

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

ANNUAL FINANCIAL REPORT



“Helping people. Changing lives.”

For the Years Ended June 30, 2018 and June 30, 2017

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
June 30, 2018 and 2017

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INTRODUCTORY SECTION

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

BOARD OF DIRECTORS AND OFFICIALS

June 30, 2018

BOARD OF DIRECTORS

Baker County

Bruce Nichols
Joe Adamson

Public sector
Low-income sector

Director
Secretary

Grant County

Scott W. Myers
Jan Ensign
Al Altnow

Public sector
Low-income sector
Private sector

Vice-Chairman
Director
Director

Union County

Steve McClure
Cami Miller
Tom Hiatt

Public sector
Low-income sector
Private sector

Chairman
Director
Director

Wallowa County

Paul Castilleja
Roswitha Parks
Barbara Roberts
James Stivers

Public sector
Private sector
Low-income sector
Low-income sector

Director
Director
Director
Executive Committee Member

Officials

Margaret Davidson
Jeff Hensley
Julia Novotny

La Grande, Oregon
La Grande, Oregon
La Grande, Oregon

Executive Director
Assistant Director
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, 2018 and 2017, 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, 2018 and 2017, and the changes in its net assets and its cash flows for the year 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 18, 2018, 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 18, 2018

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BASIC FINANCIAL STATEMENTS

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
STATEMENT OF FINANCIAL POSITION
As of June 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Assets				
Current Assets				
Cash	\$ 724,622	\$ 708,967	\$ -	\$ 1,433,589
Grants Receivable	-	1,268,543	-	1,268,543
Prepaid Expenses	139,487	26,834	-	166,321
Total Current Assets	<u>864,109</u>	<u>2,004,344</u>	<u>-</u>	<u>2,868,453</u>
Replacement Reserves	-	1,929	-	1,929
Housing Rehab Loans Receivable (Net of Allowance for Doubtful Accounts)	-	2,169,448	-	2,169,448
Property and Equipment (net of accumulated depreciation)	46,099	1,639,293	-	1,685,392
Beneficial Interest in Assets Held by Community Foundation	-	-	99,776	99,776
Total Assets	<u>\$ 910,208</u>	<u>\$ 5,815,014</u>	<u>\$ 99,776</u>	<u>\$ 6,824,998</u>
Liabilities				
Current Liabilities				
Accounts Payable	\$ 77	\$ 150,432	\$ -	\$ 150,509
Accrued Payroll Liabilities	180,905	324	-	181,229
Accrued Vacation	479	114,130	-	114,609
Accrued Interest	-	1,749	-	1,749
Deferred Revenue	-	280,945	-	280,945
Security Deposits Payable to Tenants	-	7,975	-	7,975
Current Portion of Long Term Debt	-	47,050	-	47,050
Total Current Liabilities	<u>181,461</u>	<u>602,605</u>	<u>-</u>	<u>784,066</u>
Long-Term Liabilities				
Mortgage Notes Payable	-	338,368	-	338,368
Total Long-Term Liabilities	<u>-</u>	<u>338,368</u>	<u>-</u>	<u>338,368</u>
Total Liabilities	<u>181,461</u>	<u>940,973</u>	<u>-</u>	<u>1,122,434</u>
Net Assets				
Unrestricted	728,747	-	-	728,747
Temporarily Restricted Net Assets	-	4,874,041	-	4,874,041
Permanently Restricted Net Assets	-	-	99,776	99,776
Total Net Assets	<u>728,747</u>	<u>4,874,041</u>	<u>99,776</u>	<u>5,702,564</u>
Total Liabilities and Net Assets	<u>\$ 910,208</u>	<u>\$ 5,815,014</u>	<u>\$ 99,776</u>	<u>\$ 6,824,998</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, 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 ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2018

	Unrestricted	Temporarily Restricted	Perminantly Restricted	Total
Support and Revenues				
Public Support				
In-kind Goods and Services	-	965,667	-	965,667
Contributions	14,347	145,440	-	159,787
Fundraising	-	26,045	-	26,045
Grants and Awards from Governmental Agencies	-	5,495,201	-	5,495,201
Total Public Support	<u>14,347</u>	<u>6,632,353</u>	<u>-</u>	<u>6,646,700</u>
Revenue				
Program Fees	-	714,811	-	714,811
Other	3,150	98,412	8,315	109,877
Total Revenue	<u>3,150</u>	<u>813,223</u>	<u>8,315</u>	<u>824,688</u>
Net Assets Released from Restrictions:				
Satisfaction of Program Restrictions	<u>7,445,576</u>	<u>(7,445,576)</u>	<u>-</u>	<u>-</u>
Total Support and Revenues	<u>7,463,073</u>	<u>-</u>	<u>8,315</u>	<u>7,471,388</u>
Expenses				
Program and Support				
Operating	3,393	-	-	3,393
Senior / Nutrition and Homecare Programs	1,448,457	-	-	1,448,457
Weatherization and Rehab Programs	515,937	-	-	515,937
Emergency Assistance and Self-Sufficiency Prog	408,486	-	-	408,486
Energy Assistance Programs	1,011,689	-	-	1,011,689
Transportation Programs	1,690,478	-	-	1,690,478
Housing Programs	190,067	-	-	190,067
Community Services	97,350	-	-	97,350
Food Bank Program	157,855	-	-	157,855
Youth Programs	235,564	-	-	235,564
Other Programs	(11,211)	-	-	(11,211)
Total Program Services	<u>5,748,065</u>	<u>-</u>	<u>-</u>	<u>5,748,065</u>
Support Services				
Administrative and General	581,644	-	-	581,644
In-Kind Goods and Services	965,667	-	-	965,667
Total Support Services	<u>1,547,311</u>	<u>-</u>	<u>-</u>	<u>1,547,311</u>
Depreciation Expense	<u>174,352</u>	<u>-</u>	<u>-</u>	<u>174,352</u>
Total Operating Expenses	<u>7,469,728</u>	<u>-</u>	<u>-</u>	<u>7,469,728</u>
Increase / Decrease in Unrestricted Net Assets	(6,655)	-	8,315	1,660
Net Assets at Beginning of Year	714,913	4,894,530	91,461	5,700,904
Net Assets Released from Restrictions	<u>20,489</u>	<u>(20,489)</u>	<u>-</u>	<u>-</u>
Net Assets at End of Year	<u>728,747</u>	<u>4,874,041</u>	<u>99,776</u>	<u>5,702,564</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 Goods and 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>14,518</u>	<u>7,403,463</u>	<u>10,152</u>	<u>7,428,133</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 Goods and 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	432,363	-	10,152	442,515
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)

