

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

ANNUAL FINANCIAL REPORT

For the Years Ended June 30, 2025 and June 30, 2024



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INTRODUCTORY SECTION

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

BOARD OF DIRECTORS AND OFFICIALS

June 30, 2025

BOARD OF DIRECTORS

Baker County

Elsie Pellissier
Michelle Kaseberg

Low-income Sector
Private Sector

Director
Treasurer

Grant County

Mitch Wilson
Scott W. Myers

Public Sector
Low-Income Sector

Director
Chairman

Union County

Julie Kay Dudley
Dan Seaman
Matt Scarfo

Low-income Sector
Private Sector
Public Sector

Director
Director
Vice-Chairman

Wallowa County

John Hillock
Barbara McCormack
Jim Hicks

Public Sector
Low-income Sector
Private Sector

Secretary
Director
Director

Officials

Connie Guentert
Jeff Hensley
Michael Fluharty

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

Executive Director
Assistant Director
Contracted CPA

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FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

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, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Community Connection of Northeast Oregon, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Connection of Northeast Oregon, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not 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 Statement of Support and Revenues and the Schedule of Expenditures of Federal Awards are 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 20, 2025 on our consideration of the 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 solely 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 effectiveness of Community Connection of Northeast Oregon, Inc.'s 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.

CONNECTED PROFESSIONAL ACCOUNTANTS, LLC
Certified Public Accountants

By Lindsey Cole, CPA

Lindsey Cole, CPA
Owner/Member

La Grande, Oregon
October 20, 2025

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BASIC FINANCIAL STATEMENTS

Community Connection of Northeast Oregon, Inc.
Statement of Financial Position
As of June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Current Assets			
Cash	279,169	-	279,169
Restricted Cash	-	2,055,930	2,055,930
Total Cash, Restricted cash and cash equivalents	279,169	2,055,930	2,335,099
Grants Receivable	-	1,133,253	1,133,253
Prepaid Expenses	65,185	6,437	71,622
Amounts Due Between Funds	(612,155)	612,155	-
Total Current Assets	(267,801)	3,807,775	3,539,974
Housing Rehab Loans Receivable (Net of Allowance for Credit Losses)	-	2,290,025	2,290,025
Property and Equipment (Net of Accumulated Depreciation)	-	5,257,710	5,257,710
Right of Use Asset (net of accumulated amortization)	-	76,771	76,771
Beneficial Interest in Assets Held by Community Foundation	-	176,892	176,892
Total Assets	(267,801)	11,609,173	11,341,372
Liabilities			
Current Liabilities			
Accounts Payable		275,126	275,126
Accrued Payroll Liabilities	348,841	(20,160)	328,681
Accrued Vacation	163,903	33,497	197,400
Deferred Revenue	-	270,973	270,973
Current Portion of Long-Term Leases	-	19,666	19,666
Total Current Liabilities	512,744	579,102	1,091,846
Long-Term Liabilities			
Leases Payable	-	63,885	63,885
Total Liabilities	512,744	642,987	1,155,731
Net Assets			
Without Donor Restrictions	(780,545)	-	(780,545)
With Donor Restrictions	-	10,966,186	10,966,186
Total Net Assets	(780,545)	10,966,186	10,185,641
Total Liabilities and Net Assets	(267,801)	11,609,173	11,341,372

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

Community Connection of Northeast Oregon, Inc.

Statement of Financial Position

As of June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Current Assets			
Cash	817,467	-	817,467
Restricted Cash	-	953,556	953,556
Total Cash, Restricted cash and cash equivalents	<u>817,467</u>	<u>953,556</u>	<u>1,771,023</u>
Grants Receivable	-	2,120,559	2,120,559
Prepaid Expenses	53,668	4,350	58,018
Amounts Due Between Funds	(162,772)	162,772	-
Total Current Assets	<u>708,363</u>	<u>3,241,237</u>	<u>3,949,600</u>
Housing Rehab Loans Receivable (Net of Allowance for Credit Losses)	-	2,258,483	2,258,483
Property and Equipment (Net of Accumulated Depreciation)	-	4,547,602	4,547,602
Right of Use Asset (net of accumulated amortization)	-	90,527	90,527
Beneficial Interest in Assets Held by Community Foundation	-	159,405	159,405
Total Assets	<u><u>708,363</u></u>	<u><u>10,297,254</u></u>	<u><u>11,005,617</u></u>
Liabilities			
Current Liabilities			
Accounts Payable	77	163,244	163,321
Accrued Payroll Liabilities	225,610	(529)	225,081
Accrued Vacation	175,897	33,497	209,394
Deferred Revenue	-	270,973	270,973
Current Portion of Long-Term Leases	-	16,959	16,959
Total Current Liabilities	<u>401,584</u>	<u>484,144</u>	<u>885,728</u>
Long-Term Liabilities			
Leases Payable	-	79,729	79,729
Total Liabilities	<u>401,584</u>	<u>563,873</u>	<u>965,457</u>
Net Assets			
Without Donor Restrictions	306,779	-	306,779
With Donor Restrictions	-	9,733,381	9,733,381
Total Net Assets	<u>306,779</u>	<u>9,733,381</u>	<u>10,040,160</u>
Total Liabilities and Net Assets	<u><u>708,363</u></u>	<u><u>10,297,254</u></u>	<u><u>11,005,617</u></u>

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

Community Connection of Northeast Oregon, Inc
Statement of Activities
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Public Support			
In-kind Services	2,142	1,390,417	1,392,559
Contributions	19,752	307,734	327,486
Grants and Awards from Governmental Agencies	6,830	11,255,223	11,262,053
Total Public Support	28,724	12,953,374	12,982,098
Revenue			
Program Fees	167	509,361	509,528
Fundraising	-	13,860	13,860
Other	18,001	269,358	287,359
Total Revenue	18,168	792,579	810,747
Net Assets Released from Restrictions:			
Satisfaction of Programs Restrictions	12,171,025	(12,171,025)	-
Total Support and Revenues	12,217,917	1,574,928	13,792,845
Expenses			
Program Services			
Senior/Nutrition and Homecare Programs	2,686,590		2,686,590
Weatherization and Rehab Programs	762,316		762,316
Emergency Assistance and Self-Sufficiency Program	2,078,144		2,078,144
Energy Assistance Programs	1,400,441		1,400,441
Transportation Programs	2,301,801		2,301,801
Housing Programs	349,610		349,610
Community Services	201,883		201,883
Food Bank Program	494,615		494,615
Youth Programs	8,468	-	8,468
Other Programs	2,551	-	2,551
Total Program Services	10,286,419	-	10,286,419
Support Services			
General Fund	(11,283)	-	(11,283)
Administrative	1,116,062	-	1,116,062
Fundraising	970	-	970
In-Kind Goods and Services	1,392,559	-	1,392,559
Total Support Services	2,498,308	-	2,498,308
Depreciation & Amortization Expense	520,514	-	520,514
Total Operating Expenses	13,305,241	-	13,305,241
Change in Net Assets	(1,087,324)	1,574,928	487,604
Net Assets at Beginning of Year	306,779	9,733,381	10,040,160
Prior Period Adjustment	-	(342,123)	(342,123)
Net Assets at End of Year	(780,545)	10,966,186	10,185,641

