



Friday, October 27, 2017

To Whom It May Concern:

Please find enclosed Community Connection, Inc.'s Independent Auditor's Report and Related Financial Statements for the most recent fiscal year, July 1, 2016 – June 30, 2017. The statements are provided by Tetrick and Barlett, PLLC, Certified Public Accountants and Consultants (122 North Oak Street, Clarksburg, WV).

The Independent Auditor's Report was reviewed and accepted by the Community Connections, Inc. Board of Directors on Wednesday, October 25.

Should you have any questions, please do not hesitate to contact me at your earliest convenience.

Sincerely,

Rhonda Helmondollar
Office Manager

DHHR - Finance

OCT 31 2017

Date Received

COMMUNITY CONNECTIONS, INC.

INDEPENDENT AUDITOR'S REPORT AND
RELATED FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

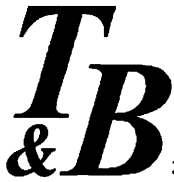
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DEC 31 2017

Date Received

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Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Community Connections, Inc.
Princeton, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Community Connections, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and June 30, 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design

audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Connections, Inc. as of June 30, 2017 and June 30, 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2017, on our consideration of Community Connections, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the

scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an internal part of an audit performed in accordance with *Government Auditing Standards* in considering Community Connections, Inc.'s internal control over financial reporting and compliance.

Detrick + Bantlett, PLLC

Clarksburg, West Virginia
October 2, 2017

DHHR - Finance

OCT 31 2017

Date Received

COMMUNITY CONNECTIONS, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

	2017	2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 109,798	\$ 398,695
Grants receivable	<u>91,307</u>	<u>-</u>
Total current assets	<u>201,105</u>	<u>398,695</u>
Property, Plant and Equipment		
Property, plant and equipment	750,630	498,330
Less: Accumulated depreciation	<u>(98,461)</u>	<u>(115,870)</u>
Total property, plant and equipment	<u>652,169</u>	<u>382,460</u>
TOTAL ASSETS	<u><u>\$ 853,274</u></u>	<u><u>\$ 781,155</u></u>

	2017	2016
LIABILITIES AND NET ASSETS		
Current Liabilities		
Current portion of loan	\$ 30,618	\$ 19,853
Line of credit	80,015	-
Accounts payable	19,904	63,111
Payroll taxes and related liabilities	<u>1,047</u>	<u>2,061</u>
Total current liabilities	<u>131,584</u>	<u>85,025</u>
Long Term Liabilities		
Long term portion of loan	<u>260,910</u>	<u>279,047</u>
Total long term liabilities	<u>260,910</u>	<u>279,047</u>
Total Liabilities	<u>392,494</u>	<u>364,072</u>
Net Assets		
Temporarily restricted	1,081	1,081
Unrestricted	<u>459,699</u>	<u>416,002</u>
Total net assets	<u>460,780</u>	<u>417,083</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 853,274</u>	<u>\$ 781,155</u>

See accompanying notes and independent auditor's report.

COMMUNITY CONNECTIONS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	2017	2016
Public Support and Revenue		
Behavioral Health Grant	\$ 788,972	\$ 642,367
Renaissance Project	84,978	113,290
Indirect grants and contributions	83,400	-
WV SADD	67,629	76,815
Camp Mariposa	46,127	-
Planning & Coordination Grant - FRN	38,600	42,847
Drug Free All Stars	11,990	2,999
Morphotrust	11,696	10,845
Fairs and Festivals	3,713	33,001
Create Your State	2,500	113,571
Project Renew	180	100,000
WV Prevention First	-	60,000
Enforcing Underage Drinking Laws	-	19,574
Total public support and revenue	<u>1,139,785</u>	<u>1,215,309</u>
Other Revenue:		
Rental income	18,000	15,200
Miscellaneous income	16,081	18,265
Program service income	5,532	5,250
Interest income	1	33
Total other revenue	<u>39,614</u>	<u>38,748</u>
Total Public Support and Revenue	<u>1,179,399</u>	<u>1,254,057</u>
Net assets released from restrictions	-	-
Net assets transferred to restricted	-	(234,856)
Total net assets released from restrictions	<u>-</u>	<u>(234,856)</u>

