

**Comprehensive Annual Financial Report  
For year ended June 30, 2014**

**COMMUNITY SERVICES CONSORTIUM**  
**Albany, Oregon**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Year Ended June 30, 2014**

Martha Lyon  
Executive Director

Prepared by  
Debbie Jackson, CPA, CFE  
Finance Director

**COMMUNITY SERVICES CONSORTIUM**  
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***INTRODUCTORY SECTION***

**COMMUNITY SERVICES CONSORTIUM**  
**LIST OF PRINCIPAL OFFICIALS**  
**JUNE 30, 2014**

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**GOVERNING BOARD**

<u>Member</u>	<u>Title</u>
<i>Benton County Commissioner's Office</i> <i>Corvallis, Oregon 97339</i> Annabelle Jaramillo Jay Dixon Linda Modrell	Board Chair and Executive Committee Board Member Board Member
<i>Lincoln County Commissioner's Office</i> <i>Newport, Oregon 97365</i> Bill Hall Doug Hunt Terry Thompson	Board Member and Executive Committee Board Member Board Member
<i>Linn County Commissioner's Office</i> <i>Albany, Oregon 97321</i> Will Tucker John Lindsey Roger Nyquist	Board Vice-Chair and Executive Committee Board Member Board Member

**OFFICER**

Martha Lyon  
Executive Director

Debbie Jackson, CPA, CFE  
Finance Director

Community Services Consortium  
250 Broadalbin Street SW, Suite 2A  
Albany, Oregon 97321-2299

December 23, 2014

CSC Governing Board  
The Citizens of Benton, Linn and Lincoln Counties  
Community Action Advisory Council  
Head Start Policy Council  
Linn Benton Lincoln Workforce Investment Board

**Community Services Consortium**

250 Broadalbin St. SW, Ste 2A  
Albany, OR 97321-2299

The end of the 2013-14 fiscal year begins the final year of the 2011-15 Strategic Plan. We will use 2014-15 to map out an agency-wide strategy that will emphasize the outcomes we try to achieve, over the outputs we are often asked to measure. We want to take a step back and look at what we do and how our community functions assist those who are working to improve their lot. We want to ensure that our services assist those who are able to move along a pathway to economic and social opportunity. For those who are not able to achieve what used to be called self-sufficiency, we want to help them find economic and social stability. We will also take a wider look at our community in acknowledgment that every individual, family, and even every agency, functions as part of a larger community system.

We believe that a healthy community system is one that is designed to support pathways into opportunity. We are fortunate that we share this core belief with our neighbors in Linn, Benton and Lincoln counties. Regardless of political ideology, most folks we run into believe that people are our biggest asset and fostering the growth of that asset is a wise investment.

We will continue working with Community Care Organizations, Early Learning Councils, Workforce Investment Boards and the Community Action Partners of Oregon among others to help describe what well-being looks like in an individual, a family and a community. We will utilize our local university and community colleges to help us look at outcome measures and evidence-based practices. Finally, we will utilize the creativity and dedication of our staff to shape our programs and services to promote that well-being and opportunity.

This fiscal year will see more questions than answers, but we are determined to shape our future to promote the very best outcomes for Linn, Benton and Lincoln counties.



Martha Lyon  
Executive Director

## INTRODUCTION

The Comprehensive Annual Financial Report of Community Services Consortium (CSC) for the fiscal year ended June 30, 2014, is hereby submitted. This report consists of management's representations concerning the finances of Community Services Consortium and specifies that the responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with CSC. It is believed that the data is accurate in all material aspects and is presented in a manner designed to present fairly the financial position and results of CSC operations as measured by financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of CSC's financial activities are included. The financial statements are presented annually for independent audit, in accordance with requirements set forth in the Single Audit Act Amendment of 1996, and with Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

In providing a reasonable basis for making these representations, the adequacy of CSC's accounting system and the internal accounting controls are key factors. CSC has established internal accounting controls and a framework of procedures that are designed and monitored to both protect CSC's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of CSC's financial statement in conformity with generally accepted accounting principles (GAAP) and to comply with various federal and state compliance requirements for grant accounting. The controls and procedures are intended and designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, CSC's internal controls and procedures adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded and monitored.