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COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from Operating Activities		
Increase in Net Assets	1,660	442,515
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	174,352	144,812
(Increase) Decrease in:		
Accounts Receivable	(92,236)	(213,820)
Prepaid Expenses	(53,533)	(5,965)
Increase (Decrease) in:		
Accounts Payable	(66,813)	20,548
Accrued Payroll Liabilities	18,437	9,327
Accrued Vacation	19,006	(8,810)
Accrued Interest	265	102
Deferred Revenue	(83,676)	72,160
Security Deposits Payable	1,325	(850)
Net Cash Provided by Operating Activities	<u>(81,213)</u>	<u>460,019</u>
 Cash Flows from Investing Activities		
(Increase) Decrease in Cash Held for Long Term Purposes	3,549	(4,850)
Sale of Property and Equipment	-	-
Purchase of Property and Equipment	(97,145)	(635,787)
Repayment of Housing Rehab Loans	108,646	31,638
(Increase) in Assets in Community Foundation	(8,315)	(10,152)
Transfer Assets from (to) Community Foundation	-	-
Net Cash used by Investing Activities	<u>6,735</u>	<u>(619,151)</u>
 Cash Flows from Financing Activities		
Principal Payments on Notes Payable	<u>(46,038)</u>	<u>(43,700)</u>
Net Cash used by Financing Activities	<u>(46,038)</u>	<u>(43,700)</u>
 Net Increase in Cash and Cash Equivalents	(120,516)	(202,832)
 Cash and Cash Equivalents, Beginning of Year	<u>1,554,105</u>	<u>1,756,937</u>
Cash and Cash Equivalents, End of Year	<u><u>1,433,589</u></u>	<u><u>1,554,105</u></u>
 Supplemental Disclosures of Cash Flow Information		
Cash Paid During the Year of Interest	<u><u>21,405</u></u>	<u><u>23,743</u></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, 2018

	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	\$ 350	\$ 147,149	\$ 45,487	\$ 39,035	\$ 84,765	\$ 176,986	\$ 18,363	\$ 24,425	\$ 15,278	\$ 20,243	\$ 4,363	\$ 576,444
Legal			4,738			84	378					5,200
Total Support Services	<u>350</u>	<u>147,149</u>	<u>50,225</u>	<u>39,035</u>	<u>84,765</u>	<u>177,070</u>	<u>18,741</u>	<u>24,425</u>	<u>15,278</u>	<u>20,243</u>	<u>4,363</u>	<u>581,644</u>
Program Services												
Personnel	-	407,684	82,372	113,425	99,853	941,900	90,598	19,982	81,322	146,174	176,209	2,159,519
Other Employee Benefits	(104)	86,849	18,761	29,228	20,095	184,979	16,888	4,112	11,067	19,979	36,514	428,368
Office Expense	59	44,681	3,536	2,428	5,959	35,158	8,634	1,135	1,472	8,528	34,010	145,600
Occupancy	-	2,105	353	-	-	20,614	30,922	-	17,346	56,211	89,607	217,158
Vehicles and Equipment	132	4,800	3,627	384	2,557	288,536	2,438	187	8,923	1,797	32,447	345,828
Travel, Training and Technical Assistance	1	17,015	14,337	12,187	6,044	16,971	4,848	2,537	2,265	408	1,786	78,399
Advertising	-	3,017	2,587	1,083	153	7,122	1,247	151	599	559	3,933	20,451
Insurance	-	-	5,504	-	51	6,487	415	-	538	7,026	20,326	40,347
Contract Labor and Services	-	110,611	288,559	2,716	640	24,215	14,608	600	-	2,791	645	445,385
Client Assistance	720	400,231	-	199,175	796,232	60,219	-	-	200	-	-	1,456,777
Other Direct Charges	2,585	273,234	39,361	13,126	4,499	27,125	5,327	504	24,215	15,257	559	405,792
Program Support	-	(24,139)	-	-	(3,489)	-	-	61,623	(4,712)	(29,277)	-	6
Allocable Costs	-	119,851	56,940	34,734	79,095	77,102	14,142	6,519	14,620	4,345	(407,347)	1
Fundraising Expenses	-	2,518	-	-	-	50	-	-	-	1,766	100	4,434
Total Program Services	<u>3,393</u>	<u>1,448,457</u>	<u>515,937</u>	<u>408,486</u>	<u>1,011,689</u>	<u>1,690,478</u>	<u>190,067</u>	<u>97,350</u>	<u>157,855</u>	<u>235,564</u>	<u>(11,211)</u>	<u>5,748,065</u>
Sub-Total Before In-Kind	3,743	1,595,606	566,162	447,521	1,096,454	1,867,548	208,808	121,775	173,133	255,807	(6,848)	6,329,709
In-Kind Goods and Services	-	6,272	-	-	-	783	-	9,831	939,180	9,601	-	965,667
Total Functional Expenses	<u>\$ 3,743</u>	<u>\$ 1,601,878</u>	<u>\$ 566,162</u>	<u>\$ 447,521</u>	<u>\$ 1,096,454</u>	<u>\$ 1,868,331</u>	<u>\$ 208,808</u>	<u>\$ 131,606</u>	<u>\$ 1,112,313</u>	<u>\$ 265,408</u>	<u>\$ (6,848)</u>	<u>\$ 7,295,376</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 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	\$ (4,847)	\$ 115,385	\$ 38,968	\$ 35,143	\$ 82,118	\$ 195,706	\$ 17,568	\$ 25,384	\$ 11,712	\$ 25,984	\$ (28,359)	\$ 514,762
Legal	(4,847)	115,385	38,968	35,143	82,118	195,706	111	25,384	11,712	25,984	(28,359)	514,873
Total Support Services												
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)

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**NOTES TO BASIC FINANCIAL
STATEMENTS**

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

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 elected officials of Baker, Grant, Union, and Wallowa counties as well as persons representing education, business, welfare, minority, 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.

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, 2018 and 2017

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 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, 2018 and June 30, 2017 amounted to \$ 114,609 and \$ 95,603 respectively.

Advertising

Costs incurred for advertising are expensed when incurred. Advertising costs for the year ended June 30, 2018 and June 30, 2017 was \$ 21,058 and \$ 34,090 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.

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

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, 2018 or June 30, 2017. The organization's payroll for employees covered by the plan for the fiscal year ended June 30, 2018, was \$ 1,610,109 and total payroll was \$ 2,181,891. 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 \$ 2,207,652.

The organization contributed \$ 120,758 and \$ 129,611 on behalf of its employees during the fiscal years ended June 30, 2018 and June 30, 2017, 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 an 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 Assistance Specialists provide the information sought, connect consumers directly to the agency or service needed, and follow up to insure they are satisfied.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

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.

The Veterans Home Improvement Program is available to low and very low-income veterans who own their homes. Community Connection works with the veteran to identify structural, safety-related, accessibility and other improvements needed to the veteran's home and hires qualified contractors to complete the work. This is a grant program and the veterans do not have to repay these funds.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

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 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

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

- 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 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 19 pantries that provide emergency food boxes, one backpack program, and several Harvest Share produce distribution 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.

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, 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.

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

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 parties, safety fair, 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 Goods and Services

Area citizens donate goods and time to various activities of the organization. The total value of these services for the years ended June 30, 2018 was \$1,266,712 and for the year ended June 20, 2017 was 475,349 plus \$1,433,869 in foods received by Community Connection's regional food bank. Services must meet the requirements necessary for recognition to be recorded in the financial statements. Of the \$1,266,712 for Fiscal Year 2018, \$301,045 was not recorded (not recognized) however \$965,668 met the requirements to be recognized. 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, 2018 the carrying amount of the organization's deposits (cash and certificates of deposit) was \$ 1,433,589 and the bank balance was \$ 1,571,607. 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. 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 2018 and 2017 \$ 1,571,607 and \$ 1,565,511 respectively, are classified as category 1 based on FDIC coverage of \$250,000 and pledged securities.

