

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

ANNUAL FINANCIAL REPORT



“People Helping People Changing Lives”

For the Years Ended June 30, 2017 and June 30, 2016

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
June 30, 2017 and 2016

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INTRODUCTORY SECTION

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

BOARD OF DIRECTORS AND OFFICIALS

June 30, 2017

BOARD OF DIRECTORS

Baker County

Bruce Nichols	Public sector	Director
Joe Adamson	Low-income sector	Secretary
Tim Kerns	Private sector	Director

Grant County

Scott Myers	Public sector	Vice-Chairman
Jan Ensign	Low-income sector	Director
Al Altnow	Private sector	Director

Union County

Steve McClure	Public sector	Chairman
John DeNault	Low-income sector	Director
Max Lane	Private sector	Director

Wallowa County

Paul Castilleja	Public sector	Director
Roswitha Parks	Private sector	Executive Committee Member
Barbara Roberts	Low-income sector	Director
James Stivers	Low-income sector	Director

Officials

Margaret Davidson	La Grande, Oregon	Executive Director
Jeff Hensley	La Grande, Oregon	Assistant Director
Julia Novotny	La Grande, Oregon	Fiscal Manager

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FINANCIAL SECTION

LEWIS, POE, MOELLER, GUNDERSON & ROBERTS, LLC

CERTIFIED PUBLIC ACCOUNTANTS

1121 ADAMS AVENUE • P.O. BOX 1024

LA GRANDE, OREGON 97850-1024

Independent Auditors' Report

Board of Directors
Community Connection of Northeast Oregon, Inc.
2802 Adams Avenue
La Grande, OR 97850

Report on the Financial Statements

We have audited the accompanying financial statements of Community Connection of Northeast Oregon, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017 and 2016, and the related statement of activities, functional expenses, and cash flows for the years 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 United States of America; 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 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 financial statements are free of 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 entity'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 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 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 Community Connection of Northeast Oregon, Inc. as of June 30, 2017 and 2016, and the respective changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2017, on our consideration of Community Connection of Northeast Oregon, Inc.'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 the 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 Community Connection of Northeast Oregon, Inc.'s internal control over financial reporting and compliance.

LEWIS, POE, MOELLER, GUNDERSON & ROBERTS, LLC
Certified Public Accountants

By Yvonne K. Roberts, CPA
Yvonne K. Roberts, Owner/Member

La Grande, Oregon
October 23, 2017

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BASIC FINANCIAL STATEMENTS

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
STATEMENT OF FINANCIAL POSITION
As of June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Assets				
Current Assets				
Cash	\$ 719,101	\$ 835,004	\$ -	\$ 1,554,105
Grants Receivable	-	1,176,307	-	1,176,307
Prepaid Expenses	112,403	385	-	112,788
Total Current Assets	<u>831,504</u>	<u>2,011,696</u>	<u>-</u>	<u>2,843,200</u>
Replacement Reserves	-	5,478	-	5,478
Housing Rehab Loans Receivable (Net of Allowance for Doubtful Accounts)	-	2,278,094	-	2,278,094
Property and Equipment (net of accumulated depreciation)	46,099	1,716,500	-	1,762,599
Beneficial Interest in Assets Held by Community Foundation	-	-	91,461	91,461
Total Assets	<u>\$ 877,603</u>	<u>\$ 6,011,768</u>	<u>\$ 91,461</u>	<u>\$ 6,980,832</u>
Liabilities				
Current Liabilities				
Accounts Payable	\$ 326	\$ 216,996	\$ -	\$ 217,322
Accrued Payroll Liabilities	162,364	428	-	162,792
Accrued Vacation	-	95,603	-	95,603
Accrued Interest	-	1,484	-	1,484
Deferred Revenue	-	364,621	-	364,621
Security Deposits Payable to Tenants	-	6,650	-	6,650
Current Portion of Long Term Debt	-	44,414	-	44,414
Total Current Liabilities	<u>162,690</u>	<u>730,196</u>	<u>-</u>	<u>892,886</u>
Long-Term Liabilities				
Mortgage Notes Payable	-	387,042	-	387,042
Total Long-Term Liabilities	<u>-</u>	<u>387,042</u>	<u>-</u>	<u>387,042</u>
Total Liabilities	<u>162,690</u>	<u>1,117,238</u>	<u>-</u>	<u>1,279,928</u>
Net Assets				
Unrestricted	714,913	-	-	714,913
Temporarily Restricted Net Assets	-	4,894,530	-	4,894,530
Permanently Restricted Net Assets	-	-	91,461	91,461
Total Net Assets	<u>714,913</u>	<u>4,894,530</u>	<u>91,461</u>	<u>5,700,904</u>
Total Liabilities and Net Assets	<u>\$ 877,603</u>	<u>\$ 6,011,768</u>	<u>\$ 91,461</u>	<u>\$ 6,980,832</u>

(The accompanying notes are an integral part of these statements)

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
STATEMENT OF FINANCIAL POSITION
As of June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Assets				
Current Assets				
Cash	\$ 706,074	\$ 1,050,863	\$ -	\$ 1,756,937
Grants Receivable	-	962,487	-	962,487
Prepaid Expenses	103,889	2,934	-	106,823
Total Current Assets	<u>809,963</u>	<u>2,016,284</u>	<u>-</u>	<u>2,826,247</u>
Cash - Long Term Purposes	-	628	-	628
Housing Rehab Loans Receivable (Net of Allowance for Doubtful Accounts)	-	2,309,732	-	2,309,732
Property and Equipment (net of accumulated depreciation)	46,099	1,225,525	-	1,271,624
Beneficial Interest in Assets Held by Community Foundation	-	-	81,309	81,309
Total Assets	<u>\$ 856,062</u>	<u>\$ 5,552,169</u>	<u>\$ 81,309</u>	<u>\$ 6,489,540</u>
Liabilities				
Current Liabilities				
Accounts Payable	\$ 463	\$ 196,311	\$ -	\$ 196,774
Accrued Payroll Liabilities	153,465	-	-	153,465
Accrued Vacation	-	104,413	-	104,413
Accrued Interest	-	1,382	-	1,382
Deferred Revenue	-	292,461	-	292,461
Security Deposits Payable to Tenants	-	7,500	-	7,500
Current Portion of Long Term Debt	-	42,199	-	42,199
Total Current Liabilities	<u>153,928</u>	<u>644,266</u>	<u>-</u>	<u>798,194</u>
Long-Term Liabilities				
Mortgage Notes Payable	-	432,957	-	432,957
Total Long-Term Liabilities	<u>-</u>	<u>432,957</u>	<u>-</u>	<u>432,957</u>
Total Liabilities	<u>153,928</u>	<u>1,077,223</u>	<u>-</u>	<u>1,231,151</u>
Net Assets				
Unrestricted	702,134	-	-	702,134
Temporarily Restricted Net Assets	-	4,474,946	-	4,474,946
Permanently Restricted Net Assets	-	-	81,309	81,309
Total Net Assets	<u>702,134</u>	<u>4,474,946</u>	<u>81,309</u>	<u>5,258,389</u>
Total Liabilities and Net Assets	<u>\$ 856,062</u>	<u>\$ 5,552,169</u>	<u>\$ 81,309</u>	<u>\$ 6,489,540</u>

(The accompanying notes are an integral part of these statements)

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	Perminantly Restricted	Total
Support and Revenues				
Public Support				
In-kind Services	-	367,040	-	367,040
Contributions	12,793	158,425	-	171,218
Fundraising	-	24,761	-	24,761
Grants and Awards from Governmental Agencies	-	5,968,856	-	5,968,856
Total Public Support	<u>12,793</u>	<u>6,519,082</u>	<u>-</u>	<u>6,531,875</u>
Revenue				
Program Fees	-	690,637	-	690,637
Other	1,725	193,744	10,152	205,621
Total Revenue	<u>1,725</u>	<u>884,381</u>	<u>10,152</u>	<u>896,258</u>
Net Assets Released from Restrictions:				
Satisfaction of Program Restrictions	7,403,463	(7,403,463)	-	-
Total Support and Revenues	<u>7,417,981</u>	<u>-</u>	<u>10,152</u>	<u>7,428,133</u>
Expenses				
Program and Support				
Operating	6,586	-	-	6,586
Senior / Nutrition and Homecare Programs	1,362,135	-	-	1,362,135
Weatherization and Rehab Programs	503,734	-	-	503,734
Emergency Assistance and Self-Sufficiency Prog	489,843	-	-	489,843
Energy Assistance Programs	1,069,878	-	-	1,069,878
Transportation Programs	1,748,634	-	-	1,748,634
Housing Programs	181,918	-	-	181,918
Community Services	141,229	-	-	141,229
Food Bank Program	152,502	-	-	152,502
Youth Programs	289,445	-	-	289,445
Other Programs	12,989	-	-	12,989
Total Program Services	<u>5,958,893</u>	<u>-</u>	<u>-</u>	<u>5,958,893</u>
Support Services				
Administrative and General	514,873	-	-	514,873
In-Kind Facilities / Services	367,040	-	-	367,040
Total Support Services	<u>881,913</u>	<u>-</u>	<u>-</u>	<u>881,913</u>
Depreciation Expense	144,812	-	-	144,812
Total Operating Expenses	<u>6,985,618</u>	<u>-</u>	<u>-</u>	<u>6,985,618</u>
Increase / Decrease in Unrestricted Net Assets	<u>432,363</u>	<u>-</u>	<u>10,152</u>	<u>442,515</u>
Net Assets at Beginning of Year	702,134	4,474,946	81,309	5,258,389
Net Assets Released from Restrictions	(419,584)	419,584	-	-
Net Assets at End of Year	<u>714,913</u>	<u>4,894,530</u>	<u>91,461</u>	<u>5,700,904</u>

(The accompanying notes are an integral part of these statements)