CSC's financial statements have been audited by Grove, Mueller & Swank PC, a firm of licensed certified public accounts, with the audit conducted in accordance with generally accepted auditing standards. The goal of the independent audit is to provide reasonable assurance that CSC's financial statements for the fiscal year ended June 30, 2014 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an **unmodified opinion** that CSC's financial statements for the fiscal year ended June 30, 2014 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

As in previous years, this report has been prepared following the guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada. It is our belief that the accompanying financial report continues to meet those program standards and this report will be submitted to the GFOA for review. In accordance with those guidelines, this report consists of five sections:



1. Introductory Section including the letters of transmittal, CSC's organizational chart, a list of principal officers, and a copy of the GFOA Certificate for Excellence in Financial Reporting for the June 30, 2013 report (the **twenty-second** year this award has been received).
2. Financial Section including the independent auditor's report on the financial statements and schedules; management's discussion and analysis (MD&A); basic financial statements and notes; and supplementary data including combining individual financial statements and schedules.
3. Statistical Section including un-audited financial and demographic information, generally presented on a multi-year basis.
4. State Compliance Section including financial related comments and disclosures required by the Minimum Standards for Audits of Oregon Municipal Corporations.
5. The Federal Compliance Section including the results of the annual Single Audit required in conformity with the provisions of the Federal Single Audit Act and the U.S. Office of Management and Budget Circular A-133 "Audits of States, Local Governments and Non-profit Organizations". Information related to this single audit, including the schedule of expenditures of federal awards, the schedule of findings and questioned costs, and the auditor's reports on compliance and the internal control over compliance is included.

Specific attention is encouraged toward management's discussion and analysis (MD&A) of the basic financial statements located in the Financial Section. The purpose of the MD&A is to analyze CSC's overall financial position and the results of its operations for the fiscal year ended June 30, 2014.

## **CSC's VISION & MISSION**

CSC's goal is that every individual and family will have an opportunity to become economically stable with a safe, warm, decent place to live, nutritious food, access to quality education and training and the best job their skills will support. - We are guided by our vision, mission and philosophy.

**Our Vision: To end poverty in Linn, Benton and Lincoln counties.** While a vision typically describes where we want to go, our focus groups were insistent that we use the "ugly poverty word" to remind ourselves that poverty exists in our midst. To those who say ending poverty is impossible, planning participants respond that it IS impossible if we don't make it our goal.

Our mission defines the path to achieve our vision. The importance of working in partnership on long-term improvement was a key theme. Our community fortunes rise and fall together and we know that the fight to end poverty requires participation and collaboration from every resident. Thus, we stressed these elements in a new statement of our purpose:

**Our Mission: In partnership with a caring community, we help people in Linn, Benton and Lincoln counties to access tools and resources to overcome poverty and build brighter and more stable futures.**

Our philosophy is unchanged, affirming our agency-wide belief in the capability of individuals and families in Linn, Benton and Lincoln counties.

**Our Philosophy: We believe people are capable of great things when offered the proper tools. We treat each client with dignity and respect, and offer a supportive setting where each person learns and develops new skills.**

We want to be a part of a continuum of services, using our talents where they fit best into the community. After much examination of our community and the strengths of our agency, we selected focus areas. These areas may change as needs change in the three counties, but our current priorities are set forth in this statement:

**Our Focus: Our priorities, programs and core services are determined by assessing the changing needs of our communities. Our current priorities are:**

- 1. Jobs and financial help;**
- 2. Quality education and training;**
- 3. Adequate food and nutrition; and,**
- 4. Safe, decent and affordable housing.**

## **DEFINITION OF THE REPORTING ENTITY**

Community Services Consortium is part of a national network of over one thousand community action agencies fighting to ameliorate the effects and stop the growth of poverty. Within the state of Oregon, we are part of the Community Action Partners of Oregon network, and support to the Linn-Benton-Lincoln Workforce Investment Board. Locally, we work with our partners to help individuals and families in Linn, Benton, and Lincoln counties to build better lives, an effort which, in turn, builds stronger more vibrant communities.

CSC was formed by the governments of Linn, Benton and Lincoln counties in July 1980 to coordinate the planning and delivery of social services to residents of the three counties. The agency was formed by the merger of three organizations: the Community Action Agency, the Comprehensive Youth Program and the Linn-Benton-Lincoln Manpower Consortium.

It operates as a public, not-for-profit instrumentality of government (a Council of Governments) under Oregon Revised Statute Section 190.

CSC is a grant-based entity. Our major sources of funding are secured by applying for and acquiring federal, state, and local grants and donations. In the current economic climate, with tightening resources at all levels, it is important to note that CSC is not a part of any county government's budget and has no permanent tax base to raise resources.