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

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 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, 2018 and June 30, 2017 grants and accounts receivable were composed of:

	2018	2017
Low Income Energy Assistance Program	\$ 115,187	\$ 79,707
Department of Transportation	211,311	322,044
Senior Nutrition Program	68,387	0
Emergency Housing Account	61,753	38,168
Department of Energy	58,154	50,899
Mental Health	53,383	23,543
VA Homecare	369,918	241,199
Other accounts receivable	<u>330,450</u>	<u>420,747</u>
Total	<u>\$1,268,543</u>	<u>\$1,176,307</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, 2018 and June 30, 2017 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, 2018 and June 30, 2017 of \$ 2,242,448 and \$ 2,351,094 respectively with an allowance for uncollectible loans of \$ 73,000 and \$ 73,000 respectively for a net balance of \$ 2,169,448 and \$ 2,278,094 respectively.

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
NOTES TO FINANCIAL STATEMENTS
 June 30, 2018 and 2017

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, 2018 and June 30, 2017 is \$ 114,609 and \$ 95,603 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	\$ 420,571	\$ 62,333	\$ 53,801	\$ 55,409	\$ 41,014	\$ 633,128
Other Expenses	110,193	52,134	42,207	52,928	47,522	304,984
Total EXPENDITURES	<u>\$ 530,764</u>	<u>\$ 114,467</u>	<u>\$ 96,008</u>	<u>\$ 108,337</u>	<u>\$ 88,536</u>	<u>\$ 938,112</u>

Note 9. Temporarily Restricted Net Assets

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

Periods after June 30, 2018 Specific grant programs	\$ 4,874,041
Periods after June 30, 2017 Specific grant programs	\$ 4,974,780

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

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, 2018 and June 30, 2017 were \$ 20,740 and \$ 36,763 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, 2018 and June 30, 2017 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,	
2019	20,640
2020	20,640
2021	17,940
2022	16,440
2023	16,200
Thereafter	99,000
Total	<u>\$ 190,860</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, 2018 and 2017

Note 12. Property, Equipment, and Vehicles

Following is a summary of changes in fixed assets:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Assets				
Land	\$ 397,045	\$ -	\$ -	\$ 397,045
Construction in Progress	-	-	-	-
Buildings	1,303,136	-	-	1,303,136
Property for Resale	-	24,095	-	24,095
Vehicles	1,981,752	29,051	76,681	1,934,122
Furniture and Equipment	432,979	43,999	-	476,978
Leasehold Improvements	54,671	-	-	54,671
Totals	<u>\$ 4,169,583</u>	<u>\$ 97,145</u>	<u>\$ 76,681</u>	<u>\$ 4,190,047</u>
Accumulated Depreciation & Amortization				
Land	\$ -	\$ -	\$ -	\$ -
Buildings	423,280	47,823	-	471,103
Property for Resale	-	-	-	-
Vehicles	1,575,578	109,139	76,681	1,608,036
Furniture and Equipment	393,122	13,745	-	406,867
Leasehold Improvements	15,004	3,645	-	18,649
Totals	<u>2,406,984</u>	<u>174,352</u>	<u>76,681</u>	<u>2,504,655</u>
Property and Equipment (net of accumulated depreciation)	<u>\$ 1,762,599</u>			<u>\$ 1,685,392</u>

	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>

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

Note 13. Notes Payable

	<u>Amount</u>
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, 2018.	\$ 98,948
 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, 2018.	286,470
Totals	<u>385,418</u>
Less: Current Maturities	<u>47,050</u>
Total Long-Term Notes Payable	<u><u>\$ 338,368</u></u>

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	47,050
2019	49,599
2020	51,954
2021	19,877
2022	19,778
Thereafter	<u>197,160</u>
Total	<u><u>385,418</u></u>

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

Note 14. Permanently Restricted Net Assets - 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, 2018 and 2017 are as follows:

Balance at July 1 , 2017	\$	91,461
Additional amounts invested in Fund		-
Share of appreciation of fund		8,315
Distributions received		-
Balance at June 30, 2018	\$	<u>99,776</u>

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>91,461</u>

Note 15. Subsequent Events

Management has evaluated events through October 18, 2018, 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, 2018

	In-Kind Facilities / Services	Contributions	Fund Raising	Grants, Awards and Contracts	Program Fees	Other	Total
Unrestricted Net Assets							
Operating							
GENERAL FUND	-	\$ 14,347	\$ -	\$ -	-	\$ 11,465	\$ 25,812
Total - Operating	-	14,347	-	-	-	11,465	25,812
Senior / Nutrition and Homecare Programs							
III E	-	-	-	28,965	-	2,000	30,965
VII B	-	-	-	1,873	-	-	1,873
ADRC	-	-	-	-	-	505	505
OPI	-	-	-	270,503	3,128	261,796	535,427
III B	1,044	-	-	71,760	-	-	72,804
Senior Nutrition Program	300	68,072	7,045	520,579	139,643	25,513	761,152
III D DISEASE PREVENTION	4,929	-	-	3,573	-	-	8,502
LIVING WELL	-	-	-	4,500	-	-	12,500
BINGO	-	-	-	-	8,000	-	14,527
COMMUNITY FOOD SERVICES	-	-	-	-	14,527	-	51,534
SENIOR PROGRAMS	-	13,101	488	24,000	8,015	9	45,613
ADRC-NO. WRONG DOOR/OC (15-17 BIENNUM)	-	-	-	14,457	-	-	14,457
STATE HPDP	-	-	-	12,049	-	-	12,049
MENTAL HEALTH	-	-	-	56,701	-	-	56,701
VA Homecare	-	-	-	406,920	456	(261,399)	145,977
Total - Senior / Nutrition and Homecare Programs	6,273	81,173	7,533	1,415,880	225,303	28,424	1,764,586
Weatherization and Rehab Programs							
REVOLVING LOAN FUND	-	-	-	-	-	21,677	21,677
DOE 2017	-	-	-	77,287	-	1,312	78,599
LIHEAP WX & EE 2018	-	-	-	115,117	-	-	115,117
LIHEAP WX & EE 2017	-	-	-	151,087	-	21	151,108
BPA 2018	-	-	-	4,938	-	-	4,938
ECHO WX PC	-	-	-	17,368	-	-	17,368
BPA FY 2017	-	-	-	32,128	-	-	32,128
UTILITY REBATES	-	-	-	-	-	1,730	1,730
IDAHO POWER WX	-	-	-	-	-	237	237
ECHO EE PC	-	-	-	1,250	-	66	1,316
Total - Weatherization and Rehab Programs	-	-	-	399,175	-	25,043	424,218

(Continued on the Next Page)

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF SUPPORT AND REVENUE
 For the Year Ended June 30, 2018

