01/01/20	12/31/20	968,546	90,824	172,050	-
Family Caregiver Support	FCGS, FCGS-WCX	93.052	16-19:78.1,78.2,79:25(16)	01/01/19	12/31/19	104,570	95,387	63,949	-
Family Caregiver Support	FCGS, FCGS-WC	93.052	2020:78.1,78.2,79:25	01/01/20	12/31/20	90,744	7,509	42,489	-
Kinship Closet	KC	93.052	2018:90:25	10/01/18	06/30/20	23,550	15,802	13,763	-
Benefits Enrollment Center	BEC	93.071	2018:BEC:25	01/01/19	06/30/19	10,834	17,016	9,640	-
Medicaid Transformation Project Demo	MTPDX	93.778	17-19:MTPD:25(3)	01/01/19	12/31/19	274,123	230,529	214,076	-
Medicaid Transformation Project Demo	MTPD	93.778	2020:MTD:25	01/01/20	12/31/20	325,000	22,497	41,734	-
Passed through Blue Mountain Action Council:									
Community Jobs & Supported Work Programs	CJX	93.558	S19-32710-001RR	07/01/18	06/30/19	42,555	45,616	15,436	-
Community Jobs & Supported Work Programs	CJ	93.558	S20-32710-001RR	07/01/19	06/30/20	50,505	53,858	32,457	-
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						<b>12,329,975</b>	<b>5,219,039</b>	<b>3,309,005</b>	<b>2,043,198</b>
<b>U.S. DEPARTMENT OF ENERGY</b>									
Passed through Washington State Department of Commerce:									
DOE Weatherization Program	DOEX	81.042	F18-53103-419	07/01/18	06/30/19	68,811	55,916	50,181	-
DOE Weatherization Program	DOE	81.042	F19-53103-419	07/01/19	06/30/20	72,000	40,054	51,085	-
Bonneville Power Low Income Weatherization Pgm	BPAWXNX	81.999	F17-53104-419	10/01/17	09/30/19	125,246	48,950	47,440	-
Bonneville Power Low Income Weatherization Pgm	BPAWXN	81.999	F19-53104-419	10/01/19	09/30/20	63,805	21,920	29,493	-
<b>TOTAL DEPARTMENT OF ENERGY</b>						<b>329,862</b>	<b>166,839</b>	<b>178,200</b>	<b>-</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>									
Head Start USDA	HS/ECEAP USDAX	10.558	N/A	06/01/18	05/31/19	50,000	22,755	-	22,755
Head Start USDA	HS/ECEAP USDA	10.558	N/A	06/01/19	05/31/20	50,000	35,680	-	35,680
USDA Loan**		10.218	97-13	11/15/99	11/15/39	197,600	-	-	144,437
USDA Loan**		10.218	97-14	09/20/00	09/20/40	100,000	-	-	74,052
USDA Loan**		10.218	97-15	07/30/02	07/30/32	1,720,000	-	-	1,029,840
USDA Loan**		10.218	97-17	03/12/09	03/12/49	398,500	-	-	351,570
USDA Loan**		10.766		12/03/14	12/03/44	500,000	-	-	459,891
USDA Loan**		10.415	56-010-501252274	07/30/18	02/06/37	394,001	-	-	389,075
USDA Loan**		10.415	56-010-501252274	07/30/18	02/06/37	13,216	-	-	13,050
Farmers Home Administration Loan**		10.218	97-11	11/26/97	11/26/27	150,000	-	-	68,944



# RURAL RESOURCES COMMUNITY ACTION

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**FISCAL YEAR ENDED FEBRUARY 29, 2020**

