



Gary McGee & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS

Rural Development Initiatives, Inc.

Financial Statements and Other Information
as of and for the Year Ended December 31, 2023
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.:*

Opinion

We have audited the accompanying financial statements of Rural Development Initiatives, Inc., which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rural Development Initiatives, Inc. as of December 31, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Rural Development Initiatives, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Summarized Comparative Information

We have previously audited Rural Development Initiatives, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 6, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.



July 15, 2024

RURAL DEVELOPMENT INITIATIVES, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

(WITH COMPARATIVE AMOUNTS FOR 2022)

	2023	2022
Assets:		
Cash and cash equivalents	\$ 1,052,481	988,135
Grants receivable (<i>note 4</i>)	370,933	563,352
Accounts receivable	13,500	42,655
Prepaid expenses and other assets	20,046	16,263
Property and equipment (<i>note 5</i>)	5,108	7,883
Right of use asset – operating lease	–	10,753
Total assets	\$ 1,462,068	1,629,041
Liabilities:		
Accounts payable and accrued expenses	58,326	92,826
Accrued payroll and related expenses	60,235	57,242
Deferred revenue	18,125	21,301
Refundable advance (<i>note 4</i>)	39,110	–
Lease obligation – operating lease	–	11,953
Total liabilities	175,796	183,322
Net assets:		
Without donor restrictions:		
Available for programs and general operations	538,385	492,046
Net investment in capital assets	5,108	7,883
Total net assets without donor restrictions	543,493	499,929
With donor restrictions (<i>note 6</i>)	742,779	945,790
Total net assets	1,286,272	1,445,719
Commitments and contingencies (<i>notes 4, 9, 10, 11, and 12</i>)		
Total liabilities and net assets	\$ 1,462,068	1,629,041

See accompanying notes to financial statements.

RURAL DEVELOPMENT INITIATIVES, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023			
	Without donor restrictions	With donor restrictions	Total	2022
Revenues, gains, and other support:				
Grants and contributions (<i>note 7</i>)	\$ 624,187	739,050	1,363,237	1,563,920
Contract and program revenues	229,046	—	229,046	175,951
Interest income	3,612	—	3,612	1,473
Other	6,606	—	6,606	4,638
Total revenues and gains	863,451	739,050	1,602,501	1,745,982
Net assets released from restrictions (<i>note 8</i>)	942,061	(942,061)	—	—
Total revenues, gains, and other support	1,805,512	(203,011)	1,602,501	1,745,982
Expenses:				
Program services:				
Rural economies	1,016,799	—	1,016,799	757,477
Rural leadership	232,883	—	232,883	384,762
Rural policy and equitable resources	221,190	—	221,190	270,403
Total program services	1,470,872	—	1,470,872	1,412,642
Supporting services:				
Management and general	263,562	—	263,562	196,120
Fundraising	27,514	—	27,514	43,938
Total supporting services	291,076	—	291,076	240,058
Total expenses	1,761,948	—	1,761,948	1,652,700
Increase (decrease) in net assets	43,564	(203,011)	(159,447)	93,282
Net assets at beginning of year	499,929	945,790	1,445,719	1,352,437
Net assets at end of year	\$ 543,493	742,779	1,286,272	1,445,719

See accompanying notes to financial statements.

RURAL DEVELOPMENT INITIATIVES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023							
	Program services				Supporting services		Total	2022
	Rural economies	Rural leadership	Rural policy & equitable resources	Total	Management and general	Fund-raising		
Salaries and related costs	\$ 491,588	155,574	151,508	798,670	257,712	22,760	1,079,142	1,046,450
Consultants	262,955	5,235	15,287	283,477	83	—	283,560	342,112
Grants	54,000	7,475	—	61,475	—	—	61,475	5,000
Information technology	10,116	2,161	750	13,027	23,788	—	36,815	41,227
Travel	69,266	20,016	17,404	106,686	12,346	516	119,548	73,943
Occupancy and rentals	1,277	217	4,100	5,594	25,580	—	31,174	29,065
Professional fees	—	—	—	—	68,122	—	68,122	21,816
Program and office supplies	17,346	5,317	3,133	25,796	2,848	254	28,898	26,098
Conference and training catering	21,580	9,399	1,671	32,650	927	—	33,577	43,550
Insurance	—	—	—	—	6,318	—	6,318	6,699
Marketing	235	118	—	353	2,723	—	3,076	8,995
Staff development	2,381	137	315	2,833	1,614	—	4,447	1,117
Depreciation and amortization	—	—	—	—	2,775	—	2,775	3,118
Other expenses	—	—	500	500	2,521	—	3,021	3,510
Total expenses before allocation of shared costs	930,744	205,649	194,668	1,331,061	407,357	23,530	1,761,948	1,652,700
Allocation of shared costs	86,055	27,234	26,522	139,811	(143,795)	3,984	—	—
Total expenses	\$ 1,016,799	232,883	221,190	1,470,872	263,562	27,514	1,761,948	1,652,700

See accompanying notes to financial statements.