(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	-	-	-	6,324	-	-	6,324
ESG 17	-	-	-	15,147	-	450	15,597
HSP	-	-	-	6,975	-	250	7,225
FEMA	-	-	-	13,833	-	-	13,833
LIRHF	-	-	-	2,972	-	-	2,972
SHAP	-	-	-	41,892	-	-	41,892
HOME TBA 15, 15-16 & 16	-	-	-	13,540	-	-	13,540
EHA	-	-	-	156,130	-	-	156,130
BAKER & WALLOWA MINISTERIAL FUND	-	1,300	-	-	-	1,645	2,945
CONTINUUM OF CARE	-	-	-	87,731	-	899	88,630
HOME TBA 17	-	-	-	33,404	-	-	33,404
Elderly Rental Assistance	-	-	-	11,519	-	-	11,519
EHA VA DRF	-	-	-	1,914	-	-	1,914
ANDERSON FUND-UNION COUNTY	-	2,524	-	-	-	-	2,524
SSVF - Veterans Grant	-	-	-	44,360	-	-	44,360
Total - Emergency Assistance and Self-Sufficiency Programs	-	3,824	-	435,741	-	3,244	442,809
Energy Assistance Programs							
OTEC ENERGY ASSISTANCE	-	-	-	27,111	-	-	27,111
OEA 2018	-	-	-	29,329	-	982	30,311
LIHEAP ENERGY 2018	-	-	-	809,837	-	-	809,837
PROJECT SHARE WINTER HELP	-	4,011	-	-	-	30	4,041
LIHEAP ENERGY 17	-	-	-	219,994	-	62	220,056
WALK FOR WARMTH	-	10,134	13	-	-	50	10,197
LIRAP	-	877	-	2,979	-	270	4,126
OEA FY 17	-	-	-	6,765	-	-	6,765
OREGON HEAT ADMIN	-	-	-	-	-	1,432	1,432
CASCADE NATURAL GAS	-	-	-	-	-	2,251	2,251
Idaho Power Energy	-	-	-	-	-	667	667
HELP FUND	-	-	-	-	-	1,000	1,000
Total - Energy Assistance Programs	-	15,022	13	1,096,015	-	6,744	1,117,794

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COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF SUPPORT AND REVENUE
 For the Year Ended June 30, 2018

(Continued from the Last Page)

	In-Kind Facilities / Services	Contributions	Fund Raising	Grants, Awards and Contracts	Program Fees	Other	Total
Transportation Programs							
TRANSPORTATION OPTIONS	-	100	-	31,356	-	-	31,456
TRANSPORTATION	783	1,644	50	1,509,811	72,139	(27,944)	1,556,483
INTERCITY TRANSPORTATION	-	-	-	35,833	11,972	33,958	81,763
BETC	-	-	-	(20,273)	-	-	(20,273)
RIDES TO WELLNESS	-	357	-	83,316	53,019	-	136,692
Highly Rural Veterans Grant (HRVG)	-	-	-	75,197	-	-	75,197
Oregon Department of Veterans Affairs R2W (ODVA)	-	-	-	50,000	-	-	50,000
GREYHOUND	-	-	-	-	24,962	97	25,059
Total - Transportation Programs	783	2,101	50	1,765,240	162,092	6,111	1,936,377
Housing Programs							
SB 558 FORECLOSURE AVOIDANCE	-	-	-	4,450	-	-	4,450
VIDA	-	-	-	6,825	-	895	7,720
MMT REVOLVING CAPITAL FUND	-	-	-	-	-	3	3
THE ELMS APARTMENTS	-	-	-	-	121,991	2,544	124,535
NFMC	-	-	-	450	-	-	450
MPA & LPA-OHSI	-	-	-	14,400	-	-	14,400
HOME OWNERSHIP ASSISTANCE PROGRAM	-	-	-	42,246	(2,418)	-	39,828
HUD GRANT - PROGRAM YEAR 17	-	-	-	2,802	-	-	2,802
PROJECT REINVEST	-	-	-	17,281	-	-	17,281
HOUSING CENTER - LOCAL BANK	-	-	-	-	5,418	-	5,418
BANNER BANK FUND	-	-	-	-	-	5,000	5,000
HUD GRANT - PROGRAM YEAR 16	-	-	-	6,797	-	-	6,797
Total - Housing Programs	-	-	-	95,251	124,991	8,442	228,684
Community Services							
CSBG 2016 & CSBG 15 DISCR	9,831	-	-	9,594	-	375	19,800
CSBG 2017	-	-	-	110,209	-	805	111,014
Total - Community Services	9,831	-	-	119,803	-	1,180	130,814
Food Bank Program							
FOOD BANK	939,180	40,145	5,096	59,668	66,496	-	1,110,585
Total - Food Bank Program	939,180	40,145	5,096	59,668	66,496	-	1,110,585

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COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF SUPPORT AND REVENUE
 For the Year Ended June 30, 2018

(Continued from the Last Page)

	In-Kind Facilities / Services	Contributions	Fund Raising	Grants, Awards and Contracts	Program Fees	Other	Total
Youth Programs							
KIDS CLUB	9,580	3,175	13,353	77,689	81,950	220	185,967
SUMMER FOOD SERVICE PROGRAM	-	-	-	20,739	320	19,004	40,063
RAC OPERATING FUND	21	-	-	10,000	53,659	-	63,680
RIVERIA BUILDING PROJECT	-	-	-	-	-	-	-
Total - Youth Programs	<u>9,601</u>	<u>3,175</u>	<u>13,353</u>	<u>108,428</u>	<u>135,929</u>	<u>19,224</u>	<u>289,710</u>
Other Programs							
Total - Other Programs	-	-	-	-	-	-	-
Total Unrestricted Net Assets	<u>\$ 965,667</u>	<u>\$ 159,787</u>	<u>\$ 26,045</u>	<u>\$ 5,495,201</u>	<u>\$ 714,811</u>	<u>\$ 109,877</u>	<u>\$ 7,471,388</u>

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
For the Year Ended June 30, 2018

2 - Senior / Nutrition and Homecare Programs

	IIIE	VIIIB	OPI	IIIB	Senior Nutrition Program	IIID DISEASE PREVENTION	LIVING WELL	BINGO
Support Services								
Management and General	\$ 2,587	\$ -	\$ -	\$ 23,501	\$ 18,167	\$ -	\$ 820	\$ 993
Legal	-	-	-	-	-	-	-	-
Total Support Services	2,587	-	23,501	18,167	67,309	-	820	993
Program Services								
Personnel	6,304	1,223	45,992	22,573	272,806	1,005	4,373	1,679
Other Employee Benefits	1,258	279	10,124	4,004	59,873	278	1,323	357
Office Expense	1,769	-	578	1,711	38,500	-	136	466
Occupancy	-	-	10	-	1,945	-	-	-
Vehicles and Equipment	107	-	1,396	125	927	92	10	-
Travel, Training and Technical Assistance	497	4	1,949	1,923	4,951	1,317	1,361	16
Advertising	358	-	501	919	935	-	150	-
Insurance	-	-	-	-	-	-	-	-
Contract Labor and Services	4,052	219	15,335	17,892	29,663	771	-	-
Client Assistance	10,923	-	388,274	(2)	-	-	185	-
Other Direct Charges	846	-	771	613	248,209	-	32	2,220
Program Support	-	-	-	7	(24,145)	-	-	-
Allocable Costs	2,263	146	37,599	3,841	58,765	300	904	541
Fundraising Expenses	-	-	-	-	922	-	-	971
Total Program Services	28,377	1,871	502,529	53,606	693,351	3,763	8,474	6,250
Sub-Total Before In-Kind	30,964	1,871	526,030	71,773	760,660	3,763	9,294	7,243
In-Kind Facilities / Services	-	-	-	1,044	300	4,929	-	-
Total Functional Expenses	\$ 30,964	\$ 1,871	\$ 526,030	\$ 72,817	\$ 760,960	\$ 8,692	\$ 9,294	\$ 7,243

