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# **Oregon Coast Community Action**

**An Oregon Non-Profit Corporation**

**Consolidated Financial Statements**

**For the Fiscal Year Ended June 30, 2017  
With Comparative Totals for 2016**

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**Aiken & Sanders, Inc PS**

CERTIFIED PUBLIC ACCOUNTANTS  
& MANAGEMENT CONSULTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Oregon Coast Community Action  
Coos Bay, OR

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Oregon Coast Community Action (ORCCA), which comprise the consolidated statement of financial position as of June 30, 2017, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related consolidated notes to the financial statements. The prior year summarized comparative information has been derived from ORCCA's 2016 consolidated financial statements and, in our report dated November 14, 2016, we expressed an unqualified opinion on those consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ORCCA as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

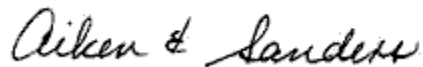
### **Other Matters**

#### **Other Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information shown on pages 24 to 41 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements of ORCCA. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated 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 27, 2017 on our consideration of ORCCA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 ORCCA's internal control over financial reporting and compliance.



Aiken & Sanders, Inc., PS  
Certified Public Accountants  
& Management Consultants

October 27, 2017

**Oregon Coast Community Action**  
**Consolidated Statement of Financial Position**  
**(With Comparative Totals for June 30, 2016)**  
Year Ended June 30, 2017

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Current Assets		
Cash & Cash Equivalents	\$ 885,558	\$ 1,081,995
Cash Restricted to Project Development	64,235	104,807
Grants & Accounts Receivable	843,600	404,612
Prepaid Expenses	55,418	68,425
Other	30,889	26,670
Total Current Assets	<u>1,879,700</u>	<u>1,686,509</u>
Non-Current Assets		
Loan Receivable	4,508,982	4,508,982
Investment in Campus I	-	-
Investment in Campus II	-	-
Property & Equipment	10,691,298	10,584,431
Total Non-Current Assets	<u>15,200,280</u>	<u>15,093,413</u>
<b>Total Assets</b>	<b><u>\$ 17,079,980</u></b>	<b><u>\$ 16,779,922</u></b>
<b>Liabilities &amp; Net Assets</b>		
Current Liabilities		
Accounts Payables & Accrued Liabilities	\$ 228,073	\$ 124,278
Accrued Payroll & Related Liabilities	312,072	265,289
Accrued Compensated Absences	91,134	78,369
Security Deposits	13,396	9,653
Deferred Revenue	243,411	144,836
Current Portion of Long-Term Debt	81,579	78,847
Total Current Liabilities	<u>969,665</u>	<u>701,272</u>
Long-Term Liabilities		
Notes Payable	11,236,423	11,266,702
Total Long-Term Liabilities	<u>11,236,423</u>	<u>11,266,702</u>
Total Liabilities	<u>12,206,088</u>	<u>11,967,974</u>
Net Assets		
Unrestricted		
Available for Current Operations	3,525,450	3,662,969
Net Investment in Property & Equipment	1,077,414	943,000
Total Unrestricted Net Assets	<u>4,602,864</u>	<u>4,605,969</u>
Temporarily Restricted	271,028	205,976
Total Net Assets	<u>4,873,891</u>	<u>4,811,945</u>
<b>Total Liabilities &amp; Net Assets</b>	<b><u>\$ 17,079,980</u></b>	<b><u>\$ 16,779,922</u></b>

# Oregon Coast Community Action

## Consolidated Statement of Activities

(With Comparative Totals for June 30, 2016)

Year Ended June 30, 2017

	2017			2016 Total
	Unrestricted	Temporarily Restricted	Total	
<b>Revenues</b>				
Grants & Contracts	\$ 9,270,754	\$ 7,040	\$ 9,277,794	\$ 8,031,081
Commodities Received	216,680	-	216,680	220,114
Contributions	364,383	116,267	480,650	573,121
Donations	84,243	-	84,243	91,823
Rental Income	156,849	-	156,849	129,114
Program Income	428,422	-	428,422	475,196
Interest & Other Revenues	45,084	-	45,084	46,089
Net assets released from restriction	58,255	(58,255)	-	-
<b>Total Revenues</b>	<b>10,624,670</b>	<b>65,052</b>	<b>10,689,722</b>	<b>9,566,538</b>
<b>Program Expenses</b>				
Youth Services	5,953,174	-	5,953,174	5,123,722
Essential Services	3,075,532	-	3,075,532	3,073,461
Campus	659,744	-	659,744	670,713
<b>Total Program Expenses</b>	<b>9,688,450</b>	<b>-</b>	<b>9,688,450</b>	<b>8,867,896</b>
Management and general	212,878	-	212,878	30,321
Indirect Cost Pool	725,207	-	725,207	642,685
Fund-raising	1,241	-	1,241	3,518
<b>Total Expenses</b>	<b>10,627,776</b>	<b>-</b>	<b>10,627,776</b>	<b>9,544,420</b>
Change in net assets from operations	(3,106)	65,052	61,946	22,118
Total change in net assets	(3,106)	65,052	61,946	22,118
Net assets - Beginning of Year	4,605,969	205,976	4,811,945	4,789,827
<b>Net assets - End of the Year</b>	<b>\$ 4,602,863</b>	<b>\$ 271,028</b>	<b>\$ 4,873,891</b>	<b>\$ 4,811,945</b>

**Oregon Coast Community Action**  
**Consolidated Statement of Cash Flows**  
**(With Comparative Totals for June 30, 2016)**  
Year Ended June 30, 2017

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2017</b>	<b>2016</b>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 61,946	\$ 22,118
Adjustments		
Depreciation	394,944	376,977
Bad Debts	-	600
Changes in operating assets & liabilities:		
Changes in Cash Restricted to Project Development	40,572	40,572
Changes in Accounts Receivable	(438,988)	121,307
Changes in Prepaid Expenses	13,007	(61,900)
Changes in Other Assets	(4,219)	(13,509)
Changes in Accounts Payable	103,795	(25,521)
Changes in Accrued Payroll & Other Liabilities	46,783	91,137
Changes in Accrued Compensated Absences	12,765	(6,191)
Changes in Security Deposits	3,743	650
Changes in Deferred Revenue	98,575	112,918
Increase in Accrued Interest	51,470	49,335
Other Adjustments	(1,661)	(9,199)
Total Adjustments	320,786	677,176
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>382,733</b>	<b>699,294</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Property and Equipment	(500,152)	(192,623)
<b>Net Cash Provided (Used) By Investing Activities</b>	<b>(500,152)</b>	<b>(192,623)</b>
<b>Cash Flows from Financing Activities</b>		
Payment of Notes Payable	(79,017)	(483,590)
Issuance of Notes Payable	-	625,000
<b>Net Cash Provided (Used) By Financing Activities</b>	<b>(79,017)</b>	<b>141,410</b>
Net Increase (Decrease) in Cash and Equivalents	<b>(196,436)</b>	<b>648,081</b>
Cash and Equivalents - Beginning	1,081,995	433,914
<b>Cash and Equivalents - Ending</b>	<b>\$ 885,558</b>	<b>\$ 1,081,995</b>
<b>Supplemental Schedule of Other Cash Activity:</b>		
Interest Paid	\$ 219,820	\$ 211,663
Interest Expensed	\$ 219,820	\$ 211,663

**Oregon Coast Community Action**  
**Consolidated Statement of Functional Expenses**  
**(With Comparative Totals for June 30, 2016)**  
Year Ended June 30, 2017

	<b>Youth</b>	<b>Essential</b>		<b>Program</b>		<b>Indirect</b>		<b>Total</b>	<b>2016</b>
	<b>Services</b>	<b>Services</b>	<b>Campus</b>	<b>Services</b>	<b>Admin</b>	<b>Cost Pool</b>	<b>Fundraising</b>		
Personnel	\$ 4,563,753	\$ 748,256	\$ -	\$ 5,312,009	\$ 149,306	\$ 587,442	\$ -	\$ 6,048,757	\$ 5,385,862
Consultants & Contractual	37,226	6	6,000	43,232	4,584	39,200	-	87,016	151,616
Supplies	192,282	65,223	-	257,505	14,808	26,546	937	299,796	234,147
Space Costs	54,780	14,742	79,353	148,875	-	660	-	149,535	124,170
Insurance	46,972	32,309	-	79,281	2,851	12,519	-	94,650	97,808
Maintenance & Repairs	102,026	60,851	-	162,877	(9,416)	6,761	-	160,222	128,333
Utilities and Phone	94,888	81,985	-	176,874	126	7,622	-	184,622	176,141
Transportation	62,112	25,058	-	87,170	4,019	-	-	91,189	47,885
Training & Travel	149,642	41,505	-	191,146	(1,140)	22,719	-	212,726	178,937
Sub Recipient-Pass Through Funds	318,883	80,157	-	399,040	-	-	-	399,040	125,680
Direct Client Support	4,486	1,494,050	-	1,498,536	-	-	-	1,498,536	1,504,592
Program Services & Client Activities	27,066	7,808	-	34,874	2,102	475	-	37,451	37,631
USDA Food	187,289	317,188	-	504,477	-	-	-	504,477	524,776
IT, Licensing, Staffing, Governance, Etc	111,770	61,165	200	173,135	(59,458)	21,264	304	135,245	118,547
Other	-	-	330,101	330,101	-	-	-	330,101	331,318
Depreciation	-	45,228	244,090	289,318	105,096	-	-	394,414	376,977
<b>Subtotal Expenses</b>	<b>5,953,174</b>	<b>3,075,532</b>	<b>659,744</b>	<b>9,688,450</b>	<b>212,878</b>	<b>725,207</b>	<b>1,241</b>	<b>10,627,776</b>	<b>9,544,420</b>
Indirect Cost Pool Allocation	505,961	240,301	-	746,262	(21,089)	(725,207)	34	-	-
Capital Equipment Adjustment	113,994	318,601	-	432,595	(432,595)	-	-	-	-
<b>Adjusted Total Expense</b>	<b>\$ 6,573,129</b>	<b>\$ 3,634,434</b>	<b>\$ 659,744</b>	<b>\$ 10,867,307</b>	<b>\$ (240,806)</b>	<b>\$ 0</b>	<b>\$ 1,275</b>	<b>\$ 10,627,776</b>	<b>\$ 9,544,420</b>