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

Community Connection of Northeast Oregon, Inc
Statement of Activities
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Public Support			
In-kind Services	1,740	1,365,085	1,366,825
Contributions	12,843	207,135	219,978
Grants and Awards from Governmental Agencies	-	10,455,806	10,455,806
Total Public Support	<u>14,583</u>	<u>12,028,026</u>	<u>12,042,609</u>
Revenue			
Program Fees	111,647	512,126	623,773
Fundraising	-	48,838	48,838
Other	6,528	264,838	271,366
Total Revenue	<u>118,175</u>	<u>825,802</u>	<u>943,977</u>
Net Assets Released from Restrictions:			
Satisfaction of Programs Restrictions	11,657,157	(11,657,157)	-
Total Support and Revenues	<u>11,789,915</u>	<u>1,196,671</u>	<u>12,986,586</u>
Expenses			
Program Services			
Senior/Nutrition and Homecare Programs	2,077,195		2,077,195
Weatherization and Rehab Programs	887,758		887,758
Emergency Assistance and Self-Sufficiency Program	1,271,729		1,271,729
Energy Assistance Programs	1,955,835		1,955,835
Transportation Programs	2,202,226		2,202,226
Housing Programs	627,363		627,363
Community Services	178,547		178,547
Food Bank Program	422,845		422,845
Youth Programs	13,496	-	13,496
Other Programs	11,222	-	11,222
Total Program Services	<u>9,648,216</u>	<u>-</u>	<u>9,648,216</u>
Support Services			
General Fund	25,308	-	25,308
Administrative	1,142,541	-	1,142,541
Fundraising	8,045	-	8,045
In-Kind Goods and Services	1,366,825	-	1,366,825
Total Support Services	<u>2,542,719</u>	<u>-</u>	<u>2,542,719</u>
Depreciation & Amortization Expense	421,529	-	421,529
Total Operating Expenses	<u>12,612,464</u>	<u>-</u>	<u>12,612,464</u>
Change in Net Assets	(822,549)	1,196,671	374,122
Net Assets at Beginning of Year	1,129,328	8,496,258	9,625,586
Prior Period Adjustment	-	40,452	40,452
Net Assets at End of Year	<u>306,779</u>	<u>9,733,381</u>	<u>10,040,160</u>

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

Community Connection of Northeast Oregon, Inc
Statement of Cash Flows
For the Year Ended June 30, 2025 and 2024

	2025	2024
Cash flows from Operating Activities		
Change in Net Assets	487,604	374,122
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
Depreciation & Amortization	520,514	420,037
Amortization of Right to use Asset	13,756	18,778
Credit Gain (Loss)	(342,306)	3,592
(Increase) Decrease in:		
Grants Receivable	987,299	263,674
Prepaid Expenses	(13,604)	(7,913)
Increase (Decrease) in:		
Accounts Payable	111,805	(27,034)
Accrued Payroll Liabilities	103,600	9,974
Accrued Vacation	(11,994)	12,212
Deferred Revenue	-	(159,313)
Lease Liability	(13,137)	(17,285)
Net Cash Provided by Operating Activities	1,843,537	890,844
Cash Flows from Investing Activities		
Purchase of Property and Equipment	(1,230,002)	(394,355)
New Housing Rehab Loans Issued	(182,717)	(209,379)
Repayment of Housing Rehab Loans	150,776	84,442
(Increase) Decrease in Assets in Community Foundation	(17,517)	(15,013)
Net Cash used by Investing Activities	(1,279,460)	(534,305)
Net Increase(decrease) in Cash and Cash Equivalents and Restricted Cash	564,076	356,539
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	1,771,023	1,414,484
Cash, Cash Equivalents and Restricted Cash, End of Year	2,335,099	1,771,023

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

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Community Connection of Northeast Oregon, Inc
Statement of Functional Expenses
For the Year Ended June 30, 2025

Program Services

	Senior / Nutrition and Homecare Programs	Weatherization and Rehab Programs	Emergency Assistance and Self- Sufficiency Programs	Energy Assistance Programs	Transportation Programs	Housing Programs
Program Services						
Personnel Compensation and Taxes	\$ 875,667	\$ 219,003	\$ 367,734	\$ 160,395	\$ 1,480,597	\$ 100,313
Other Employee Benefits	171,740	34,469	70,823	30,709	229,859	19,356
Office Expense	9,878	6,341	5,810	6,131	8,891	752
Occupancy	37,879	4,205	31,420	24,550	62,996	517
Vehicles and Equipment	35,333	11,436	14,533	8,818	373,965	2,554
Travel, Training and Technical Assistance	35,855	26,505	28,412	3,632	17,838	2,146
Advertising	4,157	490	3,446	498	12,592	724
Insurance	26,578	54,481	13,171	7,916	13,142	19,231
Contract Labor and Services	56,451	399,705	57,890	570	1	-
Client Assistance	1,087,676	-	1,468,039	1,150,673	7,672	195,000
Other Direct Charges	395,567	4,932	4,429	2,814	44,340	8,047
Legal	1,935	193	9,522	-	-	-
Professional Services	-	-	-	-	-	-
Program Support	(55,000)	(346)	(6)	-	-	-
Allocable Costs	2,874	902	2,921	3,735	49,908	970
Total Program Services	<u>2,686,590</u>	<u>762,316</u>	<u>2,078,144</u>	<u>1,400,441</u>	<u>2,301,801</u>	<u>349,610</u>
Administrative Costs	252,062	88,429	239,984	156,787	264,900	41,281
Fundraising Expenses	970	-	-	-	-	-
In-Kind Facilities / Services	52,781	-	-	-	-	-
Total Support Services	<u>305,813</u>	<u>88,429</u>	<u>239,984</u>	<u>156,787</u>	<u>264,900</u>	<u>41,281</u>
Total Functional Expenses	<u>\$ 2,992,403</u>	<u>\$ 850,745</u>	<u>\$ 2,318,128</u>	<u>\$ 1,557,228</u>	<u>\$ 2,566,701</u>	<u>\$ 390,891</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, 2025

Support Services

Community Servcies	Food Bank Program	Youth Programs	Building Expansion and Cost Pools	Total Program Services	General Fund	Administrative	Total
\$ 76,295	\$ 258,949	\$ 5,806	\$ (119,632)	\$ 3,425,127	\$ 301	\$ 740,853	\$ 4,166,281
15,341	61,239	261	118,279	752,076	(5,566)	133,111	879,621
2,460	1,101	18	359	41,741	266	16,571	58,578
1,897	30,433	31	(5,025)	188,903	(133)	15,983	204,753
1,258	107,885	31	(7,498)	548,315	1,290	38,623	588,228
11,293	4,269	328	1	130,279	5	35,482	165,766
4,316	2,081	1	-	28,305	14	2,516	30,835
4,099	237	551	2	139,408	(35,074)	1,845	106,179
24,267	(3)	978	-	539,859	2	93,615	633,476
-	-	-	-	3,909,060	1,269	-	3,910,329
254	49,192	139	15,501	525,215	(85)	(41,501)	483,629
-	-	-	-	11,650	-	3,161	14,811
-	-	-	-	-	-	6,493	6,493
59,818	(29,472)	-	-	(25,006)	25,006	-	-
585	8,704	324	564	71,487	1,422	69,310	142,219
<u>201,883</u>	<u>494,615</u>	<u>8,468</u>	<u>2,551</u>	<u>10,286,419</u>	<u>(11,283)</u>	<u>1,116,062</u>	<u>11,391,198</u>
37,465	55,644	1,052	(43,687)	1,093,917	24,079	(1,117,996)	-
-	-	-	-	970	-	-	970
-	1,337,636	-	-	1,390,417	2,142	-	1,392,559
<u>37,465</u>	<u>1,393,280</u>	<u>1,052</u>	<u>(43,687)</u>	<u>2,485,304</u>	<u>26,221</u>	<u>(1,117,996)</u>	<u>1,393,529</u>
<u>\$ 239,348</u>	<u>\$ 1,887,895</u>	<u>\$ 9,520</u>	<u>\$ (41,136)</u>	<u>\$ 12,771,723</u>	<u>\$ 14,938</u>	<u>\$ (1,934)</u>	<u>\$ 12,784,727</u>