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 People for People:									
Basic Food Education & Outreach	BFE0X	10.561	RR-1713-15508	10/01/18	09/30/19	221,268	165,951	80,626	-
Basic Food Education & Outreach	BFE0	10.561	RR-1913-65540	10/01/19	09/30/20	221,268	55,317	60,311	-
Passed through Washington State Department of Agriculture:									
The Emergency Food Assistance Program	TEFAPX	10.569	K2180	10/01/18	09/30/19	61,717	44,806	38,616	-
The Emergency Food Assistance Program	TEFAP	10.569	K2775	10/01/19	09/30/20	55,349	18,854	31,978	-
Commodities TEFAP Food*		10.569	N/A	03/01/19	02/28/20	185,142	185,142	185,142	-
Commodity Supplemental Food Program	CSFPX	10.565	K2180	10/01/18	09/30/19	33,097	23,697	21,864	-
Commodity Supplemental Food Program	CSFP	10.565	K2775	10/01/19	09/30/20	34,375	11,016	19,570	-
Commodities CSFP Food*		10.565	N/A	03/01/19	02/28/20	130,375	130,375	130,375	-
<i>Subtotal Cluster</i>						500,055	413,890	427,545	-
Trade Mitigation Program	TMPX	10.178	K2180	04/01/19	12/31/19	6,358	6,358	7,683	-
Trade Mitigation Program	TMP	10.178	K2775	01/01/20	12/31/20	3,823	-	-	-
TMP Food Program*		10.178	N/A	03/01/19	02/28/20	-	237,937	237,937	-
Passed through Colville National Forest Service:									
Forest Service Youth Work Experience	FSYWEX	10.202	17-PA-11062100-016	05/01/17	12/31/19	36,000	10,929	10,902	-
Forest Service Youth Work Experience	FSYWE	10.202	17-PA-11062100-016	05/01/20	12/31/21	20,000	-	-	-
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>						<b>4,582,089</b>	<b>710,880</b>	<b>825,003</b>	<b>2,589,294</b>
<b>FEDERAL EMERGENCY MANAGEMENT ASSISTANCE</b>									
Food & Shelter Assistance Program	FEMA	97.024		03/01/19	02/29/20	6,000	6,000	-	5,343
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>									
Passed through Washington State Department of Commerce:									
Tenant Based Rental Assistance	TBRAX	14.239	18-42401-125	07/01/18	06/30/19	287,082	108,306	100,792	-
Tenant Based Rental Assistance	TBRA	14.239	19-42401-125	07/01/19	06/30/20	287,082	146,468	152,415	-
Passed through Stevens County:									
Community Development Block Grant	CDBGX	14.228	C-122-2018	07/01/18	06/30/19	94,207	74,420	36,539	-
Community Development Block Grant	CDBG	14.228	19-62210-013	07/01/19	06/30/20	90,271	31,847	46,949	-

# RURAL RESOURCES COMMUNITY ACTION

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**FISCAL YEAR ENDED FEBRUARY 29, 2020**