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Perminantly Restricted	Total
Support and Revenues				
Public Support				
In-kind Services	-	93,606	-	93,606
Contributions	16,019	137,551	-	153,570
Fundraising	-	31,134	-	31,134
Grants and Awards from Governmental Agencies	-	5,173,378	-	5,173,378
Total Public Support	<u>16,019</u>	<u>5,435,669</u>	<u>-</u>	<u>5,451,688</u>
Revenue				
Program Fees	75,000	1,009,897	-	1,084,897
Other	979	225,716	(2,952)	223,743
Total Revenue	<u>75,979</u>	<u>1,235,613</u>	<u>(2,952)</u>	<u>1,308,640</u>
Net Assets Released from Restrictions:				
Satisfaction of Program Restrictions	<u>6,672,810</u>	<u>(6,671,282)</u>	<u>(1,528)</u>	<u>-</u>
Total Support and Revenues	<u>6,764,808</u>	<u>-</u>	<u>(4,480)</u>	<u>6,760,328</u>
Expenses				
Program and Support				
Operating	2,204	-	-	2,204
Senior / Nutrition and Homecare Programs	1,437,987	-	-	1,437,987
Weatherization and Rehab Programs	349,997	-	-	349,997
Emergency Assistance and Self-Sufficiency Pr	380,731	-	-	380,731
Energy Assistance Programs	1,116,503	-	-	1,116,503
Transportation Programs	1,638,751	-	-	1,638,751
Housing Programs	169,720	-	-	169,720
Community Services	151,449	-	-	151,449
Food Bank Program	146,359	-	-	146,359
Youth Programs	391,247	-	-	391,247
Other Programs	(15,517)	-	-	(15,517)
Total Program Services	<u>5,769,431</u>	<u>-</u>	<u>-</u>	<u>5,769,431</u>
Support Services				
Administrative and General	646,700	-	-	646,700
In-Kind Facilities / Services	93,606	-	-	93,606
Total Support Services	<u>740,306</u>	<u>-</u>	<u>-</u>	<u>740,306</u>
Depreciation Expense	164,079	-	-	164,079
Total Operating Expenses	<u>6,673,816</u>	<u>-</u>	<u>-</u>	<u>6,673,816</u>
Increase / Decrease in Unrestricted Net Assets	<u>90,992</u>	<u>-</u>	<u>(4,480)</u>	<u>86,512</u>
Net Assets at Beginning of Year	609,504	4,476,584	85,789	5,171,877
Net Assets Released from Restrictions	1,638	(1,638)	-	-
Net Assets at End of Year	<u>702,134</u>	<u>4,474,946</u>	<u>81,309</u>	<u>5,258,389</u>

(The accompanying notes are an integral part of these statements)

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from Operating Activities		
Increase in Net Assets	442,515	86,512
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	144,812	(164,079)
(Increase) Decrease in:		
Accounts Receivable	(213,820)	193,640
Prepaid Expenses	(5,965)	(46,088)
Increase (Decrease) in:		
Accounts Payable	20,548	27,706
Accrued Payroll Liabilities	9,327	14,147
Accrued Vacation	(8,810)	(6,558)
Accrued Interest	102	(234)
Deferred Revenue	72,160	(109,285)
Security Deposits Payable	(850)	450
Net Cash Provided by Operating Activities	<u>460,019</u>	<u>(3,789)</u>
Cash Flows from Investing Activities		
(Increase) Decrease in Cash Held for Long Term Purposes	(4,850)	599
Sale of Property and Equipment	-	356,968
Purchase of Property and Equipment	(635,787)	(86,488)
Repayment of Housing Rehab Loans	31,638	16,510
(Increase) in Assets in Community Foundation	(10,152)	-
Transfer Assets from (to) Community Foundation	-	4,480
Net Cash used by Investing Activities	<u>(619,151)</u>	<u>292,069</u>
Cash Flows from Financing Activities		
Principal Payments on Notes Payable	(43,700)	(32,800)
Net Cash used by Financing Activities	<u>(43,700)</u>	<u>(32,800)</u>
Net Increase in Cash and Cash Equivalents	(202,832)	255,480
Cash and Cash Equivalents, Beginning of Year	1,756,937	1,501,457
Cash and Cash Equivalents, End of Year	<u>1,554,105</u>	<u>1,756,937</u>
Supplemental Disclosures of Cash Flow Information		
Cash Paid During the Year of Interest	<u>23,743</u>	<u>23,595</u>

(The accompanying notes are an integral part of these statements)

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2017

	Operating	Senior / Nutrition and Homocare Programs	Weatherization and Rehab Programs	Emergency Assistance and Self-Sufficiency Programs	Energy Assistance Programs	Transportation Programs	Housing Programs	Community Services	Food Bank Program	Youth Programs	Other Programs	Total
Support Services												
Management and General Legal	\$ (4,847)	\$ 115,385	\$ 38,968	\$ 35,143	\$ 82,118	\$ 195,706	\$ 17,568	\$ 25,384	\$ 11,712	\$ 25,984	\$ (28,359)	\$ 514,762
Total Support Services	(4,847)	115,385	38,968	35,143	82,118	195,706	17,679	25,384	11,712	25,984	(28,359)	514,873
Program Services												
Personnel	(1,458)	395,251	97,574	113,927	84,260	931,235	78,354	30,299	76,197	193,105	164,921	2,163,665
Other Employee Benefits	422	96,523	24,305	24,497	16,122	186,571	15,959	6,846	15,143	23,351	34,491	444,230
Office Expense	-	44,193	3,192	1,896	474	36,253	9,645	1,863	651	8,103	35,454	141,724
Occupancy	1,648	1,295	-	355	-	34,973	33,012	-	12,287	63,389	99,391	246,350
Vehicles and Equipment	570	9,068	5,338	1,183	1,496	297,423	2,511	23	9,143	3,011	33,202	362,968
Travel, Training and Technical Assistance	93	19,708	10,908	8,656	2,707	19,016	3,679	1,700	3,001	534	3,139	73,141
Advertising	101	4,506	423	362	883	20,270	2,273	96	204	249	2,384	31,751
Insurance	-	352	9,199	176	470	11,680	3,823	-	860	6,546	23,570	56,676
Contract Labor and Services	-	109,228	277,177	4,447	2,520	23,957	15,080	1,320	577	574	1,329	436,209
Client Assistance	389	344,164	-	291,016	883,707	61,175	-	-	-	-	-	1,580,451
Other Direct Charges	4,765	262,347	8,096	19,834	7,537	34,509	4,119	1,166	33,902	17,591	274	394,140
Program Support	-	(29,154)	1	(15,757)	(1,780)	-	-	92,361	(11,860)	(35,971)	-	(2,160)
Allocable Costs	-	101,458	67,521	39,251	71,482	91,492	13,463	5,555	12,397	8,345	(385,201)	25,763
Fundraising Expenses	56	3,196	-	-	-	80	-	-	-	618	35	3,985
Total Program Services	6,586	1,362,135	503,734	489,843	1,069,878	1,748,634	181,918	141,229	152,502	289,445	12,989	5,958,893
Sub-Total Before In-Kind	1,739	1,477,520	542,702	524,986	1,151,996	1,944,340	199,597	166,613	164,214	315,429	(15,370)	6,473,766
In-Kind Facilities / Services	-	40,841	-	-	-	-	-	-	319,216	6,983	-	367,040
Total Functional Expenses	\$ 1,739	\$ 1,518,361	\$ 542,702	\$ 524,986	\$ 1,151,996	\$ 1,944,340	\$ 199,597	\$ 166,613	\$ 483,430	\$ 322,412	\$ (15,370)	\$ 6,840,806

(The accompanying notes are an integral part of these statements)

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2016

	Operating	Senior / Nutrition and Homecare Programs	Weatherization and Rehab Programs	Emergency Assistance and Self- Sufficiency Programs	Energy Assistance Programs	Transportation Programs	Housing Programs	Community Services	Food Bank Program	Youth Programs	Other Programs	Total
Support Services												
Management and General	\$ 889	\$ 156,080	\$ 35,651	\$ 52,795	\$ 112,575	\$ 175,129	\$ 30,434	\$ 20,459	\$ 12,788	\$ 40,171	\$ 5,298	\$ 642,269
Legal	-	-	4,065	-	-	-	366	-	-	-	-	4,431
Total Support Services	889	156,080	39,716	52,795	112,575	175,129	30,800	20,459	12,788	40,171	5,298	646,700
Program Services												
Personnel	412	403,171	89,277	85,273	92,641	812,188	73,186	54,121	69,300	259,222	116,827	2,065,618
Other Employee Benefits	(1,858)	91,022	21,785	18,323	23,225	172,996	15,507	10,965	13,975	22,745	21,652	410,337
Office Expense	254	34,485	4,785	3,161	470	60,554	9,752	2,509	689	12,391	34,573	163,623
Occupancy	39	2,173	-	-	-	29,895	27,076	-	16,223	63,910	86,825	226,141
Vehicles and Equipment	520	9,534	3,045	627	1,351	269,398	1,809	80	2,309	2,917	13,309	304,899
Travel, Training and Technical Assistance:	2	26,577	16,249	9,609	2,913	30,635	7,882	3,080	2,378	1,980	1,069	102,374
Advertising	14	5,186	354	-	83	13,761	2,339	811	-	2,693	1,816	27,057
Insurance	-	-	7,553	-	-	10,400	7,064	-	250	4,018	21,629	50,914
Contract Labor and Services	-	171,774	188,230	696	31,198	97,930	14,410	1,040	-	6,399	1,788	513,465
Client Assistance	294	335,592	-	254,060	891,020	52,396	-	-	-	-	-	1,533,362
Other Direct Charges	2,527	255,424	5,591	4,861	5,590	28,105	7,321	25	40,153	30,407	734	380,738
Program Support	-	(659)	-	(20,625)	(10,054)	-	154	70,619	(8,783)	(30,499)	-	153
Other Indirect Charges	-	99,814	13,128	24,746	78,066	60,493	3,220	8,199	9,795	14,964	(315,963)	(3,538)
Fundraising Expenses	-	3,894	-	-	-	-	-	-	70	100	224	4,288
Total Program Services	2,204	1,437,987	349,997	380,731	1,116,503	1,638,751	169,720	151,449	146,359	391,247	(15,517)	5,769,431
Sub-Total Before In-Kind	3,093	1,594,067	389,713	433,526	1,229,078	1,813,880	200,520	171,908	159,147	431,418	(10,219)	6,416,131
In-Kind Facilities / Services	-	40,048	-	-	-	3,403	-	3,403	39,610	7,142	-	93,606
Total Functional Expenses	\$ 3,093	\$ 1,634,115	\$ 389,713	\$ 433,526	\$ 1,229,078	\$ 1,817,283	\$ 200,520	\$ 175,311	\$ 198,757	\$ 438,560	\$ (10,219)	\$ 6,509,737

(The accompanying notes are an integral part of these statements)

**NOTES TO BASIC FINANCIAL
STATEMENTS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2017 and 2016

Note 1 Summary of Significant Accounting Policies

Organization and Nature of Activities

Community Connection of Northeast Oregon, Inc. (Organization) is an Oregon based non-profit organization incorporated on January 9, 1969 and governed by a Board of Directors consisting of no less than nine members and no more than fifteen members. The organization's mission is to advocate for and assist senior citizens, children, low-income persons and persons with disabilities in attaining basic human needs and in becoming more self-sufficient. Its service territory is Baker, Grant, Union, and Wallowa counties.

The organization's board is comprised of representatives of low-income persons, elected officials of Baker, Grant, Union, and Wallowa counties as well as persons representing business and industry, labor, religious institutions and other groups in the communities served.

Public Support & Revenue

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The majority of funds are received through federal, state and local grants and contracts. The Organization has no permanently restricted net assets.

Community Connection of Northeast Oregon, Inc. received funding in part from Federal and State Grants, private contributions, and other program sources.

Basis of Accounting

Community Connection of Northeast Oregon, Inc. presents its financial statements in accordance with accounting principles generally accepted in the United States of America. The accrual basis of accounting is used to record revenues and expenses. Accordingly, all revenues and expenses are recognized when earned and incurred, respectively.

