



GaryMcGee & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS

Rural Development Initiatives, Inc.

Financial Statements and Other Information
as of and for the Year Ended December 31, 2019
and Report of Independent Accountants

RURAL DEVELOPMENT INITIATIVES, INC.

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REPORT OF INDEPENDENT ACCOUNTANTS

*The Board of Directors
Rural Development Initiatives, Inc.:*

We have audited the accompanying financial statements of Rural Development Initiatives, Inc., which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the 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 organization'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 financial statements.

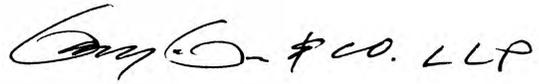
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rural Development Initiatives, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Summarized Comparative Information

We have previously audited Rural Development Initiatives, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 22, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Gary G. & Co. LLP". The signature is written in a cursive, flowing style.

March 23, 2020

RURAL DEVELOPMENT INITIATIVES, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2019

(WITH COMPARATIVE AMOUNTS FOR 2018)

	2019	2018
Assets:		
Cash and cash equivalents	\$ 784,214	651,756
Grants receivable (<i>note 5</i>)	957,801	102,495
Accounts receivable	–	10,044
Prepaid expenses and other assets	185,147	18,964
Beneficial interest in assets held by the Oregon Community Foundation (<i>note 6</i>)	–	59,448
Property and equipment (<i>note 7</i>)	12,631	9,598
Total assets	\$ 1,939,793	852,305
Liabilities:		
Accounts payable and accrued expenses	16,803	19,191
Accrued payroll and related expenses	42,496	56,380
Refundable advances	3,000	–
Total liabilities	62,299	75,571
Net assets:		
Without donor restrictions:		
Available for programs and general operations	227,327	334,956
Board-designated	–	53,958
Net investment in capital assets	12,631	9,598
Total net assets without donor restrictions	239,958	398,512
With donor restrictions (<i>note 8</i>)	1,637,536	378,222
Total net assets	1,877,494	776,734
Commitments and contingencies (<i>notes 5, 12, 13, and 14</i>)		
Total liabilities and net assets	\$ 1,939,793	852,305

See accompanying notes to financial statements.

RURAL DEVELOPMENT INITIATIVES, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	2019		Total	2018
	Without donor restrictions	With donor restrictions		
Revenues, gains, and other support:				
Grants and contributions (<i>note 10</i>)	\$ 95,352	2,529,136	2,624,488	1,275,467
Contract and program revenues	4,185	—	4,185	54,057
Net increase in the beneficial interest in assets held by the Oregon Community Foundation (<i>note 6</i>)	5,626	572	6,198	10,298
Interest income	4,773	—	4,773	3,768
Other	1,637	—	1,637	1,455
Total revenues and gains	111,573	2,529,708	2,641,281	1,345,045
Net assets released from restrictions (<i>note 11</i>)	1,270,394	(1,270,394)	—	—
Total revenues, gains, and other support	1,381,967	1,259,314	2,641,281	1,345,045
Expenses:				
Program services:				
Rural economies	622,279	—	622,279	312,173
Rural leadership	614,710	—	614,710	367,114
Rural voices and priorities	106,939	—	106,939	64,887
Networking and program development	56,621	—	56,621	393,211
Total program services	1,400,549	—	1,400,549	1,137,385
Supporting services:				
Management and general	129,280	—	129,280	306,712
Fundraising	10,692	—	10,692	12,549
Total supporting services	139,972	—	139,972	319,261
Total expenses	1,540,521	—	1,540,521	1,456,646
Increase (decrease) in net assets	(158,554)	1,259,314	1,100,760	(111,601)
Net assets at beginning of year	398,512	378,222	776,734	888,335
Net assets at end of year	\$ 239,958	1,637,536	1,877,494	776,734

See accompanying notes to financial statements.