**COMMUNITY CONNECTIONS, INC.
STATEMENTS OF ACTIVITIES (CONT'D)
FOR THE YEARS ENDED JUNE 30,**

	2017	2016
Expenses		
Functional expenses	\$ 1,099,635	\$ 1,224,794
Interest expense	18,909	12,098
Depreciation expense	<u>17,158</u>	<u>15,814</u>
Total expenses	<u>1,135,702</u>	<u>1,252,706</u>
Change in unrestricted net assets	<u>43,697</u>	<u>(233,505)</u>
Temporarily Restricted Net Assets		
Contributions - renaissance project	-	234,856
Restrictions satisfied by payments	<u>-</u>	<u>-</u>
Change in temporarily restricted net assets	<u>-</u>	<u>234,856</u>
Change in net assets	43,697	1,351
Net assets, beginning of year	<u>417,083</u>	<u>415,732</u>
Net assets, end of year	<u>\$ 460,780</u>	<u>\$ 417,083</u>

See accompanying notes and independent auditor's report.

**COMMUNITY CONNECTIONS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,**

	2017	2016
Cash Flows from Operating Activities		
Change in net assets	\$ 43,697	\$ 1,351
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	17,158	15,814
(Increase) decrease in operating assets		
Grants receivable	(91,307)	309,718
Prepaid expenses	-	154
Increase (decrease) in operating liabilities		
Accounts payable	(43,207)	62,614
Payroll taxes and related liabilities	(1,014)	209
Prepaid grant	-	(48,000)
Net cash (used in) provided by operating activities	<u>(74,673)</u>	<u>341,860</u>
Cash Flows from Capital and Related Financing Activities		
Increase (decrease) in line of credit	80,015	(110,220)
Repayment of long term debt	(26,778)	(176,226)
Increase of long term debt	19,406	298,900
Net cash provided by investing activities	<u>72,643</u>	<u>12,454</u>
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	<u>(286,867)</u>	<u>(33,687)</u>
Net cash (used in) investing activities	<u>(286,867)</u>	<u>(33,687)</u>
Net (decrease) increase in cash	(288,897)	320,627
Cash, beginning of year	<u>398,695</u>	<u>78,068</u>
Cash, end of year	<u>\$ 109,798</u>	<u>\$ 398,695</u>

See accompanying notes and independent auditor's report.

COMMUNITY CONNECTIONS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Program</u>	<u>Management</u>	2017
	<u>Service</u>	<u>and General</u>	
Expenses			
Salaries expense	\$ 231,827	\$ 8,686	\$ 240,513
Fringe benefits	30,273	-	30,273
Payroll tax expense	17,682	664	18,346
State unemployment	1,471	33	1,504
Contractual expenses	378,559	6,883	385,442
Conference Coordination expense	112,075	-	112,075
Supplies	100,373	-	100,373
Travel	62,884	579	63,463
Outreach expenses	35,083	331	35,414
PFS expenses	24,932	-	24,932
Professional fees	15,517	1,101	16,618
Insurance	13,976	145	14,121
Awards expense	12,500	-	12,500
Utilities	9,489	2,438	11,927
Telephone expense	8,510	1,593	10,103
Dues and memberships	295	9,415	9,710
Other expenses	1,362	1,260	2,622
Indirect expenses	2,009	-	2,009
Property tax expense	919	896	1,815
Postage and shipping	1,084	364	1,448
Taxes and licenses	1,215	-	1,215
Bank fees	-	1,075	1,075
Meetings expense	716	179	895
Office expenses	210	416	626
Miscellaneous fees	370	31	401
Repairs and maintenance	215	-	215
Total expenses	<u><u>\$ 1,063,546</u></u>	<u><u>\$ 36,089</u></u>	<u><u>\$ 1,099,635</u></u>

See accompanying notes and independent auditor's report.