Community Connection of Northeast Oregon, Inc
Statement of Functional Expenses
For the Year Ended June 30, 2024

Program Services

	Senior / Nutrition and Homecare Programs	Weatherization and Rehab Programs	Emergency Assistance and Self- Sufficiency Programs	Energy Assistance Programs	Transportation Programs	Housing Programs
Program Services						
Personnel Compensation and Taxes	\$ 654,791	\$ 167,545	\$ 263,088	\$ 145,218	\$ 1,214,357	\$ 201,879
Other Employee Benefits	162,161	29,549	61,551	28,602	196,608	39,946
Office Expense	7,305	6,188	4,495	4,495	9,492	2,165
Occupancy	20,778	3,959	36,144	14,435	35,974	1,031
Vehicles and Equipment	28,130	9,411	13,781	7,810	267,867	3,938
Travel, Training and Technical Assistance	26,003	6,692	16,710	4,711	12,124	16,416
Advertising	2,317	525	3,015	1,506	7,357	997
Insurance	10,623	7,339	10,212	5,136	26,354	1,048
Contract Labor and Services	95,637	619,385	50,755	2,791	1,000	-
Client Assistance	620,088	-	799,658	1,651,476	3,274	346,200
Other Direct Charges	451,519	6,738	761	60,064	6,882	180
Legal	-	2,600	-	-	-	120
Professional Services	-	-	-	-	-	-
Program Support	(55,883)	-	(12,784)	(1,482)	-	-
Allocable Costs	53,726	27,827	24,343	31,073	420,937	13,443
Total Program Services	<u>2,077,195</u>	<u>887,758</u>	<u>1,271,729</u>	<u>1,955,835</u>	<u>2,202,226</u>	<u>627,363</u>
Administrative Costs	210,446	85,008	133,912	179,797	228,332	51,650
Fundraising Expenses	8,045	-	-	-	-	-
In-Kind Facilities / Services	77,232	-	-	-	846	-
Total Support Services	<u>295,723</u>	<u>85,008</u>	<u>133,912</u>	<u>179,797</u>	<u>229,178</u>	<u>51,650</u>
Total Functional Expenses	<u>\$ 2,372,918</u>	<u>\$ 972,766</u>	<u>\$ 1,405,641</u>	<u>\$ 2,135,632</u>	<u>\$ 2,431,404</u>	<u>\$ 679,013</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, 2024

Support Services

Community Services	Food Bank Program	Youth Programs	Building Expansion and Cost Pools	Total Program Services	General Fund	Administrative	Total
\$ 54,087	\$ 233,528	\$ 5,845	\$ 157,352	\$ 3,097,690	\$ 2,483	\$ 731,094	\$ 3,831,267
12,201	59,011	770	130,921	721,320	44,752	148,778	914,850
451	1,599	12	14,940	51,142	281	11,512	62,935
766	37,558	1,103	80,158	231,906	513	14,541	246,960
810	29,874	151	153,774	515,546	816	20,120	536,482
7,676	4,035	273	6,054	100,694	24	43,397	144,115
282	232	6	3,546	19,783	1,807	2,927	24,517
360	9,373	4,171	1,024	75,640	(2)	8,098	83,736
15	248	-	(400)	769,431	(27,435)	55,380	797,376
-	-	-	166	3,420,862	-	-	3,420,862
254	65,066	415	4,363	596,242	2,043	30,238	628,523
-	400	-	-	3,120	-	1,561	4,681
-	-	-	-	-	-	16,098	16,098
100,149	(30,000)	-	-	-	-	-	-
1,496	11,921	750	(540,676)	44,840	26	58,797	103,663
<u>178,547</u>	<u>422,845</u>	<u>13,496</u>	<u>11,222</u>	<u>9,648,216</u>	<u>25,308</u>	<u>1,142,541</u>	<u>10,816,065</u>
37,913	68,952	1,193	44,290	1,041,493	69,110	(1,110,603)	-
-	-	-	-	8,045	-	-	8,045
-	1,287,007	-	-	1,365,085	1,740	-	1,366,825
<u>37,913</u>	<u>1,355,959</u>	<u>1,193</u>	<u>44,290</u>	<u>2,414,623</u>	<u>70,850</u>	<u>(1,110,603)</u>	<u>1,374,870</u>
<u>\$ 216,460</u>	<u>\$ 1,778,804</u>	<u>\$ 14,689</u>	<u>\$ 55,512</u>	<u>\$ 12,062,839</u>	<u>\$ 96,158</u>	<u>\$ 31,938</u>	<u>\$ 12,190,935</u>

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**NOTES TO BASIC FINANCIAL
STATEMENTS**

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
Notes to Financial Statements

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 senior citizens, low-income individuals, education, business, welfare, minority, and other groups in the communities served.

Public Support and Revenue

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activity as net assets released from restrictions.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Contributions of donated services that create or enhance nonfinancial assets, and/or that require specialized skills, are provided by individuals possessing those skills, and which would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Entity receives funding in part from the Oregon Housing & Community Services, Department of Housing and Human Services, Oregon Department of Transportation, private contributions, and other state and federal sources.

Revenue and Revenue Recognition

Contributions

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Consequently, at June 30, 2025, contributions approximating \$270,973, have not been recognized in the accompanying consolidated statement of activities because the conditions on which they depend has not yet been met.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
Notes to Financial Statements

Revenue from Contracts with Customers

Revenues derived from the senior nutrition program full price meals and food bank program fundraising events are recognized as the services are provided, events are held, or as goods are delivered to the buyer. Facility rentals are recognized when the performance obligation of providing space for the event is satisfied. Transportation rides under contract are recognized at the time the service is provided.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. All revenues are recognized when they are earned. Expenses are recognized when the related fund liability is incurred. Information is required to be reported regarding financial position and activities according to the following net asset classifications.

Net Assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Community Connection of Northeast Oregon's management and governance.

Net Assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by action of Community in Action or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

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 "Without Donor Restrictions" and "With Donor Restrictions" funds.

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.

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
Notes to Financial Statements

Leases

The Organization accounts for leases in accordance with FASB ASC 842. The Organization is a lessee in several noncancellable operating leases for office space. Leases for other equipment are evaluated using the criteria outlined in FASB ASC 842 to determine whether they will be classified as operating leases or finance leases. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Organization determines if an arrangement conveys the right to use an identified asset and whether the Organization obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Organization recognizes a lease liability and right-of-use (ROU) asset at the commencement date of the lease.

Beginning July 1, 2022, operating lease ROU assets and related current and long-term portions of operating lease liabilities have been presented in the statement of financial position.

Lease liabilities. A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable; otherwise, the Organization uses its incremental borrowing rate. The implicit rates of the Organization's leases are not readily determinable; accordingly, the Organization uses its incremental borrowing rate based on the information available at the commencement date for each lease. The Organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment and geographic location. The Organization determines its incremental borrowing rates by starting with the interest rates on recent borrowings and other observable market rates and adjusting those rates to reflect differences in the amount of collateral and the payment terms of the leases.

ROU assets. A ROU asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid accrued lease payments, less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the lease term. Finance lease ROU assets are amortized on a straight-line basis over the shorter of the lease term or the remaining useful life of the asset.

Short Term Leases

Accounting Policy election for short-term leases. The Organization has elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less, but greater than one month at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonable certain to exercise. The Organization recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term.

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, 2025 and June 30, 2024 amounted to \$ 197,400 and \$209,394 respectively.

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
Notes to Financial Statements

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.

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. Contributions are made on a monthly basis. No unfunded liability existed at June 30, 2025 or June 30, 2024. The organization's payroll for employees covered by the plan for the fiscal year ended June 30, 2025, was \$3,162,689 and total payroll was \$3,758,298. The organization's payroll for employees covered by the plan for the fiscal year ended June 30, 2024, was \$2,792,943 and total payroll was \$3,488,809.