RURAL DEVELOPMENT INITIATIVES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	2019								2018
	Program services				Total	Supporting services		Total	
	Rural economies	Rural leadership	Rural voices and priorities	Networking and program development		Management and general	Fund-raising		
Salaries and related costs	\$ 310,692	335,089	68,934	44,236	758,951	174,801	9,334	943,086	989,905
Travel	36,906	39,973	7,288	8,224	92,391	20,613	7	113,011	106,601
Conference and training catering	5,000	33,187	1,375	1,029	40,591	1,316	—	41,907	83,937
Consultants	109,327	92,379	9,570	6,268	217,544	428	—	217,972	111,703
Grants	54,000	—	—	—	54,000	—	—	54,000	—
Information technology	12,650	99	37	19	12,805	44,840	—	57,645	43,806
Occupancy and rentals	1,165	3,559	—	584	5,308	39,485	—	44,793	50,492
Office expenses	556	1,294	112	320	2,282	5,546	439	8,267	14,453
Curriculum materials	2,583	11,748	341	77	14,749	61	33	14,843	16,315
Professional fees	—	—	—	—	—	20,400	—	20,400	20,812
Depreciation and amortization	—	—	—	—	—	6,412	—	6,412	5,046
Staff development	475	1,520	2,033	650	4,678	5,460	—	10,138	4,107
Marketing	—	6	—	—	6	2,092	—	2,098	3,211
Insurance	—	—	—	—	—	5,949	—	5,949	6,258
Total expenses before allocation of shared costs	533,354	518,854	89,690	61,407	1,203,305	327,403	9,813	1,540,521	1,456,646
Allocation of shared costs	88,925	95,856	17,249	(4,786)	197,244	(198,123)	879	—	—
Total expenses	\$ 622,279	614,710	106,939	56,621	1,400,549	129,280	10,692	1,540,521	1,456,646

See accompanying notes to financial statements.

RURAL DEVELOPMENT INITIATIVES, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	2019	2018
Cash flows from operating activities:		
Cash received from contractors, grantors, contributors, and others	\$ 1,788,048	1,241,225
Cash received from interest	4,773	3,768
Cash paid to employees and suppliers	(1,716,564)	(1,481,987)
Net cash provided by (used in) operating activities	76,257	(236,994)
Cash flows from investing activities:		
Distributions received from beneficial interest in assets held by the Oregon Community Foundation	65,646	350,000
Purchase of capital assets	(9,445)	(3,928)
Proceeds from the sale of capital assets	-	160
Net cash provided by investing activities	56,201	346,232
Net increase in cash and cash equivalents	132,458	109,238
Cash and cash equivalents at beginning of year	651,756	542,518
Cash and cash equivalents at end of year	\$ 784,214	651,756

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

1. Organization

Rural Development Initiatives, Inc. (“RDI”) strengthens rural people, places, and economies in the Pacific Northwest.

RDI is a Pacific Northwest-based 501(c)(3) non-profit established in 1991 with headquarters in Eugene, Oregon. RDI’s main priorities include developing networks of rural leaders, revitalizing rural economies, and elevating rural voices and priorities. RDI strives to help rural people and communities achieve their visions and goals and holds the uncompromised belief that solutions and priorities, driven by local people, are key to achieving them.

RDI facilitates collaboration among neighboring regions, innovative partners, and resource providers to achieve strong and sustainable rural communities. RDI provides the training, networking opportunities, and connection to resources to help rural communities thrive. Since its inception, RDI has trained, planned with, and supported over 10,000 rural leaders working for community and economic vitality from more than 350 rural communities throughout the Pacific Northwest.

2. Program Services

During the year ended December 31, 2019, RDI incurred program service expenses in the following major categories:

Revitalize Rural Economies – Services that move communities and regions to action and implement innovative strategies to build community wealth, jobs, and prosperity. RDI supports residents of rural communities who are actively working to improve the economic well-being of their communities by strengthening local businesses, fostering productive economic development ecosystems, enhancing local markets, and attracting investments.

Develop Networks of Rural Leaders – Services that provide capacity-building and educational activities for individuals in rural communities. RDI work ensures there is a critical mass of rural leaders in the Pacific Northwest who are diverse, inclusive, highly skilled, and well connected. Rural people take lead on issues, projects, and with organizations whose impacts mean the most to them.

Elevate Rural Voices and Priorities – Customized services responsive to the needs of rural communities, organizations, and governmental agencies. RDI demands that rural priorities and interests, shaped by a diversity of rural people, are at the forefront of statewide and regional discussions and decisions. RDI strives to ensure rural leaders, voices, and issues are equitably represented in public discourse and decision-making. Services include leveraging our resources, networks, and organizational voice to advance rural vitality, heighten the capacity of the network of rural leaders to advocate on behalf of their interests, advance and promote rural priorities, contracts for strategic planning, community visioning processes, and more.