**COMMUNITY CONNECTIONS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Program</u>	<u>Management</u>	
	<u>Service</u>	<u>and General</u>	2016
Expenses			
Salaries expense	\$ 244,542	\$ -	\$ 244,542
Fringe benefits	-	60,361	60,361
Contractual expenses	332,341	-	332,341
PFS expenses	161,288	-	161,288
Outreach expenses	40,613	-	40,613
Professional fees	20,134	-	20,134
Travel	70,896	-	70,896
Supplies	209,250	-	209,250
Office expenses	-	4,989	4,989
Utilities	-	22,162	22,162
Dues and memberships	-	19,701	19,701
Postage and shipping	-	937	937
Insurance	-	16,324	16,324
Taxes and licenses	-	2,702	2,702
Repairs and maintenance	-	387	387
Miscellaneous	18,167	-	18,167
Total expenses	<u>\$ 1,097,231</u>	<u>\$ 127,563</u>	<u>1,224,794</u>

See accompanying notes and independent auditor's report.

COMMUNITY CONNECTIONS, INC.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

(a) Nature of Activities

Community Connections, Inc. (CCI) is a nonprofit corporation organized to conduct collaborative planning and evaluation of health and human services with families and the organizations that serve them in order to promote effective service delivery. CCI provides family resources and coordinating services through advocacy and community coalition building.

(b) Basis of Accounting and Financial Statement Presentation

The financial statements of Community Connections, Inc. are prepared in accordance with generally accepted accounting principles (GAAP); using the accrual basis of accounting. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants are recognized when grantor eligibility requirements are met.

(c) Basis of Presentation

The financial statements are prepared in accordance with the recommendations of FASB Codification (ASC) 958-205, "Presentation of Financial Statements". Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

(d) Sources of Revenue

Support income reported in the financial statements includes revenues that have been received from organizations in the forms of grants or restricted donations, while revenue income reported in the financial statements includes all other donations, funds, or monies earned during the normal course of business.

When both restricted and unrestricted resources are available for use, it is CCI's policy to use restricted resources first, and then the unrestricted resources as needed.

(e) Grants Receivable

Grants receivable are recorded net of an allowance for expected losses. As of June 30, 2017 and 2016, management considers the balance of grants receivable to be fully collectible.

See independent auditor's report.

COMMUNITY CONNECTIONS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

(f) Property and Equipment and Depreciation

Property and equipment are stated at cost or, if donated, at fair market value at date of donation less accumulated depreciation. Depreciation is computed using the straight line method over the estimated useful lives of the assets. The Organization's policy is to capitalize assets costing greater than \$500.

Restricted Property and Equipment - Some items listed on Community Connections, Inc.'s depreciation schedule have grantor restrictions. Items such as computers are purchased under the grant agreements for use by the grantee. These assets may be repossessed if the grants were ever revoked. As of June 30, 2017 Community Connection, Inc. has not had any problems in regard to this issue.

Major classifications of capital assets of Community Connections, Inc. along with their respective useful lives at June 30, 2017 are summarized below:

<u>Classification</u>	<u>Useful Lives</u>
Buildings and improvements	15-39 years
Computers and equipment	5-7 years
Office furniture	7 years
Vehicles	5 years

(g) Cash and Cash Equivalents

Community Connections, Inc. considers all short-term debt instruments with an original maturity of 90 days or less to be cash equivalents for purposes of the statement of cash flows. Cash on hand and deposits with banking institutions either in checking, savings or money market accounts are also presented as cash in the accompanying financial statements.

(h) Donated Services

No amounts have been reported in the financial statements for donated services because no objective basis is available to measure the value of such services.

See independent auditor's report.

COMMUNITY CONNECTIONS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

(i) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

(j) Income Tax Exemption

Community Connections, Inc., is a not-for-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

All required federal tax returns for the Organization have been filed up to, and including the tax year ended June 30, 2016. The Organization's federal income tax returns for 2016, 2015, and 2014 remain subject to examination by the Internal Revenue Service ("IRS").

(k) Net Assets

Net assets are classified as follows:

Unrestricted net assets are free of donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited to contractual agreements with outside parties. Expenses, revenues, gains and losses that are not temporarily or permanently restricted by donors are included in this classification.

Temporarily restricted net assets are limited in use by donor-imposed restrictions that expire either by the passage of time or that can be fulfilled by action of the Organization pursuant to those restrictions.

Permanently restricted net assets are amounts required by donors to be held in perpetuity; however, the income on these assets may be available to meet various restricted and other operation needs.