# Oregon Coast Community Action

## Consolidating Statement of Financial Position

Year Ended June 30, 2017

	Oregon Coast Community Action	Campus I LLC	Campus II LLC	Subtotal	Eliminations	Consolidated 2017
<b>Assets</b>						
Current Assets						
Cash & Cash Equivalents	\$ 804,428	\$ 900	\$ 80,230	\$ 885,558	\$ -	\$ 885,558
Cash Restricted to Project Development	-	-	64,235	64,235	-	64,235
Grants & Accounts Receivable	991,416	-	-	991,416	(147,816)	843,600
Prepaid Expenses	48,805	-	6,613	55,418	-	55,418
Other	30,889	-	-	30,889	-	30,889
<b>Total Current Assets</b>	<b>1,875,538</b>	<b>900</b>	<b>151,078</b>	<b>2,027,516</b>	<b>(147,816)</b>	<b>1,879,700</b>
Non-Current Assets						
Loan Receivable	4,508,982	-	-	4,508,982	-	4,508,982
Investment in Campus I	900	-	-	900	(900)	-
Investment in Campus II	-	1,612,448	-	1,612,448	(1,612,448)	-
Property & Equipment	2,052,362	-	8,638,936	10,691,298	-	10,691,298
<b>Total Non-Current Assets</b>	<b>6,562,244</b>	<b>1,612,448</b>	<b>8,638,936</b>	<b>16,813,628</b>	<b>(1,613,348)</b>	<b>15,200,280</b>
<b>Total Assets</b>	<b>\$ 8,437,782</b>	<b>\$ 1,613,348</b>	<b>\$ 8,790,014</b>	<b>\$ 18,841,144</b>	<b>\$ (1,761,164)</b>	<b>\$ 17,079,980</b>
<b>Liabilities</b>						
Current Liabilities						
Accounts Payables & Accrued Liabilities	\$ 228,073	\$ -	\$ 147,816	\$ 375,889	\$ (147,816)	\$ 228,073
Accrued Payroll & Related Liabilities	312,072	-	-	312,072	-	312,072
Accrued Compensated Absences	91,134	-	-	91,134	-	91,134
Security Deposits	13,396	-	-	13,396	-	13,396
Deferred Revenue	212,344	-	31,067	243,411	-	243,411
Current Portion of Long-Term Debt	27,886	-	53,693	81,579	-	81,579
<b>Total Current Liabilities</b>	<b>884,905</b>	<b>-</b>	<b>232,576</b>	<b>1,117,481</b>	<b>(147,816)</b>	<b>969,665</b>
<b>Total Long Term Debt</b>	<b>636,270</b>	<b>1,705,018</b>	<b>8,895,135</b>	<b>11,236,423</b>	<b>-</b>	<b>11,236,423</b>
<b>Total Liabilities</b>	<b>1,521,175</b>	<b>1,705,018</b>	<b>9,127,711</b>	<b>12,353,904</b>	<b>(147,816)</b>	<b>12,206,088</b>
Net Assets						
Unrestricted						
Available for Current Operations	5,257,373	(91,670)	(27,805)	5,137,898	(1,612,448)	3,525,450
Net Investment in Property & Equipment	1,388,206	-	(309,892)	1,078,314	(900)	1,077,414
<b>Total Unrestricted Net Assets</b>	<b>6,645,579</b>	<b>(91,670)</b>	<b>(337,697)</b>	<b>6,216,212</b>	<b>(1,613,348)</b>	<b>4,602,864</b>
Temporarily Restricted	271,028	-	-	271,028	-	271,028
<b>Total Net Assets</b>	<b>6,916,606</b>	<b>(91,670)</b>	<b>(337,697)</b>	<b>6,487,239</b>	<b>(1,613,348)</b>	<b>4,873,891</b>
<b>Liabilities &amp; Net Assets</b>	<b>\$ 8,437,782</b>	<b>\$ 1,613,348</b>	<b>\$ 8,790,014</b>	<b>\$ 18,841,144</b>	<b>\$ (1,761,164)</b>	<b>\$ 17,079,980</b>

**Oregon Coast Community Action**  
**Consolidating Statement of Activities**  
Year Ended June 30, 2017

	<b>Oregon Coast Community Action</b>	<b>Campus I LLC</b>	<b>Campus II LLC</b>	<b>Subtotal</b>	<b>Eliminations</b>	<b>Consolidated 2017</b>
<b>Revenues</b>						
Grants & Contracts	\$ 9,277,794	\$ -	\$ -	\$ 9,277,794	\$ -	\$ 9,277,794
Commodities Received	216,680	-	-	216,680	-	216,680
Contributions-Foundation Awards	480,650	-	-	480,650	-	480,650
Donations	84,243	-	-	84,243	-	84,243
Rental Income	156,849	-	378,652	535,501	(378,652)	156,849
Program Income	428,422	-	-	428,422	-	428,422
Interest & Other Revenues	45,084	-	-	45,084	-	45,084
<b>Total Revenues</b>	<b>10,689,722</b>	<b>-</b>	<b>378,652</b>	<b>11,068,374</b>	<b>(378,652)</b>	<b>10,689,722</b>
<b>Program Expenses</b>						
Youth Services	6,170,373	-	-	6,170,373	(217,199)	5,953,174
Essential Services	3,207,829	-	-	3,207,829	(132,297)	3,075,532
Campus	-	17,064	642,680	659,744	-	659,744
<b>Total Program Expenses</b>	<b>9,378,202</b>	<b>17,064</b>	<b>642,680</b>	<b>10,037,946</b>	<b>(349,496)</b>	<b>9,688,450</b>
Management and general	212,878	-	-	212,878	-	212,878
Indirect Cost Pool	754,363	-	-	754,363	(29,156)	725,207
Fundraising	1,241	-	-	1,241	-	1,241
<b>Total Expenses</b>	<b>10,346,684</b>	<b>17,064</b>	<b>642,680</b>	<b>11,006,428</b>	<b>(378,652)</b>	<b>10,627,776</b>
Change in net assets from operations	343,038	(17,064)	(264,028)	61,946	-	61,946
Total change in net assets	343,038	(17,064)	(264,028)	61,946	-	61,946
Distributed Capital	-	-	(17,064)	(17,064)	17,064	-
Net assets - Beginning of Year	6,573,568	(74,606)	(56,605)	6,442,357	(1,630,412)	4,811,945
<b>Net assets - End of the Year</b>	<b>\$ 6,916,606</b>	<b>\$ (91,670)</b>	<b>\$ (337,697)</b>	<b>\$ 6,487,239</b>	<b>\$ (1,613,348)</b>	<b>\$ 4,873,891</b>

## Oregon Coast Community Action

### Consolidating Statement of Functional Expenses

Year Ended June 30, 2017

	Youth	Essential	Campus	Program	Administration	Indirect	Fund Raising	Elimination	Total
	Services	Services		Services		Cost Pool			
Personnel	\$ 4,563,753	\$ 748,256	\$ -	\$ 5,312,009	\$ 149,306	\$ 587,442	\$ -	\$ -	\$ 6,048,757
Consultants and Contractual	37,226	6	6,000	43,232	4,584	39,200	-	-	87,016
Supplies	192,282	65,223	-	257,505	14,808	26,546	937	-	299,796
Space Costs	271,979	147,039	79,353	498,371	-	29,816	-	(378,652)	149,535
Insurance	46,972	32,309	-	79,281	2,851	12,519	-	-	94,650
Maintenance & Repairs	102,026	60,851	-	162,877	(9,416)	6,761	-	-	160,222
Utilities and Phone	94,888	81,985	-	176,874	126	7,622	-	-	184,622
Transportation	62,112	25,058	-	87,170	4,019	-	-	-	91,189
Training & Travel	149,642	41,505	-	191,146	(1,140)	22,719	-	-	212,726
Sub Recipient-Pass Through Funds	318,883	80,157	-	399,040	-	-	-	-	399,040
Direct Client Support	4,486	1,494,050	-	1,498,536	-	-	-	-	1,498,536
Program Services & Client Activities	27,066	7,808	-	34,874	2,102	475	-	-	37,451
USDA Food	187,289	317,188	-	504,477	-	-	-	-	504,477
IT, Licensing, Staffing, Governance, Etc	111,770	61,165	200	173,135	(59,458)	21,264	304	-	135,245
Other	-	-	330,101	330,101	-	-	-	-	330,101
Depreciation	-	45,228	244,090	289,318	105,096	-	-	-	394,414
<b>Subtotal Expenses</b>	<b>6,170,373</b>	<b>3,207,829</b>	<b>659,744</b>	<b>10,037,945</b>	<b>212,878</b>	<b>754,363</b>	<b>1,241</b>	<b>(378,652)</b>	<b>10,627,776</b>
Indirect Cost Pool Allocation	505,961	240,301	-	746,262	8,067	(754,363)	34	-	-
Capital Equipment Adjustment	113,994	318,601	-	432,595	(432,595)	-	-	-	-
<b>Adjusted Total Expense</b>	<b>\$ 6,790,328</b>	<b>\$ 3,766,731</b>	<b>\$ 659,744</b>	<b>\$ 11,216,802</b>	<b>\$ (211,650)</b>	<b>\$ 0</b>	<b>\$ 1,275</b>	<b>\$ (378,652)</b>	<b>\$ 10,627,776</b>

## **NOTE 1 - ORGANIZATION**

Oregon Coast Community Action (ORCCA) is a not-for-profit Oregon corporation established in 1965. The primary purpose of ORCCA is to provide programs and services aimed at alleviating the causes and effects of poverty in Coos, Curry and Western Douglas counties so that all south coast households thrive and live with dignity, security and hope. As a private non-profit umbrella agency, Oregon Coast Community Action provides cost effective joint administration, leadership, and support for children's programs and emergency services on the southern Oregon Coast. Our network of programs works to feed, house, warm and educate people.

The primary funding sources are Federal and State of Oregon grant programs passed directly through the U.S. Department of Health and Human Services and indirectly through various Oregon State/County agencies.

Under the terms of its Community Services Block Grant, ORCCA is required to maintain a tripartite board of directors, with one-third public sector representation, at least one-third low-income representatives, and the balance of board members representing the private sector.

ORCCA Campus I, LLC (Campus I) was formed as a limited liability company under the laws of the state of Oregon on August 31, 2011, for the purpose of investing in ORCCA Campus II. Campus I is 90% owned by ORCCA with a 10% interest owned by Carroll ORCCA, LLC.

ORCCA Campus II, LLC (Campus II) was formed as a limited liability company under the laws of the state of Oregon on August 31, 2011, for the purpose of constructing a Child and Family Resource Center and a Food Distribution Center to be used in the charitable activities of ORCCA. Construction of both buildings began in the fiscal year ended June 30, 2012, and was completed in September of 2012. The primary mission of Campus II is to construct and lease both buildings to ORCCA. For federal income tax purposes, Campus II is a disregarded entity with its assets, liabilities, revenue, and expense reported by Campus I.

### **Principles of Consolidation**

ORCCA, Campus I and Campus II (the "Organization") have common ownership and therefore, consolidated financial statements have been prepared for the entities. The consolidated financial statements include the accounts of the Organization. All intercompany transactions and balances have been eliminated for consolidated financial statement purposes.

## **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **Basis of Accounting**

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

### **Basis of Presentation**

Net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

*Unrestricted net assets* - Net assets not subject to donor-imposed stipulations.

*Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time.

*Permanently restricted net assets* - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

### **Use of Estimates**

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

### **Revenue Recognition/Grant Funds Received in Advance**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from

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restrictions. If the restriction is satisfied in the period of contribution, the contribution is recorded as unrestricted revenue.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Rental income represents income received from various sources for use of property or space owned by the Organization. This income is recognized in the period in which it is earned.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

**A. Grant Awards that are Contributions**

Grants that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related allowable expenses are incurred. Amounts received in excess of expenses are reflected as grant funds received in advance.