Fund Accounting

Community Connection of Northeast Oregon, Inc.'s programs are funded by separate and distinct grants, and net assets in one program cannot generally be applied to a deficit in another. Each grant is considered a separate accounting entity and is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into "Unrestricted" and "Temporarily Restricted" funds.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017 and 2016

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the Statement of Cash Flows exclude permanently restricted cash and cash equivalents.

Property, Equipment and Depreciation

Acquisitions of property and equipment in excess of \$5,000 with a useful life extending beyond a single reporting period are capitalized and carried at cost or, if donated, at their fair market value at the date of donation. Depreciation of equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Useful lives range from five to forty years.

Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the fund that will pay it. Total accrued vacation liability at June 30, 2017 and June 30, 2016 amounted to \$ 95,603 and \$ 104,413 respectively.

Advertising

Costs incurred for advertising are expensed when incurred. Advertising costs for the year ended June 30, 2017 and June 30, 2016 was \$ 34,090 and \$ 28,628 respectively.

Income Taxes

Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. None of its present or future activities are anticipated to be subject to unrelated business income taxes; therefore no provision for federal or state income taxes is made in the financial statements.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from these estimates.

Functional Allocation of Expenses

The costs of providing the various programs and activities 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.

Budgets and Budgetary Accounting

Budgets are prepared in accordance with the requirements of the individual grants and as a cost control used by management.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017 and 2016

Cost Allocation Plan

The Organization has a plan to allocate costs among departments. Indirect costs are allocated by each fund's prorated share of agency direct expenses.

Pension

The organization provides pension benefits for all employees working 20 hours or more per week through The Principal Financial Group with a 403(b) retirement plan, a defined contribution plan. All employees (other than temporary) completing 1,000 hours of service within twelve consecutive months are eligible to participate. The plan provides for immediate vesting of benefits. Contributions are made on a monthly basis. No unfunded liability existed at June 30, 2017 or June 30, 2016. The organization's payroll for employees covered by the plan for the fiscal year ended June 30, 2017, was \$ 1,728,145 and total payroll was \$ 2,189,263. The organization's payroll for employees covered by the plan for the fiscal year ended June 30, 2016 was \$1,622,213 and total payroll was \$2,155,839.

The organization contributed \$ 129,611 and \$ 121,666 on behalf of its employees during the fiscal years ended June 30, 2017 and June 30, 2016, respectively, based on 7.5% of eligible employee salaries.

Note 2. Fund Description and Purpose

Unrestricted and Temporarily Restricted Operating Fund

This fund accounts for proceeds from unrestricted sources not otherwise accounted for in the restricted funds.

Program Funds

Special revenue funds are used to account for proceeds of specific revenue sources that are restricted to expenditures for specific purposes.

Senior Programs

In 1979, Community Connection was designated as an Area Agency on Aging (AAA), one of 600 such agencies across the United States committed to serving older individuals. We provide planning, advocacy, and a comprehensive and coordinated range of services making it possible for each person to participate in the services of their choice—caregiver support, meals-on-wheels, congregate meals, in-home care, legal assistance, income tax preparation, health screenings, nutrition education, exercise classes, dances, and other social activities. These services assist both the frail older person who will be able to remain at home if they receive the right supports to those who are healthy and can benefit from the activities and socialization provided by community-based programs.

Community Connection is also the lead entity in an eight county ADRC (Aging and Disability Resource Connection). The ADRC is a highly-visible, trusted source for unbiased information and assistance as well as decision-making support for seniors and people with physical disabilities, their families, and caregivers. Certified Information and

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017 and 2016

Assistance Specialists provide the information sought, connect consumers directly to the agency or service needed, and follow up to insure they are satisfied.

ADRCs also provide options counseling to consumers to assist them in determining what care options best fit their needs and preferences. Together consumers and trained Options Counselors weigh the pros and cons of each option based on the consumer's circumstances, preferences, and resources. The consumer can then make an informed decision about long term services and supports that meet their personal goals.

Health Promotion Disease Prevention programs are available to people of all ages. We work throughout a twelve-county region to bring training to local volunteers and staff who will conduct educational workshops such as Living Well with Chronic Conditions and the Diabetes Prevention Program.

Weatherization and Housing Rehabilitation Programs

The residential Weatherization Assistance Program (WAP) improves comfort, energy efficiency, and safety for low-income residents. From the crawlspace to the attic and every space in between, highly-trained staff perform an energy audit for eligible, selected applicants. Auditors inspect heating systems, insulation, air infiltration, combustion appliances, refrigerator energy usage, perform some aspects of air quality especially looking for carbon monoxide, and give energy-related education to help the homeowner live more comfortably and efficiently.

Weatherization measures to be performed on each home are determined by a computerized auditing tool. This auditing tool determines what measures (i.e. insulation, duct sealing, furnace replacement) will be cost effective based on information gathered during the audit and the household's actual energy usages. Community Connection contracts with local qualified contractors to perform the work which is inspected upon completion.

The Housing Rehabilitation loan program is available to low and moderate-income homeowners to address health, safety and maintenance issues in their existing homes. Repairs may include, but are not limited to, plumbing, electrical, structural repair, roof repair/replacement, siding, paint, windows, doors, insulation, heating system, floors. This program is a loan program and participants have a lien recorded against their homes for the amount of construction and loan fees. The loan is interest-free and requires no repayment as long as the borrower is living in the home. Each homeowner solicits bids from and selects a local contractor to perform the work on their home. Community Connection inspects the work upon completion.

Self-Sufficiency and Emergency Programs

Community Connection has a full range of programs to assist households with their rent and utility needs; eligibility-criteria are different for each program. Payments are issued to the landlord or to the utility company.

- Self-sufficiency programs assist households with security deposits and partial rental payments; some programs require a copayment from the tenant. The adults must

NOTES TO FINANCIAL STATEMENTS

June 30, 2017 and 2016

participate in monthly meetings and trainings designed to make the family self-supporting.

- Emergency programs provide rent, motel and utility assistance including security deposits. The goals are to prevent evictions, to prevent utility shut-offs and to establish permanent housing in addition to emergency lodging. Assistance is usually limited to one time a year per household.

Energy Assistance Programs

The program helps low-income households with their home heating costs, particularly their winter heating burden. In most cases, a single payment per year is all that a household can receive although in rare cases a second payment may be justified. Some programs also include energy conservation education.

Transportation Services

Community Connection's public and special needs transportation services operate under the name of Northeast Oregon Public Transit. Services are available to everyone within Baker, Union, and Wallowa counties. We provide high quality services in and between most communities in Northeast Oregon. We also transport eligible individuals to medical appointments throughout the northwest.

The Transportation Options Program promotes alternatives to driving alone such as walking, biking, and carpooling. Our primary activities are education and outreach.

Housing Programs

Our HUD-Certified Housing Counseling Center (aka Housing Resource Center) exists to help homeowners and prospective homeowners with a variety of services directly related to obtaining or retaining a primary residence. Our goal is to provide information, education, and workout options to make the process of home-buying and home retention easier and less stressful. A trained housing counselor works one-on-one with clients to maximize opportunities by working through the steps available to produce positive results. Specific services include but are not limited to:

- Mortgage Payment Assistance
- Homeownership education and individual counseling
- Referrals to realtors, lenders, and mortgage brokers that provide loan products for low-interest loans, down payment and closing cost assistance
- Foreclosure Avoidance Counseling and Mitigation
- Home-buying Education
- Budget and Financial Education
- Individual Development Accounts for down payments

Community Connection also owns The Elms Apartments in Baker City, Oregon, 24 units of affordable housing for people of all ages.

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017 and 2016

Community Services Block Grant (CSBG)

The Community Services Block Grant is the core funding for the nation's network of more than 1,000 Community Action Agencies (CAPs). Community Connection received its designation as a CAP in 1969, the year the agency was formed. The primary purpose of a CAP is to reduce or ameliorate the causes and conditions of poverty. Through a variety of means, including coordination and linkages at the community level and direct services to clients, low-income individuals are assisted to work towards self-sufficiency and to improve their living conditions.

Food Bank Services

The food bank program provides for low-income households struggling to provide food for their families. Community Connection receives cash donations along with fresh, frozen, and canned items from growers, individuals, stores, and other business within our region as well as from Oregon Food Bank and the United States Department of Agriculture (USDA). Food is distributed to 18 pantries that provide emergency food boxes, one backpack program, and several Harvest Share sites throughout Union, Wallowa, Baker, and Grant counties.

Youth Programs

Kids Club is a state-certified child care center for children 5 through 12 years of age located in La Grande, providing parents an affordable place to send their children during non-school hours. Created in 1995 to keep children from being left home alone during non-school hours, the mission of Kids Club is to ensure the safety of children while providing activities that enhance social, cognitive and physical growth. The program provides children a safe, stable and inviting place where they can participate in age-appropriate activities and educational activities. Kids Club also promotes academic achievements in children including increased rates of homework and improved social skills and self-confidence.

Early Head Start Child Care Partnership serves children ages six weeks through three years. Age-appropriate child curriculum and family enrichment services are key components.

The Summer Food Service Program (SFSP) offers a free, nutritional lunch to children 1 through 18 years of age during the summer months. There is no income limit for the SFSP program.

The Riveria Activity Center (RAC) located in La Grande is a former elementary school which Community Connection and its partners have developed into "a county-wide, multi-functional community resource supporting educational and recreational activities for children and adults." The main classroom building houses Kids Club, the Summer Food Service Program, Blue Mountain Montessori School, Coats for Kids, and Neighbor to Neighbor. Other classrooms are rented to Umatilla Morrow Early Head Start and to Weight Watchers. The gymnasium and kitchen are available for rent.

The fee structure allows small and large groups to be able to use the facility. Activities range from basketball, soccer, baseball and softball to wedding receptions, birthday

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017 and 2016

parties, safety fair, Arts for All, class reunions, dances, ski swap, electrical show/fair, and annual bazaars. Use of the facility continues to increase as word of its availability has spread throughout the community. It has truly become a 'center of activity' for Union County.

Note 3. In-Kind Facilities and Services

Area citizens donate time to various activities of the organization. The total value of these services for the years ended June 30, 2017 and June 30, 2016 was \$ 475,349 and \$ 503,510 respectively. This amount has not been recorded because these services do not meet the requirements necessary for recognition. Contributed services are recorded when they meet the criteria of (1) creating or enhancing nonfinancial assets or (2) requiring specialized skills, and are provided by individuals possessing those skills, and would typically be purchased if not provided by donation. The organization received in-kind services for senior health and accounting services, donated food for the senior meal program, and other donated materials. The organization values these in-kind contributions at the minimum wage rate in effect at the time the services are provided and the appropriate standard mileage rate for travel to the site of the activity. Legal and Accounting services are valued at the difference between normal hourly billing rates and contract rates. All other in-kind contributions are recorded at their estimated fair market value on the date of receipt.