The Organization had no permanently restricted net assets at June 30, 2017 and 2016.

See independent auditor's report.

COMMUNITY CONNECTIONS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

(l) Advertising

Consists of expenses incurred for radio ads, print ads, monogram stationary, posters, banners, etc. used to promote selected CCI programs and is purchased at various times throughout the year. Advertising costs are expensed as incurred.

(m) Compensated Absences

Compensated absences for annual leave have not been accrued because Community Connections, Inc. does not permit the carryover of annual leave.

(n) Business and Credit Concentration

Community Connections, Inc. relies heavily on grants and donations for their income. For the year ended June 30, 2017, grants accounted for approximately \$1,045,793 (88.67%) of total support and revenue and for June 30, 2016, grants accounted for approximately \$1,238,824 (98.79%) of total support and revenue.

(o) Tax Deferred Annuity Plan

Community Connections, Inc. has a defined contribution Roth IRA retirement plan for its participating full time employees through Morgan Stanley. Under this plan Community Connections, Inc. will match employee contributions up to 3% of an employee's total salary.

2. Deposits and Investments

Cash held by Community Connections, Inc. is categorized to give an indication of the level or risk assumed by the Organization at June 30, 2017 and 2016. The categories are described as follows:

Category 1 - Insured or collateralized with securities held by the Organization or its agent in the Organization's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the Organization's name.

Category 3 - Uncollateralized.

See independent auditor's report.

**COMMUNITY CONNECTIONS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTD)**

June 30, 2017					
	<u>Bank</u>		<u>Category</u>		<u>Carrying</u>
	<u>Balance</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>
Cash	\$ 150,811	\$ 150,811	\$ -	\$ -	\$ 109,798
	<u>\$ 150,811</u>	<u>\$ 150,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,798</u>

June 30, 2016					
	<u>Bank</u>		<u>Category</u>		<u>Carrying</u>
	<u>Balance</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>
Cash	\$ 418,340	\$ 250,000	\$ 168,340	\$ -	\$ 398,695
	<u>\$ 418,340</u>	<u>\$ 250,000</u>	<u>\$ 168,340</u>	<u>\$ -</u>	<u>\$ 398,695</u>

3. Grants Receivable

Grants receivable consist of the following:

	2017	2016
Grants receivable	<u>\$ 91,307</u>	<u>\$ -</u>

4. Property and Equipment – Depreciable Assets

Property and equipment consists of the following:

	2017	2016
Property and Equipment	\$ 86,197	\$ 89,384
Building	<u>664,433</u>	<u>408,946</u>
Total at historical cost	750,630	498,330
Less: accumulated depreciation	<u>98,461</u>	<u>115,870</u>
Property, plant, and equipment, net	<u>\$ 652,169</u>	<u>\$ 382,460</u>

Depreciation expense was \$17,158 and \$15,814 for 2017 and 2016, respectively.

See independent auditor's report.

**COMMUNITY CONNECTIONS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)**

5. Long-Term Debt

June 30, 2017

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Amounts Due After One Year</u>
Loans Payable						
FCB Line of Credit	\$ -	\$ 249,128	\$ 169,113	\$ 80,015	\$ -	\$ -
FCB 25375037	232,900	-	7,798	225,102	8,166	216,936
FCB 25375941	66,000	-	11,989	54,011	12,586	41,425
FCB 25380072	-	19,406	6,991	12,415	9,866	2,549
Total Long-Term Debt	\$ 298,900	\$ 268,534	\$ 195,891	\$ 371,543	\$ 30,618	\$ 260,910

June 30, 2016

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Amounts Due After One Year</u>
Loans Payable						
FCB Line of Credit	\$ 110,220	\$ 358,054	\$ 468,274	\$ -	\$ -	\$ -
FCB Mortgage	176,226	-	176,226	-	-	-
FCB 25375037	-	232,900	-	232,900	7,849	225,051
FCB 25375941	-	66,000	-	66,000	12,004	53,996
Total Long-Term Debt	\$ 286,446	\$ 656,954	\$ 644,500	\$ 298,900	\$ 19,853	\$ 279,047

FCB Line of Credit

The \$125,000 line of credit payable to First Community Bank is to provide operating funds to the Organization when funding sources are slow to make reimbursements. Interest payments are due on a monthly basis at a variable interest rate. Principal payments are due within twelve months of their original advance. There are no set principal maturity dates on a line of credit, payments vary as funds are needed. The line of credit is renewed yearly and secured by the building.