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 Spokane Housing Authority:										
Rental Assistance Program	RAPX	14.856	N/A	01/01/19	12/31/19	180,000	121,517	141,165		-
Rental Assistance Program	RAP	14.856	N/A	01/01/20	12/31/20	180,000	27,747	33,605		-
Section 8 Housing Choice Vouchers		14.871	N/A	03/01/19	02/29/20	1,800,000	1,523,892	1,523,892		-
Passed through Washington State Housing Finance Commission:										
Super NOFA Housing Counseling	SNHCX	14.169	N/A	10/01/17	03/31/20	68,000	52,352	40,314		-
Super NOFA Housing Counseling	SNHC	14.169	N/A	10/01/19	09/30/20	36,000	-	5,121		-
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>						3,022,642	2,086,550	2,080,792		-
<b>DEPARTMENT OF LABOR</b>										
Passed through Washington State Employment Security Department:										
Title I-B Dislocated Worker	IBDW	17.278	6110-7207	07/01/17	06/30/19	78,297	-	-		-
Title I-B Dislocated Worker	IBDW	17.278	6110-1208	10/01/17	06/30/19	420,111	119,037	31,492		-
Title I-B Adult	IBADULT	17.258	6110-7107	07/01/17	06/30/19	59,499	-	-		-
Title I-B Adult	IBADULT	17.258	6110-1108	10/01/17	06/30/19	404,824	184	58		-
Title I-B Youth	IBYOUTH	17.259	6110-7007	04/01/17	06/30/19	607,929	-	-		-
Title I-B Administrative Cost Pool	WIAADM	.258, .259, .278	6110-7307	04/01/17	06/30/19	82,859	-	-		-
Title I-B Administrative Cost Pool	WIAADM	.258, .259, .278	6110-1308	10/01/17	06/30/19	91,661	28,399	19,111		-
Title I-B Dislocated Worker	IBDW	17.278	6110-7208	07/01/18	06/30/20	83,437	83,437	83,437		-
Title I-B Dislocated Worker	IBDW	17.278	6110-1209	10/01/18	06/30/20	398,090	310,810	312,092		-
Title I-B Adult	IBADULT	17.258	6110-7108	07/01/18	06/30/20	81,231	51,091	-		-
Title I-B Adult	IBADULT	17.258	6110-1109	10/01/18	06/30/20	433,538	404,059	443,789		-
Title I-B Youth	IBYOUTH	17.259	6110-7008	04/01/18	06/30/20	681,931	548,946	481,543		-
Title I-B Administrative Cost Pool	WIAADM	.258, .259, .278	6110-7308	04/01/18	06/30/20	93,765	93,765	93,765		-
Title I-B Administrative Cost Pool	WIAADM	.258, .259, .278	6110-1309	10/01/18	06/30/20	91,969	20,546	39,371		-
Title I-B Dislocated Worker	IBDW	17.278	6110-7209	07/01/19	06/30/21	543,375	-	48,880		-
Title I-B Adult	IBADULT	17.258	6110-7109	07/01/19	06/30/21	615,375	55,039	118,023		-
Title I-B Youth	IBYOUTH	17.259	6110-7009	04/01/19	06/30/21	806,017	43,979	119,626		-
Title I-B Administrative Cost Pool	WIAADM	.258, .259, .278	6110-7309	04/01/19	06/30/21	218,308	-	-		-
Rapid Response Increased Employment	RRIEX	17.278	6110-7507-10	10/01/17	06/30/19	150,419	59,068	59,068		-
Rapid Response Increased Employment	RRIE	17.278	6110-7508-10	11/13/18	06/30/20	196,605	87,523	108,760		-
Rapid Response Increased Employment	RRIE	17.278	6110-7509-10	11/15/19	06/30/21	189,084	-	-		-
Career Connected Learning	CCL	.258, .259, .278	6110-7627-04	01/01/18	09/30/19	263,303	34,274	27,471		-
<b>Subtotal Cluster</b>						6,591,627	1,940,156	1,986,487		-
<b>TOTAL DEPARTMENT OF LABOR</b>										-

# RURAL RESOURCES COMMUNITY ACTION

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**FISCAL YEAR ENDED FEBRUARY 29, 2020**

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>VETERANS AFFAIRS ADMINISTRATION</u></b>									
Passed through the WA State Veterans Affairs									
Ferry County Veterans Van		64.035	305E-14-099	09/15/18	09/14/19	10,275	6,906	6,966	-
Ferry County Veterans Van		64.035	305E-14-099	09/15/19	09/14/20	14,490	7,703	13,407	-
						24,765	14,609	20,373	-
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>									
Passed through Washington State Department of Commerce:									
STOP Violence Against Women	STOPX	16.588	F18-31103-062	01/01/19	12/31/19	79,133	75,540	76,191	-
STOP Violence Against Women	STOP	16.588	F19-31103-061	01/01/20	12/31/20	79,133	3,229	8,897	-
Sexual Assault Treatment / Prevention	SAX	16.575	19-31310-143	07/01/18	06/30/19	242,960	82,343	50,996	-
Sexual Assault Treatment / Prevention	SA	16.575	20-31310-143	07/01/19	06/30/20	242,960	73,080	130,335	-
Crime Victim Service Center	CVSCX	16.575	19-31219-031	07/01/18	06/30/19	316,254	116,119	91,433	-
Crime Victim Service Center	CVSC	16.575	20-31219-029	07/01/19	06/30/20	286,190	110,535	130,982	-
CAC Child Centered Services	CCSV	16.575	19-31219-411	07/01/18	06/30/19	87,858	37,007	32,052	-
CAC Child Centered Services	CCSV	16.575	F18-31219-411	07/01/19	06/30/20	86,031	41,376	47,358	-
Passed through Washington State Department of Social & Health Services:									
Domestic Violence	DVX	16.575	1812-32634	07/01/18	06/30/19	331,100	121,770	84,359	-
Domestic Violence	DV	16.575	1912-58353	07/01/19	06/30/20	341,319	108,115	192,742	-
						2,092,938	769,114	845,345	-
<b><i>TOTAL U.S. DEPARTMENT OF JUSTICE</i></b>									
<b><i>TOTAL FEDERAL FINANCIAL ASSISTANCE</i></b>						\$ 28,979,898	\$ 10,913,188	\$ 9,245,205	\$ 4,637,835