During some portion of this fiscal year, the Board of Directors of CSC also served as the Board for four non-profit corporations that are tax-exempt under Internal Revenue code Section 501(c)(3) and are not considered private foundations. These private non-profit corporations utilized CSC as the administrator and fiscal agent of the programs and allowed the agency to apply for funds not otherwise available to CSC as a municipal corporation. Because of this financial accountability, the activities of four non-profit corporations are included in the Comprehensive Annual Financial Report of Community Services Consortium.

**Linn Benton Food Share (LBFS)** was formed in 1989 and acts as a Regional Coordinating Agency distributing privately donated and USDA foods to qualified agencies in Linn and Benton counties. **Head Start in Lincoln County (HSLC)** was formed in 2001 to apply for grants and receive donations to augment federal and state funding for CSC's Head Start program. **Housing, Employment & Learning Programs for Self-Sufficiency (HELPS)**, was formed in 2003 to provide a funding vehicle for our Workforce & Education and Housing and Energy Services Departments to apply for grants related to educational, workforce training, and programs to promote economic stability. **Career Tech High School (CTHS) was formed in 2013 as a non-profit entity, as requested in our Charter School contract with Lincoln County School District.**

Linn Benton Food Share is reported as a separate fund within CSC, while HELPS, HSLC and CTHS are singular, separate grants (or smaller groups of grants) within the Housing and Energy Services fund, Child Development Services fund, and Workforce and Education fund respectively.

**Community Housing Services (CHS)** was formed in 2000 to respond to requirements of State directed Community Development Block Grant (CDBG) funds for housing rehabilitation in CSC's service area. CHS was reorganized under a new board structure in 2013-14 and is governed by a separate board in FY14. The CSC Governing Board no longer has controlling interest in Community Housing Services, although CSC serves as the fiscal agent for Community Housing Services, and that activity is reported in the audit report under a separate fiduciary fund statement.

As the Community Action Agency for Benton, Lincoln, and Linn counties, CSC strives

*To stimulate a better focusing of all available local, state, private and federal resources upon the goal of enabling low-income families and low-income individuals of all ages, in urban and rural areas, to attain skills, knowledge and motivations and secure the opportunities needed for them to become self-sufficient.*

And:

*To improve employability of the unemployed, identify employment opportunities and provide trained, ready and willing employees to meet business' employment needs.*

CSC partners with three counties, nine school districts, two community colleges, one education service district, many incorporated cities, faith-based organizations and a variety of state, local and non-profit agencies within our service areas to meet the challenge of building economic stability and opportunity in our communities.

## **POLICY DETERMINATION**

Policy direction is established by CSC's Governing Board, which is composed of the nine county commissioners of Linn, Benton and Lincoln counties. The Governing Board receives advice from three advisory councils:

- The 18 member Community Action Advisory Council (CAAC) provides advice on topics related to alleviating the conditions which cause and perpetuate poverty. The CAAC includes representatives of low-income citizens, local elected officials, and the general public.
- The 47 member Workforce Investment Board (WIB) provides advice on topics relevant to employment and training activities funded through WIA. As prescribed by law, the WIB includes representatives from area businesses, the general public, and private and public sector service providers.
- The 12-15 member Head Start Policy Council includes Head Start parent representatives and community representatives. The Policy Council provides input to Head Start staff and the Governing Board regarding approaches to fulfilling Head Start performance standards and the improvement of services for children and families.

All meetings of the Governing Board and advisory councils are open to the public. Public input is encouraged and welcomed. In addition, CSC actively solicits input on programs and issues from other internal advisory committees and external community sources.

## **BUDGET, FINANCIAL PLANNING AND CONTROL**

The annual budget serves as the foundation for CSC's financial planning and control. With input from the Community Action Advisory Council, as well as other advisory bodies, all departments submit their strategic goals and corresponding budget requests to the Executive Director in March of each year. The Finance Director develops a proposed budget based on these requests and is presented to the Budget Committee (three CSC Executive Board members, and representatives from CSC's two advisory bodies – the Community Action Advisory Committee, and the Head Start Policy Council.) The Budget Committee reviews, revises and recommends approval of the budget during public budget meetings in May or June. The approved budget is then submitted for adoption by the CSC Governing Board in June, prior to the July 1<sup>st</sup> start of the fiscal year. The adopted budget sets appropriation amounts by the following categories – personal services, materials and services and capital outlay, and potentially, fund balances.

During the fiscal year, additional resources may become available. These changes in appropriation levels require adoption of a supplemental budget by the Governing Board. (These resources are usually not more than 10% of the previously adopted budget, and do not require reconvening the Budget Committee.) During the fiscal year ended June 30, 2014, CSC adopted one Supplemental Budget.