Networking and Program Development – Services promoting RDI as a learning and collaborative organization. RDI provides opportunities for people who work on behalf of rural interests to come together to learn from and support each other. Additionally, RDI builds successful, flexible collaborations with partners and stakeholders to solve complex community and regional issues. These relationships support and strengthen RDI’s work to benefit rural communities and work toward collective impact.

3. Summary of Significant Accounting Policies

The significant accounting policies followed by RDI are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

Basis of Presentation – Net assets, revenues, gains and losses are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of RDI and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor-imposed stipulations. From time to time, RDI's Board of Directors may designate a portion of these net assets for particular purposes and objectives.
- *Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations that will be met either by actions of RDI and/or the passage of time. This balance represents the unexpended portion of donor-restricted contributions and investment return to be used for specific programs and activities, as directed by the donor.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities also are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In the opinion of management, such differences, if any, would not be significant.

Cash Equivalents – For purposes of the financial statements, RDI considers all liquid investments having initial maturities of three months or less to be cash equivalents.

Capital Assets and Depreciation – Property and equipment are carried at cost when purchased and initially at fair value when acquired by gift. Capital assets having a unit cost of \$1,000 or more and an estimated useful life of more than one year are capitalized. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets, which is generally the shorter of the useful life of the asset or the term of the lease for leasehold improvements, 7 years for furniture and equipment, 3 years for web site development, and 3 to 5 years for software and computer equipment. Maintenance and repair costs are expensed as incurred.

Contributions – Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the donor's commitment is received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Contributions and grants received with donor stipulations that limit the use of the donated assets are reported as net assets with donor restrictions.

Unconditional promises to give with payments due in future periods, are recorded as increases in net assets with donor restrictions at the estimated present value of future cash flows using credit adjusted discount rates which articulate to the collection period of the respective pledge. Such discount rates are not subsequently revised. Amortization of the discount is recorded as additional contribution revenue in subsequent years in the appropriate net asset class.

Unconditional contributions and grants receivable are reported net of an allowance for estimated uncollectible promises. Promises to give are written off when deemed uncollectible.

When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions of capital assets without donor stipulations concerning the use of such long-lived assets are reported as revenues of the net assets without donor restrictions class. Contributions of cash or other assets to be used to acquire capital assets with such donor stipulations are reported as net assets with donor restrictions; the restrictions are considered to be released at the time long-lived assets are placed into service, in accordance with donors' intent.

In-Kind Contributions – A number of unpaid volunteers have made significant contributions of their time to develop and implement RDI's programs. Under generally accepted accounting principles, significant services received which create or enhance a non-financial asset or require specialized skills that the organization would have purchased if not donated are recognized in the statement of activities.

In-kind contributions of land, buildings, equipment, or other materials are recorded where there is an objective basis upon which to value these contributions and where the contributions are an essential part of RDI's activities.

During the year ended December 31, 2019, no in-kind contributions were recorded.

Revenue Recognition from Exchange Transactions – Revenue from contracts with customers is recognized as performance obligations are satisfied. RDI has a couple of revenue streams that are accounted for as exchange transactions, including program fees and contracted services. Contracted services are recognized as revenue over time as services are rendered. Program fees, which typically include training fees from workshops, are recognized as revenue when the workshops occur. Advance payments received on contract and program fees are reported as deferred revenue until services are rendered or until workshops take place. During the year ended December 31, 2019, exchange revenues consisted of only program fees.

Expenses – The costs of providing the various programs and other activities of RDI have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses that are attributable to one or more program or supporting functions of the organization, and therefore, require allocation on a reasonable basis that is consistently applied. Those expenses include depreciation and amortization, and other facility-related costs, salaries and wages, benefits, payroll taxes, travel, conference and training related costs, professional services, office expenses, insurance, and other expenses, which are allocated on the basis of estimates of time and effort.

Grants – Grants are accrued when awarded by the organization and unconditional. Grants are provided from available resources and in accordance with restrictions imposed by donors.

Advertising Expenses – Advertising and promotional costs are charged to expense as they are incurred.

Concentrations of Credit Risk – RDI’s financial instruments consist primarily of cash equivalents and money market funds, which may subject the organization to concentrations of credit risk as, from time to time, for example, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation (“FDIC”).

All checking and savings accounts, money market deposit accounts, and certificates of deposit are insured by the FDIC for up to \$250,000 per depositor, per insured bank, for each account ownership category. At December 31, 2019, RDI held \$157,849 in excess of the FDIC-insured limits.