\* Noncash Assistance

\*\* Loans

# RURAL RESOURCES COMMUNITY ACTION

## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended February 29, 2020

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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	\$ 459,891	\$ (10,480)	\$ 449,411
USDA Loan	1,029,840	(61,154)	968,686
USDA Loan	74,052	(2,112)	71,940
USDA Loan	144,437	(4,368)	140,069
USDA Loan	68,944	(6,286)	62,658
USDA Loan	389,075	(4,826)	384,249
Farmers Home Administration	13,050	(162)	12,888
USDA Loan	<u>351,570</u>	<u>(5,936)</u>	<u>345,634</u>
Total	<u>\$2,530,859</u>	<u>\$ (95,324)</u>	<u>\$2,435,535</u>

### NOTE 4: SUB RECIPIENTS

During the fiscal year ended February 29, 2020, the Organization paid the following program amounts to sub recipients:

Title IB Dislocated Worker	17.278	\$ 284,679
Title IB Youth	17.259	\$ 181,464
Title IB Adult	17.258	\$ 122,009
Career Connected Learning	17.258, 259, 278	\$ 6,183
Rapid Response Increased Employment	17.278	\$ 160,286
STOP Violence Against Women	16.588	\$ 32,405
CSFP Commodities	10.565	\$ 130,375
TMP Food Program	10.178	\$ 237,937
The Emergency Food Assistance Program	10.569	\$ 185,142