## FACTORS AFFECTING CSC'S FINANCIAL CONDITION

For over thirty four years, CSC has provided a wide array of services and programs to low-income, at-risk, unemployed and/or underemployed residents. We serve thousands of children and adults who struggle with a variety of disadvantages that leave them especially vulnerable in times like our current economic crisis.

We will continue to pursue additional resources throughout the year, but must also maintain a fiscally conservative position against further potential funding cuts.

## POVERTY IN THE U.S

Poverty in the U.S. is slowly declining again since the recession, according to the Census Bureau. Its most recent survey data for 2013 showed that 12.6% of the population --- 45.95 million people were living in poverty --- compared to 2012 at 15.7% of the population --- 47.84 million people, compared to 2008 (just before the peak of the current crisis) 13.2% of the population --- 39.8 million people ---were living in poverty, compared to 12.5% in 2007.

### What is the federal poverty level (FPL) in 2014?

- \$23,850 for a family of four.
- \$19,790 for a family of three.
- \$15,730 for a family of two.

### Is a poverty-level income enough to support a family?

Research suggests that, on average, families need an income equal to about **two times** the federal poverty level to meet their most basic needs. Families with incomes below this level are referred to as low income:

- \$47,700 for a family of four.
- \$39,580 for a family of three.
- \$31,460 for a family of two.

In 2013, 49.1 million (about 14 percent households) were food insecure – More than 8.3 million children (about 20% of households with children in America) live in food-insecure homes.<sup>1</sup> In 2013, Oregon has the 16<sup>th</sup> highest level of food insecurity in the nation, with 15.2% of household experiencing food insecurity during 2013. Additionally, Oregon has the 14<sup>th</sup> highest level of very low food security in the nation. Over 6% of households met the very low food security level, indicating that member(s) of the household had their eating disrupted because of a lack of money and food.

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<sup>1</sup> Calculated by USDA Economic Research Service using data from the December 2013 Current Population Survey Food Security Supplement.

## LOCAL ECONOMIC CONDITIONS AND OUTLOOK <sup>2</sup>

In 2013, Oregon ranked 36th along with New York among all states in unemployment at 7.7% unemployment and had 17.1 percent of residents living in poverty.

The American Community Survey for 2013 estimated that the percentage of individuals living in poverty in Benton, Linn and Lincoln counties was 23.8%, 19.0% and 16.8% respectively. Two of three counties in CSC's service area reflect a poverty rate significantly higher than the 2013 US average of 14.5% while Lincoln County may be lower due to persons leaving the county entirely due to lack of jobs.

### BENTON COUNTY

Benton County encompasses 679 square miles and is the third smallest of Oregon's 36 counties. Based on information from the Center for Population Research at Portland State University, Benton County's July 1, 2014, population estimate was 87,725.<sup>3</sup> According to the US Department of Commerce Bureau of Economic Analysis using 2012 data, per capita personal income (PCPI) in Benton County was \$39,880; approximately 2.0% higher than the statewide average of \$39,166.<sup>4</sup> The unemployment rate for Benton County was estimated at 5.8% in 2014.

### LINN COUNTY

Linn County encompasses 2,297 square miles and consists largely of small rural communities. Its July 1, 2014 population estimate was 118,665 with an estimated annual per capita personal income (PCPI) of \$30,984 in 2013, nearly 20% lower than the statewide average for the same year. Linn County has an estimated 19.0 percent of the population living in poverty. The unemployment rate in Linn County is still among one of the highest in the state (with the exception of the eastern rural counties) and was estimated at 9.7% in 2013.

Personal income is an important indicator of the economic health of an area since it represents what is available to spend on goods and services. When used with population data to create per capita personal income, this statistic becomes an indication of the relative prosperity of state or county residents.

### LINCOLN COUNTY

Lincoln County is located on the central Oregon coast and has an area of 992 square miles. The County's 2014 population estimate was 46,560. In 2012, the county's per capita personal income (PCPI) was \$36,374 or about 7% lower than the State wide average for the same year. Lincoln County had an estimated 16.8% of the population living in poverty in July 2013. By July 2013, Lincoln County's unemployment rate was

<sup>2</sup> Sources for socio-economic and geographic information include: the 2010 US Census Bureau, *Oregon Blue Book*; the State of Oregon Employment Department' *Labor Trends*, etc.

<sup>3</sup> Portland State University Population and Research Center: July 1, 2013 release date.

<sup>4</sup> Benton County, Oregon: Selected Economic Characteristics: 2010; Data Set: 2012 American Community Survey 1-Year Estimates, Survey: American Community Survey.