The organization contributed \$ 237,136 and \$ 209,471 on behalf of its employees during the fiscal years ended June 30, 2025 and June 30, 2024, respectively, based on 7.5% of eligible employee salaries.

The plan provides for immediate vesting of benefits, therefore the amount forfeited by employees due to leaving employment prior to vesting was zero for the fiscal year ended June 30, 2025 and June 30, 2024.

Allowance for Credit Losses

In June 2016, the FASB issued guidance, FASB ASB 326, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the company that are subject to guidance in FASB ASC 326 were housing rehabilitation loans receivable.

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
Notes to Financial Statements

Effective July 1, 2023, the Company adopted ASU 2016-13 (Topic 326) on credit losses, which modifies the measurement of expected credit losses on accounts receivable trade and certain financial instruments. The Company adopted this new guidance using the modified retrospective transition method. The most significant change under Topic 326 compared to existing standards for computing credit losses is a shift from the incurred loss model to the expected loss model. The adoption of this ASU was not material to the financial statements and primarily resulted in enhanced disclosures.

Note 2 - Advertising:

Costs incurred for advertising are expensed when incurred. Advertising costs for the year ended June 30, 2025 and June 30, 2024 was \$30,835 and \$24,517 respectively.

Note 3 - Liquidity and Reserves:

The following reflects the Organization's financial assets as of June 30, 2025 and 2024, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designations. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

Financial assets at June 30:	2025	2024
Cash	\$ 2,335,099	\$ 1,771,023
Grants and other receivables	1,133,253	2,120,559
Loans Receivable	2,290,025	2,258,483
Beneficial Interest in Assets Held by Community Foundation	176,892	159,405
Donor Imposed Restrictions		
Funds subject to Purpose Restrictions	(1,133,253)	(2,120,559)
Long Term Portion of Loans Receivable	<u>(2,290,025)</u>	<u>(2,258,483)</u>
Net Financial Assets after Donor Imposed Restrictions	2,511,991	1,930,428
Less Restricted Cash	<u>(2,055,930)</u>	<u>(953,556)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 456,061</u></u>	<u><u>\$ 976,872</u></u>

The organization has programs that generate cash. The organization treats any unspent program funds as donor restricted and requires resources to be used in a particular manner or in a future period, the entity must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. As part of the organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 4 - Fund Description and Purpose

Without Donor Restrictions Operating Fund

This fund accounts for proceeds from unrestricted sources not otherwise accounted for in the With Donor Restrictions funds.

Program Funds

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

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
Notes to Financial Statements

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 his or her choice—caregiver support, meals-on-wheels, congregate meals, in-home care, legal assistance, health screenings, nutrition education, exercise classes, dances, and other social activities. These services assist the frail older person who will be able to remain at home if they receive the right supports as well as those people 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.

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.

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 analysis 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 systems and floors. This program is a loan program and participants have a lien recorded against their homes for the amount of construction and loan fees. The loan is interest-free and requires no repayment as long as the borrower is living in the home. Each homeowner solicits bids from and selects a local contractor to perform the work on their home. Community Connection inspects the work upon completion.

Self Sufficiency and Emergency Programs

Community Connection has a full range of programs to assist homeless individuals or people at-risk of homelessness with their rent and utility needs; eligibility-criteria vary by program. Payments are issued to the landlord or to the utility company.

Self-sufficiency programs assist households with security deposits and multiple months of partial rental payments; some programs require a copayment from the tenant. The adults in each household 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 providing temporary, emergency lodging.

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
Notes to Financial Statements

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 some funding sources allow for a second payment. 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; service models include deviated fixed routes and individualized curb-to-curb rides. We also transport eligible individuals, including Veterans, to medical appointments throughout the northwest.

Housing Programs

Our HUD-Certified Housing Counseling Center (aka Housing Resource Center) assists 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. Trained housing counselors work 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
- Down Payment Assistance Program
- Individual Development Accounts for Down Payments

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 (commonly referred to as CAPs for Community Action Programs). 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. This is accomplished through a variety of means, including coordination and linkages at the community level, providing information and referrals, and supporting related agency programs such as the food bank, senior meals, homeless and energy services.

Food Bank Services

Community Connection operates the Northeast Oregon Regional Food Bank (RFB) and distributes food to 19 pantries which then provide emergency food boxes to income-eligible households. The RFB also provides food to at least one school backpack program and to a dozen Harvest Share and Fresh Alliance sites at senior centers, libraries, social service offices, and affordable housing complexes throughout Baker, Grant, Union, and Wallowa counties. These Harvest Share and Fresh Alliance sites offer produce, dairy, frozen food, bread, and meat to the public with some income restrictions.

Community Connection receives donations of cash in addition to fresh, frozen, and canned items from growers, individuals, stores, and other businesses within our region. Foods are also received from Oregon Food Bank and the United States Department of Agriculture (USDA) and we purchase food locally.

In addition to its role as the RFB, Community Connection directly operates three food pantries, two in Wallowa County, and one in Baker County. The pantries receive food from the Northeast Oregon Regional Food Bank in addition to local donations of food and cash. These pantries also purchase food locally.

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

Notes to Financial Statements

Building Investments

The Regional Food Bank Distribution Center still has ongoing projects include air conditioning/heating improvements, and redoing the floor in the central part of the building to meet safety guidelines which Oregon Food Bank recommends. Those improvements will be ongoing as grant funds are sought to financially support those specific items.

The Baker Senior Center expansion project was completed the end of 2022. All other projects were completed in FY25 to include ADA doors.

Note 5 - 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, 2025 and June 30, 2024 was \$ 1,392,559 and \$ 1,366,825 respectively. 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.

There were also donated hours that have not been recorded because they do not meet the requirements necessary for recognition. For year ended June 30, 2025 and June 30, 2024 this includes \$222,024 and \$219,779 of donated hours, respectively.

Note 6 - Contributed Nonfinancial Assets

Contributed nonfinancial assets recognized within the statement of activities for the years ended June 30,

	<u>2025</u>	<u>2024</u>
Food	\$ 1,392,559	\$ 1,366,825

Community Connection of NE Oregon, Inc recognized contributed nonfinancial assets within revenue, including contributed food. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed food was utilized in the Regional Food Bank program. In valuing food, Community Connection of NE Oregon, Inc., estimated the fair value on the basis of estimates of per pound wholesale values that would be received for selling products in the United States.

Note 7 - Concentration of Credit Risk:

At June 30, 2025 the carrying amount of the organization's deposits (cash and certificates of deposit) was \$2,335,099 and the bank balance was \$ 2,470,475. At June 30, 2024 the carrying amount of the organization's deposits (cash and certificates of deposit) was \$1,771,023 and the bank balance was \$1,969,263. 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.

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

Notes to Financial Statements

Based on these three levels of risk, 100% of the organization's cash deposits, in 2025 and 2024 \$2,470,475 and \$1,969,263 respectively, are classified as category 1 based on FDIC coverage of \$250,000.

Deposits exceeded federally insured limits by \$71,646 as of June 30, 2025 and \$44,209 as of June 30, 2024. Deposits that exceeded FDIC limits were fully collateralized in accordance with standard banking practices throughout the fiscal year. However, the entity was not collateralized in accordance with generally accepted accounting principles.