# RURAL RESOURCES COMMUNITY ACTION

## SCHEDULE OF EXPENDITURES OF NON-FEDERAL AWARDS

**FISCAL YEAR ENDED FEBRUARY 29, 2020**

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:							
Domestic Violence Legal Advocacy	DVLAX	S18-31108-013	07/01/18	06/30/19	\$ 24,075	\$ 12,140	\$ 10,508
Domestic Violence Legal Advocacy	DVLA	S20-31108-016	07/01/19	06/30/20	23,247	8,313	12,037
Homeowners Revolving Loan Fund	HRLF	08-94100-008	05/01/08	12/31/33	1,105,100	-	-
Quail Manor - HTF Loan	QUAIL	99-40497-215	01/01/00	12/31/50	505,162	-	351,453
Sexual Assault Treatment / Prevention	SAX	19-31310-143	07/01/18	06/30/19	132,610	76,385	45,038
Sexual Assault Treatment / Prevention	SA	20-31310-143	07/01/19	06/30/20	131,958	68,786	126,040
Crime Victim Service Center Program	CVSCX	S19-31219-031	07/01/18	06/30/19	30,971	14,352	11,636
Crime Victim Service Center Program	CVSC	S20-31219-029	07/01/19	06/30/20	29,992	32,516	17,913
Matchmaker Program	MPX	S17-94101-419	01/01/18	06/30/19	200,953	48,115	22,866
Matchmaker Program	MP	S19-92401-419	07/01/19	06/30/21	190,732	134,833	161,115
Consolidated Homeless Grant	CHGX	17-46108-31	07/01/17	06/30/19	444,229	88,525	76,123
Consolidated Homeless Grant	CHG	20-46108-31	07/01/19	06/30/21	690,824	159,201	170,401
Community Services Block Grant State	CSBG SX	S18-32101-224	07/01/18	06/30/19	15,008	5,210	2,891
Community Services Block Grant State	CSBG S	S20-32101-224	07/01/19	06/30/20	15,008	7,999	9,092
Washington State Department of Social and Health Services:							
Domestic Violence	DVX	1812-32634	07/01/18	06/30/19	249,609	100,157	52,179
Domestic Violence	DV	1912-58353	07/01/19	06/30/20	261,045	86,837	185,240
Work First Domestic Violence	WFDVX	1712-96718	07/01/18	06/30/19	11,200	760	624
Work First Domestic Violence	WFDV	1712-96718	07/01/19	06/30/20	11,200	1,120	1,349
Substance Abuse Block Grant	SABGX	1712-94301	07/01/18	06/30/19	5,942	8,613	-
Substance Abuse Block Grant	SABG	K3938	07/01/19	06/30/20	7,020	18	2,035
Dedicated Marijuana Account	DMAX	1712-94301	07/01/18	06/30/19	22,243	11,452	11,099
Dedicated Marijuana Account	DMA	K3938	07/01/19	06/30/20	12,543	-	2,962
Passed through CACWA:							
Kids First - CACWA	KF-CACWAX	340-A-STEVENS-CAP-18	07/01/18	06/30/19	40,574	19,512	15,123
Kids First - CACWA	KF-CACWA	340-A-STEVENS-CAP-19	07/01/19	06/30/20	40,527	22,506	26,478

# RURAL RESOURCES COMMUNITY ACTION

## SCHEDULE OF EXPENDITURES OF NON-FEDERAL AWARDS

**FISCAL YEAR ENDED FEBRUARY 29, 2020**

Pass-Through Grantor Program Title	Program ID	Award Number	Period of Award		Total Authorized Award	Funds Received During the Year	Expenditures During the Year
Passed through Aging and Long Term Care of Eastern Washington:							
Senior Nutrition	CONG, HDM	2019:61,64:25	01/01/19	12/31/19	18,788	18,788	18,788
Case Management	IA, CM-WC	16-19:42,43:25(8)	01/01/19	12/31/19	214,338	190,277	174,503
Case Management	IA, CM-WC	2020:42,43:25	01/01/20	12/31/20	222,227	17,820	32,882
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	349,064	289,895
Family Caregiver Support	FCGS, KG, KN, FCGS-WC, KG-WC, KN-WC	2020:78.1,78.2,79:25	01/01/20	12/31/20	353,524	29,746	69,844
Home Care Referral Registry	HCRR	15-18:93:25(6)	01/01/18	12/31/18	17,580	16,913	31,462
Home Care Referral Registry	HCRR	15-19:93:25(7)	01/01/20	12/31/20	17,580	1,647	6,277
Senior Farmers Market	SFM	2019:67:25	06/01/19	11/30/19	750	750	750
Washington State Department of Transportation:							
WSDOT Consolidated Grant Program	WSDOTx	UCB1465	07/01/17	06/30/19	1,380,532	367,082	229,978
WSDOT Consolidated Grant Program	WSDOT	PTD0054	07/01/19	06/30/21	1,389,745	382,176	502,411
Vehicle Purchase Grant	VPG	UCB1469	07/01/17	06/30/19	106,385	-	-
Washington State Department of Early Learning:							
Early Childhood Education and Assistance Program	ECEAPX	16-1120-07	07/01/18	06/30/19	615,307	323,946	212,266
Early Childhood Education and Assistance Program	ECEAP	20-1030	07/01/19	06/30/20	652,219	368,718	391,189
Strengthening Families	SFX	16-1372-06	07/01/18	06/30/19	31,148	12,027	10,595
Head Start	HS		06/01/18	05/31/19	7,000	-	7,000
Washington State Office of Insurance Commission:							
Statewide Health Insurance Benefits Advisors	SHIBAX	C201912	07/01/17	06/30/19	96,004	20,192	10,750
Statewide Health Insurance Benefits Advisors	SHIBA	C202107	07/01/19	06/30/21	105,556	28,038	25,385
Washington State Housing Finance Commission:							
Attorney General's Office Grant	AGO		07/01/18	05/31/19	12,500	11,550	5,307
Foreclosure Fairness Act	FFO		07/01/19	06/30/20		3,450	4,176
Washington State Health Care Authority:							
ABCD Health Care	ABCDHC	K2742	07/01/18	06/30/20	19,100	9,550	14,418