**B. Grant Awards that are Exchange Transactions**

Exchange transactions reimburse based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed.

**Contributions of Long-Lived Assets**

Contributions of property and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues of the unrestricted net asset class. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire capital assets are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

**In-Kind Contributions**

The Organization reports as revenue the fair value of contributed services received where the services require specialized skills, are provided by individuals possessing these skills, and represent services that would have been purchased had they not been donated. During year ended June 30, 2017, no such contributed services were recorded.

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In-kind contributions of equipment and other materials are recorded when there is an objective basis upon which to value the contribution and where the contribution is an essential part of the Organization's activities. During the year ended June 30, 2017, the Organization recorded the value of food commodities received from the U.S. Department of Agriculture amounting to \$223,720. All food, with the exception of \$9,699 in commodities on hand added to inventory at June 30, 2017, was distributed in the Organization's program activities.

**Advertising and Marketing Expenses**

Advertising and marketing costs are charged to expense as they are incurred.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all cash and other liquid investments with initial maturities of three months or less to be cash equivalents.

**Cash Restricted to Project Development**

Campus II's loan agreements with Coast VIII and CFG IV restricted the use of loan and equity proceeds and interest reserve to the payment of construction costs or required distributions or other expenses. The Organization was required, during the construction of the Child and Family Resource Center and the Food Distribution Center, to provide draw requests including supporting documentation to the lenders for approval prior to drawing from the loan and equity proceeds on hand.

Campus II is required to make a monthly mandatory distribution of 1/12 of the annual priority return. During the year ending June 30, 2017, \$17,064 was distributed to Campus I.

**Capital Assets and Depreciation**

Purchased property and equipment are capitalized at original cost at date of purchase, and in-kind contributions of property and equipment are recorded as support at their estimated fair value on the date of receipt. The Organization follows the practice of capitalizing all expenditures for fixed assets in excess of \$5,000.

Depreciation is provided using the straight-line method. The estimated useful lives of the assets range from 5 to 20 years for furniture and equipment and from 10-40 years for buildings and improvements.

Federal funding sources have a reversionary interest in property and equipment purchased with Federal funds. Therefore, the disposition and any sale proceeds there from are subject to funding source regulations. Purchases of individual items of property and equipment that cost in excess of \$5,000 and purchases of vehicles of any amount are subject to prior funding source approval.

### **Long-Lived Assets**

The Organization evaluates the carrying value of long-lived assets when events and circumstances warrant such a review. If the carrying value of the long-lived asset is considered impaired, a loss is recognized based on the amount by which the carrying value exceeds the fair market value of the asset.

### **Revenue Recognition**

Grants and contributions are considered available for the unrestricted general operations of the Organization unless specifically restricted by the donor. Grants and other contributions that are received with donor stipulations that limit their use for specific purposes or future use are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted contributions, including contributions of long-lived property, whose restrictions are met in the same reporting period are reported as unrestricted support.

### **Income Taxes**

ORCCA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, ORCCA has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the year ended June 30, 2017.

Campus I is a limited liability company which is taxed as a partnership for federal and state income tax purposes. All items of income, expense, profit, and loss are passed through to the members in accordance with their membership interests.

Campus II, LLC is a wholly owned subsidiary of Campus I. For federal income tax purposes, Campus II is a disregarded entity with its assets, liabilities, revenue, and expense reported by Campus I.

The Organization is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. The Organization has determined there are no amounts to record as assets or liabilities related to uncertain tax positions. Federal returns for the fiscal years ended 2013, 2014, and 2015 remain subject to examination by the Internal Revenue Service.



**Concentrations of Credit Risk**

ORCCA's financial instruments consist primarily of cash and cash equivalents. All deposits at financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. Balances at Umpqua Bank exceed insurance coverage by \$554,399 as of June 30, 2017.

Certain receivables also subject ORCCA to concentrations of credit risk, as ORCCA incurs expenses in advance of reimbursement under various federal, state and local grants.

**Functional Allocation of Expenses**

The costs of providing programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited in accordance with ORCCA's cost allocation plan. Indirect costs are allocated to programs by applying the Indirect Cost Rate approved by the U.S. Department of Health and Human Services.

**Fair Value of Financial Instruments**

ORCCA reports that the carrying amounts of financial instruments included in current assets and current liabilities approximate fair value due to the short mature of these instruments.

**Summarized Financial Information for 2016**

The accompanying financial information as of and for the year ended June 30, 2016 is presented for comparative purposes only and is not intended to represent a complete financial statement presentation. Certain 2016 accounts have been reclassified to conform with the 2017 financial statement presentation.

**Other Significant Accounting Policies**

Other significant accounting policies are set forth in the financial statements and the following notes.

**NOTE 3 - PROGRAM SERVICES**

ORCCA's programs serve approximately 15,000 individuals per year in addition to food recipients. ORCCA's service territory is approximately 3,800 square miles, covering Coos, Curry, and western Douglas Counties. The percentage of people living in poverty in this service area is high, with a rate of 18.3% in Coos County, 16.6% in Curry County, and 13.1% in Douglas County.

During the year ended June 30, 2017, ORCCA incurred program expenses in the following major areas:

### **Youth Services**

*The Head Start and Early Head Start programs* are funded by both state and federal grants and are provided at no cost to families who qualify. The program offers a comprehensive social service and preschool program for over 464 infant, toddler, and pre-school age children and their families. Head Start provides activities for children that help them grow mentally, socially, emotionally, and physically. The program supports parents as the first and most important teacher of their children. South Coast Head Start provides services in Coos, Curry, and Coastal Douglas Counties in Oregon.

*Court Appointed Special Advocates of Coos County (CASA)* provides a volunteer to be the voice of a child who is in State custody due to abuse or neglect. CASA volunteers are considered a guardian ad litem in the case, working to secure safe, permanent homes for children in Coos County, Oregon. Children with a CASA volunteer are more likely to find a permanent home, spend less time in foster care, and receive more services.

*Great Afternoons*, located in Reedsport, offers family enrichment programs for children and youth under the names of Great Beginnings and Great Afternoons. The program mission is to provide young children with a protective, safe and fun alternative to being home alone or out on the street unsupervised. By offering activities, nutritious snacks, fun educational opportunities and companionship, the program serves as a “home away from home” for children of parents who are working or going to school. The program provides before & after school care, two pre-kindergarten readiness programs, daycare for children on non-school days, summer programs, and infant/toddler care. Reduced rates are available on a sliding scale to low-income families.

*South Coast Regional Early Learning Hub* - Early Learning Hubs in 16 regions across Oregon are getting cross-sector partners to work together to create local systems that are aligned, coordinated, and family-centered. Families receive the support they need to become healthy, stable and attached and their children receive the early learning experiences they need to thrive.

The South Coast Regional Early Learning Hub provides leadership and investments supporting early learning projects/programs, working in their communities toward early learning outcomes (above), throughout the region from Reedsport to Brookings as is evidenced in our biennial Work Plan. We are governed by the South Coast Regional Early Learning Hub-Governance Council and Oregon Coast Community Action acts as the backbone (fiscal agent) for this Early Learning Division initiative.

### **Essential Services**

ORCCA’s Essential Services department includes Energy Assistance and Weatherization, Housing Assistance, South Coast Food Share, and other Emergency Services.

*Energy Assistance* provides support to help households deal with increasing energy costs with cash help and energy education for approximately 2,141 households; of those 348 were first time recipients. Additionally, weatherization provided services for 16 households. Forms of energy assistance include:

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- Heating assistance payments for low-income households during the winter.
- Assistance through direct services and training, focusing on energy conservation and awareness.
- Weatherization is a program for low-income households designed to lower heating costs and make dwellings more energy efficient. The program achieves energy conservation through weatherization of homes, including windows, doors, insulation in floors and walls.

***Housing Assistance*** provides stabilization services and support for people who are homeless and those at risk of being homeless. Services include, housing counseling, one time rental/deposit assistance and short to long term rental assistance. Other types of assistance include Supportive Services for Veteran Families, limited circumstance transportation assistance, medical support,, and more. The Housing Department also manages affordable apartment complexes located in Coos Bay and North Bend.

***The Emergency Food Assistance Program*** (TEFAP) under the U.S. Department of Agriculture (USDA) buys food, including processing and packaging, and ships it to state agencies. The amount received by each state depends on its low-income and unemployed population. State agencies work out the details of administration and distribution commodities. Oregon Housing and Community Services (OHCS) is the designated State agency responsible for oversight of TEFAP commodities and funds. OHCS contracts with Oregon Food Bank to serve as the state's coordinating agency and distribute commodities and operating funds to its member agencies.

***South Coast Food Share*** is the ORCCA program responsible for distributing TEFAP commodities to Coos and Curry County along with other locally donated food. As a regional food bank within the statewide Oregon Food Bank Network, ORCCA works with over 32 local member agencies providing food for children, families, and individuals in Coos and Curry Counties.

***Fresh Alliance*** was begun in Oregon through the Oregon Food Bank in 2002, providing a previously untapped source of high-quality and nutritious food for people who are hungry. Grocers throughout ORCCA's service area donate high-quality, high-protein, short-dated foods that previously went to waste. A South Coast Food Share driver picks up truckloads of milk, meat, cheese and juices and delivers to network members for distribution in emergency food boxes and in meal site preparation for people in need.

***Snack Pack.*** The Snack Pack program is designed to meet the needs of hungry children at times when other food resources are not available, such as weekends or school vacation. Oregon Coast Community Action (ORCCA) partnered with local schools to form the Snack Pack program. The program provides sacks or packs filled with child-friendly, non-perishable food that children can take home on the weekends.

**NOTE 4 - COMMUNITY CAMPUS**

ORCCA endeavored to build the community's capacity to support individuals, families, and children. To accomplish this, ORCCA developed a network of non-profit programs that feed, house, warm, and educate low-income people in Coos, Curry, and Western Douglas Counties. Under the direction of ORCCA's Chief Executive Officer, the agency embarked on a long-term plan to develop a community campus composed of two buildings designed to advance the agency's objectives. The Community Campus construction was started in the fiscal year ended June 30, 2012 and substantially completed in late 2012

*The Child and Family Resource Center with Head Start Classrooms.* At approximately 30,000 square feet, the new Child and Family Resource Center houses 7 Head Start classrooms, parent education rooms, client resource and intake rooms for the Essential Services department, and office space for Head Start administration as well as the office of the CEO, development and finance departments. The Center is located at 1855 Thomas Street in Coos Bay, Oregon. Construction began in December 2011 and opened in September 2012.

*Central Food Warehouse.* This 12,000 square-foot building serves to anchor ORCCA's food distribution infrastructure. Two or three smaller warehouses, located throughout ORCCA's service area are projected to be developed to increase the efficiency of food deliveries, and to complement this building. The first of these is located in Myrtle Point and was completed in August 2010. The main food hub located in Coos Bay began construction in 2011 and opened in June 2012 for services. It is expected that this infrastructure will enable South Coast Food Share to increase its capacity to three million pounds of food per year, and to allow for placement of food in preparation for a natural disaster or other general emergency.