Certain receivables may also, from time to time, subject the organization to concentrations of credit risk. To minimize its exposure to significant losses from customer or donor insolvencies, the organization’s management evaluates the financial condition of its customers and donors, and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics. When necessary, receivables are reported net of an allowance for uncollectible accounts.

Income Taxes – RDI is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. RDI derives its public charity status as an organization described in Section 170(b)(1)(A)(vi) of the Internal Revenue Code.

Subsequent Events – Subsequent events have been evaluated by management through March 23, 2020, which is the date the financial statements were available to be issued.

Summarized Financial Information for 2018 – The accompanying financial information as of and for the year ended December 31, 2018 is presented for comparative purposes only and is not intended to represent a complete financial statement presentation.

Other Significant Accounting Policies – Other significant accounting policies are set forth in the financial statements and the following notes.

4. Recently-Adopted Accounting Standards

In May of 2014, the Financial Accounting Standard Board (“FASB”) issued Accounting Standard Update (“ASU”) No. 2014-09, *Revenues from Contracts with Customers* (Topic 606). A single, principles-based revenue standard for both U.S. GAAP and International Financial Reporting Standards, the standard requires organizations to reflect the consideration to which they expect to be entitled to in exchange for goods and services by allocating transaction price to identified performance obligations and recognizing revenue as performance obligations are satisfied. The standard also requires new and expanded disclosures regarding revenue recognition to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. RDI applied the modified retrospective transition approach only to uncompleted contracts on the date of adoption, which was January 1, 2019. The adoption of this standard did not have a material impact on the financial statements.

In June of 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This standard attempts to clarify the characterization of grants and similar contracts (particularly with governments) as either exchange transactions or contributions. It also provides updated guidance in distinguishing between conditional and unconditional gifts. RDI applied this standard on a modified prospective basis to new agreements entered into during 2019. The adoption of this standard did not have a material impact on the financial statements.

5. Grants Receivable

Contributions and grants receivable are summarized as follows at December 31, 2019:

<i>Unconditional promises expected to be collected within:</i>	
Less than one year	\$ 797,801
From one year to five years	160,000
	\$ 957,801

Conditional Gifts and Grants

As of December 31, 2019, RDI had access to an additional \$99,068 in grants, the receipt of which was conditioned upon incurring allowable expenditures or progress reports subject to the grantor's approval.

These grant revenues have not been included in the accompanying financial statements because the associated conditions had not been satisfied as of December 31, 2019.

6. Beneficial Interest in Assets Held by the Oregon Community Foundation

RDI established the Rural Development Initiatives, Inc. Endowment Fund (the "Fund") at the Oregon Community Foundation ("OCF"), which holds and invests the fund as a component fund for the benefit of RDI.

During the year ended December 31, 2019, RDI's Board of Directors approved a motion to request a distribution of its remaining funds held by OCF, which was approved by OCF.

Changes in RDI's beneficial interest in this Fund for the year ended December 31, 2019 are summarized as follows:

Balance at beginning of year	\$ 59,448
Distribution received by RDI from beneficial interest in assets held by OCF	(65,646)
Net increase in the beneficial interest in assets held by OCF	6,198
	\$ -

7. Property and Equipment

A summary of property and equipment at December 31, 2019 is as follows:

Computer equipment and software	\$ 61,884
Web development costs	34,999
Furniture and equipment	1,558
Leasehold improvements	31,994
	130,435
Less accumulated depreciation and amortization	(117,804)
	\$ 12,631

8. Net Assets with Donor Restrictions

RDI's net assets with donor-imposed restrictions at December 31, 2019 are restricted for the following purposes:

Rural Community Leadership	\$ 926,584
Rural Economic Vitality	659,140
Pasos al Éxito	38,812
Other programs	13,000
	\$ 1,637,536

9. Endowment

RDI held both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowment. During the year ended December 2019, RDI elected to abolish its existing Endowment Fund Policy and eliminate its remaining endowment funds. RDI obtained both donor and Board authorization to release the permanent restriction and Board designation, respectively, on these endowment funds. The following summarized RDI's endowment-related activities for the year ended December 31, 2019:

	With donor restrictions			Without donor restrictions	Total endowment
	Accumulated endowment return	Endowment principal	Total		
Endowment net assets at beginning of year	\$ 1,490	4,000	5,490	53,958	59,448
Net increase in the beneficial interest in assets held by OCF	572	–	572	5,626	6,198
Distribution	(2,062)	(4,000)	(6,062)	(59,584)	(65,646)
Endowment net assets at end of year	\$ –	–	–	–	–