See independent auditor's report.

COMMUNITY CONNECTIONS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

FCB

On June 20, 2017 the Organization entered in to a Loan Agreement with First Community Bank in the amount of \$232,900. The first 60 months are payable in monthly installments of \$1,418 at an interest rate of 4%. The remaining 180 months are payable in monthly installments of \$1,603 at an interest rate equal to the 5 year LIBOR Swap (currently 1.20%) plus a margin of 4.625%, resulting in an interest rate of 5.825%. The Loan is collateralized by Real Property Deeds of Trust and the assignment of all rents related to the underlying Real Property and will be used to finance the rebuilding of the Princeton Renaissance Theater.

Future debt maturity retirement based on current financing arrangements are as follows:

<u>Year Ending</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 17,022	\$ 8,166	\$ 8,856
2019	17,022	8,499	8,523
2020	17,022	8,845	8,177
2021	17,022	9,206	7,816
2022	19,231	8,362	10,869
2023-2027	96,155	49,941	46,214
2028-2032	96,155	66,779	29,376
2033-2036	<u>72,943</u>	<u>65,304</u>	<u>7,639</u>
	<u>\$ 352,572</u>	<u>\$ 225,102</u>	<u>\$ 127,470</u>

FCB

On June 10, 2017 the Organization entered in to a Loan Agreement with First Community Bank in the amount of \$66,000, payable in 60 monthly installments of \$1,240 at an interest rate of 4.75%. The Loan is collateralized by Real Property Deeds of Trust and the assignment of all rents related to the underlying Real Property and will be used to finance the rebuilding of the Princeton Renaissance Theater.

See independent auditor's report.

**COMMUNITY CONNECTIONS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)**

Future debt maturity retirement based on current financing arrangements are as follows:

<u>Year Ending</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 14,880	\$ 12,586	\$ 2,294
2019	14,880	13,197	1,683
2020	14,880	13,839	1,041
2021	<u>14,759</u>	<u>14,389</u>	<u>370</u>
	<u>\$ 59,399</u>	<u>\$ 54,011</u>	<u>\$ 5,388</u>

FCB

On August 26, 2016 the Organization entered in to a Loan Agreement with First Community Bank in the amount of \$19,406, payable in 24 monthly installments of \$861 at an interest rate of 5.875%. The Loan is collateralized by the associated Personal Property Title and will be used to finance the purchase of a 2015 Ford Transit Wagon.

Future debt maturity retirement based on current financing arrangements are as follows:

<u>Year Ending</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 10,332	\$ 9,866	\$ 466
2019	<u>2,574</u>	<u>2,549</u>	<u>25</u>
	<u>\$ 12,906</u>	<u>\$ 12,415</u>	<u>\$ 491</u>

6. Contingencies

The Organization receives a majority of its support from grants and contributions. Any significant reduction in the level of support from these grantors and contributors could have a material effect on the Organization's programs and activities.

See independent auditor's report.

COMMUNITY CONNECTIONS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTD)

7. Risk Management

Community Connections, Inc. is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets, errors and omissions; and natural disasters for which CCI carries general liability insurance. CCI also currently has property insurance on all assets, automotive insurance on their van, and workers compensation coverage on their employees. Amounts of settlements have not exceeded insurance coverage in the past three years.

8. Comparative Statements

Certain items on the 2016 statements have been reclassified to make those statements comparable to the 2017 statements.

9. Subsequent Events

Management has considered all subsequent events through October 2, 2017, the date the financial statements were made available.

See independent auditor's report.



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

**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
Community Connections, Inc.
Princeton, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Connections, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 2, 2017.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item #2017-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Connections, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Community Connections, Inc.'s Response to Findings

Community Connections, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Community Connections, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Justin Baughman, Ph.D.

Clarksburg, West Virginia
October 2, 2017

**COMMUNITY CONNECTIONS, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2017**

#2017-001 Dual Signatures

Criteria: Internal control should be implemented to the degree possible to properly require dual signatures on cash disbursements of \$200 or more.