Note 4. Deposits and Concentration of Credit Risk

At June 30, 2017 the carrying amount of the organization's deposits (cash and certificates of deposit) was \$ 1,554,105 and the bank balance was \$ 1,565,511. At June 30, 2016 the carrying amount of the organization's deposits (cash and certificates of deposit) was \$ 1,756,937 and the bank balance was \$ 1,814,917. The entire bank balance throughout each year was covered by federal depository. Cash deposits held at financial institutions can be categorized according to three levels of risk. These levels of risk are as follows:

- (1) Deposits which are insured or collateralized with securities held by the agency or by its agent in the agency's name.
- (2) Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the agency's name.
- (3) Deposits which are not collateralized or insured.

Based on these three levels of risk, 100% of the organization's cash deposits, in 2017 and 2016 \$ 1,565,511 and \$ 1,814,917 respectively, are classified as category 1 based on FDIC coverage of \$250,000.

Financial instruments which potentially subject the organization to concentrations of credit risk are primarily cash and accounts receivable. See above comments regarding credit risk with respect to cash. Accounts receivable are comprised of balances due

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017 and 2016

primarily from governmental agencies. Management does not believe that concentrations exist with respect to receivables.

Note 5. Grants and Accounts Receivable

As of June 30, 2017 and June 30, 2016 grants and accounts receivable were composed of:

	2017	2016
Low Income Energy Assistance Program	\$ 79,707	\$ 37,551
Bonneville Power Administration	5,360	18,430
Community Services Block Grant	33,567	35,532
Department of Transportation	322,044	230,179
ADRC Grant	0	38,393
Mental Health	23,543	31,886
Options Counseling	3,508	60,019
VA Homecare	241,199	65,832
Other accounts receivable	<u>467,379</u>	<u>444,665</u>
Total	<u>\$1,176,307</u>	<u>\$ 962,487</u>

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management can provide for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for doubtful accounts at June 30, 2017 and June 30, 2016 was \$-0- and \$-0-, respectfully as all of the current grants and contracts receivable are deemed to be fully collectible by management. Changes in the valuation allowance have not been material to the financial statements. Accounts receivable are considered to be delinquent if uncollected after 30 days of the due date.

Note 6. Revolving Housing Rehab Loans Receivable

The organization has certain revolving loan funds, which were originally financed with federal awards through the Community Development Block Grant Program. The funds were originally recognized as revenue in the year the funds were received. During that same year an expense was recognized for the cost of the rehab. Repayment is required either upon sale of the home or death of the homeowner. Repayment proceeds reduce the outstanding loan balance and additional rehab costs are recorded as additional loans outstanding. Revolving Housing Rehab Loans Receivable had an outstanding balance at June 30, 2017 and June 30, 2016 of \$ 2,351,094 and \$ 2,382,732 respectively with an allowance for uncollectible loans of \$ 73,000 and \$ 73,000 respectively for a net balance of \$ 2,278,094 and \$ 2,309,732 respectively.

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
NOTES TO FINANCIAL STATEMENTS
 June 30, 2017 and 2016

Note 7. Accrued Compensated Absences

Regular Employees may accrue vacation leave from the date of employment, but no leave may be taken during the first six months of employment. Vacation leave will be earned at the following rates for all regular full-time employees:

- 1-2 years 8 hours per month
- 3-9 years 10 hours per month
- 10 + years 14 hours per month

A maximum of 280 hours may be accumulated and is payable upon termination.

For regular part-time employees, working 20 hours per week and over, vacation leave is earned at a rate proportionate to the percentage of full-time employment.

No vacation leave benefits will be earned during a leave without pay.

A liability for compensated absences has been accrued in accordance with Statement on Financial Accounting Standards 43. Accordingly, the liability for accrued vacation as of June 30, 2017 and June 30, 2016 is \$ 95,603 and \$ 104,413 respectively.

Note 8. Allocation of Allocable Costs

Allocable costs incurred by Administration, the Central office, Baker County office, Union County Senior Center, and Wallowa County office are charged directly to one of five respective allocable cost funds. These accumulated costs are periodically allocated to the various programs based on each programs pro-rata share of agency direct expenses.

Total Allocable Costs incurred during the year were as follows:

	Administration Indirect Costs	Central Allocable Costs	Baker Allocable Costs	Union Allocable Costs	Wallowa Allocable Costs	Total
EXPENDITURES						
Personnel	\$ 349,473	\$ 68,999	\$ 39,770	\$ 40,587	\$ 49,550	\$ 548,379
Other Expenses	<u>110,608</u>	<u>64,931</u>	<u>39,774</u>	<u>54,836</u>	<u>55,397</u>	<u>325,546</u>
Total EXPENDITURES	<u>\$ 460,081</u>	<u>\$ 133,930</u>	<u>\$ 79,544</u>	<u>\$ 95,423</u>	<u>\$ 104,947</u>	<u>\$ 873,925</u>

Note 9. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

Periods after June 30, 2017 Specific grant programs	\$ 4,894,530
Periods after June 30, 2016 Specific grant programs	\$ 4,474,946

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017 and 2016

Note 10. Leases

Operating Leases

The organization maintains various operating leases of buildings for program, administrative, and storage use. The leases are generally on a year-to-year basis without material restrictive covenants. Total costs for the fiscal years ended June 30, 2017 and June 30, 2016 were \$ 36,763 and \$ 33,123 respectively.

Equipment Leases

The organization also maintains various operating leases for office equipment such as copiers and postage machines. Total costs for the fiscal year ended June 30, 2017 and June 30, 2016 were \$ 1,686 and \$ 1,686 respectively.

The following is a schedule of future minimum lease payments required under operating lease agreements:

Year Ended June 30,	
2018	20,740
2019	20,640
2020	20,640
2021	17,940
2022	16,440
Thereafter	115,200
Total	<u>\$ 211,600</u>

Note 11. Uncertain Tax Provisions

The Organization's federal and state income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitation on those tax returns. In general, the federal and state income tax returns have a three year statute of limitations. The Organization would recognize accrued interest and penalties associated with uncertain tax provisions, if any, as part of the income tax provision.

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

Note 12. Property, Equipment, and Vehicles

Following is a summary of changes in fixed assets:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Assets				
Land	\$ 397,045	\$ -	\$ -	\$ 397,045
Construction in Progress	-	-	-	-
Buildings	996,786	306,350	-	1,303,136
Property for Resale	-	-	-	-
Vehicles	1,689,343	292,409	-	1,981,752
Furniture and Equipment	427,544	13,128	7,693	432,979
Leasehold Improvements	30,771	23,900	-	54,671
Totals	<u>\$ 3,541,489</u>	<u>\$ 635,787</u>	<u>\$ 7,693</u>	<u>\$ 4,169,583</u>
Accumulated Depreciation & Amortization				
Land	\$ -	\$ -	\$ -	\$ -
Buildings	378,860	44,420	-	423,280
Property for Resale	-	-	-	-
Vehicles	1,490,345	85,233	-	1,575,578
Furniture and Equipment	389,301	11,514	7,693	393,122
Leasehold Improvements	11,359	3,645	-	15,004
Totals	<u>2,269,865</u>	<u>144,812</u>	<u>7,693</u>	<u>2,406,984</u>
Property and Equipment (net of accumulated depreciation)	<u>\$ 1,271,624</u>			<u>\$ 1,762,599</u>

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Assets				
Land	\$ 397,045	\$ -	\$ -	\$ 397,045
Construction in Progress	2,500	-	2,500	-
Buildings	1,030,057	-	-	1,030,057
Property for Resale	26,310	-	26,310	-
Vehicles	1,661,407	86,488	58,552	1,689,343
Furniture and Equipment	425,644	-	600	425,044
Totals	<u>\$ 3,542,963</u>	<u>\$ 86,488</u>	<u>\$ 87,962</u>	<u>\$ 3,541,489</u>
Accumulated Depreciation				
Land	\$ -	\$ -	\$ -	\$ -
Buildings	350,473	39,746	-	390,219
Property for Resale	-	-	-	-
Vehicles	1,456,455	92,442	58,552	1,490,345
Furniture and Equipment	358,010	31,891	600	389,301
Totals	<u>2,164,938</u>	<u>164,079</u>	<u>59,152</u>	<u>2,269,865</u>
Property and Equipment (net of accumulated depreciation)	<u>\$ 1,378,025</u>			<u>\$ 1,271,624</u>

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

Note 13. Notes Payable

	Amount
<p>Note Payable with Pioneer Bank (now Umpqua Bank); Secured by The Elms apartment complex in Baker City, Oregon. Monthly payments are \$ 2,976.77 at 5% interest. The Loan Matures June 15, 2021. The loan is secured by the apartment complex which has a carrying value of \$207,528 at June 30, 2017.</p>	<p style="border-bottom: 3px double black;">\$ 128,901</p>
<p>Note Payable with Community Bank; Secured by office building at 2802 Adams Avenue, La Grande, Oregon. Monthly Payments are \$ 2,596.96 at 5.25% interest until March 31, 2016 and then monthly payments of \$ 2,736.62 at 6.05% interest until March 1, 2031. The interest rate is an adjustable rate based on the Federal Home Loan Bank 5 year long term advances fixed rate plus a margin of 3.02%. The loan is secured by the real estate which has a carrying value of \$ 466,584 at June 30, 2017.</p>	<p>302,555</p>
Totals	431,456
Less: Current Maturities	44,414
Total Long-Term Notes Payable	\$ 387,042

Year Ending June 30,	Amount
2017	44,414
2018	47,050
2019	49,599
2020	51,954
2021	19,877
Thereafter	218,562
Total	431,456

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

Note 14. Beneficial Interest in Assets Held by Community Foundation

The Organization has transferred assets to The Oregon Community Foundation (the "Foundation") which is holding them as an endowed component fund ("Fund ") for the benefit of the Organization. The Organization has granted the Foundation variance power which gives the Foundation's Board of Trustees the power to use the Fund for other purposes in certain circumstances. The Fund is subject to the Foundation's investment and spending policies which currently result in a distribution to the Organization of 2.25 percent of the average quarterly value over the previous 12 quarters. The Organization reports the fair value of the Fund as Beneficial Interest in Assets Held at The Oregon Community Foundation in the statement of financial position and reports distributions received as investment income. Changes in the value of the Fund are reported as gains or losses in the statement of activities. Changes in the Fund for the years ended June 30, 2017 and 2016 are as follows:

Balance at July 1 , 2016	\$	81,309
Additional amounts invested in Fund		-
Share of appreciation of fund		10,152
Distributions received		-
Balance at June 30, 2017	<u>\$</u>	<u>91,461</u>

Balance at July 1 , 2015	\$	85,789
Additional amounts invested in Fund		-
Share of appreciation of fund		(2,952)
Distributions received		(1,528)
Balance at June 30, 2016	<u>\$</u>	<u>81,309</u>

Note 15. Subsequent Events

Management has evaluated events through October 23, 2017, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF SUPPORT AND REVENUE
For the Year Ended June 30, 2017