8.2%. As with other areas of the state, many jobs are in the service sectors with many dependent on the tourist industry.

## **CSC'S ACCOMPLISHMENTS IN 2014**

The following departmental summaries present a picture of our challenges and accomplishments during the past fiscal year toward accomplishing our mission.

### **WORKFORCE & EDUCATION**

The Workforce & Education (W&E) department is guided by the Linn, Benton, Lincoln Workforce Investment Board (LBL WIB). The LBL WIB is charged with developing strategy, priorities, and policies for most of the W&E department's programs and services. The W&E department works to respond to this direction as well as support the mission and priorities of CSC. The Workforce & Education department provides education (alternative high school and charter school), training (occupational, vocational, pre-apprenticeship, and basic skills), and employment (career guidance, job search, on-the-job training, and job placement) programs and services. In order to tailor services to each participant, a comprehensive skills assessment is offered to all and supportive services are provided as needed to facilitate each participant's success.

#### **Accomplishments:**

In 2013-2014, the LBL WIB Completed the *Healthcare Workforce Needs Assessment in Linn, Benton, and Lincoln Counties in Oregon* in partnership with Oregon State University, developed strategies to address the needs identified in the healthcare sector, expanded business-serving capacity particularly related to two of the LBL WIB's strategic priorities around industry sector strategies and Certified Work Ready Communities, completed and submitted a transition plan to address the Governor's Executive Order 13-08, and developed and published a workforce system performance report that is updated quarterly.

W&E youth programs expanded CSC's capacity to serve youth by receiving Oregon Watershed Enhancement Board and Oregon State Marine Board funding to support youth crews, partnering with alternative high schools to provide continuum of service for at-risk youth in need of paid work experiences, and by raising awareness and funding for the Youth Garden program with the Garden Gnome Run. In addition, W&E developed dual credit opportunities partnering with LBCC youth participating in the Youth Garden program to improve college access and expanded partnerships in Lincoln County through Natural Resource Crew activities to provide a wider range of youth work skill development. Finally, W&E provided employment and work experience for over 50 youth in the region.

The training and skill development programs of W&E integrated YouthBuild into the Weatherization Training Center to increase opportunities for older youth to earn valuable credentials. YouthBuild completed a new home in Albany through a new partnership with First Story. Programs prioritized healthcare training through the scholarship program and explored new healthcare training opportunities with Linn Benton and Oregon Coast community colleges. In addition, W&E expanded all youth education programs to fully incorporate the National Career Readiness Certificate

(NCRC) and implemented a new partnership with Central Linn School District to provide NCRCs to students. Finally, W&E implemented a pilot Adult Basic Education/GED program in the Albany WorkSource Oregon Center.

W&E adult programs, primarily provided through WorkSource Oregon, served almost 7,000 adults and dislocated workers and facilitated the employment of almost 4,000 participants in our region. W&E provided intensive employment services and supportive services having a direct link to employment for almost 100 participants. W&E significantly expanded on-the-job training opportunities (OJTs) in areas such as healthcare, software, green building, and manufacturing by providing about 40 hire first training opportunities and continued to build on the success of the on-the-job training program by creating improved business relationships and outreach. Finally, W&E expanded the Lincoln County JOBS Supported Work and Work Experience programs to provide TANF recipients more meaningful hands-on opportunities to gain work readiness skills.

## **HOUSING and ENERGY SERVICES**

The Housing and Energy Services Department helps low-income households achieve their goal of a safe, warm, decent place to call home.

### **Utility Assistance**

CSC has administered the Low Income Home Energy Assistance Program (LIHEAP) since 1978, when Congress found that the cost of home energy imposed a disproportionately large burden on fixed-income, lower-income, and lower middle-income households. Lower-income families often pay three to four times more of their income for energy than the average American family. Congress stated adequate home heating is a necessary aspect of shelter and the lack of home heating poses a threat to life, health and/or safety, and that low-income households often lack access to energy suppliers because of their structure and credit practices.

While the Federal Low Income Home Energy Assistance Program (LIHEAP) is our largest utility assistance program, it is also an easy target for Federal cost saving measures. Not only can program funds fluctuate significantly from year to year (5,287 households served in FY 2013-2014 vs. 10,193 households in FY 2009-2010), the program has started as early as October and as late as January. CSC has worked to continue to educate our legislators and work with both private and public utilities to assist in bringing more stability to the program.