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

For the Year Ended June 30, 2018

(Continued from the Last Page)

2 - Senior / Nutrition and Homecare Programs

	MODA HEALTH	COMMUNITY FOOD SERVICES	SENIOR PROGRAMS	ADRC-NO WRONG DOOR/OC (5- YR BIENNium)	STATE HPDP	MENTAL HEALTH	VA Homecare	Total
Support Services								
Management and General	\$ 45	\$ 3,598	\$ 85	\$ 1,301	\$ 1,064	\$ 5,204	\$ 22,474	\$ 147,150
Legal	-	-	-	-	-	-	-	-
Total Support Services	45	3,598	85	1,301	1,064	5,204	22,474	147,150
Program Services								
Personnel	302	11,333	-	7,609	5,811	1,849	24,814	407,684
Other Employee Benefits	45	1,985	-	1,577	1,335	339	4,069	86,849
Office Expense	-	156	18	104	1,081	-	162	44,681
Occupancy	-	-	-	-	-	-	150	2,105
Vehicles and Equipment	-	105	-	-	71	166	1,802	4,800
Travel, Training and Technical Assistance	-	129	-	2,711	1,167	80	909	17,015
Advertising	-	-	-	-	-	-	153	3,017
Insurance	-	-	-	-	-	-	-	-
Contract Labor and Services	-	175	-	-	-	42,504	-	10,611
Client Assistance	-	-	-	-	92	-	760	400,231
Other Direct Charges	56	19,695	27	-	662	-	103	273,234
Program Support	-	-	-	-	-	-	-	(24,139)
Allocable Costs	60	3,541	59	1,155	765	6,562	3,351	119,851
Fundraising Expenses	-	-	625	-	-	-	-	2,518
Total Program Services	463	37,119	729	13,156	10,984	51,500	36,273	1448,457
Sub-Total Before In-Kind	508	40,717	814	14,457	12,048	56,704	58,747	1595,607
In-Kind Facilities / Services	-	-	-	-	-	-	-	6,272
Total Functional Expenses	\$ 508	\$ 40,717	\$ 814	\$ 14,457	\$ 12,048	\$ 56,704	\$ 58,747	\$ 1601,879

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COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
 For the Year Ended June 30, 2018

3 - Weatherization and Rehab Programs

	REVOLVING LOAN FUND	DOE 2017	LIHEAP WX & EE		BPA 2018	ECHO WX PC	BPA FY 2017	UTILITY REBATES	ECHO EE PC	VETERANS HOME IMPROVEMENT PROGRAM		NEW/Rehab Fund	Total
			2018	2017						PROGRAM	PROGRAM		
Support Services													
Management and General	\$ 11,074	\$ 7,048	\$ 11,709	\$ 10,015	\$ 389	\$ 1,722	\$ 1,841	\$ 388	\$ 125	\$ 174	\$ -	\$ -	\$ 45,487
Legal	4,738	-	-	-	-	-	-	-	-	-	-	-	47,388
Total Support Services	\$ 6,812	\$ 7,048	\$ 11,709	\$ 10,015	\$ 389	\$ 1,722	\$ 1,841	\$ 388	\$ 125	\$ 174	\$ -	\$ -	\$ 50,225
Program Services													
Personnel	19,518	17,844	14,640	19,029	1808	2,188	2,086	(33)	139	5,54	-	-	82,372
Other Employee Benefits	4,522	4,112	3,441	4,000	430	498	454	(8)	35	1277	-	-	18,761
Office Expense	1,725	503	40	541	150	-	-	-	550	26	-	-	3,536
Occupancy	353	-	-	-	-	-	-	-	-	-	-	-	353
Vehicles and Equipment	1,170	986	102	834	141	237	66	-	-	81	10	-	3,627
Travel, Training and Technical Assistance	5,343	3,234	2,849	1,428	1,484	-	-	-	-	-	-	-	14,337
Advertising	1,108	14	-	200	-	-	291	-	-	973	-	-	2,587
Insurance	1,319	160	-	3,672	-	160	-	-	193	-	-	-	5,504
Contract Labor and Services	44,881	34,421	70,927	96,106	-	110,15	24,002	3,719	-	3,487	-	-	288,559
Client Assistance	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Direct Charges	35,659	-	2,180	47	-	-	1,525	-	-	-	-	-	39,361
Program Support	-	-	-	-	-	-	-	-	-	-	-	-	-
Allo cable Costs	12,807	9,966	11,939	5,690	536	1,908	1,863	503	208	1,522	-	-	56,940
Fundraising Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Program Services	\$ 23,405	\$ 71,240	\$ 105,068	\$ 141,547	\$ 4,549	\$ 16,006	\$ 30,287	\$ 4,181	\$ 1,25	\$ 12,520	\$ 10	\$ -	\$ 5,937
Sub-Total Before In-Kind													
In-Kind Facilities / Services													
Total Functional Expenses	\$ 44,217	\$ 76,288	\$ 117,777	\$ 151,562	\$ 4,938	\$ 17,728	\$ 32,128	\$ 4,569	\$ 1,250	\$ 13,694	\$ 10	\$ -	\$ 566,162

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
For the Year Ended June 30, 2018

4 - Emergency Assistance and Self-Sufficiency Programs

	ESG '6	ESG '7	HSP	FEMA	LIRHF	SHAP	HOME TBA '5, '5-'6 & '6	EHA
Support Services								
Management and General	\$ -	\$ 765	\$ 704	\$ 1,596	\$ 273	\$ 3,668	\$ -	\$ 17,596
Legal	-	-	-	-	-	-	-	-
Total Support Services	-	765	704	1,596	273	3,668	-	17,596
Program Services								
Personnel	931	3,657	2,392	274	1,071	7,762	2,973	39,157
Other Employee Benefits	228	1,011	677	63	316	2,247	723	9,740
Office Expense	-	104	477	194	-	248	-	120
Occupancy	-	-	-	-	-	-	-	-
Vehicles and Equipment	-	-	-	-	-	-	48	95
Travel, Training and Technical Assistance	-	47	-	-	-	-	-	8,106
Advertising	-	-	-	67	-	-	-	854
Insurance	-	-	-	-	-	-	-	-
Contract Labor and Services	-	161	-	-	-	388	-	-
Client Assistance	4,871	9,035	12,544	1,875	2,699	24,309	13,540	6,117
Other Direct Charges	-	-	-	12,502	-	-	-	-
Program Support	(510)	-	(10,100)	-	(1651)	-	(4,728)	63,904
Allocable Costs	804	823	531	1,353	264	3,271	983	11,216
Fundraising Expenses	-	-	-	-	-	-	-	-
Total Program Services	6,324	14,838	6,521	16,328	2,699	38,225	13,539	139,330
Sub-Total Before In-Kind	6,324	15,603	7,225	17,924	2,972	41,893	13,539	156,926
In-Kind Facilities / Services	-	-	-	-	-	-	-	-
Total Functional Expenses	\$ 6,324	\$ 15,603	\$ 7,225	\$ 17,924	\$ 2,972	\$ 41,893	\$ 13,539	\$ 156,926

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COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
 For the Year Ended June 30, 2018