RURAL DEVELOPMENT INITIATIVES, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023	2022
Cash flows from operating activities:		
Cash received from contractors, grantors, contributors, and others	\$ 1,856,397	1,812,824
Cash received from interest	3,612	1,473
Cash paid to employees and suppliers	(1,783,663)	(1,552,296)
Cash paid for amounts included in the measurement of operating lease liability	(12,000)	(17,868)
Net cash provided by operating activities	64,346	244,133
Cash flows from investing activities:		
Proceeds from the sale of capital assets	—	300
Net cash provided by investing activities	—	300
Net increase in cash and cash equivalents	64,346	244,433
Cash and cash equivalents at beginning of year	988,135	743,702
Cash and cash equivalents at end of year	\$ 1,052,481	988,135

Supplemental disclosure of cash flow information:

Right-of-use asset upon FASB ASU 2016-02 implementation – operating lease	\$	—	28,533
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See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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 rural development hub organization established in 1991 with headquarters in Coburg, 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, 2023, RDI incurred program service expenses in the following major categories:

Resilient Rural Economies – *Services that move communities and regions to action and implement innovative strategies to build community wealth, jobs, and prosperity.* RDI's rural economic services help teams of local community leaders understand their economic situation, and appreciate and build upon their natural, economic, and cultural assets and opportunities. Our work results in stronger local efforts and support systems, small business successes, and resilient place-based strategies that address inequities in economic benefit and opportunity.

Collective Rural Leadership – *Services that provide capacity-building and educational activities for individuals in rural communities.* RDI's community leadership efforts increase the diversity and number of local people actively involved, connected, and effecting change to benefit rural communities. Our work results in engaged and skilled local leaders who are better prepared to work together and across differences, address complex challenges, and build community.

Inclusive Rural Policy & Equitable Resources – *Services that aspire to close the rural resource gap and reach political equity.* RDI's policy and resource work educates, activates, and supports rural community leaders and networks to affect systems change. Our policy work results in a representative pipeline of rural leaders who are participating in governance and policies at local, state, and national levels and strengthened networks of rural leaders across our region and the nation. Our funding specific work results in increased funding for community priorities, more local people skilled at fund development, and increased rural funding sources and investments.

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 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.

Current Expected Credit Losses – Accounts receivable measured at amortized cost are presented at the net amount expected to be collected. RDI estimates the current expected credit losses on its accounts receivable using the aging schedule approach in which receivables are grouped into aging categories, based upon how long the receivables have been outstanding. Historical write-offs of each aging category are used to develop an estimate of future losses applied to each current aging category, adjusted for management's expectations about current and future economic conditions.

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 7 years for furniture and equipment, 3 years for website development, and 3 to 7 years for software and computer equipment. Maintenance and repair costs are expensed as incurred.

Leases – RDI accounts for leases in accordance with FASB ASC Topic 842, *Leases*. RDI leases office space, which is classified as an operating lease under ASC 842. RDI recognizes a right-of-use asset and a lease liability, initially measured at the present value of the lease payments for operating leases not classified as short-term leases. The obligations associated with the leases are recognized as a liability based on the discounted future lease payments using the risk-free rate of return. Lease terms may include options to extend or terminate certain leases which are included in the lease valuation if it is reasonably certain that management will exercise the option. Lease expense for lease payments is recognized on a straight-line basis over the term of the lease. RDI does not report ROU assets and lease liabilities for short-term leases (leases with a term of 12 months or less).

RDI's long term lease ended in 2023, at which time it entered into a 12-month lease.

Revenue Recognition – With regard to revenues from grants and contracts, RDI evaluates whether each transfer of assets is (1) an exchange (reciprocal) transaction in which a resource provider receives commensurate value in return for the assets transferred, or (2) a nonreciprocal transfer (a contribution or a grant), where no value is exchanged.

- *Exchange Transactions* – If the transfer of assets is determined to be an exchange transaction, RDI recognizes revenue when or as it satisfies the required performance obligations and transfers the promised good or service to a customer, and when the customer obtains control of that good or service.
- *Contributions and Grants* – If the transfer of assets is determined to be a contribution, RDI evaluates whether the contribution is conditional based upon whether the agreement includes both (1) a barrier that must be overcome to be entitled to the funds and (2) either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.
- *Governmental Support* – Activities funded by governments are often carried out for the benefit of the general public, rather than to obtain goods or services for the government's own use or proprietary benefit. Accordingly, if the primary beneficiary of the activity is the general public, rather than the government itself, the transaction is treated as nonreciprocal (i.e., a contribution).