Today **CSC is the utility assistance “One Stop / One Door agency”**. The One Stop approach decreases confusion, stress, and economic costs to clients. It allows CSC to utilize available funds from ten different energy assistance programs as effectively as possible, matching client needs with the best and most effective resource to meet their needs. **In Fiscal Year 2013-2014, we provided utility assistance to 9,885 households.**

Clients are also provided with information and referrals to other services and benefits available through CSC and elsewhere in the community, further enhancing the value of their contact with CSC. **One stop. One application. Multiple resources to meet the need.**



Finally, Housing and Energy Services integrates long-term learning into safety net services. Clients are encouraged to conserve energy by taking part in four different levels of energy education services.

### **Accomplishments:**

- Used Low Income Home Energy Assistance Program (LIHEAP) funds to reduce the winter heating costs of 5,277 households and prevented 2,879 (50%) of those households from having their heat disconnected.
- Used private fuel fund monies to prevent 4,608 households from having their utilities disconnected.
- Provided 4,749 households with energy conservation education designed to assist them in reducing their household's energy burden and increase resources available to meet their other household needs.
- Provided energy education workshops to 215 households wanting to learn about energy conservation, saving money and installing self-help materials.
- Provided 113 households with an in-home energy audit.
- Determined eligibility for 208 City of Albany residential water customers to reduce their monthly water bill.
- Screened eligibility for 8 City of Corvallis residential water customers to prevent their water service from being disconnected.

### **Housing Programs**

CSC's housing programs are part of a community continuum to ensure safe, decent, affordable housing for low-income residents. We provide emergency and transitional housing services to those who are homeless or at risk of homelessness, and supports to help others obtain and/or maintain housing. Households move toward economic stability by identifying and removing barriers, integrating services and developing plans for financial and personal stability.

### **Accomplishments:**

- Provided 4,593 nights of shelter to women and children fleeing domestic violence situations and/or families with children who were homeless or at risk of becoming homeless.
- Provided an additional 10,025 nights of shelter to 121 households who were homeless or at risk of becoming homeless. **Three months after receiving assistance, 81% of those served were still in permanent housing.**
- Used Low Income Rental Housing Fund (LIRHF), Emergency Housing Assistance (EHA), Continuum of Care, matching HOME Tenant Based Assistance (TBA), and other housing funds to provide 25,096 nights of transitional shelter to 30 households who were homeless or at risk of homelessness and had a plan and the motivation to become self-sufficient. 100% of those enrolled did complete a case plan and 100% of those completing a case plan did take action on their identified barriers. **92% of the households were still residing in permanent housing 6 months after completing the program.**
- Used Housing Plus funds to provide permanent supportive housing services to 6 households residing in Tern House and 12 households residing in Pelican Place.

- Offered 7 cycles of the Second Chance Renter Rehabilitation Program to low-income people who were unable to obtain housing due to poor credit and/or poor rental history.
- Offered 9 Basic Budgeting workshops to low-income households who wanted to learn how to better manage their limited resources.
- Participated in three homeless resource fairs to assist individuals and families who were homeless or living in poverty learn about and access available services.
- Provided an additional 3,797 households with information and referrals to other social service agencies. Contracted with Lincoln County Food Share to provide emergency food boxes, hot meals and emergency food bags in Lincoln County.
- Monitored contract performance and provided technical assistance as needed.
- Coordinated the allocation of \$26,000 of Meyer Memorial Trust Funds to six local warming centers to provide case management, food, utilities, storage sheds, blankets, cots, mattresses, sleeping bags, space rental and repairs.
- Coordinated the Point in Time Count (aka One Night Shelter Count).
- Provided eligibility screening for 1,055 households applying for “We Care” emergency assistance.

## **Weatherization**

CSC's Weatherization Program assists households to save energy and improve their living conditions through the installation of weatherization materials and related services. Activities include whole house diagnostics, blower door and duct testing, installation of attic and wall insulation, air sealing, mobile home roof caps, refrigerator replacement, energy education, and testing for safety, efficiency and reliability of combustible appliances and heating systems. Additional base load measures are performed to reduce electricity usage.

### **Accomplishments:**

- Provided for the replacement of heating systems that were no longer functional and could not be repaired or were not cost effective to repair.
- Integrated the weatherization program services with CSC's Housing Rehabilitation program, the Lincoln County Revolving Loan Fund, the Linn Benton Revolving Loan Fund, the City of Toledo's Revolving Loan Fund, the City of Corvallis' CDBG grant programs, the City of Albany CDBG grant programs and the Lincoln Community Land Trust.
- Weatherized 111 housing units with funds from the Low-Income Energy Assistance Program, US Department of Energy, State of Oregon Utility funds, Bonneville Power Administration, Northwest Gas, utility rebates, and private contracts. This included the weatherization of 42 units in Linn County, 28 units in Lincoln County, and 41 units in Benton County.
- Provided energy education to clients whose homes were being weatherized to build habits that reduced energy consumption in the future.