(Continued from the Last Page)

4 - Emergency Assistance and Self-Sufficiency Programs

	BAKER & WALLOWA MINISTERIAL FUND	CONTINUUM OF CARE	HOME TBA 17	Elderly Rental Assistance	EHA VA DRF	ANDERSON FUND-UNION COUNTY	SSVF - Veterans Grant	Total
Support Services								
Management and General	\$ 315	\$ 5,866	\$ 2,248	\$ 1,018	\$ 166	\$ 102	\$ 4,718	\$ 39,035
Legal	-	-	-	-	-	-	-	-
Total Support Services	315	5,866	2,248	1,018	166	102	4,718	39,035
Program Services								
Personnel	304	27,044	8,567	2,153	492	186	16,463	113,425
Other Employee Benefits	80	6,904	2,546	623	181	43	3,845	29,228
Office Expense	-	348	937	-	-	-	-	2,428
Occupancy	-	-	-	-	-	-	-	-
Vehicles and Equipment	-	85	9	-	-	-	146	384
Travel, Training and Technical Assistance	-	897	46	-	-	-	3,091	12,187
Advertising	-	10	-	-	-	-	152	1,083
Insurance	-	-	-	-	-	-	-	-
Contract Labor and Services	-	326	596	-	-	-	1,245	2,716
Client Assistance	2,555	70,646	31,156	6,724	910	754	11,441	199,175
Other Direct Charges	-	604	-	-	-	-	-	13,126
Program Support	-	(32,196)	(14,718)	-	-	-	-	-
Allocable Costs	286	8,644	2,017	1,002	165	100	3,274	34,734
Fundraising Expenses	-	-	-	-	-	-	-	-
Total Program Services	3,225	83,312	31,156	10,502	1,748	1,083	39,657	408,486
Sub-Total Before In-Kind	3,540	89,178	33,404	11,520	1,914	1,185	44,375	447,521
In-Kind Facilities / Services	-	-	-	-	-	-	-	-
Total Functional Expenses	\$ 3,540	\$ 89,178	\$ 33,404	\$ 11,520	\$ 1,914	\$ 1,185	\$ 44,375	\$ 447,521

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
 For the Year Ended June 30, 2018

5 - Energy Assistance Programs

	OTEC ENERGY ASSISTANCE	OEA 2018	LIHEAP ENERGY 2018	PROJECT SHARE/WINTER HELP		LIHEAP ENERGY 17	WALK FOR WARMTH	LIRAP	OEA FY 17	OREGON HEAT ADMIN	CASCADE NATURAL GAS	AVISTA CARES	HELP FUND	Total
				713 \$	22,589 \$									
Support Services														
Management and General	(1992)	2,690	59,559	713	22,589	724		107	676	(337)	9			84,765
Legal	(1992)	2,690	59,559	713	22,589	724		107	676	(337)	9			84,765
Total Support Services														
Program Services														
Personnel	990	1292	68,445	21	25,887	1011		825	802	484	92	3		99,853
Other Employee Benefits	87	293	13,951	(42)	5,090	50		141	204	122	(12)			20,095
Office Expense	-	-	2,265	2,928	766	-		-	-	-	-	-		5,959
Occupancy	-	-	-	-	-	-		-	-	-	-	-		-
Vehicles and Equipment	-	-	2,312	-	245	-		-	-	-	-	-		2,557
Travel, Training and Technical Assistance	-	-	4,560	-	1484	-		-	-	-	-	-		6,044
Advertising	-	-	99	-	54	-		-	-	-	-	-		153
Insurance	-	-	-	-	-	51		-	-	-	-	-		51
Contract Labor and Services	-	-	360	-	280	-		-	-	-	-	-		640
Client Assistance	1,425	23,566	596,588	-	5,1932	5,608		-	4,780	-	-	-	323	796,232
Other Direct Charges	-	-	4,499	-	-	-		-	-	-	-	-		4,499
Program Support	(3,489)	-	-	-	-	-		-	-	-	-	-		(3,489)
Allocable Costs	783	2,479	62,754	-	11,318	712		139	794	77	11	-	26	79,095
Fundraising Expenses	-	-	-	-	-	-		-	-	-	-	-		-
Total Program Services	11,906	27,630	755,843	2,907	87,056	7,532		1,105	6,580	683	91	3	349	1,011,689
Sub-Total Before In-Kind	9,914	30,320	815,402	3,620	219,645	8,256		1,212	7,256	346	100	3	376	1,096,454
In-Kind Facilities / Services	-	-	-	-	-	-		-	-	-	-	-		-
Total Functional Expenses	9,914	30,320	815,402	3,620	219,645	8,256		1,212	7,256	346	100	3	376	1,096,454

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
 For the Year Ended June 30, 2018

6 - Transportation Programs

	TRANSPORTATION OPTIONS	TRANSPORTATION	INTERCITY TRANSPORTATION	BETC	WALLOWA CO BUSBARN	RIDESTO WELLNESS	Highly Rural Veterans Grant (HRVG)	Department of Veterans Affairs R2W (ODVA) Grant		Total
								GREYHOUND	GREYHOUND	
Support Services										
Management and General Legal	2,765 \$	144,893 \$	7,337 \$	1,567 \$	- \$	9,635 \$	7,836 \$	104 \$	2,849 \$	176,986 \$
Total Support Services	2,765	144,977	7,337	1,567	-	9,635	7,836	104	2,849	177,070
Program Services										
Personnel	16,591	812,106	37,361	-	(1)	45,950	20,891	771	8,230	941,900
Other Employee Benefits	5,992	166,711	9,465	-	2	6,663	4,211	189	1,747	184,979
Office Expense	611	16,745	275	-	-	-	-	-	18,527	35,158
Occupancy	-	20,510	-	-	-	-	-	-	104	20,614
Vehicles and Equipment	105	261,758	20,345	5,014	-	435	879	-	-	288,536
Travel, Training and Technical Assistance	1,966	14,201	-	-	-	20	784	-	-	16,971
Advertising	127	6,701	288	-	-	-	7	-	-	7,122
Insurance	273	5,159	-	-	-	-	141	-	483	6,487
Contract Labor and Services	-	24,216	-	-	-	-	-	-	-	24,216
Client Assistance	-	32,917	-	-	-	3,617	23,489	196	-	60,219
Other Direct Charges	569	(36,743)	-	9,562	-	53,357	24,083	-	380	27,125
Program Support	-	(24,083)	-	-	-	-	-	-	-	-
Allocable Costs	2,363	60,072	6,216	1,488	-	52	6,910	-	-	77,102
Fundraising Expenses	-	50	-	-	-	-	-	-	-	50
Total Program Services	28,697	1,349,318	73,950	16,064	1	110,525	81,395	1,156	29,471	1,690,478
Sub-Total Before In-Kind	31,362	1,494,296	81,287	17,631	1	120,160	89,231	1,260	32,320	1,867,548
In-Kind Facilities / Services	-	783	-	-	-	-	-	-	-	783
Total Functional Expenses	\$ 31,362	\$ 1,495,079	\$ 81,287	\$ 17,631	\$ 1	\$ 120,160	\$ 89,231	\$ 1,260	\$ 32,320	\$ 1,868,331

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
 For the Year Ended June 30, 2018