**NOTE 5 – GRANTS AND ACCOUNTS RECEIVABLE**

Grants and accounts receivable amounting to \$843,600 as of June 30, 2017, consist primarily of government contracts receivable to be collected within one year. Based on its collection experience and its evaluation of economic conditions and credit risk quality, management estimates that all receivables are collectible at June 30, 2017. Management considers all receivables outstanding over 90 days as past due. No material amounts are past due at June 30, 2017. No interest is charged on past due receivables.

**NOTE 6 – LOAN RECEIVABLE & CAMPUS FINANCING**

The Organization entered into certain arrangements to facilitate the financing and construction of the Child and Family Resource Center and the Food Distribution Center. In cooperation with Craft 3 and Community Funding Group, both unrelated non-profit corporations, a total of five separate limited liability companies, including Campus I and Campus II, were formed. Craft 3 and Community Funding Group were awarded allocations of New Markets Tax Credits. The Formation of the various LLC's and the use of loans and equity transactions was structured to allow financing for the projects and to make use of available New Markets Tax Credit allocations.

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The WF-ORCCA Investment Fund, LLC (Investment Fund) was formed to make “Qualified Equity Investments” (as defined by Section 45D of the Internal Revenue Code), in the CFG IV, LLC (CFG IV) and Enterprise Cascadia Coast VIII, LLC (Coast VIII). ORCCA provided a junior leverage loan in the amount of \$4,508,982 to the Investment Fund. The Investment Fund also received a senior leverage loan and an equity contribution from Wells Fargo Community Investment Holdings, LLC. These funds were then used to provide equity investments to CFG IV and Coast VIII. Wells Fargo Community Investment Holdings, LLC owns a 100% membership interest in the Investment Fund.

Both CFG IV and Coast VIII, using equity proceeds provided by the Investment fund, provided “Qualified Low-Income Community Investments”(as defined by Section 45D of the Internal Revenue Code) to Campus II in the form of loans. Coast VIII provided two loans in the amount of \$3,259,683 and \$1,340,617, respectively. CFG IV provided one loan in the amount of \$4,308,982. CFG IV also provided a loan of \$1,705,018 to Campus I. Campus I used these proceeds to make an equity investment of \$1,705,018 in Campus II.

These transactions provided a total of \$10,614,300 in loan and equity proceeds to Campus II. Both CFG IV and Coast VIII hold allocations of New Markets Tax Credits. All parties to these arrangements understand them to qualify as investments under the New Markets Tax Credit Program.

**NOTE 7 – PROPERTY & EQUIPMENT & ACCUMULATED DEPRECIATION**

A summary of property and equipment and accumulated depreciation as of June 30, 2017 is as follows:

	Life (Years)	Method	Cost	Accumulated Depreciation	Book Value
<b>ORCCA:</b>					
Buildings	10-40	Straight Line	\$ 2,636,152	\$ (1,330,353)	\$ 1,305,799
Equipment	5-20	Straight Line	559,189	(209,351)	349,838
Vehicles	3-7	Straight Line	749,131	(579,173)	169,958
Land & Improvements	N/A	N/A	226,767	-	226,767
	<b>ORCCA Total:</b>		<u>4,171,239</u>	<u>(2,118,877)</u>	<u>2,052,362</u>
<b>Campus II:</b>					
Buildings	40	Straight Line	7,933,991	(942,207)	6,991,784
Site Improvements	40	Straight Line	289,353	(34,112)	255,241
Equipment	10	Straight Line	385,061	(182,904)	202,157
Land Improvements	N/A	N/A	1,189,754	-	1,189,754
	<b>Campus II Total:</b>		<u>9,798,159</u>	<u>(1,159,223)</u>	<u>8,638,936</u>
	<b>Consolidated Totals:</b>		<u>\$ 13,969,398</u>	<u>\$ (3,278,100)</u>	<u>\$ 10,691,298</u>

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**NOTE 8 – LONG-TERM DEBT**

Long-term debt as of June 30, 2017 is as follows:

ORCCA

Note payable for \$625,000 to Umpqua Bank, through April 2026, payable in monthly installments of \$3,386 including interest at 5.0% per annum, collateralized by real property (the Park West Apartment building) with a carrying value of \$614,286 as of June 30, 2017. \$ 614,287

Note payable to Santander bank, through March of 2020, payable in monthly installments of \$1,110 with no interest, collateralized by a 2015 Chevrolet Head Start bus with a carrying value of \$36,629 at June 30, 2017. 36,629

Note payable to Toyota Motor Finance, through June of 2020, payable in Monthly installments of \$368 with no interest, collateralized by a 2015 Toyota Camry with a carrying value of \$13,240 at June 30, 2017. 13,240

Campus I

Note payable to CFG IV, LLC dated December 28, 2011, in the original amount of \$1,705,018. Monthly interest payments only at 1.0007% for the first seven years of the loan. Thereafter, monthly interest and principal payments are due. Loan matures on December 1, 2041. The loan is secured by property, equipment, and leases. 1,705,018

Campus II

Note payable A to Enterprise Cascadia Coast VIII, LLC dated December 28, 2011, in the original amount of \$3,259,683. Monthly interest payments only at 4.25% for the first thirteen months of the loan. Thereafter, monthly interest and principal payments are due. Loan matures on December 1, 2041. The loan is secured by property, equipment, and leases. 3,044,364

Note payable B to Enterprise Cascadia Coast VIII, LLC dated December 28, 2011, in the original amount of \$1,340,617. Monthly interest payments only of \$1,262 at 4.25% for the first seven years of the loan. Thereafter, monthly interest and principal payments are due, including prior accrued interest. Loan balance includes accrued unpaid interest of \$254,865. Loan matures on December 1, 2041. The loan is secured by property, equipment, and leases. 1,595,482

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Note payable C to CFG IV, LLC dated December 28, 2011, in the original amount of \$4,308,982. Monthly interest payments only at 1.001% for the first seven years of the loan. Thereafter monthly interest and principle payments are due. The loan matures on December 1, 2041. The loan is secured by property, equipment, and leases.

4,308,982

Less current portion of long-term debt

(81,579)

\$11,236,423

Maturities of long-term debt are as follows:

<u>Year Ending June 30:</u>	<u>ORCCA</u>	<u>Campus I</u>	<u>Campus II</u>	<u>Totals:</u>
2018	\$ 27,886	\$ -	\$ 53,693	\$ 81,579
2019	28,404	33,051	149,653	211,108
2020	25,620	66,602	294,468	386,690
2021	11,791	67,270	299,599	378,660
2022	12,395	67,945	306,923	387,263
Thereafter	<u>558,060</u>	<u>1,470,150</u>	<u>7,844,492</u>	<u>9,872,702</u>
<b>Totals:</b>	<u>\$ 664,156</u>	<u>\$ 1,705,018</u>	<u>\$ 8,948,828</u>	<u>\$ 11,318,002</u>

Subsequent to year end, on July 13, 2017, ORCCA entered into a loan agreement with Southwest Oregon IPA (SWOIPA). ORCCA borrowed \$1,070,872 from SWOIPA and used the proceeds to purchase three parcels of land on which the Organization's operations are conducted and which had been leased by Campus II.. The loan requires monthly interest only payments of \$4,462 at 5% annual interest for 17 months starting August of 2017, followed by 36 months of principal and interest payments of \$6,260, and then a final payment of the remaining interest and principal balance in January of 2022.

**NOTE 9 - RESTRICTIONS AND LIMITATIONS ON NET ASSET BALANCES**

Temporarily restricted net assets consist of contributions, grants, and other unexpended revenues and gains available for the following purposes as of June 30, 2017:

USDA Commodities	\$ 16,739
Ford Family Foundation-SCREL HUB	238,022
Cow Creek Unipqua Indian Foundation	10,000
Crane Creek Family Fund	<u>6,267</u>
<b>Totals:</b>	<u>\$ 271,028</u>

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**NOTE 10 - EXPENSES**

The costs of providing the various programs and other activities of ORCCA 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. Expenses by natural classification are presented in the statement of functional expenses.

**NOTE 11 - OPERATING LEASES**

The Organization occupies various leased premises for administration and program activities under agreements classified as operating leases. The lease agreements are a mix of term leases and month to month arrangements. Lease expense was \$149,535 for the year ended June 30, 2017.

The following is a schedule by years of future minimum payments required under these leases:

<u>Year Ending June 30:</u>	<u>ORCCA</u>	<u>Campus I</u>	<u>Campus II</u>	<u>Totals:</u>
2018	\$ 50,200	\$ -	\$ -	\$ 50,200
2019	14,000	-	-	14,000
2020	12,000	-	-	12,000
2021	12,000	-	-	12,000
2022	12,000	-	-	12,000
<b>Totals:</b>	<u>\$ 100,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,200</u>

Campus II and ORCCA entered into a master lease arrangement following ORCCA's assignment of ground leases for three land parcels to Campus II. Campus II agreed to sublease to ORCCA all three parcels including improvements and furnishings which include the Child and Family Resource Center and the Food Distribution Center. The term of the sublease is 30 years. The sublease requires ORCCA to pay, in addition to required rent, all costs of upkeep, repair, utilities, and property tax. A total of \$378,652 was paid under this sublease during the year ended June 30, 2017. Rent revenue and expense under this arrangement has been eliminated in the consolidated financial statements.

In July of 2017, ORCCA exercised an option under the original land lease agreement and purchased, from the third party owner, the three land parcels. ORCCA became the lessor, following purchase, but also remained the sub-lessee of the property. The lease agreement with Campus II was amended to reduce the rent required to the amount necessary to pay the monthly costs of a note obligation that ORCCA incurred to purchase the property.

The terms of the sublease require monthly installments over the life of the agreement. As part of the sublease, Campus II agreed to provide a rent subsidy to ORCCA. Campus II has sole discretion to modify, reduce, or discontinue the subsidy in the event the Company reasonably determines that such rent subsidy would have a materially adverse financial impact on the Campus II's current or future financial obligations, duties, and liabilities. Following ORCCA's



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acquisition of the subject land, however, the sublease was amended to reduce ORCCA’s required monthly payment to Campus II by the amount of reduction Campus II received in the monthly land lease payments now due to ORCCA. Future minimum sublease payments to be received under currently executed agreements for the next five fiscal years are as follows:

<u>Year Ending June 30:</u>	<u>Base Rent</u>	<u>Subsidy</u>	<u>Net Rent</u>
2018	\$ 803,260	\$ 455,330	\$ 347,930
2019	832,790	318,371	514,419
2020	857,780	175,183	682,597
2021	877,867	194,976	682,891
2022	883,440	222,493	660,947
<b>Totals:</b>	<b>\$ 4,255,137</b>	<b>\$ 1,366,353</b>	<b>\$ 2,888,784</b>

**NOTE 12 – RETIREMENT PLANS**

ORCCA provides a 403(b) retirement plan covering all eligible employees who are at least 18 years old with one year of service. Discretionary employer contributions to the plan amounted to approximately \$200,568 for the year ended June 30, 2017.

**NOTE 13 - CONCENTRATION OF REVENUES**

For the year ended June 30, 2017, approximately 38.50% of ORCCA’s total support and revenue was received from the U.S. Department of Health and Human Services.