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.

Conditional contributions with donor-imposed restrictions are recorded as net assets without donor restrictions if those conditions are met and re-

strictions are satisfied in the same reporting period.

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-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, 2023, no in-kind contributions were recorded.

Revenue Recognition from Exchange Transactions – Revenue from contracts with customers is recognized as performance obligations are satisfied. RDI's revenue streams that are accounted for as exchange transactions include 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.

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, 2023, RDI held \$335,402 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 July 15, 2024, which is the date the financial statements were available to be issued.

Summarized Financial Information for 2022 – The accompanying financial information as of and for the year ended December 31, 2022 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. Grants Receivable

Grants receivable totaled \$370,933 at December 31, 2023 and are expected to be collected within one year.

Conditional Gifts and Grants

At December 31, 2023, RDI had access to an additional \$533,743 in grants, the receipt of which was conditioned upon incurring allowable expenditures, including \$39,110 which was received as cash and is reported as a refundable advance on the statement of financial position. These grant revenues have not been included in the accompanying financial statements because the associated conditions had not been satisfied as of December 31, 2023.

5. Property and Equipment

A summary of property and equipment at December 31, 2023 is as follows:

Computer equipment and software	\$	21,837
Website development		36,999
Furniture and equipment		858
		59,694
Less accumulated depreciation and amortization		(54,586)
	\$	5,108

6. Net Assets with Donor Restrictions

RDI's net assets with donor-imposed restrictions at December 31, 2023 are restricted for the following purposes:

Rural Community Leadership	\$	222,277
Rural Policy, Networks & Funding		190,000
Rural Economic Vitality		171,592
Spanish Language Programs		102,910
Other programs		56,000
	\$	742,779

7. Grants and Contributions

Grants and contributions received during the year ended December 31, 2023 are summarized as follows:

Foundations	\$	701,250
Government		584,361
Individuals and corporations		77,626
	\$	1,363,237

8. Net Assets Released from Restrictions

During the year ended December 31, 2023, RDI incurred \$942,061 in expenses in satisfaction of the restricted purpose specified by donors, or satisfied the restrictions by the occurrence of other events. Accordingly, corresponding amounts have been reported as a reclassification from net assets with donor restrictions to those without donor restrictions in the accompanying statement of activities.

9. Contingencies

Certain amounts received or receivable under the RDI'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 RDI's management, any adjustments that might result from such audits would not be material to the RDI's overall financial statements.

10. Unemployment Insurance

RDI is self-insured for unemployment claims under a plan administered by a third party. Annually, RDI contributes to the plan to pay future unemployment claims. At December 31, 2023, RDI had a deposit balance in the plan of \$7,885, reported among prepaid expenses and other assets. At December 31, 2023, RDI has recorded an estimated liability for future claim totaling \$3,586.

11. 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, 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, 2023 totaled \$20,197.

12. Other Commitments

RDI entered into two professional services agreements for work related to rural entrepreneur support. The outstanding commitments under these agreements totaled \$154,897 at December 31, 2023.

13. 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, 2023:

<i>Total financial assets:</i>	
Cash and cash equivalents	\$ 1,052,481
Grants receivable	370,933
Accounts receivable	13,500
	<hr/>
	\$ 1,436,914

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.

14. Reclassification of 2022 Comparative Totals

Certain 2022 amounts presented herein have been reclassified to conform to the 2023 presentation.

15. Statement of Cash Flows Reconciliation

The following presents a reconciliation of the decrease 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):

Decrease in net assets	\$ (159,447)
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<i>Adjustments to reconcile decrease in net assets to net cash provided by operating activities:</i>	
Depreciation and amortization	2,775
Amortization of ROU asset – operating lease	10,753
<i>Net changes in:</i>	
Grants receivable	192,419
Accounts receivable	29,155
Prepaid expenses and other assets	(3,783)
Accounts payable and accrued expenses	(34,500)
Accrued payroll and related expenses	2,993
Deferred revenue	(3,176)
Refundable advance	39,110
Lease obligation – operating lease	(11,953)
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Total adjustments	223,793
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Net cash provided by operating activities	\$ 64,346

RURAL DEVELOPMENT INITIATIVES, INC.

INQUIRIES AND OTHER INFORMATION

RURAL DEVELOPMENT INITIATIVES, INC.
91017 South Willamette Street
Coburg, Oregon 97408

(458) 215-8396

Web
www.rdiinc.org