7 - Housing Programs

	SB 558 FORECLOSURE AVOIDANCE	VIDA	MMT REVOLVING CAPITAL FUND	THE ELM'S APARTMENTS	NFMC	MPA & LPA - OHSI	HOME OWNERSHIP ASSISTANCE PROGRAM	HUD GRANT - PROGRAM YEAR '17	PROJECT REINVEST	HOUSING CENTER - LOCAL BANK	HUD GRANT - PROGRAM YEAR '16	Total
Support Services												
Management and General	313 \$	1,027 \$	- \$	7,776 \$		13 \$	2,152 \$	3,737 \$	837 \$	1,005 \$	440 \$	18,361 \$
Indirect Costs	2	-	-	-	-	13	2,152	-	-	-	-	2
Management and General	315 \$	1,027 \$	- \$	7,776 \$		13 \$	2,152 \$	3,737 \$	837 \$	1,005 \$	440 \$	18,363 \$
Legal	-	-	-	378	-	-	-	-	-	-	-	378
Total Support Services	315	1,027	-	8,154	13	2,152	3,737	837	1,005	440	1,062	18,741
Program Services												
Personnel	2,302	6,212	2	27,383	94	9,792	24,214	5,856	6,111	2,098	6,534	90,598
Other Employee Benefits	524	1,386	-	2,151	23	2,269	5,589	1,339	1,367	597	1,624	16,888
Office Expense	-	189	-	2,986	-	3,115	602	75	1,307	307	43	8,634
Occupancy	-	-	-	30,922	-	-	-	-	-	-	-	30,922
Vehicles and Equipment	-	70	-	-	-	-	2,202	36	-	99	32	2,438
Travel, Training and Technical Assistance	-	1,338	-	1,343	-	287	941	248	357	275	79	4,848
Advertising	-	-	-	1,247	-	-	-	-	-	-	-	1,247
Insurance	-	-	-	415	-	-	-	-	-	-	-	415
Contract Labor and Services	-	-	-	14,608	-	-	-	-	-	-	-	14,608
Client Assistance	-	-	-	-	-	-	-	-	-	-	-	-
Other Direct Charges	-	-	-	4,753	-	-	24	-	-	551	-	5,327
Program Support	-	-	-	-	-	4,238	-	-	-	-	(4,238)	-
Allo cable Costs	411	1,351	-	-	-	17	4,917	1,098	1315	580	1,643	14,142
Fundraising Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Total Program Services	3,237	10,556	2	85,808	184	22,491	38,489	8,652	10,477	4,507	5,717	180,067
Sub-Total Before In-Kind	3,552	11,583	2	93,962	147	24,643	42,226	9,489	11,482	4,947	6,779	208,808
In-Kind Facilities / Services	-	-	-	-	-	-	-	-	-	-	-	-
Total Functional Expenses	3,552 \$	11,583 \$	2 \$	93,962 \$	147 \$	24,643 \$	42,226 \$	9,489 \$	11,482 \$	4,947 \$	6,779 \$	208,808

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
For the Year Ended June 30, 2018

8 - Community Services

	CSBG 2018	CSBG 2017	Total
Support Services			
Management and General	\$ 3,516	\$ 20,909	\$ 24,425
Legal	-	-	-
Total Support Services	3,516	20,909	24,425
Program Services			
Personnel	2,991	16,991	19,982
Other Employee Benefits	283	3,829	4,112
Office Expense	22	1,113	1,135
Occupancy	-	-	-
Vehicles and Equipment	6	181	187
Travel, Training and Technical Assistance	367	2,171	2,537
Advertising	37	114	151
Insurance	-	-	-
Contract Labor and Services	300	300	600
Client Assistance	-	-	-
Other Direct Charges	-	504	504
Program Support	2,917	58,706	61,623
Allocable Costs	323	6,196	6,519
Fundraising Expenses	-	-	-
Total Program Services	7,246	90,105	97,350
Sub-Total Before In-Kind	10,762	111,014	121,775
In-Kind Facilities / Services	9,831	-	9,831
Total Functional Expenses	\$ 20,593	\$ 111,014	\$ 131,606

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
 For the Year Ended June 30, 2018

9 - Food Bank Program

	FOOD BANK	Total
Support Services		
Management and General	\$ 15,278	\$ 15,278
Legal	-	-
Total Support Services	15,278	15,278
Program Services		
Personnel	81,322	81,322
Other Employee Benefits	11,067	11,067
Office Expense	1,472	1,472
Occupancy	17,346	17,346
Vehicles and Equipment	8,923	8,923
Travel, Training and Technical Assistance	2,265	2,265
Advertising	599	599
Insurance	538	538
Contract Labor and Services	-	-
Client Assistance	200	200
Other Direct Charges	24,215	24,215
Program Support	(4,712)	(4,712)
Allocable Costs	14,620	14,620
Fundraising Expenses	-	-
Total Program Services	157,855	157,855
Sub-Total Before In-Kind	173,133	173,133
In-Kind Facilities / Services	939,180	939,180
Total Functional Expenses	\$ 1,112,313	\$ 1,112,313

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
For the Year Ended June 30, 2018

91- Youth Programs

	KIDS CLUB	SUMMER FOOD SERVICE PROGRAM	RAC OPERATING FUND	RIVERIA BUILDING PROJECT	Total
Support Services					
Management and General	\$ 14,974	\$ 107	\$ 5,162	\$ -	\$ 20,243
Legal	-	-	-	-	-
Total Support Services	14,974	107	5,162	-	20,243
Program Services					
Personnel	134,394	8,327	3,453	-	146,174
Other Employee Benefits	18,748	297	935	-	19,979
Office Expense	3,783	1,941	2,804	-	8,528
Occupancy	9,680	4,719	41,609	202	56,211
Vehicles and Equipment	1,354	268	175	-	1,797
Travel, Training and Technical Assistance	276	-	132	-	408
Advertising	494	-	65	-	559
Insurance	954	5,036	1,036	-	7,026
Contract Labor and Services	40	178	2,573	-	2,791
Client Assistance	-	-	-	-	-
Other Direct Charges	3,561	11,688	8	-	15,257
Program Support	(22,542)	(6,734)	-	-	(29,277)
Allocable Costs	2,500	950	895	-	4,345
Fundraising Expenses	1,766	-	-	-	1,766
Total Program Services	155,008	26,670	53,685	202	235,564
Sub-Total Before In-Kind	169,982	26,777	58,847	202	255,807
In-Kind Facilities / Services	9,580	-	21	-	9,601
Total Functional Expenses	\$ 179,562	\$ 26,777	\$ 58,868	\$ 202	\$ 265,408

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
For the Year Ended June 30, 2018

95 - Other Programs

	ADMIN INDIRECT	CENTRAL DIRECT COSTS	BAKER DIRECT COSTS	UNION DIRECT COSTS	WALLOWA DIRECT COSTS	Total
Support Services						
Management and General	\$ 361	\$ 3,912	\$ -	\$ 90	\$ -	\$ 4,363
Legal	-	-	-	-	-	-
Total Support Services	361	3,912	-	90	-	4,363
Program Services						
Personnel	-	49,391	44,841	48,605	33,372	176,209
Other Employee Benefits	-	12,942	8,960	6,911	7,701	36,514
Office Expense	-	12,865	7,820	7,693	5,633	34,010
Occupancy	-	8,846	21,409	26,438	32,913	89,607
Vehicles and Equipment	-	8,905	5,290	14,012	4,240	32,447
Travel, Training and Technical Assistance	-	189	897	54	646	1,786
Advertising	-	488	764	1,342	1,339	3,933
Insurance	-	7,516	5,996	3,709	3,105	20,326
Contract Labor and Services	-	645	-	-	-	645
Client Assistance	-	-	-	-	-	-
Other Direct Charges	-	458	32	-	69	559
Program Support	-	-	-	-	-	-
Allocable Costs	-	(114,467)	(96,008)	(108,336)	(88,535)	(407,347)
Fundraising Expenses	-	50	-	50	-	100
Total Program Services	-	(12,172)	1	478	483	(11,211)
Sub-Total Before In-Kind	361	(8,260)	1	568	483	(6,848)
In-Kind Facilities / Services	-	-	-	-	-	-
Total Functional Expenses	\$ 361	\$ (8,260)	\$ 1	\$ 568	\$ 483	\$ (6,848)

**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, 2018, 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 18, 2018.