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 8 - Grants and Accounts Receivable:

Accounts receivable were as follows as of fiscal year end:

	<u>2025</u>	<u>2024</u>
Department of Transportation	\$ 234,886	\$ 383,367
State Transportation Improvement	149,445	238,908
LIHEAP	93,608	232,302
VA Homecare	80,136	39,731
Surface Transportation Block Grant	77,168	-
Emergency Housing Account	68,204	23,325
Oregon Balance of State	61,081	194,292
Senior Nutrition Program	29,327	321,910
Community Service Block Grant	19,457	54,310
Department of Energy	13,889	14,532
Other Accounts receivable	306,053	617,882
Total	<u>\$ 1,133,253</u>	<u>\$ 2,120,559</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 credit loss 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. All of the current grants and contracts receivable are deemed to be fully collectible by management. Accounts receivable are considered to be delinquent if uncollected after 30 days of the due date.

Note 9 - Residential Rehabilitation Revolving 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, 2025 and June 30, 2024 of \$2,326,165 and \$2,294,623 respectively with an allowance for credit losses of \$ 36,140 and \$ 36,140 respectively for a net balance of \$2,290,025 and \$2,258,483 respectively.

A summary of changes in the CDBG Residential Rehabilitation Revolving Loan Fund balances for the year ended June 20, 2025 are as follows:

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

Notes to Financial Statements

	<u>Federal</u>	<u>Revolved Money</u>	<u>Total Loans</u>
Balance, July 1, 2024	\$ 1,886,643	\$ 407,980	\$ 2,294,623
New loans made	112,530	69,787	182,317
Subtotal	<u>1,999,173</u>	<u>477,767</u>	<u>2,476,940</u>
Loan adjustment	200		200
Principal payments received	<u>(126,568)</u>	<u>(24,407)</u>	<u>(150,975)</u>
Balance, June 30, 2025	<u>\$ 1,872,805</u>	<u>\$ 453,360</u>	<u>2,326,165</u>

The allowance for credit losses for loans receivable for the residential housing rehabilitation loans and the related activity at June 30, 2025 were as follows:

Balances, beginning of year	\$ 36,140
Prior Period Adjustment	-
Provisions for losses	-
Loans charges off	-
	<u> </u>
Balances, end of year	<u>\$ 36,140</u>

A summary of changes in the CDBG Residential Rehabilitation Revolving Loan Fund balances for the year ended June 20, 2024 are as follows:

	<u>Federal Money</u>	<u>Revolved Money</u>	<u>Total Loans</u>
Balance, July 1, 2023	\$ 1,771,792	\$ 397,894	\$ 2,169,686
New loans made	199,293	10,086	209,379
Subtotal	<u>1,971,085</u>	<u>407,980</u>	<u>2,379,065</u>
Loans converted to Assets	-		-
Principal payments received	<u>(84,442)</u>	<u>-</u>	<u>(84,442)</u>
Balance, June 30, 2024	<u>\$ 1,886,643</u>	<u>\$ 407,980</u>	<u>2,294,623</u>

The components of the allowance for doubtful accounts at June 30, 2024 were as follows:

Balances, beginning of year	\$ 73,000
Provisions for losses	(40,452)
Loans charges off	3,592
	<u> </u>
Balances, end of year	<u>\$ 36,140</u>

Note 10 -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.

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
Notes to Financial Statements

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, 2025 and June 30, 2024 is \$ 197,400 and \$ 209,394 respectively.

Note 11 -Allocation of Allowable Costs:

Allocable costs incurred by the Space Pool, Transit Space pool, Administration, Central District, Baker County office, Union County Senior Center, Wallowa County and Grant County offices are charged directly to one of respective allocable cost funds. These accumulated costs are periodically allocated to the various programs based on each program's pro-rata share of agency direct expenses.

Total Allocable Costs incurred during the year June 30, 2025 were as follows:

	Space Pool	Transit Space Pool	Admin Indirect Costs	Central Direct Costs	Baker Direct Costs
Expenditures					
Personnel	\$ -	\$ 342	\$ 870,589	\$ 0	\$ (0)
Other Indirect Expenses	9,944	(51,079)	253,725	1,142	5,112
Total Expenditures	<u>\$ 9,944</u>	<u>\$ (50,737)</u>	<u>\$ 1,124,315</u>	<u>\$ 1,142</u>	<u>\$ 5,112</u>
	Union Direct Costs	Wallowa Direct Costs	Grant Direct Costs	Total	
	\$ 6,017	\$ 4,721	\$ 50	\$ 881,719	
	2,435	(2,382)	(7,326)	211,571	
	<u>\$ 8,452</u>	<u>\$ 2,339</u>	<u>\$ (7,276)</u>	<u>\$ 1,093,290</u>	

Total Allocable Costs incurred during the year June 30, 2024 were as follows:

	Space Pool	Transit Space Pool	Admin Indirect Costs	Central Direct Costs	Baker Direct Costs
Expenditures					
Personnel	\$ 38,146	\$ 168,801	\$ 871,362	\$ 26,860	\$ 20,389
Other Indirect Expenses	15,251	211,724	204,082	33,942	15,663
Total Expenditures	<u>\$ 53,397</u>	<u>\$ 380,525</u>	<u>\$ 1,075,444</u>	<u>\$ 60,803</u>	<u>\$ 36,052</u>
	Union Direct Costs	Wallowa Direct Costs	Grant Direct Costs	Total	
	\$ 18,321	\$ 14,519	\$ -	\$ 1,158,399	
	30,671	29,040	6,988	547,362	
	<u>\$ 48,991</u>	<u>\$ 43,560</u>	<u>\$ 6,988</u>	<u>\$ 1,705,761</u>	

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
Notes to Financial Statements

Note 12 -Net Assets with Donor Imposed Restrictions

Net assets with Donor Imposed Restrictions are available for the following purposes or periods:

<u>Program</u>	<u>2025</u>	<u>2024</u>
Four County Revolving Loan Fund	\$ 1,888,147	\$ 2,042,409
Transportation	2,050,437	2,535,359
Local Senior Programs	1,748,180	1,719,963
State Transportation Improvement Fund	180,956	333,001
Building Expansion Fund	1,346,420	1,719,963
Veterans Homecare	1,176,931	918,758
All Other Programs	2,575,115	463,928
Total	<u>\$ 10,966,186</u>	<u>\$ 9,733,381</u>

Note 13 -Leases

The organization adopted ASU 2016-02 and related standards (collectively ASC 842, "Leases"), which replaced previous lease accounting guidance, on July 1, 2022. In addition, adoption of the new standard resulted in the recording of right of use assets and associated lease liabilities as shown. The organization's accounting for finance leases (previously called capital leases) remains substantially unchanged. ASC 842 did not have a material impact on the Institution's income statement. The organization elected the package of practical expedients permitted under the transition guidance within ASC 842, which include not reassessing lease classification of existing leases. The Institution did not elect the hindsight practical expedient. Operating lease right of use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The discount rate used to calculate present value is the Institution's incremental borrowing rate or, if available, the rate implicit in the lease. The Institution determines the incremental borrowing rate for each lease based primarily on the lease term and the economic environment of the applicable country or region.