	In-Kind Facilities / Services	Contributions	Fund Raising	Grants, Awards and Contracts	Program Fees	Other	Total
Unrestricted Net Assets							
Operating GENERAL FUND	\$ -	\$ 12,793	\$ -	\$ -	\$ -	\$ 11,877	\$ 24,670
Total - Operating	-	12,793	-	-	-	11,877	24,670
Senior / Nutrition and Homecare Programs							
III E	-	-	-	32,343	-	2,500	34,843
VII B	-	-	-	1,892	-	-	1,892
ADRC	-	-	-	10,341	-	-	10,341
OPI	-	-	-	183,073	1,066	244,971	429,110
III B	9,370	-	-	85,544	-	75	94,989
FOOD SERVICES	415	66,558	15,523	454,276	151,922	28,404	717,098
III D DISEASE PREVENTION	31,056	-	-	2,603	-	-	33,659
LIVING WELL	-	-	-	2,975	-	-	2,975
BINGO	-	-	-	-	9,634	-	9,634
COMMUNITY FOOD SERVICES	-	-	-	-	50,072	-	50,072
SENIOR PROGRAMS	-	14,722	-	23,006	2,349	-	40,077
OPTIONS COUNSELING	-	-	-	36,499	-	-	36,499
STATE HPDP	-	-	-	3,435	-	667	4,102
MENTAL HEALTH	-	-	-	23,543	-	-	23,543
DEMENTIA (ADRC) TIER 1	-	-	-	11,860	-	-	11,860
VA Homecare	-	-	-	319,620	-	(244,971)	74,649
Total - Senior / Nutrition and Homecare Programs	40,841	81,280	15,523	1,191,010	215,043	31,646	1,575,343
Weatherization and Rehab Programs							
WALLOWA CDBG REHAB	-	-	-	-	-	-	-
FERRELL GAS '16	-	-	-	252	-	-	252
REVOLVING LOAN FUND	-	-	-	-	-	106,131	106,131
DOE 2016	-	-	-	72,860	-	44	72,904
LIHEAP WX & EE 2016	-	-	-	159,512	-	1,500	161,012
LIHEAP WX & EE 2017	-	-	-	43,278	-	995	44,273
BPA 2016	-	-	-	58,319	-	22	58,341
ECHO WX PC	-	-	-	43,359	-	-	43,359
BPA FY 2017	-	-	-	9,060	-	-	9,060
UTILITY REBATES	-	-	-	-	33,602	396	33,998
IDAHO POWER WX	-	-	-	-	-	27	27
ECHO EE PC	-	-	-	10,419	-	-	10,419
LIHEAP 18 WX	-	-	-	-	-	749	749
Total - Weatherization and Rehab Programs	-	-	-	397,059	33,602	109,864	540,525

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COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF SUPPORT AND REVENUE
 For the Year Ended June 30, 2017

(Continued from the Last Page)

	In-Kind Facilities / Services	Contributions	Fund Raising	Grants, Awards and Contracts	Program Fees	Other	Total
Emergency Assistance and Self-Sufficiency Programs							
ESG 16	-	-	-	25,393	-	-	25,393
ESG 17	-	-	-	591	-	71	662
HSP	-	-	-	6,502	-	-	6,502
FEMA	-	-	-	20,456	-	-	20,456
LIRHF	-	-	-	4,748	-	-	4,748
SHAP	-	-	-	20,700	-	-	20,700
HOME TBA 15-16 & 16	-	-	-	39,975	-	-	39,975
EHA	-	-	-	30,094	-	63	30,157
BAKER & WALLOWA MINISTERIAL FUND	-	2,669	-	-	-	150	2,819
CONTINUUM OF CARE	-	-	-	120,961	10,777	1,318	133,056
HOME TBA 17	-	-	-	2,069	-	-	2,069
EHA 17 - NEW	-	-	-	102,669	-	-	102,669
SHAP 17 - NEW	-	-	-	24,703	-	-	24,703
NEW - HSP	-	-	-	10,708	-	-	10,708
EHA VA DRF	-	-	-	10,143	-	-	10,143
ANDERSON FUND-UNION COUNTY	-	2,530	-	-	-	100	2,630
SSVF - Veterans Grant	-	-	-	83,734	-	-	83,734
Total - Emergency Assistance and Self-Sufficiency Programs	-	5,199	-	503,446	10,777	1,702	521,124
Energy Assistance Programs							
OTEC ENERGY ASSISTANCE	-	-	-	27,851	-	-	27,851
OEA 2016	-	-	-	12,807	-	-	12,807
LIHEAP ENERGY 2016	-	-	-	197,027	-	-	197,027
PROJECT SHARE WINTER HELP	-	(386)	-	1,361	-	-	975
LIHEAP ENERGY 17	-	-	-	851,861	-	30	851,891
WALK FOR WARMTH	-	15,659	-	-	-	-	15,659
LIRAP	-	880	-	2,965	-	735	4,580
OEA FY 17	-	-	-	42,915	-	-	42,915
OREGON HEAT ADMIN	-	-	-	-	-	651	651
CASCADE NATURAL GAS	-	-	-	-	-	398	398
Total - Energy Assistance Programs	-	16,153	-	1,136,787	-	1,814	1,154,754

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COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF SUPPORT AND REVENUE
 For the Year Ended June 30, 2017

(Continued from the Last Page)

	In-Kind Facilities / Services	Contributions	Fund Raising	Grants, Awards and Contracts	Program Fees	Other	Total
Transportation Programs	-	-	-	39,019	-	-	39,019
TRANSPORTATION OPTIONS	-	-	-	1,790,998	74,734	(6,220)	1,863,108
TRANSPORTATION	-	3,596	-	33,006	10,814	-	43,820
INTERCITY TRANSPORTATION	-	-	-	(41,523)	-	-	(41,523)
BETC	-	-	-	282,470	-	-	282,470
WALLOWA CO BUS BARN	-	-	-	64,884	782	3,212	69,008
RIDES TO WELLNESS	-	130	-	105,658	-	7,783	113,491
VETERANS TRANSPORTATION	-	50	-	-	-	7,498	25,790
GREYHOUND	-	-	-	-	18,292	-	-
Total - Transportation Programs	-	3,776	-	2,274,512	104,622	12,273	2,395,183
Housing Programs	-	-	-	17,700	-	-	17,700
SB 558 FORECLOSURE AVOIDANCE	-	-	-	7,410	-	1,403	8,813
VIDA	-	-	-	-	127,238	3,424	130,662
THE ELMS APARTMENTS	-	-	-	-	-	-	4,248
NFMC	-	-	-	4,248	-	-	4,248
MPA & LPA-OHSI	-	-	-	8,675	-	400	9,075
HOME OWNERSHIP ASSISTANCE PROGRAM	-	-	-	42,004	-	-	42,004
CAPITAL FUND	-	-	-	-	-	738	738
HUD GRANT - PROGRAM YEAR 15	-	-	-	(6,223)	-	-	(6,223)
HUD GRANT - PROGRAM YEAR 16	-	-	-	8,492	-	-	8,492
Total - Housing Programs	-	-	-	82,306	127,238	5,965	215,509
Community Services	-	-	-	115,237	-	1,009	116,246
CSBG 2016 & CSBG 15 DISCR	-	-	-	45,023	-	502	45,525
CSBG 2017	-	-	-	-	-	4,967	4,967
MODA HEALTH	-	-	-	-	-	-	-
Total - Community Services	-	-	-	160,260	-	6,478	166,738
Food Bank Program	-	-	-	-	-	-	-
FOOD BANK	319,216	49,277	3,373	93,417	51,933	602	517,818
Total - Food Bank Program	319,216	49,277	3,373	93,417	51,933	602	517,818

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COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF SUPPORT AND REVENUE
 For the Year Ended June 30, 2017

(Continued from the Last Page)

	In-Kind Facilities / Services	Contributions	Fund Raising	Grants, Awards and Contracts	Program Fees	Other	Total
Youth Programs							
KIDS CLUB	6,983	2,740	5,865	41,338	95,412	-	152,338
SUMMER FOOD SERVICE PROGRAM	-	-	-	21,057	386	-	21,443
RAC OPERATING FUND	-	-	-	-	51,624	-	51,624
RIVERIA BUILDING PROJECT	-	-	-	12,500	-	10,400	22,900
EARLY HEAD START	-	-	-	55,164	-	13,000	68,164
Total - Youth Programs	6,983	2,740	5,865	130,059	147,422	23,400	316,469
Other Programs							
Total - Other Programs	-	-	-	-	-	-	-
Total Unrestricted Net Assets	\$ 367,040	\$ 171,218	\$ 24,761	\$ 5,968,856	\$ 690,637	\$ 205,621	\$ 7,428,133

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
 For the Year Ended June 30, 2017

2 - Senior / Nutrition and Homecare Programs

	III E	VII B	A D R C	O P I	III B	FOOD SERVICES	III D DISEASE PREVENTION	LIVING WELL	BINGO
Support Services Management and General Legal	\$ 2,233	\$ -	\$ -	\$ 3,743	\$ -	\$ -	\$ -	\$ 188	\$ 272
Total Support Services	2,233	-	-	3,743	-	46,851	-	188	272
Program Services									
Personnel	8,537	1,191		35,557	39,847	245,479	1,141	1,281	832
Other Employee Benefits	2,534	303		9,896	9,564	57,466	357	428	135
Office Expense	178	787		2,901	3,441	34,242	26	-	129
Occupancy	-	-		-	-	803	-	-	-
Vehicles and Equipment	207	180		354	292	7,739	22	51	-
Travel, Training and Technical Assistance	1,694	6		2,495	1,706	7,276	803	736	-
Advertising	506	-		823	392	1511	332	-	-
Insurance	-	-		352	-	-	-	-	-
Contract Labor and Services	4,029	222		9,037	16,333	29,608	800	-	-
Client Assistance	10,507	-		332,974	-	(14)	-	-	-
Other Direct Charges	2,040	-		50	24	240,048	13	-	2,250
Program Support	-	-		(38)	(7,425)	(15,478)	1,928	-	-
Allocable Costs	2,585	124		29,966	3,410	45,716	350	290	296
Fundraising Expenses	-	-		-	-	2,701	-	-	495
Total Program Services	32,817	1,891	6,602	424,291	67,774	656,997	5,772	2,786	4,137
Sub-Total Before In-Kind	35,050	1,891	10,345	441,036	87,358	703,848	5,772	2,974	4,409
In-Kind Facilities / Services	-	-	-	-	9,370	415	31,056	-	-
Total Functional Expenses	\$ 35,050	\$ 1,891	\$ 10,345	\$ 441,036	\$ 96,728	\$ 704,263	\$ 36,828	\$ 2,974	\$ 4,409

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COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
 For the Year Ended June 30, 2017

(Continued from the Last Page)