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.

Lewis, Poe, Moeller, Gunderson & Roberts, LLC

LEWIS, POE, MOELLER, GUNDERSON & ROBERTS, LLC

La Grande, Oregon
October 18, 2018

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, 2018. 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, 2018.

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.

Lewis, Poe, Moeller, Gunderson & Roberts, LLC

LEWIS, POE, MOELLER, GUNDERSON & ROBERTS, LLC

La Grande, Oregon
October 18, 2018

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

Program Title	Grant Number	Federal CFDA Number	Expenditures
Department of Treasury			
National Foreclosure Mitigation Counseling		21.XXX	\$ 450
Department of Housing and Urban Development			
Hud Housing Counseling Grant	HC16-092-008, HC17-0921-014	14.169	9,598
Continuum of Care	OR0085L0E0516097	14.235	87,731
Total Direct Funding from Department of Housing and Urban Development			<u>97,329</u>
Passed through Oregon Infrastructure Finance Authority:			
Community Development Block Grant - Res Rehab Revolving Loan Func	H98018, H91014, H96036	14.228	780,911
Passed through Union County:			
Community Development Block Grant - Res Rehab Revolving Loan Func	H020016, H00021, HR709	14.228	628,597
Passed through Grant County:			
Community Development Block Grant - Res Rehab Revolving Loan Func	HR103	14.228	222,395
Passed through Willowa County:			
Community Development Block Grant - Res Rehab Revolving Loan Func	HR808, H11012	14.228	477,808
Passed through Baker County:			
Community Development Block Grant - Res Rehab Revolving Loan Func	HR401	14.228	145,934
Total Community Development Block Grant - Res Rehab Revolving Loan Fund		14.228	<u>2,255,645</u>
Passed through Housing and Community Services Department			
Emergency Shelter Grant Program	E16-DC-41-0001; E17-DC-41-0001	14.231	21,471
HOME Tenant Based Assistance Program	M-16-SG-41-0100/M-17-SG-41-0100	14.239	46,944
Total Passed through Housing and Community Services			<u>68,415</u>
Total Department of Housing and Urban Development			<u>2,421,389</u>
Department of Energy			
Passed through the Housing and Community Services Department			
Department of Energy Weatherization	DE-EE0007945	81.042	77,287
Bonneville Power Administration	70589; 77347	81.X02	37,066
Total Department of Energy			<u>114,353</u>
Department of Health and Human Services			
Passed through Housing and Community Services Department			
TANF Cluster: Temporary Assistance to Needy Families (HSP)	149368	93.558	7,225
Low Income Energy Assistance Program and WX 17	G-17B1ORLIEA	93.568	371,081
Low Income Energy Assistance Program and WX 18	G-18B1ORLIEA	93.568	924,954
Total CFDA 93.568			<u>1,296,035</u>
Community Services Block Grant	G-17B1ORCOSR; G-18B1ORCOSR	93.569	116,893
Total Passed through Housing and Community Services			<u>1,420,153</u>
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	71,304
Title III C-1 & C-2	148984	93.045	227,148
USDA Cash in Lieu of Commodities (NSIP)	148984	93.053	68,718
Total Cluster - Special Programs for the Aging			<u>367,170</u>
Medicaid Cluster: Title XIX-MOW and No Wrong Doors	001	93.778	139,164
Special Programs for the Aging-Title VII, Ch. 3-Programs for			
Title VII B	148984	93.042	1,873
Title III D	148984	93.043	3,573
Title III E	148984	93.052	30,965
Total Passed through Oregon Department of Human Services			<u>542,745</u>
Total Department of Health and Human Services			<u>1,962,898</u>
Federal Emergency Management Agency			
Passed through Emergency Food and Shelter Program			
Emergency Food and Shelter		85.523	<u>13,833</u>
Department of Transportation			
Passed through Oregon Department of Transportation			
Formula Grants for Rural Areas	31912/31026/31977	20.509	473,381
Transit Services Program Cluster: Purchase Service Grant	002	20.513	1,999
Total passed through Oregon Department of Transportation			<u>475,380</u>

Passed through Union County, Oregon

Transit Services Program Cluster: Purchase Service Grant	32220	20.513	<u>238,613</u>
Total Transit Services Program Cluster			<u>240,612</u>
Highway Planning and Construction Cluster: Transportation Options	30842	20.205	<u>14,957</u>
Total passed through Union County, Oregon			<u>253,570</u>
Total Department of Transportation			<u>728,950</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	75,198
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Passed through CAPO

Supportive Services for Veteran Families (SSVF)	C2015-OR-505A	64.033	<u>44,360</u>
Total Department of Veterans Affairs			<u>119,558</u>

US Department of Agriculture**Passed through Oregon Department of Education**

Child Nutrition Cluster: Summer Food Service Program for Children	3103004	10.559	20,739
Child and Adult Care Food Program	3103004	10.558	<u>2,689</u>
Total passed through Oregon Department of Education			<u>23,428</u>

Passed through Oregon Food Bank

Food Distribution Cluster:

The Emergency Food Assistance Program: Administrative Expenses		10.568	4,504
The Emergency Food Assistance Program: Commodities		10.569	<u>198,063</u>
Total Food Distribution Cluster			<u>202,567</u>
Total US Department of Agriculture			<u>225,995</u>

Total expenditures of federal awards

\$ 5,587,426

**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, 2018

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, 2018.

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, 2018. 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

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

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, 2018, 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 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, 2018

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

	Federal Funds	Revolving Funds	Total
Balance, July 1, 2017	2,255,645	95,449	2,351,094
New loans made	0	21,237	21,237
Subtotal	<u>2,255,645</u>	<u>116,686</u>	<u>2,372,331</u>
Principal payments received 17-18	<u>(126,744)</u>	<u>(3,138)</u>	<u>(129,882)</u>
Balance, June 30, 2018	<u><u>2,128,901</u></u>	<u><u>113,548</u></u>	<u><u>2,242,449</u></u>

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

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:	
<i>Major programs:</i>	
Low Income Energy Assistance Program Passed through Oregon Housing and Community Services CFDA Number 93.568	Unqualified
Formula Grants for Rural Areas Passed through Oregon Department of Transportation CFDA Number 20.509	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, 2018

None noted as a result of our audit procedures.