Other information related to leases as of and for the year ended June 30, 2025 are as follows:

Weighted- average remaining lease-term(years)	
Operating Leases	2.35
Weighted-average discount rate	
Operating Leases	1.75%

Supplemental cash flow information for the year ended June 30, 2025:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating Leases	\$ 18,784
Right-of-use asset obtained in exchange for lease liabilities:	
Operating Leases	\$ 13,756
Reduction to right-to-use asset resulting from reduction to lease	
Operating Leases	\$ 13,136

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
Notes to Financial Statements

Future maturities of lease liabilities are presented in the following table

Due In the Fiscal Year Ended June 30:	Operating
2026	\$ 20,766
2027	19,332
2028	18,100
2029	13,800
2030	10,800
Thereafter	-
Total Lease Payments	82,798
Plus Interest Accretion	753
Present Value of Future Minimum	
Total Obligation	<u>\$ 83,551</u>
Current Obligations	\$ 19,666
Long Term Obligations	63,885
Total Obligation	<u>\$ 83,551</u>

Note 14 - Property and Equipment:

Following is a summary of changes in Property and Equipment

	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025
Capital assets not being depreciated:				
Construction in progress	\$ -		\$ -	\$ -
Land	621,645	-	-	621,645
Total capital assets not	<u>621,645</u>	<u>-</u>	<u>-</u>	<u>621,645</u>
Capital assets being depreciated:				
Buildings and improvements	3,667,537	171,940	-	3,839,477
Equipment	1,012,779	47,422	-	1,060,201
Vehicle	2,973,851	1,010,640	-	3,984,491
Total capital assets	<u>7,654,167</u>	<u>1,230,002</u>	<u>-</u>	<u>8,884,168</u>
Less: accumulated depreciation:				
Buildings and improvements	(621,228)	(134,341)	-	(755,569)
Equipment	(649,436)	(97,747)	-	(747,183)
Vehicle	(2,457,545)	(287,806)	-	(2,745,351)
Total accumulated depreciation	<u>(3,728,209)</u>	<u>(519,894)</u>	<u>-</u>	<u>(4,248,103)</u>
Total capital assets being depreciated, net	<u>3,925,958</u>	<u>710,108</u>	<u>-</u>	<u>4,636,065</u>
Property and Equipment, net	<u>\$ 4,547,602</u>	<u>\$ 710,108</u>	<u>\$ -</u>	<u>\$ 5,257,710</u>

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

Notes to Financial Statements

	<u>Balance at July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2024</u>
Capital assets not being depreciated:				
Construction in progress	\$ 5,000	\$ -	\$ (5,000)	\$ -
Land	621,645	-	-	621,645
Total capital assets not	<u>626,645</u>	<u>-</u>	<u>(5,000)</u>	<u>621,645</u>
Capital assets being depreciated:				
Buildings and improvements	3,543,024	124,513	-	3,667,537
Equipment	875,739	137,040	-	1,012,779
Vehicle	2,836,049	137,802	-	2,973,851
Total capital assets	<u>7,254,812</u>	<u>399,355</u>	<u>-</u>	<u>7,654,166</u>
Less: accumulated depreciation:				
Buildings and improvements	(492,850)	(128,378)	-	(621,228)
Equipment	(567,398)	(82,038)	-	(649,436)
Vehicle	(2,247,924)	(209,621)	-	(2,457,545)
Total accumulated depreciation	<u>(3,308,172)</u>	<u>(420,037)</u>	<u>-</u>	<u>(3,728,209)</u>
Total capital assets being depreciated, net	<u>3,946,640</u>	<u>(20,682)</u>	<u>-</u>	<u>3,925,957</u>
Property and Equipment, net	<u>\$ 4,573,285</u>	<u>\$ (20,682)</u>	<u>\$ (5,000)</u>	<u>\$ 4,547,602</u>

Note 15 - Restricted Cash

The Organization has cash from program funds that are restricted for the purpose of that program. This balance of restricted cash was \$ 2,055,930 as of June 30, 2025 and \$ 953,556 as of June 30, 2024. The following are Donor Restricted Programs with cash restrictions:

	<u>2025</u>
ESGCV-1	\$ 188
Emergency Solutions Grant (ESG)	2,014
Oregon Foreclosure Avoidance Program (OFA)	163
Valley Individual Development Assistance (VIDA) Program	4,039
Bonneville Power Administration (BPA) WX	219
MMT REVOLVING CAPITAL FUND	182,813
Community Services Block Grant (CSBG)	57,159
Baker & Wallowa Ministerial Fund	25,366
Limited Income Rate Assistance Program (LIRAP)	15,517
Oregon Energy Fund	2,648
Utility Rebates	2,750
Idaho Power WX	378
TEFAP-OREGON FOOD BANK	5,788
Cascade Natural Gas	1,781
State Transportation Improvement Fund (STIF)	29,076
Local Community Advisory Council CBIR Housing Fund	22
HSCP (Housing Stability Counseling Program)	18,611
EHA DRF	856
Anderson Fund - Union County	15,577
Wallowa County Disaster Relief Fund	19,184

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.

Notes to Financial Statements

Emergency - LIHEAP (Low-Income Home Energy Assit Program) :	778
Down Payment Assistance Program (DPA) Revolving Fund	2,296
Grant County Direct Expense	92
CONGREGATE MEALSITE IMPROVEMENT GRANT	19,075
ODHS Congregate Meal Infrastructure Grant	34,434
ODHS Enterprise Senior Center Software Grant	21,975
Disaster Relief LIHEAP	62
HEALTHY HOMES GRANT PROGRAM	83,459
HOAP Training	2,244
HOAP Veterans DPA	69,600
INNOVATIVE MOBILITY PROGRAM	365
Surface Transportation Block Grant - 5357	1,018,710
SB 5506	417,387
FB Network Support Capacity Building	1,304

Total	\$ 2,055,930
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2024

Oregon Foreclosure Avoidance Program (OFA)	\$ 163
Valley Individual Development Assistance (VIDA) Program	10,795
Bonneville Power Administration (BPA) WX	2,140
Oregon Trail Electric Coop. (OTEC) Energy Assistance	35,393
MMT REVOLVING CAPITAL FUND	182,813
Community Services Block Grant (CSBG)	17,788
Baker & Wallowa Ministerial Fund	16,378
Limited Income Rate Assistance Program (LIRAP)	13,066
Utility Rebates	2,750
Idaho Power WX	378
TEFAP-OREGON FOOD BANK	5,788
Cascade Natural Gas	1,299
LIHEAP WX & EE	995
Idaho Power Assistance	1,024
State Transportation Improvement Fund (STIF)	94,081
Local Community Advisory Council CBIR Housing Fund	1,035
HSCP (Housing Stability Counseling Program)	18,611
Anderson Fund - Union County	12,868
HOAP Training	2,244
COMMUNITY BENEFIT INITIATIVE GRANT	121
REACH & RESILIENCE	20,239
SB 5506	490,930
FB Network Support Capacity Building	22,657

Total	\$ 953,556
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Note 16 - Uncertain Tax Position:

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

Note 17 -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. The funds are classified as net assets with donor imposed restrictions. 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, 2025 and 2024 are as follows:

	2025	2024
Balance at June 1	\$ 159,405	\$ 144,392
Additional Amounts Invested in fund	-	-
Share of Appreciation of fund	17,863	15,214
Interest Earned	1,106	1,181
Investment Management Fees	(1,482)	(1,382)
Distributions Received	-	-
Balance at June 30	\$ 176,892	\$ 159,405

Note 18 - Revenue from Contracts with Customers:

The following table provides information about significant changes in the contract assets for the year ended June 30,

	2025	2024
Fee for service receivable, beginning of year	\$ 231,125	\$ 218,833
Decrease fee for service receivable due to cash received during the period	(231,125)	(218,833)
Revenue recognized that was included in fee for service receivable but not paid during the period		
Veterans Homecare	80,136	39,731
Veterans Rides to Wellness	28,839	39,731
Statewide Financial Management Services (Title IIIB)	-	151,663
Fee for service receivable, end of year	\$ 108,975	\$ 231,125

Note 19 - Subsequent Event:

Management has evaluated subsequent events through October 20, 2025, 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.

Note 20 - Prior Period Adjustment:

During the current fiscal year, management identified an error related to the prior year's financial statements. Specifically, an account receivable in the amount of \$342,123 that was determined to be uncollectible as of June 30, 2024, was not written off and remained recorded as an asset. In accordance with ASC 250 – Accounting Changes and Error Corrections, the entity has corrected this error by adjusting the beginning balance of net assets for the current year. The adjustment resulted in a decrease in net assets of \$342,123 and a corresponding decrease in accounts receivable.