## **Housing Rehabilitation**

The Housing Rehabilitation program receives grant funds that are dedicated to improving housing conditions of low and moderate-income homeowners within a targeted area. Loans are made to individual homeowners to hire licensed and bonded contractors to complete identified rehabilitation needs. The program is designed to address local needs and the criteria required by granting agencies.

### **Accomplishments:**

- Contracted with Community Housing Services, a 501(c)(3), as the Administrator and Fiscal Agent for their housing rehab funds.
- Partnered with cities, counties and agencies to maintain and upgrade housing for low and moderate-income households.
- Developed, submitted and was funded for a new Housing Preservation Project that will assist between 6 and 8 households in the City of Albany.
- Used program income to continue housing rehabilitation activities in Newport.
- Assisted clients with homeowner education, counseling and access to services.
- Assisted the Mortgage Payment Assistance Program applicants and participants and work in partnership with the Oregon Homeownership Stabilization Initiative (OHSI) to administer Hardest Hit Funds programs.
- Provided foreclosure prevention counseling in Lincoln County.

## **LINN BENTON FOOD SHARE**

Linn Benton Food Share is the regional food bank for Linn and Benton counties. Since 1981, Food Share has been committed to fulfilling our goal that “Everybody Eats”.

Through our network of 74 agencies we attempt to reach every person who cannot adequately feed themselves or their family. Food Share prevents hunger by soliciting, transporting, storing and distributing over 5.3 million pounds of food each year to emergency food pantries, emergency shelters, child care centers, community meal sites, and gleaning groups.

The loss of family wage jobs, an increasingly fragmented social safety net as well as increases in the cost of food, housing, health care and utilities are leaving many families and individuals behind. As a result, they are often unable to purchase an adequate supply of food. Requests for emergency food help are at an all-time high. Over 34% of all those receiving emergency food support are children.

### **Accomplishments:**

- Supplied food for 179,747 persons (duplicated) at emergency food pantries.
- Bi-monthly food delivery to Emergency food box and meal site locations.
- Increased Fresh Alliance/Food Rescue pounds 25.77% over previous year to record 855,075 pounds
- Supplied food for 272,075 meals at soup kitchens and shelters.
- Distributed 5,445,586 pounds of food to our 74 member agencies (an increase of 6.81 % over last year).
- Improved the nutritional content of our food supply by distributing 1,086,397 pounds of produce—an increase of 25% over last year.

- In response to changing food supply (frozen and refrigerated) - Supplied agencies with shelving, refrigerators and freezers.
- Completed a wetland survey, an elevation survey and a threatened and endangered species survey of the warehouse grounds in anticipation of site expansion/remodel.
- Investigated sewer hookups for the expanded/remodeled warehouse.
- Established new partnerships with feeding programs in Corvallis and North Albany

## **GLEANING / VOLUNTEERS**

The Gleaning/Volunteer program supports 14 separate gleaning groups, made up of more than 7,000 low-income individuals, and hundreds of volunteers who play a key role in feeding those who do not have enough to eat in Linn and Benton counties. The Gleaning/Volunteer program also links volunteers with CSC programs.

We help gleaners connect with food growers, processors and sellers to collect food, firewood, and more for distribution to low-income group members, including those who are unable to actively participate in the process. We help the gleaning groups maintain stability by offering assistance in board development, grant writing, volunteer management, conflict resolution, financial record-keeping and non-profit tax preparation.

### **Accomplishments**

- Worked with additional farmers and producers to distribute over 190,000 pounds of nutritious produce to low-income members of the gleaning program.
- Successfully accessed and distributed over 950 garden plants to low income elderly and disabled households as part of our Patio Project.
- Provided training on safe food preparation, preservation at a monthly gleaning meetings. OSU Extension Office provided training on drying fruits and purees. Our spring OSU Public Health intern developed and presented a safe food preparation video complete with handouts.
- Placed OSU Public Health and Human Development and Family Sciences interns within local gleaning groups to strengthen understanding of the causes of poverty and to provide on-site assistance.
- Hosted a successful grant writing workshop that was developed and presented by local grant writer.