# RURAL RESOURCES COMMUNITY ACTION

## SCHEDULE OF EXPENDITURES OF NON-FEDERAL AWARDS

**FISCAL YEAR ENDED FEBRUARY 29, 2020**

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 Agriculture:							
Emergency Food Assistance Program	EFAPX	K2180	07/01/18	06/30/19	88,374	35,274	27,581
Emergency Food Assistance Program	EFAP	K2180	07/01/19	06/30/20	84,392	45,809	78,500
<b>TOTAL - STATE AWARDS</b>					<b>10,014,545</b>	<b>3,140,167</b>	<b>3,458,159</b>
<b><u>COUNTY AWARDS</u></b>							
Stevens County:							
2163 Homeless Housing & Assistance	HB2163X		01/01/19	12/31/19	108,900	110,689	93,122
2163 Homeless Housing & Assistance	HB2163		01/01/20	12/31/20	161,900	-	13,615
Ferry County 2163 Homeless Housing & Assistance	FC HB2163X		01/01/19	12/31/19	15,000	30,917	25,033
Ferry County 2163 Homeless Housing & Assistance	FC HB2163		01/01/20	12/31/20	60,000	-	10,876
Lincoln County 2163 Homeless Housing & Assistance	LHB2133X		01/01/19	12/31/19	49,500	-	37,224
Lincoln County 2163 Homeless Housing & Assistance	LHB2133		01/01/20	12/31/20	49,500	49,500	5,115
<b><u>CITY AWARDS</u></b>							
City Police Departments	Chewelah, Colville, Kettle Falls	A.101.24.42	01/01/19	12/31/2019	14,500	15,500	9,267
City Police Departments	Chewelah, Colville, Kettle Falls	A.101.24.42	01/01/20	12/31/2020	14,500	1,000	2,674
<b>TOTAL - COUNTY/CITY AWARDS</b>					<b>473,800</b>	<b>207,606</b>	<b>196,925</b>

# RURAL RESOURCES COMMUNITY ACTION

## SCHEDULE OF EXPENDITURES OF NON-FEDERAL AWARDS

**FISCAL YEAR ENDED FEBRUARY 29, 2020**

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><i>VENDORS</i></b>							
Passed through Washington State Department of Social and Health Services							
Medicaid Transformation Project Demo	MTPDX	17-19:MTD:25(3)	01/01/19	12/31/19	274,123	230,529	214,076
Medicaid Transformation Project Demo	MTPD	2020:MTD:25	01/01/20	12/31/20	325,000	22,497	41,734
COPEX	COPEX	101259202	01/01/19	12/31/19	5,452	12,600	9,660
COPEX	COPEX	101259202	01/01/20	12/31/20	5,452	1,359	974
Allegiance	Allegiance	101259201	03/01/19	02/28/20	332,354	394,323	462,655
<b><i>TOTAL - VENDORS</i></b>					<b>942,381</b>	<b>661,307</b>	<b>729,098</b>
<b><i>TOTAL - AWARDS</i></b>					<b>\$11,430,726</b>	<b>\$ 4,009,080</b>	<b>\$ 4,384,183</b>



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

**Fiscal Year Ended February 29, 2020**

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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 29, 2020, 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, 2020.

**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, 2020

**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 29, 2020. 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 29, 2020.

## 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, 2020

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

**Fiscal Year Ended February 29, 2020**

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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>
93.568	Low Income Home Energy Assistance Program
17.258, 259, 278	Workforce Innovation & Opportunity Act

**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**