2 - Senior / Nutrition and Homecare Programs

	COMMUNITY FOOD SERVICES	OPTIONS COUNSELIN G	STATEHPDP	MENTAL HEALTH	DEMENTIA (ADRC) TIER 1	VA Homecare	Total
Support Services							
Management and General	\$ 4,242	\$ 1,764	\$ 662	\$ 1,450	\$ 1,236	\$ 16,415	\$ 115,385
Legal	-	-	-	-	-	-	-
Total Support Services	4,242	1,764	662	1,450	1,236	16,415	115,385
Program Services							
Personnel	10,604	7,155	2,933	3,321	(111)	36,248	395,251
Other Employee Benefits	2,329	2,048	895	834	(18)	9,312	96,523
Office Expense	1,597	203	105	468	-	116	44,193
Occupancy	492	-	-	-	-	-	1,295
Vehicles and Equipment	97	-	10	72	10	34	9,068
Travel, Training and Technical Assistance	-	609	324	50	883	657	19,708
Advertising	64	55	299	-	(256)	45	4,506
Insurance	-	-	-	-	-	-	352
Contract Labor and Services	-	25,653	-	14,804	8,742	-	109,228
Client Assistance	-	1	-	-	-	796	344,164
Other Direct Charges	17,732	-	-	-	-	-	262,347
Program Support	-	(6,261)	(1,929)	49	-	-	(29,154)
Allocable Costs	2,796	5,272	694	2,495	1,375	5,365	101,458
Fundraising Expenses	-	-	-	-	-	-	3,196
Total Program Services	35,711	34,735	3,331	22,093	10,625	52,573	1,362,135
Sub-Total Before In-Kind	39,953	36,499	3,993	23,543	11,861	68,988	1,477,520
In-Kind Facilities / Services	-	-	-	-	-	-	40,841
Total Functional Expenses	\$ 39,953	\$ 36,499	\$ 3,993	\$ 23,543	\$ 11,861	\$ 68,988	\$ 1,518,361

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
 For the Year Ended June 30, 2017

3 - Weatherization and Rehab Programs

	WALLOWA CDBG REHAB	FERRELL GAS 16	REVOLVING LOAN FUND	DOE 2017	DOE 2016	LIHEAP WX & EE 2016	LIHEAP WX & EE 2017	BPA 2016	ECHO WX PC	BPA FY 2017	UTILITY REBATES	IDAHO POWER WX	ECHO EE PC	Total
Support Services	458	252	10,706	-	6,649	8,404	4,562	3,442	2,875	503	406	2	689	38,988
Management and General	458	252	10,706	-	6,649	8,404	4,562	3,442	2,875	503	406	2	689	38,988
Legal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Support Services	458	252	10,706	-	6,649	8,404	4,562	3,442	2,875	503	406	2	689	38,988
Program Services	532	-	22,581	-	17,895	26,082	4,315	12,298	5,608	2,566	4,839	20	1,248	97,574
Personnel	144	-	5,543	-	4,421	6,677	978	3,377	14,100	600	821	1	333	24,305
Other Employee Benefits	-	-	1,635	-	76	1,447	283	9	-	-	42	-	-	3,192
Office Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles and Equipment	-	-	1,791	33	812	822	616	111	375	778	-	-	-	5,338
Travel, Training and Technical Assistance	-	-	2	-	7,115	1,104	6	1,060	-	1,544	1	-	76	10,908
Advertising	-	-	-	-	206	133	-	-	84	-	-	-	-	423
Insurance	-	-	703	-	1,626	4,874	600	-	4,170	427	-	-	489	9,189
Contract Labor and Services	4,586	-	65,591	-	32,038	95,143	18,834	31,548	25,640	-	3,447	-	450	277,177
Client Assistance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Direct Charges	-	-	9	-	17	514	915	135	-	(270)	296	-	6,506	8,096
Program Support	-	-	-	-	(9,966)	(6)	9,972	-	-	-	-	-	(25)	1
Allocable Costs	900	-	20,858	-	11,972	6,075	3,208	3,566	6,087	3,106	2,130	4	675	67,521
Fundraising Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Program Services	6,162	-	18,713	33	66,212	51,505	39,727	52,104	39,574	8,341	11,576	25	9,762	503,734
Sub-Total Before In-Kind	6,620	252	29,419	33	72,861	59,909	44,289	55,546	42,449	8,854	11,982	27	10,461	542,702
In-Kind Facilities / Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Functional Expenses	6,620	252	29,419	33	72,861	59,909	44,289	55,546	42,449	8,854	11,982	27	10,461	542,702

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
 For the Year Ended June 30, 2017

4 - Emergency Assistance and Self-Sufficiency Programs

	ESG 16	ESG 17	HSP	FEMA	LIRHF	SHAP	HOME TBA '5-16 & 16	EHA	BAKER & WALLOWA MINISTERIAL FUND
Support Services									
Management and General	\$ 850	\$ -	\$ 650	\$ 1,311	\$ 322	\$ 2,085	\$ 1,572	\$ 516	\$ 195
Legal	-	-	-	-	-	-	-	-	-
Total Support Services	850	-	650	1,311	322	2,085	1,572	516	195
Program Services									
Personnel	5,095	-	2,168	4	537	3,710	9,536	7,693	384
Other Employee Benefits	1,115	-	478	-	144	829	2,010	1812	93
Office Expense	-	-	-	-	-	-	89	109	-
Occupancy	-	-	-	-	-	-	-	-	-
Vehicles and Equipment	-	-	-	-	-	-	45	-	-
Travel, Training and Technical Assistance	3	-	21	162	-	19	-	232	19
Advertising	-	-	-	-	-	-	49	-	-
Insurance	-	-	-	-	-	-	-	-	-
Contract Labor and Services	687	-	-	-	-	-	1,189	-	-
Client Assistance	22,833	591	9,217	2,136	2,606	17,145	36,847	743	2,142
Other Direct Charges	-	-	-	18,458	-	-	-	15	-
Program Support	(8,104)	-	(6,899)	25	927	(4,356)	(14,309)	18,919	-
Allocable Costs	2,915	-	867	1,665	212	1,268	2,948	112	195
Fundraising Expenses	-	-	-	-	-	-	-	-	-
Total Program Services	24,542	591	5,852	22,450	4,426	18,615	38,404	29,635	2,833
Sub-Total Before In-Kind	25,392	591	6,502	23,761	4,748	20,700	39,976	30,151	3,028
In-Kind Facilities / Services	-	-	-	-	-	-	-	-	-
Total Functional Expenses	\$ 25,392	\$ 591	\$ 6,502	\$ 23,761	\$ 4,748	\$ 20,700	\$ 39,976	\$ 30,151	\$ 3,028

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COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM

For the Year Ended June 30, 2017

(Continued from the Last Page)

4 - Emergency Assistance and Self-Sufficiency Programs

	CONTINUUM OF CARE	HOME TBA T	EHA T - NEW	SHAP T - NEW	NEW - HSP	EHA VA DRF	ANDERSON FUND-UNION COUNTY	SSVF - Veterans Grant	Total
Support Services									
Management and General	\$ 6,163	\$ 1,295	\$ 10,267	\$ 2,470	\$ -	\$ 1,052	\$ -	\$ 6,395	\$ 35,143
Legal	-	-	-	-	-	-	-	-	-
Total Support Services	6,163	1,295	10,267	2,470	-	1,052	-	6,395	35,143
Program Services									
Personnel	33,102	-	16,536	3,564	690	825	380	29,703	113,927
Other Employee Benefits	6,802	-	3,789	671	180	240	86	6,250	24,497
Office Expense	-	-	32	-	-	-	-	1666	1896
Occupancy	-	-	-	-	-	-	-	355	355
Vehicles and Equipment	130	-	507	-	-	-	-	501	1,183
Travel, Training and Technical Assistance	459	-	3,682	19	-	-	-	4,040	8,656
Advertising	49	-	-	-	-	-	-	264	362
Insurance	-	-	-	-	-	-	-	176	176
Contract Labor and Services	1614	-	957	-	-	-	-	-	4,447
Client Assistance	10,655	774	22,084	14,011	10,708	8,722	2,171	27,631	29,106
Other Direct Charges	1000	-	361	-	-	-	-	-	19,834
Program Support	(36,657)	-	34,849	2,487	(1,372)	(1,057)	(210)	-	(15,757)
Allocable Costs	9,590	-	9,605	1,480	501	789	231	6,873	39,251
Fundraising Expenses	-	-	-	-	-	-	-	-	-
Total Program Services	126,744	774	92,402	22,232	10,707	9,519	2,658	77,459	489,843
Sub-Total Before In-Kind	132,907	2,069	102,669	24,702	10,707	10,571	2,658	83,854	524,986
In-Kind Facilities / Services	-	-	-	-	-	-	-	-	-
Total Functional Expenses	\$ 132,907	\$ 2,069	\$ 102,669	\$ 24,702	\$ 10,707	\$ 10,571	\$ 2,658	\$ 83,854	\$ 524,986

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
 For the Year Ended June 30, 2017

5 - Energy Assistance Programs

	OTEC ENERGY ASSISTANCE		OEA 2016		LIHEAP ENERGY 2016		PROJECT SHARE/WINTER HELP		LIHEAP ENERGY 17		WALK FOR WARMTH		LIRAP		OEA FY 17		OREGON HEAT ADMIN		CASCADE NATURAL GAS		AVISTA CARES		Total
	\$		\$		\$		\$		\$		\$		\$		\$		\$		\$		\$		
Support Services	1834		639		639		59,562		671		671		303		303		4,420		44		26		82,118
Management and General					14,504																		
Legal					14,504		59,562		671		671		303		303		4,420		44		26		82,118
Total Support Services	1834		639		14,504		59,562		671		671		303		303		4,420		44		26		82,118
Program Services																							
Personnel	2,299		1,041		30,477		44,092		796		796		2,361		2,361		2,302		454		267		84,260
Other Employee Benefits	590		300		4,937		8,774		96		96		482		482		613		89		50		16,122
Office Expense					350		124																474
Occupancy																							
Vehicles and Equipment					585		911																1,496
Travel, Training and Technical Assistance					2,055		650		2		2												2,707
Advertising					390		493																883
Insurance							470																470
Contract Labor and Services							2,520																2,520
Client Assistance					19,028		687,721		8,941		8,941		933		933		34,665						883,707
Other Direct Charges					7,499		38				38						(1886)						7,537
Program Support																							(1,780)
Allocable Costs					18,183		46,512		905		905		446		446		2,801		65		54		71,482
Fundraising Expenses																							
Total Program Services	25,478		12,916		183,204		792,305		10,946		10,946		4,222		4,222		38,495		608		371		1,069,878
Sub-Total Before In-Kind	27,312		13,555		197,708		851,887		11,617		11,617		4,525		4,525		42,915		652		397		1,519,96
In-Kind Facilities / Services																							
Total Functional Expenses	\$ 27,312		\$ 13,555		\$ 197,708		\$ 851,887		\$ 11,617		\$ 11,617		\$ 4,525		\$ 4,525		\$ 42,915		\$ 652		\$ 397		\$ 1,519,96

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
For the Year Ended June 30, 2017