For the year ended June 30, 2017, approximately 47.85% of ORCCA’s total support and revenues was received for the Head Start Program, of which approximately 55.75% was received from the U.S. Department of Health and Human Services and approximately 44.25% was received from the State of Oregon Department of Education.

Revenues from the U.S. Department of Health and Human Services and the State of Oregon Department of Education are expected to continue to represent significant percentages of ORCCA’s resources. Therefore, if funding from these sources were lost, it would have a severe financial impact on ORCCA.

**NOTE 14- SUBSEQUENT EVENTS**

The Organization, with the exception of the item detailed in Notes 8 and 11, did not have any subsequent events through October 27, 2017, which is the date the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements for the year ended June 30, 2017.

Oregon Coast Community Acton  
Statement of Revenues, Expenses and Changes in Net Assets  
Funding Source Basis - Head Start  
Year Ended June 30, 2017

	Head Start - Fed	DHS ERDC	US Department of Agriculture	Head Start - State
<b>Revenues</b>				
Grant Revenue	2,852,455	42,348	209,340	2,312,173
CSBG Allocation	-	-	-	-
Contributions and Donations	-	-	-	-
Client Fees	-	-	-	-
Program and Other Income	-	-	-	-
<b>Total Revenues</b>	<b>2,852,455</b>	<b>42,348</b>	<b>209,340</b>	<b>2,312,173</b>
<b>Personnel</b>				
Salaries	1,532,089	22,606	20,837	1,229,562
Fringe	547,368	9,039	11,302	480,325
<b>Total Personnel</b>	<b>2,079,457</b>	<b>31,645</b>	<b>32,139</b>	<b>1,709,886</b>
<b>Operating Expenses</b>				
Audit, Legal & Other Consultants	2,453	-	-	6,188
Supplies	102,954	-	-	60,703
Space Costs	133,627	-	-	119,731
Insurance	26,141	-	-	18,477
Maintenance & Repairs	57,640	-	-	39,310
Utilities and Phone	51,289	-	-	39,992
Transportation	27,133	-	-	32,308
Training & Travel	58,589	-	-	51,710
Direct Client Support	22	-	-	28
Program & Client Outreach & Activities	8,643	1,847	-	4,431
USDA Food	-	-	166,701	-
IT, Licensing, Staffing, Governance, etc.	49,046	-	7,159	41,905
Fund Raising Expenses	-	-	-	-
Indirect Allocation	220,745	2,847	3,340	180,054
<b>Total Operating Expenses</b>	<b>738,283</b>	<b>4,694</b>	<b>177,201</b>	<b>594,838</b>
Capital Purchases	35,250	6,009	-	7,448
<b>Total Expenses</b>	<b>2,852,990</b>	<b>42,348</b>	<b>209,340</b>	<b>2,312,173</b>
<b>Change in Assets</b>	<b>(535)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Assets - Beginning of Year	-	-	-	-
<b>Net Assets- End of Year</b>	<b>(535)</b>	<b>-</b>	<b>-</b>	<b>-</b>

Oregon Coast Community Acton  
Statement of Revenues, Expenses and Changes in Net Assets  
Funding Source Basis - Head Start (Continued)  
Year Ended June 30, 2017

OPK - One Time Funding	DHS SPRF	Family Support and Connections	Head Start General Fund	Collaborative Early Learning General	Head Start Program Total
81,891	-	53,990	-	5,748	5,557,945
-	-	-	-	-	-
-	-	-	15,602	-	15,602
-	-	-	-	-	-
-	-	-	2,737	31,945	34,682
81,891	-	53,990	18,339	37,694	5,608,229
1,778	54	38,441	-	15,696	2,861,063
444	10	12,619	-	2,991	1,064,098
2,222	64	51,060	-	18,687	3,925,161
-	-	-	-	-	8,641
3,094	-	4,385	1,576	90	172,802
-	-	2,095	-	-	255,453
-	-	-	-	-	44,619
3,892	-	-	-	-	100,842
-	-	1,110	-	-	92,391
-	-	-	2,447	-	61,888
14,477	-	3,060	-	377	128,213
-	-	1,204	-	-	1,254
-	-	4	806	212	15,944
-	-	-	-	-	166,701
182	-	104	169	173	98,739
-	-	-	-	-	-
2,520	5	5,357	476	1,661	417,006
24,166	5	17,320	5,474	2,513	1,564,494
55,503	-	-	9,784	-	113,994
81,891	70	68,380	15,258	21,199	5,603,649
-	(70)	(14,390)	3,080	16,494	4,580
-	905	6,920	14,596	(5,193)	17,228
-	835	(7,470)	17,677	11,301	21,808

Oregon Coast Community Acton  
Statement of Revenues, Expenses and Changes in Net Assets  
Funding Source Basis - Early Learning Hub  
Year Ended June 30, 2017

	Family Support	Focused Child Care Network	EL Hub - State Funds	Great Start
<b>Revenues</b>				
Grant Revenue	38,966	38,713	164,519	9,999
CSBG Allocation	-	-	-	-
Contributions (Foundation Awards)	-	-	-	-
Donations	-	-	-	-
Program and Other Income	-	-	-	-
<b>Total Revenues</b>	<b>38,966</b>	<b>38,713</b>	<b>164,519</b>	<b>9,999</b>
<b>Personnel</b>				
Salaries	6,147	-	86,671	-
Fringe	2,603	-	24,376	-
<b>Total Personnel</b>	<b>8,750</b>	<b>-</b>	<b>111,046</b>	<b>-</b>
<b>Operating Expenses</b>				
Audit, Legal & Other Consultants	-	-	10,945	-
Supplies	118	-	1,231	-
Space Costs	-	-	6,936	-
Insurance	-	-	520	-
Maintenance & Repairs	92	-	876	-
Utilities and Phone	74	-	1,529	-
Transportation	134	-	-	-
Training & Travel	324	-	7,141	-
Direct Client Support	1,927	-	-	-
Program & Client Outreach & Activities	74	-	-	-
USDA Food	-	-	-	-
IT, Licensing, Staffing, Governance, etc.	30	-	3,940	-
Sub Recipient Payments	24,391	36,075	6,512	9,215
Indirect Allocation	3,053	2,638	13,843	783
<b>Total Operating Expenses</b>	<b>30,214</b>	<b>38,713</b>	<b>53,473</b>	<b>9,999</b>
<b>Capital Purchases</b>				
<b>Total Expenses</b>	<b>38,965</b>	<b>38,713</b>	<b>164,519</b>	<b>9,999</b>
<b>Change in Assets</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Assets - Beginning of Year	(1)	-	-	-
<b>Net Assets- End of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Oregon Coast Community Acton  
Statement of Revenues, Expenses and Changes in Net Assets  
Funding Source Basis - Early Learning Hub (Continued)  
Year Ended June 30, 2017

Kindergarten Partnership Innovations	School Readiness	Stable Healthy Attached Families	The Ford Family Foundation EL Hub	Vroom	SCREL General Fund	Early Learning Hub Total
192,647	56,634	31,568	-	8,000	-	541,045
-	-	-	-	-	-	-
-	-	-	192,858	-	-	192,858
-	-	-	-	-	1,000	1,000
-	-	-	-	-	-	-
192,647	56,634	31,568	192,858	8,000	1,000	734,904
-	-	4,164	67,784	-	-	164,765
-	-	1,759	17,473	-	-	46,211
-	-	5,923	85,257	-	-	210,976
-	-	9,790	5,727	2,123	-	28,585
-	-	80	2,230	2,042	-	5,701
-	-	-	2,400	-	-	9,336
-	-	-	-	-	-	520
-	-	62	-	-	-	1,030
-	-	50	233	-	-	1,886
-	-	90	-	-	-	224
-	-	219	3,808	-	-	11,492
-	-	1,304	-	-	-	3,231
-	-	50	375	3,206	-	3,704
-	-	-	-	-	-	-
-	-	20	3,503	-	-	7,494
177,910	53,274	11,507	-	-	-	318,883
13,022	3,360	2,473	8,800	627	-	48,599
190,932	56,634	25,645	27,077	7,998	-	440,686
-	-	-	-	-	-	-
190,932	56,634	31,568	112,334	7,998	-	651,662
1,715	-	-	80,524	2	1,000	83,242
(1,715)	-	-	157,497	-	0	155,782
-	-	-	238,022	2	1,000	239,024

Oregon Coast Community Acton  
Statement of Revenues, Expenses and Changes in Net Assets  
Funding Source Basis - CASA  
Year Ended June 30, 2017

	City of Coos Bay	Bay Area Hospital	Coos Curry Bar	Cow Creek	Oregon Communtiy Foundation
<b>Revenues</b>					
Grant Revenue	-	-	-	-	-
CSBG Allocation	-	-	-	-	-
Contributions and Donations	-	7,500	-	7,500	3,000
Client Fees	-	-	-	-	-
Program and Other Income	-	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>7,500</b>	<b>-</b>	<b>7,500</b>	<b>3,000</b>
<b>Personnel</b>					
Salaries	-	5,876	-	5,477	2,136
Fringe	-	1,037	-	1,029	377
<b>Total Personnel</b>	<b>-</b>	<b>6,912</b>	<b>-</b>	<b>6,506</b>	<b>2,513</b>
<b>Operating Expenses</b>					
Audit, Legal & Other Consultants	-	-	-	-	-
Supplies	-	-	-	-	-
Space Costs	-	-	-	-	-
Insurance	-	-	-	-	-
Maintenance & Repairs	-	-	-	-	-
Utilities and Phone	-	-	-	25	-
Transportation	-	-	-	-	-
Training & Travel	-	-	-	125	235
Direct Client Support	-	-	-	-	-
Program & Client Outreach & Activities	396	-	893	-	-
USDA Food	-	-	-	-	-
IT, Licensing, Staffing, Governance, etc.	-	-	527	213	17
Fund Raising Expenses	-	-	-	-	-
Indirect Allocation	4	588	121	632	235
<b>Total Operating Expenses</b>	<b>400</b>	<b>588</b>	<b>1,541</b>	<b>994</b>	<b>487</b>
<b>Capital Purchases</b>					
<b>Total Expenses</b>	<b>400</b>	<b>7,500</b>	<b>1,541</b>	<b>7,500</b>	<b>3,000</b>
<b>Change in Assets</b>	<b>(400)</b>	<b>-</b>	<b>(1,541)</b>	<b>-</b>	<b>-</b>
<b>Net Assets - Beginning of Year</b>	<b>400</b>	<b>-</b>	<b>1,541</b>	<b>-</b>	<b>-</b>
<b>Net Assets- End of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Oregon Coast Community Acton  
Statement of Revenues, Expenses and Changes in Net Assets  
Funding Source Basis - CASA (Continued)  
Year Ended June 30, 2017