Condition: Analysis of the internal control system indicated that cash disbursements of \$200 or more did not always properly require dual signatures.

Cause: The Organization did not properly require dual signatures on cash disbursements of \$200 or more on (12) twelve instances out of (40) forty tested.

Effect: The lack of not properly requiring dual signatures on cash disbursements of \$200 or more increases the risk that errors or irregularities in recording, processing, summarizing and reporting financial data could occur and not be detected in a timely manner.

Recommendation: The Organization should implement internal controls to properly require dual signatures on cash disbursements of \$200 or more. We recommend that the Board should remain involved in the financial affairs of the Organization to provide oversight and independent review functions and to continue exercising due diligence and professional skepticism in relation to the Organization's financial operations.

Views of Responsible Officials and Planned Corrective Actions: The agency has a long-standing commitment to strong financial integrity, and we continue to take great strides in improving our fiscal management systems to maintain responsibility at all levels – including the active commitment of members of our Board of Directors. In so doing, Directors remain highly engaged in the organizational operations. In addition to the Executive Director (Greg Puckett), signatories include the following members of the Board of Directors: Robert Farley, Chairperson; Robert Chris Nichols, Vice Chairperson; and Andrea Bennett, Secretary. *It is the Agency's practice to require two signatures on payment of every expenditure.* The reason of the noted Condition are as follows:

1. Copies of the check(s) were inadvertently made prior to receiving both signatures.
2. Expenses were paid in an emergency, time-sensitive manner and only one signature was obtained.
3. Dual signature authority is not necessary with the Renaissance Project account, however, signatures for amounts over \$500 have been recommended for dual signature.

Nevertheless, Community Connections, Inc. remains focused on its fiscal integrity, and will increase internal controls to rectify the noted area of concern.

Status: This condition was not reported in the prior year's audit.

**COMMUNITY CONNECTIONS, INC.
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Program or Award Amount</u>	<u>Receipts or Revenues Recognized</u>	<u>Federal Disbursements/ Expenditures</u>
United States Department of Health and Human Services					
<u>Substance Abuse and Mental Health Services Administration</u>					
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	G170544	\$ 278,268	\$ 181,370	\$ 181,370
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	G160527	247,000	131,132	131,132
Block Grants for Prevention and Treatment of Substance Abuse	93.959	G170538	384,731	247,087	247,087
Block Grants for Prevention and Treatment of Substance Abuse	93.959	G160527	306,320	162,622	162,622
<u>Centers for Medicare and Medicaid Services</u>					
Medical Assistance Program	93.778	G170138	14,800	<u>14,800</u>	<u>14,800</u>
Total United States Department of Health and Human Services				<u>737,011</u>	<u>737,011</u>
Total Federal Awards				<u>\$ 737,011</u>	<u>\$ 737,011</u>

The accompanying independent auditor's report and notes are integral parts of this schedule.

COMMUNITY CONNECTIONS, INC.
SCHEDULE OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Grant Number</u>	<u>Program or Award Amount</u>	<u>Receipts or Revenues Recognized</u>	<u>Federal Disbursements/ Expenditures</u>
State of West Virginia Department of Health and Human Services				
<u>Bureau for Behavioral Health and Health Facilities</u> Behavioral Health Program	G170538	\$ 92,070	\$ 59,131	\$ 59,131
<u>Bureau for Behavioral Health and Health Facilities</u> Behavioral Health Program	G160527	45,000	23,887	23,887
<u>Bureau for Behavioral Health and Health Facilities</u> Substance Abuse Continuum of Care	G170532	140,000	64,865	64,865
<u>Bureau for Children and Families</u> Family Resources Network	G170138	23,800	<u>23,800</u>	<u>23,800</u>
Total West Virginia Department of Health and Human Resources			<u>171,683</u>	<u>171,683</u>

See notes and independent auditor's report.