6 - Transportation Programs

	TRANSPORTATION OPTIONS	TRANSPORTATION	INTERCITY TRANSPORTATION	BETC	WALLOWA CO BUS BARN	RIDES TO WELLNESS	VETERANS TRANSPORTATION	GREYHOUND	Total
Support Services									
Management and General	\$ 2,716	\$ 169,174	\$ 1872	\$ 37	\$ 21,907	\$ -	\$ -	\$ -	\$ 195,706
Legal	-	-	-	-	-	-	-	-	-
Total Support Services	2,716	169,174	1,872	37	21,907	-	-	-	195,706
Program Services									
Personnel	16,702	829,081	38,430	-	1,732	17,615	16,359	9,316	931,235
Other Employee Benefits	6,080	163,587	6,701	-	431	2,374	5,071	2,327	186,571
Office Expense	808	21,103	696	-	-	-	14	13,632	36,253
Occupancy	-	34,921	-	-	52	-	-	-	34,973
Vehicles and Equipment	387	274,347	2,1662	-	-	147	880	-	297,423
Travel, Training and Technical Assistance	2,115	13,789	-	-	-	-	3,017	-	19,016
Advertising	8,866	9,464	1,940	-	-	-	-	-	20,270
Insurance	732	8,757	-	-	-	-	-	-	11,680
Contract Labor and Services	-	13,253	-	-	1,186	793	48	164	23,957
Client Assistance	381	42,081	-	-	9,254	670	780	-	61,175
Other Direct Charges	361	9,052	-	-	-	1,837	16,876	-	34,509
Program Support	-	8,1804	(31,750)	-	38	24,504	39	515	-
Allocable Costs	2,209	57,079	4,747	1	(87,248)	(5,651)	42,845	-	91,492
Fundraising Expenses	-	80	-	-	2,1366	3	6,087	-	80
Total Program Services	38,641	1,558,398	42,426	1	(53,189)	42,387	94,016	25,954	1,748,634
Sub-Total Before In-Kind	41,357	1,727,572	44,298	38	(31,282)	42,387	94,016	25,954	1,944,340
In-Kind Facilities / Services	-	-	-	-	-	-	-	-	-
Total Functional Expenses	\$ 41,357	\$ 1,727,572	\$ 44,298	\$ 38	\$ (31,282)	\$ 42,387	\$ 94,016	\$ 25,954	\$ 1,944,340

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
For the Year Ended June 30, 2017

7 - Housing Programs

	SB 558 FORECLOSURE AVOIDANCE	VIDA	THE ELMS APARTMENTS	NFMC	MPA & LPA- OHSI	HOME OWNERSHIP ASSISTANC E PROGRAM	CAPITAL FUND	HUD GRANT - PROGRAM YEAR '6	HUD GRANT - PROGRAM YEAR '6	Total
Support Services	\$ 157	\$	535	\$	2,083	\$	3,116	\$	708	\$ 17,568
Management and General	-	-	111	-	-	-	-	-	-	111
Legal	-	-	-	-	-	-	-	-	-	-
Total Support Services	157	535	9,544	287	2,083	3,116	708	56	93	17,679
Program Services										
Personnel	10,373	4,474	26,737	2,672	5,256	22,402	28	1,607	4,805	78,354
Other Employee Benefits	2,753	1,482	2,129	706	1,363	6,064	-	424	1,338	15,959
Office Expense	44	56	4,908	-	3,505	588	-	-	544	9,645
Occupancy	-	-	33,012	-	-	-	-	-	-	33,012
Vehicles and Equipment	-	-	-	-	-	1,887	-	-	624	2,511
Travel, Training and Technical Assistance	104	376	16,955	35	112	10,511	-	-	306	36,779
Advertising	-	-	16,165	-	-	643	-	-	15	22,773
Insurance	-	-	3,076	-	-	-	-	-	747	3,823
Contract Labor and Services	-	-	15,080	-	-	-	-	-	-	15,080
Client Assistance	-	-	-	-	-	-	-	-	-	-
Other Direct Charges	-	-	4,009	-	-	79	-	-	31	4,119
Program Support	-	-	-	-	3,633	-	-	(2,251)	(1,382)	-
Allocable Costs	2,232	1,021	447	589	1,954	5,763	5	164	1,288	13,463
Fundraising Expenses	-	-	-	-	-	-	-	-	-	-
Total Program Services	15,506	7,109	92,708	4,002	15,823	38,477	33	(56)	8,316	181,918
Sub-Total Before In-Kind	16,663	7,644	102,252	4,289	17,906	41,593	741	-	8,509	199,597
In-Kind Facilities / Services	-	-	-	-	-	-	-	-	-	-
Total Functional Expenses	16,663	7,644	102,252	4,289	17,906	41,593	741	-	8,509	199,597

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
For the Year Ended June 30, 2017

8 - Community Services

	CSBG 2016 & CSBG % DISCR	CSBG 2017	MODA HEALTH	Total
Support Services				
Management and General	\$ 20,464	\$ 4,598	\$ 322	\$ 25,384
Legal	-	-	-	-
Total Support Services	20,464	4,598	322	25,384
Program Services				
Personnel	19,784	8,385	2,130	30,299
Other Employee Benefits	4,482	1,748	616	6,846
Office Expense	318	1,510	35	1,863
Occupancy	-	-	-	-
Vehicles and Equipment	1	-	22	23
Travel, Training and Technical Assistance	461	594	645	1,700
Advertising	86	-	10	96
Insurance	-	-	-	-
Contract Labor and Services	600	720	-	1,320
Client Assistance	-	-	-	-
Other Direct Charges	495	-	671	1,166
Program Support	65,370	26,991	-	92,361
Allocable Costs	4,186	853	516	5,555
Fundraising Expenses	-	-	-	-
Total Program Services	95,783	40,801	4,645	141,229
Sub-Total Before In-Kind	116,247	45,399	4,967	166,613
In-Kind Facilities / Services	-	-	-	-
Total Functional Expenses	\$ 116,247	\$ 45,399	\$ 4,967	\$ 166,613

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
 For the Year Ended June 30, 2017

9 - Food Bank Program

	FOOD BANK	Total
Support Services		
Management and General	11,712	11,712
Legal	-	-
Total Support Services	<u>11,712</u>	<u>11,712</u>
Program Services		
Personnel	76,197	76,197
Other Employee Benefits	15,143	15,143
Office Expense	651	651
Occupancy	12,287	12,287
Vehicles and Equipment	9,143	9,143
Travel, Training and Technical Assistance	3,001	3,001
Advertising	204	204
Insurance	860	860
Contract Labor and Services	577	577
Client Assistance	-	-
Other Direct Charges	33,902	33,902
Program Support	(11,860)	(11,860)
Allocable Costs	12,397	12,397
Fundraising Expenses	-	-
Total Program Services	<u>152,502</u>	<u>152,502</u>
Sub-Total Before In-Kind	164,214	164,214
In-Kind Facilities / Services	319,216	319,216
Total Functional Expenses	<u>\$ 483,430</u>	<u>\$ 483,430</u>

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
For the Year Ended June 30, 2017

91- Youth Programs

	KIDS CLUB	SUMMER FOOD SERVICE PROGRAM	RAC OPERATING FUND	EARLY HEAD START	Total
Support Services					
Management and General	\$ 13,436	\$ 2,864	\$ 4,009	\$ 5,675	\$ 25,984
Legal	-	-	-	-	-
Total Support Services	13,436	2,864	4,009	5,675	25,984
Program Services					
Personnel	137,536	8,529	4,493	42,547	193,105
Other Employee Benefits	17,113	331	975	4,932	23,351
Office Expense	3,008	1,608	2,612	875	8,103
Occupancy	10,560	4,880	43,149	4,800	63,389
Vehicles and Equipment	2,196	62	723	30	3,011
Travel, Training and Technical Assistance	447	-	87	-	534
Advertising	249	-	-	-	249
Insurance	1,482	2,357	2,309	398	6,546
Contract Labor and Services	407	167	-	-	574
Client Assistance	-	-	-	-	-
Other Direct Charges	4,289	10,642	172	2,488	17,591
Program Support	(15,745)	(8,720)	-	(11,506)	(35,971)
Allocable Costs	(1,593)	3,720	1,597	4,621	8,345
Fundraising Expenses	618	-	-	-	618
Total Program Services	160,567	23,576	56,117	49,185	289,445
Sub-Total Before In-Kind	174,003	26,440	60,126	54,860	315,429
In-Kind Facilities / Services	6,983	-	-	-	6,983
Total Functional Expenses	\$ 180,986	\$ 26,440	\$ 60,126	\$ 54,860	\$ 322,412

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
For the Year Ended June 30, 2017

95 - Other Programs

	ADMIN INDIRECT	CENTRAL DIRECT COSTS	BAKER DIRECT COSTS	UNION DIRECT COSTS	WALLOWA DIRECT COSTS	Total
Support Services						
Management and General	\$ (28,382)	-	\$ 23	\$ -	\$ -	\$ (28,359)
Legal	-	-	-	-	-	-
Total Support Services	<u>(28,382)</u>	<u>23</u>	<u>23</u>	<u>-</u>	<u>-</u>	<u>(28,359)</u>
Program Services						
Personnel	-	56,174	33,640	36,293	36,814	164,921
Other Employee Benefits	-	13,063	6,209	4,424	10,795	34,491
Office Expense	-	12,323	7,710	9,498	5,923	35,454
Occupancy	(5,523)	19,414	20,232	29,524	35,744	99,391
Vehicles and Equipment	-	15,614	4,934	5,023	7,631	33,202
Travel, Training and Technical Assistance	-	149	-	1,383	1,607	3,139
Advertising	-	321	450	981	632	2,384
Insurance	-	6,025	7,233	6,083	4,229	23,570
Contract Labor and Services	-	-	961	368	-	1,329
Client Assistance	-	-	-	-	-	-
Other Direct Charges	(11)	-	18	159	8	274
Program Support	-	-	-	-	-	-
Allocable Costs	28,642	(133,830)	(79,544)	(95,423)	(104,946)	(385,201)
Fundraising Expenses	-	-	35	-	-	35
Total Program Services	<u>23,108</u>	<u>(10,847)</u>	<u>1,978</u>	<u>(1,687)</u>	<u>437</u>	<u>12,989</u>
Sub-Total Before In-Kind	(5,274)	(10,847)	2,001	(1,687)	437	(15,370)
In-Kind Facilities / Services	-	-	-	-	-	-
Total Functional Expenses	<u>\$ (5,274)</u>	<u>\$ (10,847)</u>	<u>\$ 2,001</u>	<u>\$ (1,687)</u>	<u>\$ 437</u>	<u>\$ (15,370)</u>

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**AUDIT DELIVERABLES REQUIRED
BY THE SINGLE AUDIT ACT**

LEWIS, POE, MOELLER, GUNDERSON & ROBERTS, LLC

CERTIFIED PUBLIC ACCOUNTANTS

1121 ADAMS AVENUE • P.O. BOX 1024

LA GRANDE, OREGON 97850-1024

**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***

Board of Directors
Community Connection of Northeast Oregon, Inc.
2802 Adams Avenue
La Grande, OR 97850

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Connection of Northeast Oregon, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 23, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Connection of Northeast Oregon, Inc.'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Connection of Northeast Oregon, Inc.'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 financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over financial reporting 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 Community Connection of Northeast Oregon, Inc.'s financial statements are free of 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 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.