10. Grants and Contributions

Grants and contributions received during the year ended December 31, 2019 are summarized as follows:

Foundations and corporations	\$ 2,527,136
Individuals and corporations	6,527
Government	90,825
	<u>\$ 2,624,488</u>

Significant Source of Revenue

During the year ended December 31, 2019, RDI received of a total of \$1,100,000 in grants from The Ford Family Foundation, of which \$600,000 represented support for 2019 and \$500,000 for 2020. Total support represented approximately 41% of RDI's 2019 total revenues.

11. Net Assets Released from Restrictions

During the year ended December 31, 2019, net assets totaling \$1,270,394 were released from net assets with donor restrictions by incurring expenses in satisfaction of the restricted purpose, or by the occurrence of other events specified by donors.

12. Contingencies

Certain amounts received or receivable under the organization's governmental contracts are subject to audit and adjustment by the contracting agencies. Any expenditures or claims disallowed as a result of such audits would become a liability of the organization's general operating fund. In the opinion of the organization's management, any adjustments that might result from such audits would not be material to the organization's overall financial statements.

13. Unemployment Insurance

The organization is self-insured for unemployment claims under a plan administered by a third party. Annually, the administrator recommends the organization's contributions to the plan to pay future unemployment claims as they arise. For the year ended December 31, 2019, the organization had a deposit balance in the plan of \$463, reported among prepaid expenses and other assets. As of December 31, 2019, RDI has recorded no liability for future claim costs.

14. Retirement Plan

RDI provides employees with a qualified retirement plan, as described under Section 401(k) of the Internal Revenue Code. The plan covers all eligible employees who have reached the age of 18 and have completed six months of service with RDI. Participating employees may make voluntary contributions to the plan on either a pre-tax or after-tax basis, subject to limits allowed by law. In addition, RDI makes voluntary contributions up to 3.0% of the employee's annual salary. Both employer and employee contributions are 100% vested immediately. Retirement plan expense for the year ended December 31, 2019 totaled \$18,415.

15. Subsequent Event

Since December 2019, an outbreak of a novel strain of coronavirus (COVID-19) has spread around the world, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S., including Oregon, have declared a public health state of emergency, ordering the public to stay at home, closing specified businesses, and requiring social distancing measures for most public and private facilities. The immediate negative effect of these measures on RDI has included the cost of converting existing workshops to virtual trainings, postponement of new community workshops, and an increase in unfunded administrative time dedicated to managing RDI's response to COVID-19 both internally and externally.

It is anticipated that the effects of these events will continue for some time, including continuing disruptions to or restrictions on our employees' ability to work and on the ability of our patrons, customers and other constituents to both fully participate in our programs and continue their current level of financial support to the organization. At the present time, the ultimate future effects of these issues are unknown.

16. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure within one year of the statement of financial position date comprise the following at December 31, 2019:

<i>Total financial assets:</i>	
Cash and cash equivalents	\$ 784,214
Grants receivable	957,801
	<hr/>
	1,742,015

Less financial assets not available within the year ending

December 31, 2020:

Grants receivable due in more than one year	(160,000)
	<hr/>
	\$ 1,582,015

As part of its liquidity management, RDI has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

17. Reclassification of 2018 Comparative Totals

Certain 2018 amounts presented herein have been reclassified to conform to the 2019 presentation.

18. Statement of Cash Flows Reconciliation

The following presents a reconciliation of the increase in net assets (as reported on the statement of activities) to net cash provided by operating activities (as reported on the statement of cash flows):

Increase in net assets	\$ 1,100,760
<hr/>	
<i>Adjustments to reconcile increase in net assets to net cash provided by operating activities:</i>	
Depreciation and amortization	6,412
Net increase in beneficial interest in assets held by the Oregon Community Foundation	(6,198)
<i>Net changes in:</i>	
Grants receivable	(855,306)
Accounts receivable	10,044
Prepaid expenses and other assets	(166,183)
Accounts payable and accrued expenses	(2,388)
Accrued payroll and related expenses	(13,884)
Refundable advances	3,000
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Total adjustments	(1,024,503)
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Net cash provided by operating activities	\$ 76,257
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RURAL DEVELOPMENT INITIATIVES, INC.

INQUIRIES AND OTHER INFORMATION

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