COMMUNITY CONNECTIONS, INC.
 SCHEDULE OF STATE AWARDS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Grant Number</u>	<u>Program or Award Amount</u>	<u>Receipts or Revenues Recognized</u>	<u>Federal Disbursements/ Expenditures</u>
West Virginia Division of Culture and History				
<u>Commission on the Arts</u>				
Fairs and Festivals	FF17-405	\$ 3,713	\$ 3,713	\$ 3,713
Total West Virginia Division of Culture and History			<u>3,713</u>	<u>3,713</u>
Total State Awards			<u>\$ 175,396</u>	<u>\$ 175,396</u>

See notes and independent auditor's report.

COMMUNITY CONNECTIONS, INC.
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Note 1 – Significant Accounting Policies

The accompanying schedule of federal and state awards is a summary of the activity of Community Connections, Inc.'s federal and state award programs and presents transactions that would be included in financial statements of Community Connections, Inc. presented on the accrual basis of accounting as contemplated by accounting principles generally accepted in the United States of America.

See independent auditor's report.

COMMUNITY CONNECTIONS, INC.
 SCHEDULE OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2016

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Program or Award Amount</u>	<u>Receipts or Revenues Recognized</u>	<u>Federal Disbursements/ Expenditures</u>
United States Department of Health and Human Services					
<u>Substance Abuse and Mental Health Services Administration</u>					
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	G150561	\$ 247,000	\$ 50,185	\$ 50,185
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	G160527	247,000	162,561	162,561
Block Grants for Prevention and Treatment of Substance Abuse	93.959	G150561	306,320	62,237	62,237
Block Grants for Prevention and Treatment of Substance Abuse	93.959	G160527	306,320	201,602	201,602
<u>Centers for Medicare and Medicaid Services</u>					
Medical Assistance Program	93.778	G160154	14,800	14,800	14,800

See notes and independent auditor's report.

COMMUNITY CONNECTIONS, INC.
 SCHEDULE OF FEDERAL AWARDS (CONTD)
 FOR THE YEAR ENDED JUNE 30, 2016

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Program or Award Amount</u>	<u>Receipts or Revenues Recognized</u>	<u>Federal Disbursements/ Expenditures</u>
<u>Centers for Disease Control and Prevention</u>					
Centers for Disease Control and Prevention - Investigations And Technical Assistance	93.283	G160184	\$ 31,331	\$ 31,331	\$ 31,331
<u>Health Resources and Services Administration</u>					
Rural Health Research Centers	93.155	D94RH29288	100,000	<u>100,000</u>	<u>100,000</u>
Total United States Department of Health and Human Services				<u>622,716</u>	<u>622,716</u>
Total Federal Awards				<u>\$ 622,716</u>	<u>\$ 622,716</u>

See notes and independent auditor's report.

COMMUNITY CONNECTIONS, INC.
 SCHEDULE OF STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2016

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Grant Number</u>	<u>Program or Award Amount</u>	<u>Receipts or Revenues Recognized</u>	<u>Federal Disbursements/ Expenditures</u>
State of West Virginia Department of Health and Human Services				
<u>Bureau for Behavioral Health and Health Facilities</u>				
Behavioral Health Program	G160527	\$ 45,000	\$ 29,616	\$ 29,616
<u>Bureau for children and Families</u>				
Family Resources Networks	G160154	23,800	23,800	23,800
<u>Bureau for Public Health</u>				
Family Resources Networks	G160184	70,669	<u>70,669</u>	<u>70,669</u>
Total West Virginia Department of Health and Human Resources			<u>124,085</u>	<u>124,085</u>
West Virginia Division of Culture and History				
<u>Commission on the Arts</u>				
Fairs and Festivals	FF16-398	\$ 4,125	<u>\$ 4,125</u>	<u>\$ 4,125</u>
Total West Virginia Division of Culture and History			<u>4,125</u>	<u>4,125</u>
Total State Awards			<u>\$ 128,210</u>	<u>\$ 128,210</u>

See notes and independent auditor's report.

COMMUNITY CONNECTIONS, INC.
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Note 1 – Significant Accounting Policies

The accompanying schedule of federal and state awards is a summary of the activity of Community Connections, Inc.'s federal and state award programs and presents transactions that would be included in financial statements of Community Connections, Inc. presented on the accrual basis of accounting as contemplated by accounting principles generally accepted in the United States of America.

See independent auditor's report.