Yvonne K. Roberts, CPA

LEWIS, POE, MOELLER, GUNDERSON & ROBERTS, LLC

La Grande, Oregon
October 23, 2017

LEWIS, POE, MOELLER, GUNDERSON & ROBERTS, LLC

CERTIFIED PUBLIC ACCOUNTANTS

1121 ADAMS AVENUE • P.O. BOX 1024

LA GRANDE, OREGON 97850-1024

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance Required by the Uniform Guidance

Board of Directors
Community Connection of Northeast Oregon, Inc.
2802 Adams Avenue
La Grande, OR 97850

Report on Compliance for Each Major Federal Program

We have audited Community Connection of Northeast Oregon, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community Connection of Northeast Oregon, Inc.'s major federal programs for the year ended June 30, 2017. Community Connection of Northeast Oregon, Inc.'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Community Connection of Northeast Oregon, Inc.'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 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 Community Connection of Northeast Oregon, Inc.'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 Community Connection of Northeast Oregon, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion Community Connection of Northeast Oregon, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of Community Connection of Northeast Oregon, Inc. 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 Community Connection of Northeast Oregon, Inc.'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 our 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 the 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.

Yvonne K. Roberts, CPA

LEWIS, POE, MOELLER, GUNDERSON & ROBERTS, LLC

La Grande, Oregon
October 23, 2017

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Program Title	Grant Number	Federal CFDA Number	Expenditures
Department of Treasury			
National Foreclosure Mitigation Counseling		21.XXX	\$ 4,248
Department of Housing and Urban Development			
Hud Housing Counseling Grant 2016	HC16-092-1044	14.169	8,492
Continuum of Care	OR0085LOE51407	14.235	120,961
Total Passed through Department of Housing and Urban Development			129,453
Passed through the Oregon Infrastructure Finance Authority:			
Community Development Block Grant - Res Rehab Revolving Loan Func	H98018, H91014, H96036	14.228	823,512
Passed through the Union County:			
Community Development Block Grant - Res Rehab Revolving Loan Func	H020016, H00021, HR709	14.228	646,991
Passed through the Grant County:			
Community Development Block Grant - Res Rehab Revolving Loan Func	HR103	14.228	222,395
Passed through the Wallowa County:			
Community Development Block Grant - Res Rehab Revolving Loan Func	HR808, H11012	14.228	527,387
Passed through the Baker County:			
Community Development Block Grant - Res Rehab Revolving Loan Func	HR401	14.228	170,928
Total Community Development Block Grant - Res Rehab Revolving Loan Fund		14.228	2,391,213
Passed through the Housing and Community Services Department			
Emergency Shelter Grant Program	E16-DC-41-0001	14.231	25,984
HOME Tenant Based Assistance Program	M-16-SG-41-0100/M-16-SG-41-0100/M	14.239	42,044
Total Passed through Housing and Community Services			68,028
Total Department of Housing and Urban Development			2,588,694
Department of Energy			
Passed through the Housing and Community Services Department			
Department of Energy Weatherization (DOE 16)	DE-EE0006179	81.042	72,860
Bonneville Power Administration (BPA 16 & 17)	70589	81.XXX	67,379
Total Department of Energy			140,239
Department of Education			
Passed through Oregon Department of Human Services,			
Aging and Persons with Disabilities Division			
Rehabilitation Services - Vocational Rehabilitation Grants to States	Basic 110	84.126	90
Department of Health and Human Services			
Passed through Housing and Community Services Department			
Temporary Assistance to Needy Families (HSP)	100917	93.558	17,210
Low Income Energy Assistance Program and WX 16	G-16B1ORLIEA	93.568	356,539
Low Income Energy Assistance Program and WX 17	G-17B1ORLIEA	93.568	892,319
Total CFDA 93.568			1,248,858
Community Services Block Grant (CSBG 16 & CSBG 15 Disc)	G-16B1ORCOSR	93.569	115,237
Community Services Block Grant (CSBG 17)	G-17B1ORCOSR	93.569	44,791
Total CFDA 93.569			160,028
Total Passed through Housing and Community Services			1,426,096
Passed through Oregon Department of Human Services,			
Aging and Persons with Disabilities Division			
Cluster - Special Programs for the Aging			
Title III B	148984	93.044	79,184
Title III C-1 & C-2	148984	93.045	205,213
USDA Cash in Lieu of Commodities (NSIP)	148984	93.053	67,184
Total Cluster - Special Programs for the Aging			351,581
Special Programs for the Aging-Title VII, Ch. 3-Programs for			
Prevention of elder Abuse, Neglect, and Exploitation	148984-P1/P-2	93.041	2,288
Aging & Disability Resource Connection	141213	93.517	10,341
Medicaid Cluster: Title XIX-MOW	N/A	93.778	73,153
Title VII B	148984	93.042	1,891
Title III D	148984	93.043	5,478
Title III E	148984	93.052	32,223
Dementia Capable Systems Grant	146743	93.051	2,975
Total Passed through Oregon Department of Human Services			479,930
Total Department of Health and Human Services			1,906,026

Federal Emergency Management Agency			
Passed through Emergency Food and Shelter Program	N/A		
Emergency Food and Shelter (FEMA 13)		85.523	<u>20,456</u>
Department of Transportation			
Passed through Oregon Department of Transportation			
Formula Grants for Rural Areas	30466/31026	20.509	733,211
Purchase Service Grant	N/A	20.513	<u>40,215</u>
Total passed through Oregon Department of Transportation			<u>773,426</u>
Passed through Union County, Oregon			
Purchase Service Grant	30786	20.513	<u>244,724</u>
Total CFDA 20.513			<u>284,939</u>
Highway Planning and Construction Cluster: Transportation Options	30842	20.205	<u>29,603</u>
Total passed through Union County, Oregon			<u>274,327</u>
Total Department of Transportation			<u>1,047,753</u>
US Department of Veterans Affairs			
Passed through Oregon Department of Veterans Affairs			
Transportation of Veterans in Highly Rural Areas	742-2015-HRTG-014	64.035	85,658
Passed through CAPO			
Supportive Services for Veteran Families (SSVF)	C2015-OR-505A	64.033	<u>83,734</u>
Total Department of Veterans Affairs			<u>169,392</u>
Social Security Administration			
Passed through Oregon Department of Human Services, Aging and Persons with Disabilities Division			
Disability Insurance Cluster: Social Security - Disability Insurance (DI)	pt5182019;682017;2282017	96.001	<u>337</u>
US Department of Agriculture			
Passed through Oregon Department of Education			
Child Nutrition Cluster: Summer Food Service Program for Children	3103004	10.559	21,057
Child and Adult Care Food Program	3103004	10.558	<u>4,338</u>
Total passed through Oregon Department of Education			<u>25,395</u>
Passed through Oregon Food Bank			
Food Distribution Cluster:			
The Emergency Food Assistance Program: Administrative Expenses		10.568	6,062
The Emergency Food Assistance Program: Commodities		10.569	<u>291,353</u>
Total Food Distribution Cluster			<u>297,415</u>
Total US Department of Agriculture			<u>322,810</u>
Total expenditures of federal awards			<u>\$ 6,200,045</u>

**Community Connection of NE Oregon, Inc. incurred no new federal loans during the fiscal year and has no balances from previous years for which the Federal Government imposes continuing compliance requirements.

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Note A - Purpose of the Schedule:

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") is a supplementary schedule to Community Connection of Northeast Oregon, Inc.'s financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of Community Connection of Northeast Oregon, Inc., it is not intended to and does not present either the financial position, results of operations, or changes in net assets of Community Connection of Northeast Oregon, Inc.

Note B - Significant Accounting Policies:

Reporting Entity

The reporting entity is fully described in Note 1 to Community Connection of Northeast Oregon Inc.'s basic financial statements. The Schedule includes all federal programs administered by Community Connection of Northeast Oregon, Inc. for the year ended June 30, 2017.

Basis of Presentation

The accompanying Schedule includes the federal award activity of the Community Connection of Northeast Oregon, Inc. under programs of the federal government for the year ended June 30, 2017. The information in the Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Community Connection of Northeast Oregon, Inc.

Federal Financial Assistance

Pursuant to the Single Audit Act and the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between Community Connection of Northeast Oregon, Inc. and the federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Passed through Department of Health and Human Services

The Single Audit Act and the Uniform Guidance establish criteria to be used in defining major programs. Major programs for Community Connection of Northeast Oregon, Inc. are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in the Uniform Guidance. Programs with similar requirements may be grouped into a cluster for testing purposes.

Basis of Accounting

Federal awards are reported using the accrual basis of accounting. Revenues are recorded when earned and expenditures are recorded at the time liabilities are incurred.

Insurance Coverage

For the fiscal year ended June 30, 2017, Community Connection of Northeast Oregon, Inc. had insurance coverage in effect comparable to other entities of similar size and circumstance.

Indirect Cost Rate

Community Connection of Northeast Oregon, Inc. has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Note C - Community Development Block Grant Residential Rehabilitation Revolving Loan Receivable:

	Federal Funds	Revolving Funds	Total
Balance, July 1, 2016	2,322,283	60,449	2,382,732
New loans made	68,930	35,000	103,930
Subtotal	<u>2,391,213</u>	<u>95,449</u>	<u>2,486,662</u>
Principal payments received 16-17	<u>(135,568)</u>	<u>0</u>	<u>(135,568)</u>
Balance, June 30, 2017	<u><u>2,255,645</u></u>	<u><u>95,449</u></u>	<u><u>2,351,094</u></u>

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

A. Summary of Audit Results

	Results
Financial Statements Audit	
1. Type of auditor's report issued	Unqualified
2. Internal control over financial reporting:	
Were significant deficiencies disclosed?	No
Of the significant deficiencies disclosed were any material weaknesses?	N/A
3. Did the audit disclose any noncompliance material to the financial statements?	No
Federal Awards	
1. Type of auditor's report issued:	
<u>Major programs:</u>	
Low Income Energy Assistance Program Passed through Department of Health and Human Services CFDA Number 93.568	Unqualified
Res Rehab Revolving Loan Fund CFDA Number 14.228	Unqualified
2. Internal control over major programs:	
Were significant deficiencies disclosed?	No
Of the significant deficiencies disclosed were any material weaknesses?	N/A
3. Were any of the following disclosed in accordance with 2CFR Section 200.516(a)?	
Significant deficiencies in internal control over major programs?	No
Material Noncompliance with the provisions of laws, regulations, contracts, or grant agreements related to major programs?	No
Known questioned costs which are greater than \$25,000 for a type of compliance requirement for a major program?	No
Known questioned costs which are greater than \$25,000 for a federal program which is not audited as a major program?	No
4. The threshold for distinguishing Types A and B programs.	\$ 750,000
5. Auditee qualified as a low-risk auditee	Yes
6. Did the audit disclose any findings which the auditor was required to report?	No

B. Findings and Questioned Costs - Financial Statement Audit

None noted as a result of our audit procedures.

C. Federal Awards Findings and Questioned Costs

None noted as a result of our audit procedures.

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
Schedule of Prior Audit Findings
For the Year Ended June 30, 2017

None noted as a result of our audit procedures.