Oregon Volunteers	Zonta Foundation	Coquille Indian Tribe Foundation	OR CASA Network (Ford Family Pass- Through)	Taco Bell Enterprises	CASA General Fund	Kids Food Cupboard	CASA Program Total
34,134	-	-	-	-	7,742	-	41,876
-	-	-	-	-	7,000	-	7,000
-	2,500	20,000	9,131	1,300	11,950	-	62,881
-	-	-	-	-	3,977	-	3,977
-	-	-	-	-	154	-	154
34,134	2,500	20,000	9,131	1,300	30,823	-	115,888
18,314	1,540	16,635	6,668	839	23,532	-	81,017
3,072	272	2,988	1,217	148	4,311	-	14,450
21,386	1,812	19,623	7,886	987	27,843	-	95,467
-	-	-	-	-	-	-	-
1,588	-	-	66	-	17	11	1,682
798	-	-	-	-	3,992	-	4,790
-	-	-	-	-	485	-	485
-	-	-	-	-	39	-	39
69	-	25	-	-	493	-	611
-	-	-	-	-	-	-	-
7,282	-	299	383	93	322	3	8,742
-	-	-	-	-	-	-	-
180	142	-	41	38	1,057	-	2,748
-	-	-	-	-	35	545	580
412	350	53	39	87	2,464	-	4,163
-	-	-	-	-	-	-	-
2,420	196	-	715	95	5,086	1	10,092
12,748	688	377	1,245	313	13,990	560	33,932
-	-	-	-	-	-	-	-
34,134	2,500	20,000	9,131	1,300	41,833	560	129,399
-	-	-	-	-	(11,010)	(560)	(13,510)
-	-	-	-	-	11,641	3,842	17,423
-	-	-	-	-	631	3,282	3,913

Oregon Coast Community Acton  
Statement of Revenues, Expenses and Changes in Net Assets  
Funding Source Basis - Great Afternoons  
Year Ended June 30, 2017

	DHS ERDC	US Department of Agriculture	Reedsport School District - KPI	STEM Beyond School	Childrens Trust
<b>Revenues</b>					
Grant Revenue	17,678	23,962	-	16,303	-
CSBG Allocation	-	-	-	-	-
Contributions and Donations	-	-	-	-	10,000
Client Fees	-	-	-	-	-
Program and Other Income	-	-	16,422	-	-
<b>Total Revenues</b>	<b>17,678</b>	<b>23,962</b>	<b>16,422</b>	<b>16,303</b>	<b>10,000</b>
<b>Personnel</b>					
Salaries	11,722	2,378	9,398	6,861	6,855
Fringe	4,571	983	3,471	1,929	2,362
<b>Total Personnel</b>	<b>16,293</b>	<b>3,361</b>	<b>12,870</b>	<b>8,790</b>	<b>9,217</b>
<b>Operating Expenses</b>					
Audit, Legal & Other Consultants	-	-	-	-	-
Supplies	-	-	2,149	4,597	-
Space Costs	-	-	-	-	-
Insurance	-	-	-	-	-
Maintenance & Repairs	-	-	-	-	-
Utilities and Phone	-	-	-	-	-
Transportation	-	-	-	-	-
Training & Travel	-	-	135	-	-
Direct Client Support	-	-	-	-	-
Program & Client Outreach & Activities	-	-	407	2,916	-
USDA Food	-	20,007	-	-	-
IT, Licensing, Staffing, Governance, etc.	-	284	-	-	-
Fund Raising Expenses	-	-	-	-	-
Indirect Allocation	1,385	310	-	-	783
<b>Total Operating Expenses</b>	<b>1,385</b>	<b>20,601</b>	<b>2,691</b>	<b>7,512</b>	<b>783</b>
<b>Capital Purchases</b>					
<b>Total Expenses</b>	<b>17,678</b>	<b>23,962</b>	<b>15,561</b>	<b>16,303</b>	<b>10,000</b>
<b>Change in Assets</b>	<b>-</b>	<b>-</b>	<b>861</b>	<b>-</b>	<b>-</b>
Net Assets - Beginning of Year	-	-	(861)	-	-
Net Assets- End of Year	-	-	-	-	-



Oregon Coast Community Acton  
Statement of Revenues, Expenses and Changes in Net Assets  
Funding Source Basis - Great Afternoons (Continued)  
Year Ended June 30, 2017

Cow Creek	Ford Family Foundation	Oregon Community Foundation	GA General Fund	Reedsport School District Farm to School	UCAN Head Start	Great Afternoons Program Total
-	-	-	-	-	70,583	128,526
-	-	-	22,500	-	-	22,500
10,000	50,000	41,667	9,705	-	-	121,372
-	-	-	121,861	-	-	121,861
-	-	-	1,267	10,530	-	28,218
10,000	50,000	41,667	155,332	10,530	70,583	422,476
-	41,422	28,802	85,568	5,227	46,390	244,623
-	15,060	9,601	29,702	1,831	18,016	87,526
-	56,482	38,402	115,270	7,058	64,406	332,149
-	-	-	-	-	-	-
-	878	-	1,500	2,973	-	12,097
-	-	-	2,400	-	-	2,400
-	438	-	909	-	-	1,348
-	62	-	53	-	-	114
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	178	-	234	-	647	1,194
-	-	-	-	-	-	-
-	1,006	-	304	37	-	4,670
-	-	-	-	-	-	20,007
-	466	-	624	-	-	1,375
-	632	-	74	-	-	706
-	5,112	3,264	13,881	-	5,530	30,264
-	8,771	3,264	19,979	3,011	6,177	74,175
-	-	-	-	-	-	-
-	65,253	41,667	135,249	10,068	70,583	406,324
10,000	(15,253)	-	20,083	461	-	16,152
-	15,253	-	(223)	(461)	-	13,708
10,000	-	-	19,860	-	-	29,860

Oregon Coast Community Acton  
Statement of Revenues, Expenses and Changes in Net Assets  
Funding Source Basis -Energy Services  
Year Ended June 30, 2017

	Bonneville Power Administration	Department of Energy	Low Income Home Energy Assist Program	Low Income Home Energy Weatherization Assistance WX
<b>Revenues</b>				
Grant Revenue	35,895	48,629	859,893	90,764
CSBG Allocation	-	-	-	-
Contributions and Donations	-	-	-	-
Client Fees	-	-	-	-
Program and Other Income	-	-	-	-
<b>Total Revenues</b>	<b>35,895</b>	<b>48,629</b>	<b>859,893</b>	<b>90,764</b>
<b>Personnel</b>				
Salaries	3,117	13,857	105,554	18,380
Fringe	880	3,192	41,404	4,429
<b>Total Personnel</b>	<b>3,996</b>	<b>17,049</b>	<b>146,958</b>	<b>22,809</b>
<b>Operating Expenses</b>				
Audit, Legal & Other Consultants	-	-	-	6
Supplies	83	1,222	11,272	4,888
Space Costs	5,371	5,371	2,972	3,544
Insurance	-	-	1,578	5,057
Maintenance & Repairs	50	50	1,772	1,819
Utilities and Phone	-	128	4,285	1,074
Transportation	-	-	-	172
Training & Travel	7,093	4,680	4,830	6,333
Direct Client Support	15,515	16,491	608,960	34,556
Program & Client Outreach & Activities	-	-	4,082	-
USDA Food	-	-	-	-
IT, Licensing, Staffing, Governance, etc.	253	58	5,766	4,117
Fund Raising Expenses	-	-	-	-
Indirect Allocation	3,533	3,580	67,326	6,390
<b>Total Operating Expenses</b>	<b>31,898</b>	<b>31,580</b>	<b>712,843</b>	<b>67,955</b>
<b>Capital Purchases</b>				
<b>Total Expenses</b>	<b>35,894</b>	<b>48,629</b>	<b>859,801</b>	<b>90,764</b>
<b>Change in Assets</b>	<b>1</b>	<b>-</b>	<b>91</b>	<b>-</b>
Net Assets - Beginning of Year	-	-	-	-
<b>Net Assets- End of Year</b>	<b>1</b>	<b>-</b>	<b>91</b>	<b>-</b>

Oregon Coast Community Acton  
Statement of Revenues, Expenses and Changes in Net Assets  
Funding Source Basis -Energy Services (Continued)  
Year Ended June 30, 2017

Energy Conservation Helping Oregonians	Oregon Energy Assistance Program	City of Bandon	Coos Curry Electric Co-op	Oregon Heat	Energy Services General Fund	Energy Services Program Total
158,595	365,434	-	-	-	-	1,559,210
-	-	-	-	-	-	-
-	-	-	10,000	-	-	10,000
-	-	-	-	-	-	-
-	-	225	-	1,195	1,115	2,535
158,595	365,434	225	10,000	1,195	1,115	1,571,744
33,830	26,062	256	513	29	402	201,999
9,572	10,263	108	202	12	154	70,216
43,402	36,325	364	715	41	556	272,215
-	-	-	-	-	-	6
18,486	1,463	-	46	-	46	37,505
16,112	1,140	-	-	-	-	34,510
-	649	-	-	-	-	7,284
151	1,951	-	-	-	-	5,793
13	1,887	-	-	-	-	7,387
-	-	-	-	-	-	172
918	691	-	-	-	-	24,546
67,009	289,117	-	8,346	-	326	1,040,320
-	-	-	-	-	-	4,082
-	-	-	-	-	-	-
85	3,317	-	-	-	-	13,596
-	-	-	-	-	-	-
12,420	28,894	31	774	3	79	123,030
115,192	329,110	31	9,166	3	451	1,298,230
-	-	-	-	-	-	-
158,595	365,434	395	9,881	44	1,007	1,570,444
-	-	(170)	119	1,151	108	1,300
-	1	-	4,260	-	29,002	33,263
-	-	(170)	4,379	1,151	29,110	34,563

Oregon Coast Community Acton  
Statement of Revenues, Expenses and Changes in Net Assets  
Funding Source Basis - Housing Services  
Year Ended June 30, 2017

	HUD CoC COOLS	HUD CoC Family Transitions	Emergency Food and Shelter Program	Emergency Housing Assistance	Emergency Solutions Grant Program
<b>Revenues</b>					
Grant Revenue	176,878	84,297	234	91,471	66,088
CSBG Allocation	-	-	-	-	-
Contributions and Donations	-	-	-	-	-
Client Fees	-	-	-	-	-
Program and Other Income	-	-	-	-	-
<b>Total Revenues</b>	<b>176,878</b>	<b>84,297</b>	<b>234</b>	<b>91,471</b>	<b>66,088</b>
<b>Personnel</b>					
Salaries	24,541	3,670	-	10,921	11,489
Fringe	8,210	1,226	-	5,038	4,302
<b>Total Personnel</b>	<b>32,751</b>	<b>4,896</b>	<b>-</b>	<b>15,960</b>	<b>15,791</b>
<b>Operating Expenses</b>					
Audit, Legal & Other Consultants	-	-	-	-	-
Supplies	-	-	-	2,991	-
Space Costs	-	-	-	18,433	-
Insurance	-	-	-	2,549	-
Maintenance & Repairs	-	-	-	1,555	-
Utilities and Phone	-	-	-	1,830	-
Transportation	1,600	-	-	-	-
Training & Travel	-	-	-	6,906	-
Direct Client Support	60,745	72,797	234	-	33,511
Program & Client Outreach & Activities	-	-	-	-	-
USDA Food	-	-	-	-	-
IT, Licensing, Staffing, Governance, etc.	2,768	-	-	2,731	-
Sub Recipient Payments	65,157	-	-	-	15,000
Indirect Allocation	13,857	6,604	-	6,656	1,786
<b>Total Operating Expenses</b>	<b>144,127</b>	<b>79,401</b>	<b>234</b>	<b>43,652</b>	<b>50,297</b>
Capital Purchases	-	-	-	31,859	-
<b>Total Expenses</b>	<b>176,878</b>	<b>84,297</b>	<b>234</b>	<b>91,471</b>	<b>66,088</b>
<b>Change in Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Assets - Beginning of Year	-	-	-	(1)	-
<b>Net Assets- End of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>