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SUPPLEMENTARY INFORMATION

Community Connection of Northeast Oregon, Inc
Schedule of Support and Revenue
For the Year Ended June 30, 2025

	In-Kind Goods / Services	Contributions	Fund Raising	Grants, Awards and Contracts	Program Fees	Other	Transfer Between Funds	Total
Net Assets Without Donor Restrictions								
Support Services								
General Fund	2,142.00	19,752	-	6,830	167	18,001	-	46,892
Total - Support Services	2,142.00	19,752	-	6,830	167	18,001	-	46,892
Net Assets With Donor Restrictions								
III E Family Caregiver Support Program	-	-	-	32,543	-	55	-	32,598
VII B Elder Abuse Prevention Program	-	-	-	1,036	-	-	-	1,036
Oregon Project Independence (OPI)	-	-	-	878,964	2,011	-	598,330	1,479,305
III B Senior Programs	325.00	-	-	156,900	-	-	-	157,225
Senior Nutrition Program	47,820.00	1,811	1,811	644,387	185,040	877	-	994,342
III D Disease Prevention	-	-	-	5,289	-	-	-	5,289
Bingo	2,995.00	-	-	-	18,503	-	-	21,498
Community Food Services	-	-	-	-	3,276	-	-	3,276
Local Senior Programs	-	-	833	25,000	-	-	(12,927)	79,150
ADRC-No Wrong Door	1,642.00	55,630	-	19,342	8,972	-	-	19,342
Veterans Homecare	-	-	-	966,571	-	-	(598,330)	368,241
CONGREGATE MEALSITE IMPROVEMENT GRANT	-	-	-	25,000	-	-	-	25,000
ODHS Congregate Meal Infrastructure Grant	-	-	-	25,000	-	-	12,927	37,927
Baker County Raw Food	-	-	-	-	-	-	-	-
Union County Raw Food	-	-	-	12,000	-	-	-	12,000
Wallowa County Raw Food	-	-	-	5,063	-	-	-	5,063
AGE + Digital Literacy Pilot	-	-	-	2,100	-	-	-	2,100
ODHS Enterprise Senior Center Software Grant	-	-	-	25,000	-	-	-	25,000
Total - Senior / Nutrition and Homecare Programs	52,782.00	170,037	2,644	2,824,195	217,802	932	-	3,268,392
Weatherization and Rehab Programs								
Utility WX (Not Rebates)	-	-	-	-	29,626	-	-	29,626
City of Wallowa Housing Rehab RLF	-	-	-	-	-	69,787	-	69,787
Four County Revolving Loan Fund	-	-	-	-	-	76,259	-	76,259
Department of Energy (DOE) WX	-	-	-	128,286	-	-	-	128,286
Bipartisan Infrastructure Law (BIL) DOE Weatherization	-	-	-	82,884	-	-	-	82,884
Low Income Home Energy Assist. Program (LIHEAP) WX & EE	-	-	-	125,563	21,138	-	-	146,701
Bonneville Power Administration (BPA) WX	-	-	-	22,228	-	-	-	22,228
CDBG Grant - Grant County	-	-	-	57,707	-	112,930	-	170,637
Disaster Relief LIHEAP WX	-	-	-	12,868	11,317	-	-	24,185
ECHO WEATHERIZATION	-	-	-	24,802	-	-	-	24,802
HEALTHY HOMES GRANT PROGRAM	-	-	-	146,004	-	-	-	146,004
Total - Weatherization and Rehab Programs	-	-	-	600,342	62,081	258,976	-	921,399

Community Connection of Northeast Oregon, Inc
Schedule of Support and Revenue
For the Year Ended June 30, 2024

	In-Kind Goods / Services	Contributions	Fund Raising	Grants, Awards and Contracts	Program Fees	Other	Transfer Between Funds	Total
Net Assets Without Donor Restrictions								
Support Services								
General Fund	1,740.00	12,843	-	110,751	896	28,768	(22,242)	132,756
Total - Support Services	1,740.00	12,843	-	110,751	896	28,768	(22,242)	132,756
Net Assets With Donor Restrictions								
Senior / Nutrition and Homecare Programs								
III E Family Caregiver Support Program	-	25	-	69,902	-	-	-	69,927
VII B Elder Abuse Prevention Program	-	-	-	2,070	-	-	-	2,070
Oregon Project Independence (OPT)	-	-	-	598,393	3,774	-	481,879	1,084,046
III B Senior Programs	383.00	-	-	237,379	-	-	-	237,762
Senior Nutrition Program	65,518.00	92,944	2,051	765,311	173,597	64	-	1,099,485
III D Disease Prevention	5,231.00	-	-	13,792	-	-	-	19,023
Bingo	4,972.00	-	-	-	15,703	-	-	20,675
Community Food Services	-	-	-	-	2,549	-	-	2,549
Local Senior Programs	1,128.00	44,004	13,583	75,496	5,780	60	-	140,051
ADRC-No Wrong Door	-	-	-	23,235	-	-	-	23,235
Veterans Homecare	-	-	-	780,139	-	-	(481,879)	298,260
Total - Senior / Nutrition and Homecare Programs	77,232.00	136,973	15,634	2,565,717	201,403	124	-	2,997,083
Weatherization and Rehab Programs								
Utility WX (Not Rebates)	-	-	-	-	(3,934)	-	-	(3,934)
City of Wallowa Housing Rehab RLF	-	-	-	-	-	22,356	-	22,356
Four County Revolving Loan Fund	-	-	-	-	-	20,705	-	20,705
Department of Energy (DOE) WX	-	-	-	77,081	-	-	-	77,081
Bipartisan Infrastructure Law (BIL) DOE Weatherization	-	-	-	113,368	-	-	-	113,368
E-Low Income Home Energy Assist. Program (E-LIHEAP) WX	-	-	-	13,736	-	-	-	13,736
Low Income Home Energy Assist. Program (LIHEAP) WX & EE	-	-	-	126,954	-	-	-	126,954
Bonneville Power Administration (BPA) WX	-	-	-	83,614	-	-	-	83,614
Energy Conservation Helping Oregonians (ECHO) WX PC	-	-	-	4,253	-	-	-	4,253
Idaho Power WX	-	-	-	-	13,747	-	-	13,747
CDBG Grant - Grant County	-	-	-	278,513	-	169,728	-	448,241
Disaster Relief LIHEAP WX	-	-	-	124,016	-	-	-	124,016
Total - Weatherization and Rehab Programs	-	-	-	821,535	9,813	212,789	-	1,044,137

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

**Independent Auditors' 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, 2025 and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 20, 2025.

Report on 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) as a basis for designing 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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Connection of Northeast Oregon, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

Connected Professional Accountants, LLC

CONNECTED PROFESSIONAL ACCOUNTANTS, LLC

La Grande, Oregon
October 20, 2025

**Independent Auditors' Report on Compliance for Each Major Program and on
Internal Control over Compliance 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

Opinion on Each Major Federal Program

We have audited Community Connection of Northeast Oregon, Inc.'s compliance with the types of compliance requirements identified as subject to audit 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, 2025. 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.