Oregon Coast Community Acton  
Statement of Revenues, Expenses and Changes in Net Assets  
Funding Source Basis - Housing Services (Continued)  
Year Ended June 30, 2017

Home Tenant Based Assistance	Housing Stabilization Program (TANF)	SS Veterans Family	Veterans EHA	Low Income Rental Housing Fund	State Housing Assistance Program
80,095	9,046	295,956	8,132	5,420	52,797
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
80,095	9,046	295,956	8,132	5,420	52,797
-	2,159	92,185	5,047	101	28,513
-	887	40,586	2,304	44	10,648
-	3,046	132,771	7,351	145	39,161
-	-	-	-	-	-
-	-	2,550	13	15	1,448
-	-	2,997	-	-	3,216
-	-	1,748	-	-	28
-	-	1,334	65	-	372
-	-	4,738	-	-	462
-	-	6,330	-	-	-
-	-	5,147	66	-	1,832
75,979	4,883	111,820	-	5,041	-
-	-	65	-	-	-
-	-	-	-	-	-
-	-	3,271	-	-	938
-	-	-	-	-	-
4,115	1,117	23,186	637	219	5,339
80,094	5,999	163,185	781	5,275	13,635
-	-	-	-	-	-
80,094	9,045	295,956	8,133	5,420	52,797
1	1	-	(1)	-	-
-	-	-	-	-	-
1	1	-	-	-	-

Oregon Coast Community Acton  
Statement of Revenues, Expenses and Changes in Net Assets  
Funding Source Basis - Housing Services (continued)  
Year Ended June 30, 2017

Emergency Housing Assistance - One Time	State Housing Assistance Program - One Time	Medical & Dental Emergency Services	DHS - SPRF	Operation Informed Warrior	Brookings Donations
220,102	52,880	-	4,000	-	-
-	-	-	-	-	-
-	-	7,550	-	-	950
-	-	-	-	-	-
-	-	-	-	-	-
220,102	52,880	7,550	4,000	-	950
2,148	-	5,469	4,094	-	-
746	-	1,915	901	-	-
2,894	-	7,384	4,995	-	-
-	-	-	-	-	-
-	3,170	-	6,218	129	-
1,865	-	-	-	-	-
-	-	-	-	-	-
657	912	-	-	-	-
-	-	-	29	-	-
-	-	-	-	-	-
-	-	-	568	-	-
-	-	1,663	-	-	310
-	-	-	-	-	946
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
56	593	769	1,004	11	107
2,577	4,674	2,432	7,818	139	1,363
214,630	48,205	-	21,312	2,595	-
220,102	52,880	9,816	34,125	2,735	1,363
-	-	(2,266)	(30,125)	(2,735)	(413)
-	-	11,369	26,186	4,111	1,769
-	-	9,102	(3,939)	1,376	1,356

Oregon Coast Community Acton  
Statement of Revenues, Expenses and Changes in Net Assets  
Funding Source Basis - Housing Services (continued)  
Year Ended June 30, 2017

Charity, Peace and Justice	Park West	5 Bridges - Homeless Youth	Airport Apartments	Housing Client Rents	Housing Services Program Total
-	-	-	-	-	1,147,396
7,098	8,670	-	3,000	-	18,768
2,342	-	2,305	-	-	13,147
-	141,574	-	15,275	10,381	167,230
13,300	6,201	-	-	-	19,501
22,740	156,444	2,305	18,275	10,381	1,366,041
4,555	30,370	565	2,762	-	228,589
1,677	5,459	273	977	-	85,195
6,232	35,829	838	3,739	-	313,784
-	-	-	-	-	-
235	3,781	47	245	-	20,840
-	45,228	-	6,000	-	77,738
-	13,603	-	-	-	17,929
-	31,638	-	842	-	37,374
-	33,684	-	6,034	-	46,777
-	-	-	-	-	7,930
-	781	-	38	-	15,338
38,386	139	6,432	-	3,982	415,923
615	-	775	-	-	2,401
-	-	-	-	-	-
45	31,816	-	41	-	41,611
-	-	-	-	-	80,157
6,231	11,446	688	1,440	338	86,198
45,513	172,115	7,942	14,639	4,320	850,215
-	-	-	-	-	318,601
51,745	207,944	8,780	18,378	4,320	1,482,601
(29,005)	(51,499)	(6,475)	(103)	6,061	(116,559)
29,005	(126,508)	6,194	-	-	(47,874)
-	(178,008)	(281)	(103)	6,061	(164,434)

Oregon Coast Community Acton  
Statement of Revenues, Expenses and Changes in Net Assets  
Funding Source Basis - Food Share  
Year Ended June 30, 2017

	Emergency Food and Shelter Program	The Emergency Food Assistance Program	US Department of Agriculture	OFB - Hunger Relief Fund	Cow Creek
<b>Revenues</b>					
Grant Revenue	1,456	12,964	223,720	67,471	-
CSBG Allocation	-	-	-	-	-
Contributions and Donations	-	-	-	-	7,500
Client Fees	-	-	-	-	-
Program and Other Income	-	-	-	-	-
<b>Total Revenues</b>	<b>1,456</b>	<b>12,964</b>	<b>223,720</b>	<b>67,471</b>	<b>7,500</b>
<b>Personnel</b>					
Salaries	-	95	-	47,164	-
Fringe	-	-	-	15,213	-
<b>Total Personnel</b>	<b>-</b>	<b>95</b>	<b>-</b>	<b>62,376</b>	<b>-</b>
<b>Operating Expenses</b>					
Audit, Legal & Other Consultants	-	-	-	-	-
Supplies	-	-	-	300	-
Space Costs	-	-	-	-	-
Insurance	-	-	-	-	-
Maintenance & Repairs	-	640	-	-	-
Utilities and Phone	-	2,108	-	38	-
Transportation	-	7,399	-	-	-
Training & Travel	-	-	-	-	-
Direct Client Support	-	-	-	-	-
Program & Client Outreach & Activities	-	-	-	-	-
USDA Food	10,026	1,707	216,680	-	7,500
IT, Licensing, Staffing, Governance, etc.	366	-	-	-	-
Fund Raising Expenses	-	-	-	-	-
Indirect Allocation	-	1,016	-	4,757	-
<b>Total Operating Expenses</b>	<b>10,392</b>	<b>12,869</b>	<b>216,680</b>	<b>5,094</b>	<b>7,500</b>
Capital Purchases	-	-	-	-	-
<b>Total Expenses</b>	<b>10,392</b>	<b>12,964</b>	<b>216,680</b>	<b>67,471</b>	<b>7,500</b>
Change in Assets	(8,937)	-	7,040	-	-
Net Assets - Beginning of Year	-	-	9,699	-	-
Net Assets- End of Year	(8,937)	-	16,739	-	-



Oregon Coast Community Acton  
Statement of Revenues, Expenses and Changes in Net Assets  
Funding Source Basis - Food Share (Continued)  
Year Ended June 30, 2017

Ford Family Foundation	Oregon Community Foundation	Snack Pack	South Coast Food Share	Coquille Indian Tribe Foundation	Leighton Maxey	Arthur R Dubs Foundation	Food Share Program Total
-	-	-	-	-	-	-	305,610
-	-	10,000	58,570	-	-	-	68,570
15,000	23,333	46,658	41,288	20,000	(15,000)	15,000	153,780
-	-	-	182,386	-	-	-	182,386
-	-	-	311	-	-	-	311
15,000	23,333	56,658	282,555	20,000	(15,000)	15,000	710,657
3,233	278	6,759	68,581	-	-	-	126,110
778	91	2,711	17,355	-	-	-	36,147
4,011	368	9,470	85,936	-	-	-	162,257
-	-	-	-	-	-	-	-
-	-	652	3,511	346	-	2,069	6,878
-	-	-	80,018	-	-	-	80,018
-	-	-	7,096	-	-	-	7,096
-	1,990	-	13,763	612	-	679	17,684
-	2,000	4	18,010	4,389	-	1,273	27,822
-	576	-	6,517	2,450	-	15	16,956
-	-	-	1,621	-	-	-	1,621
-	-	37,807	-	-	-	-	37,807
-	-	60	1,265	-	-	-	1,325
10,648	12,100	-	36,964	12,114	-	9,449	317,188
-	-	513	3,651	-	-	1,429	5,959
-	-	-	51	90	-	-	141
341	31	4,123	20,719	-	-	86	31,073
10,989	16,698	43,160	193,186	20,000	-	15,000	551,568
-	-	-	-	-	-	-	-
15,000	17,066	52,630	279,122	20,000	-	15,000	713,825
-	6,267	4,028	3,433	-	(15,000)	-	(3,169)
-	-	(587)	(12,443)	-	15,000	-	11,670
-	6,267	3,442	(9,010)	-	-	-	8,501

Oregon Coast Community Acton  
Statement of Revenues, Expenses and Changes in Net Assets  
Funding Source Basis - Administration  
Year Ended June 30, 2017

	Community Service Block Grant	ORCCA Children Donations	Corporate Funds	Board / Corporate Funds	Employee Recognition and Emp Safety	Development Fund Raising
<b>Revenues</b>						
Grant Revenue	188,199	-	-	-	-	-
CSBG Allocation	(116,838)	-	-	-	-	-
Contributions and Donations	-	-	10,243	-	-	-
Client Fees	-	-	-	-	-	-
Program and Other Income	-	-	10,755	22,248	-	-
<b>Total Revenues</b>	<b>71,361</b>	<b>-</b>	<b>20,998</b>	<b>22,248</b>	<b>-</b>	<b>-</b>
<b>Personnel</b>						
Salaries	38,627	-	3,000	-	-	-
Fringe	11,805	-	471	-	-	-
<b>Total Personnel</b>	<b>50,432</b>	<b>-</b>	<b>3,471</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating Expenses</b>						
Audit, Legal & Other Consultants	598	-	2,000	-	-	-
Supplies	511	-	131	-	-	-
Space Costs and Depreciation	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Maintenance & Repairs	-	-	-	-	-	-
Utilities and Phone	-	-	-	-	-	-
Transportation	-	-	866	-	-	-
Training & Travel	8,783	-	246	-	-	-
Direct Client Support						
Program & Client Outreach & Activities	-	500	1,602	-	-	-
USDA Food						
IT, Licensing, Staffing, Governance, etc.	5,448	-	1,992	12,385	658	304
Fund Raising Expenses	-	-	-	-	-	90
Indirect Allocation	5,591	43	875	1,053	56	34
<b>Total Operating Expenses</b>	<b>20,930</b>	<b>543</b>	<b>7,712</b>	<b>13,437</b>	<b>714</b>	<b>427</b>
Capital Purchases	-	-	4,413	-	-	-
<b>Total Expenses</b>	<b>71,362</b>	<b>543</b>	<b>15,597</b>	<b>13,437</b>	<b>714</b>	<b>427</b>
<b>Change in Assets</b>	<b>(1)</b>	<b>(543)</b>	<b>5,401</b>	<b>8,811</b>	<b>(714)</b>	<b>(427)</b>
Net Assets - Beginning of Year	-	13,907	507,537	73,511	17,795	(1,115)
Net Assets- End of Year	-	13,364	512,939	82,322	17,081	(1,542)

Oregon Coast Community Acton  
Statement of Revenues, Expenses and Changes in Net Assets  
Funding Source Basis - Administration (Continued)  
Year Ended June 30, 2017

CFRC Janitorial Expenses	Copy Usage Joint Costs	Vehicle Usage Joint Costs	Computer Support Joint Costs	Indirect Cost Allocation Plan	New Market Tax Credits	GAAP Adj for Financial Stmts	Administration Total
-	-	-	-	-	-	-	188,199
-	-	-	-	-	-	-	(116,838)
-	-	91	-	-	-	-	10,334
-	-	-	-	-	-	-	-
-	-	-	-	-	45,084	-	78,087
-	-	91	-	-	45,084	-	159,782
9,038	-	3,298	49,361	457,080	164	12,765	573,332
1,620	-	1,072	18,007	130,362	78	-	163,416
10,658	-	4,371	67,368	587,442	242	12,765	736,748
-	-	-	1,987	39,200	-	-	43,784
4,269	-	355	9,541	26,546	-	-	41,354
-	-	-	-	29,816	-	105,096	134,912
-	-	2,851	-	12,519	-	-	15,369
(14,927)	-	-	450	6,761	5,061	-	(2,655)
-	-	-	126	7,622	-	-	7,748
-	-	3,153	-	-	-	-	4,019
-	-	(10,638)	469	22,719	-	-	21,579
-	-	-	-	475	-	-	2,577
-	-	-	(79,940)	21,264	-	-	(37,890)
-	-	-	-	-	-	-	90
-	-	-	-	(754,363)	451	-	(746,262)
(10,658)	-	(4,280)	(67,368)	(587,442)	5,512	105,096	(515,375)
-	-	-	-	-	-	(437,009)	(432,596)
-	-	91	-	-	5,755	(319,148)	(211,222)
-	-	-	-	-	39,329	319,148	371,004
-	-	-	-	-	4,714,312	1,046,420	6,372,368
-	-	-	-	-	4,753,641	1,365,568	6,743,372

# Oregon Coast Community Action

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Period Covered	Pass-Through Entity Identifying Number	Expenditures			Paid To Sub-Recipients
				From Pass Through Awards	From Direct Awards	Total Expenditures	
<b>Department of Health &amp; Human Services</b>							
<b>Direct Programs</b>							
Head Start & Early Head Start	93.600	9/1/15-8/31/16	N/A	\$ -	\$ 2,433,951	\$ 2,433,951	\$ -
Head Start & Early Head Start	93.600	9/1/16-8/31/17	N/A	-	418,504	418,504	-
<b>Total Head Start Cluster</b>				<b>-</b>	<b>2,852,455</b>	<b>2,852,455</b>	<b>-</b>
<b>Passed Through Oregon Housing &amp; Community Services</b>							
Low Income Home Energy Assistance	93.568	7/1/16-6/30/17	90281	<b>950,657</b>	-	<b>950,657</b>	-
Community Services Block Grant	93.569	7/1/16-6/30/17	90281	<b>188,199</b>	-	<b>188,199</b>	-
Temporary Assistance for Needy Families	93.558	7/1/16-6/30/17	90281	9,046	-	9,046	-
<b>Passed Through Oregon Department of Human Services</b>							
Temporary Assistance for Needy Families	93.558	7/1/16-6/30/17	146421	53,990	-	53,990	-
<b>Total Temporary Assistance for Needy Families</b>				<b>63,036</b>	<b>-</b>	<b>63,036</b>	<b>-</b>
<b>Passed Through Oregon Department of Human Services</b>							
Child Care & Development Block Grant	93.575	7/1/16-6/30/17	90281	<b>60,026</b>	-	<b>60,026</b>	-
<b>Total Department of Health and Human Services</b>				<b>1,261,918</b>	<b>2,852,455</b>	<b>4,114,373</b>	<b>-</b>
<b>Department of Energy</b>							
<b>Passed Through Oregon Housing &amp; Community Services</b>							
Weatherization Assistance For Low-Income Persons (DOE Funds)	81.042	7/1/16-6/30/17	90281	<b>48,629</b>	-	<b>48,629</b>	-
Weatherization Assistance For Low-Income Persons (BPA Funds)	81.999	7/1/16-6/30/17	90281	<b>35,895</b>	-	<b>35,895</b>	-
<b>Total Department of Energy</b>				<b>84,524</b>	<b>-</b>	<b>84,524</b>	<b>-</b>
<b>Passed Through Oregon Food Bank</b>							
Emergency Food Assistance (Administrative Costs)	10.568	7/1/16-6/30/17	N/A	12,964	-	12,964	-
Emergency Food Assistance (Food Commodities)	10.569	7/1/16-6/30/17	N/A	216,680	-	216,680	216,680
<b>Total Emergency Food Assistance Program</b>				<b>229,644</b>	<b>-</b>	<b>229,644</b>	<b>216,680</b>
<b>Passed Through Oregon Department of Education</b>							
Child & Adult Care Food Program	10.558	7/1/16-6/30/17	10-15002	<b>233,302</b>	-	<b>233,302</b>	-
<b>Total Department of Agriculture</b>				<b>462,946</b>	<b>-</b>	<b>462,946</b>	<b>216,680</b>
<b>Department of Homeland Security</b>							
<b>Passed Through United Way of America</b>							
Federal Emergency Management Food & Shelter Program	97.024	7/1/16-6/30/17	15-7100-00	<b>1,690</b>	-	<b>1,690</b>	-
<b>Total Department of Homeland Security</b>				<b>1,690</b>	<b>-</b>	<b>1,690</b>	<b>-</b>

# Oregon Coast Community Action

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Period Covered	Pass-Through Entity Identifying Number	Expenditures			Paid To Sub-Recipients
				From Pass Through Awards	From Direct Awards	Total Expenditures	
<b>Department of Education</b>							
Passed Through Oregon Department of Education Race to the Top	84.412	7/1/16-6/30/17	N/A	<u>77,679</u>	<u>-</u>	<u>77,679</u>	<u>60,466</u>
<b>Total Department of Education</b>				<u>77,679</u>	<u>-</u>	<u>77,679</u>	<u>60,466</u>
<b>Department of Housing &amp; Urban Development</b>							
Direct Programs Supplemental Assistance for Facilities-Continuum of Care	14.235	7/1/16-6/30/17	N/A	<u>-</u>	<u>261,175</u>	<u>261,175</u>	<u>65,157</u>
<b>Passed Through Oregon Housing and Community Services</b>							
Emergency Solutions Grant Program	14.231	7/1/16-6/30/17	90281	<u>66,088</u>	<u>-</u>	<u>66,088</u>	<u>15,000</u>
HOME Investment Partnerships Program	14.239	7/1/16-6/30/17	90281	<u>80,095</u>	<u>-</u>	<u>80,095</u>	<u>-</u>
<b>Total Department of Housing &amp; Urban Development</b>				<u>146,183</u>	<u>261,175</u>	<u>407,358</u>	<u>80,157</u>
<b>Department of Veterans Affairs</b>							
Passed Through Access Supportive Services For Veteran Families	64.003	7/1/16-6/30/17	N/A	<u>295,956</u>	<u>-</u>	<u>295,956</u>	<u>-</u>
<b>Total Department of Veterans Affairs</b>				<u>295,956</u>	<u>-</u>	<u>295,956</u>	<u>-</u>
<b>Total Federal Award Programs</b>				<u>\$ 2,330,896</u>	<u>\$ 3,113,630</u>	<u>\$ 5,444,526</u>	<u>\$ 357,303</u>

**Oregon Coast Community Action**  
**Notes to the Schedule of Expenditures of Federal Awards**  
June 30, 2017

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**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Oregon Coast Community Action (ORCCA) under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of ORCCA, it is not intended to and does not present the financial position, changes in net assets or cash flows of ORCCA.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

**NOTE 3 – DE-MINIMIS COST RATE**

ORCCA did not use the 10% de-minimis cost rate.

# **Oregon Coast Community Action**

## **Summary Schedule of Prior Audit Findings**

Year Ended June 30, 2017

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**No matters were reported.**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Oregon Coast Community Action  
Coos Bay, OR

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 consolidated financial statements of Oregon Coast Community Action (ORCCA), which comprise the consolidated statement of financial position as of June 30, 2017, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 27, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered ORCCA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of ORCCA's internal control. Accordingly, we do not express an opinion on the effectiveness of ORCCA'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 consolidated 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 may exist that have not been identified.

**Compliance and Other Matters**


As part of obtaining reasonable assurance about whether ORCCA's consolidated 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 determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not



express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Aiken & Sanders, Inc., PS  
Certified Public Accountants  
& Management Consultants

October 27, 2017

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

To the Board of Directors  
Oregon Coast Community Action  
Coos Bay, OR

**Report on Compliance for Each Major Federal Program**

We have audited Oregon Coast Community Action's (ORCCA's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of ORCCA's major federal programs for the year ended June 30, 2017. ORCCA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of ORCCA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about ORCCA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of ORCCA's compliance.

**Opinion on Each Major Federal Program**

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

**Report on Internal Control Over Compliance**

Management of ORCCA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered ORCCA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the

auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ORCCA's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Aiken & Sanders, Inc., PS  
Certified Public Accountants  
& Management Consultants

October 27, 2017

**Oregon Coast Community Action**  
**Schedule of Findings and Questioned Costs**  
Year Ended June 30, 2017

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**Section I - Summary of Auditor's Results:**

**Financial Statements**

Type of auditor's report issued: Unmodified

**Internal control over financial reporting:**

Material weaknesses identified: No

Significant deficiencies identified not considered to be material weaknesses: None reported

Noncompliance material to financial statements noted: No

**Federal Awards**

**Internal control over major programs:**

Material weaknesses identified: No

Significant deficiencies identified not considered to be material weaknesses: None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Section 200.516(a): No

**Identification of major programs:**

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
93.600	Head Start
64.003	Supportive Services for Veteran Families

**Dollar threshold used to distinguish between Type A and Type B programs: \$750,000**

**Auditee qualified as low-risk auditee: Yes**

**Oregon Coast Community Action**  
**Schedule of Findings and Questioned Costs**  
Year Ended June 30, 2017

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**Section II – Financial Statement Findings:**

No matters were reported.

**Section III – Federal Award Findings and Questioned Costs:**

No matters were reported.