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, 2025.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Community Connection of Northeast Oregon, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Community Connection of Northeast Oregon, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Community Connection of Northeast Oregon, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Community Connection of Northeast Oregon, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect

material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Community Connection of Northeast Oregon, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Community Connection of Northeast Oregon, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Community Connection of Northeast Oregon, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Community Connection of Northeast Oregon, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Connected Professional Accountants, LLC

CONNECTED PROFESSIONAL ACCOUNTANTS, LLC

La Grande, Oregon
October 20, 2025

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

<u>Program Title</u>	<u>Grant Number</u>	<u>Federal Assistance Number</u>	<u>Expenditures</u>
Department of Housing and Urban Development			
Continuum of Care	OR0363L0E052200	14.267	30,257
Passed through Union County:			
Community Development Block Grant - Res Rehab Revolving Loan Fund	H0200016, H00021, HR709 H98018, H91014, H96036 4-County, De-Fed	14.228	928,454
Community Development Block Grant - Res Rehab Revolving Loan Fund	H17015	14.228	225,217
Passed through Grant County:			
Community Development Block Grant - Res Rehab Revolving Loan Fund	HR103	14.228	134,549
Community Development Block Grant - Res Rehab Revolving Loan Fund	H21007	14.228	291,518
Passed through Wallowa County:			
Community Development Block Grant - Res Rehab Revolving Loan Fund	HR808, H11012	14.228	51,434
Passed through The City of Wallowa:			
Community Development Block Grant - Res Rehab Revolving Loan Fund	City of Wallowa	14.228	285,810
Passed through Baker County:			
Community Development Block Grant - Res Rehab Revolving Loan Fund	HR401	14.228	82,191
Total Community Development Block Grant - Res Rehab Revolving Loan Fund		14.228	1,999,173
Pass through Housing and Community Services Department			
Emergency Solutions Grant (ESG)	E-20-DC-41-0001	14.231	35,417
HOME Tenant Based Assistance Program 24	M-24-SG-41-001	14.239	90,604
Total Passed through Housing and Community Services			126,021
Total Department of Housing and Urban Development			2,155,451
Department of Energy			
Passed through the Housing and Community Services Department			
Department of Energy Weatherization (DOE)	DE-EE0010011	81.042	128,285
Department of Energy Weatherization Bipartisan Infrastructure Law	DE-EE00009926	81.042	82,884
Total CFDA 81.042			211,169
Bonneville Power Administration	93475	81.X02	8,303
Bonneville Power Administration	83358	81.X02	13,925
Total CFDA 81.X02			22,228
Total Department of Energy			233,397
Department of Health and Human Services			
Passed through Housing and Community Services Department			
TANF Cluster: Temporary Assistance to Needy Families (HSP)	TANF	93.558	28,831
Low Income Energy Assistance WX (LIHEAP 24 WX)	2001ORLIEA	93.568	2,306
Low Income Energy Assistance WX (LIHEAP 25 WX)	2202ORLIEA	93.568	144,395
Low Income Energy Assistance Program Emergency (LIHEAP Emergency 23)	2001ORLIEA	93.568	1,962
Low Income Energy Assistance Program (LIHEAP 24)	2202ORLIEA	93.568	80,192
Low Income Energy Assistance Program (LIHEAP 25)	2302ORLIEA	93.568	1,152,554
Low Income Energy Assistance Program Disaster Relief	2402ORLIEA	93.568	186,148
Low Income Energy Assistance Program Disaster Relief WX	2402ORLIEA	93.568	24,185
Total CFDA 93.568			1,591,742
Community Services Block Grant (CSBG)	G-19B1ORCOSR	93.569	239,750
OPI-M & FCAP Ongoing Case Management		93.778	112,488
Total Department of Health and Human Services			1,972,811
Passed through Oregon Department of Human Services, Aging and Persons with Disabilities Division			
Title VII B- Special Programs for the Aging	160435	93.041	1,036
Title III D-Older Americans Act	160435	93.043	5,289
Title III E-Older Americans Act	160435	93.052	32,543
<i>Aging Cluster</i>			
Title III B-Older Americans Act	160435	93.044	156,900
Title III C-1 & C-2-Older Americans Act	160435	93.045	162,519
USDA Cash in Lieu of Commodities (NSIP)	160435	93.053	23,201
Total Aging Cluster			381,488
Total Department of Health and Human Services			2,354,299
US Department of the Treasury			
Passed through Oregon Housing & Community Services			
Oregon Home Assistance Fund		21.026	3,310

Department of Transportation			
Passed through Oregon Department of Transportation	33415, 34255, 35111	20.509	1,212,984
Passed through Union County, Oregon	32220	20.513	<u>235,832</u>
Total Department of Transportation			<u>1,448,816</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	88,889
Passed through CAPO			
Supportive Services for Veteran Families (SSVF)	C2015-OR-505A	64.033	<u>108,505</u>
Total US Department of Veterans Affairs			<u>197,394</u>
Department of Agriculture			
Passed through Oregon Food Bank			
<i>Food Distribution Cluster</i>			
Temporary Emergency Food Assistance Program		10.568	104,581
USDA Cash in Lieu of Commodities (Summer Food Service Program)	3103004	10.559	<u>432,451</u>
Total Food Distribution Cluster			<u>537,032</u>
Total expenditures of federal awards			<u><u>6,929,699</u></u>

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

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, 2025.

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, 2025. 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 entity, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Community Connection of Northeast Oregon, Inc.

Federal Financial Assistance

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

Major Programs

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. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Insurance Coverage

For the fiscal year ended June 30, 2025, Community Connection of Northeast Oregon, Inc. had insurance coverage in effect comparable to other entities of similar size and circumstance.

Indirect Cost Rate

Community Connection of Northeast Oregon, Inc. has elected not to use the 15% de minimis indirect cost rate as allowed under the Uniform Guidance. Instead, the entity has elected to apply actual indirect costs incurred in accordance with its approved indirect costs rate agreement or allocation methodology.

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

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

	Federal Funds	Revolving Funds	Total
Balance, July 1, 2024	\$ 1,949,143	\$ 407,980	\$ 2,357,123
Passed through to Grant County	(62,500)	-	(62,500)
New loans made	112,530	69,787	182,317
Subtotal	1,999,173	477,767	2,476,940
Loan adjustments	200	-	200
Principal payments received 24-25	(126,568)	(24,407)	(150,975)
Balance, June 30, 2025	\$ 1,872,805	\$ 453,360	\$ 2,326,165

COMMUNITY CONNECTION OF NORTHEAST OREGON, INC.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

A. Summary of Audit Results

	Results
Financial Statements Audit	
1. Type of auditor's report issued	Unmodified
2. Internal control over financial reporting:	
Were significant deficiencies disclosed?	No
Of the significant deficiencies disclosed were any material weaknesses?	N/A
3. Did the audit disclose any noncompliance material to the financial statements?	No
Federal Awards	
1. Type of auditor's report issued:	
<u>Major programs:</u>	
CDBG Res Rehab Loans	
Assistance Number 14.228	Unmodified
Low Income Home Energy Assistance Program (LIHEAP)	
Assistance Number 93.568	Unmodified
Small City & Rural Public Transportation	
Assistance Number 20.509	Unmodified
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 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	No

B. Findings and Questioned Costs - Financial Statement Audit

Questioned Costs

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, 2025

A. Findings and Questioned Costs - Financial Statement Audit

Questioned Costs

2024-001

Material Weakness: Cash did not reconcile to the general ledger. This was a result of 2 ACH payments being back dated. ACH payments are not being entered when expensed to allow accurate reconciliation of the bank accounts. Total cash was off \$61,968 from the general ledger.

None noted as a result of our audit procedures.

Condition: ACH payments are not being entered when expensed to allow for accurate reconciling of the bank statements.

Recommendations: We recommend the entity implement internal controls that allow for expenditures to be entered into the accounting software upon initiation rather than being back dated once the bank statement is received. This will allow the entity to trace payments made from the source document to the bank statement.

Current Status: Internal controls allowed for expenditures to be entered into the accounting software upon initiation rather than being back dated once the bank statement is received. This was not a repeat finding.

B. Federal Awards Findings and Questioned Costs

None noted as a result of our audit procedures.