## **CHILD DEVELOPMENT SERVICES**

Head Start is one of the nation's first child development programs to implement a two-generation approach, working with both children and their low-income parents as primary teachers of their own children. Teachers are also "advocates" for the children and their families. In 2013/2014, CSC Head Start provided federal and state funded preschool services to 156 Lincoln County children and their families. The number served may vary dependent upon funding changes

CSC Head Start (CSCHS) promotes child school-readiness and family self-sufficiency through comprehensive and intensive services including early childhood education, health and social services, nutritious meals, and parent partnership and involvement.

There are currently ten domains of learning, as well as a structure for school readiness and regular review of child's progress measured in all domains as well as the use of Classroom Assessment Scoring System "CLASS" measurement outcomes.

### **Accomplishments**

- Maintained full enrollment.
- Federal Monitoring Review was completely successful and without a finding.
- Health Services Advisory Committee is robust, well attended and successfully addresses any issues of importance in the area of health.
- Completed Disaster Preparedness and Pest Management Plans.
- Successfully completed Policy and Procedures and Ongoing Monitoring Plans.
- Inaugurated the first "Inclusion" class in Toledo in partnership with Early Childhood Special Education.
- Increased CLASS observations improving individual teacher scoring.
- Implemented use of new statewide monitoring tool T.S. Gold.
- Increased community/education involvement with Lincoln County School District – P-3 group, grant participation and HUB process monitoring.
- Established a Backpack/Food Program at all three sites.

### **ADMINISTRATION**

CSC's administrative department is comprised of the internal departments that engage with external community partners and serve internal partners and programs, as well. In a sophisticated and demanding technological and reporting environment, well-managed administrative services are essential to maintaining a strong, reputable organization.

Our administrative department is comprised of the Executive Director and her office, Community Resources and Development, Human Resources, Information Technology and Finance departments.

### **Accomplishments:**

- Joined state and regional steering committees and work groups to begin crafting a theory of change for the state and the region around children, adults, families and communities. Guided by the vision of that work, we began to commission study of metrics that better identify pathways to achieving that vision.
- Helped expand partnership with Community Action Partners of Oregon and OSU to include the states of Washington and Idaho to create a shared regional framework to evaluate program effectiveness and individual and community progress.
- Reorganized Community Housing Services into a separate, stand-alone non-profit to meet state and federal requirements for access to more flexible funds for housing rehabilitation programs.
- Organized service provider forums to give Oregon Housing and Community Services input and direction on priorities for funding future housing development in Linn and Benton Counties. Projects recommended in Corvallis and Albany were funded in the latest OHCS cycle. The forum in Lincoln County explored mission overlap and potential collaborations.

## **COMMUNITY RELATIONS AND DEVELOPMENT**

The Community Relations and Development (CRD) Department coordinates all CSC community relations efforts, targeting those who need help, as well as those who can give help. CRD works closely with all CSC departments on communications and outreach activities; resource development, including fundraising and grant writing; and volunteer recruitment and internships.

CRD will continue to operate as a community partner for the Cover Oregon program in Lincoln County until February 2015. As a Community Partner in Cover Oregon, our Health Coordinator provides health insurance application assistance to those in need and provides bilingual services.

### **Accomplishments:**

- Coordinated the 3rd Annual Barrel to Keg Relay fundraising event (2013), nearly tripling the number of runners since 2011, increasing sponsorship, and making a strong effort towards our goal of bringing \$40,000 a year to CSC in unrestricted funds.
- Exceeded all Cover Oregon program performance goals, assisting over 500 families to gain health insurance coverage in Lincoln County.
- Built awareness of and commitment to CSC by increasing volunteerism and internships, engaging over 150 community volunteers in the Barrel to Keg Relay and American Winter events, and recruiting an additional 35 OSU students for volunteer opportunities and internships.
- Hosted one and co-hosted two agency-wide community awareness events. American Winter documentary showings in Corvallis, Lincoln City and Newport with over 750 total attendees.
- Created a new on-line giving format resulting in donations of approximately \$9,000 in the first two months (Nov.-Dec season).
- Supported grant proposals totaling \$2,221,828 in requests, of which \$1,131,571 is for youth and children's program and \$279,315 of which is to support safe, affordable housing. Increasing awareness: 5,457 website hits per month on average, nearly 50,000 hits in the first 9 months of FY 2014.

## **HUMAN RESOURCES**

### **Accomplishments:**

- Worked with the Management Team on an extensive negotiation process, including getting comparative pay and benefits data from other entities. The union contract was not completed until November 2014, however, wage and deferred compensation provisions were retroactive to July 2014.
- Worked with department directors, union and SAIF/CIS to develop safety and fleet manuals, resulting in an insurance premium discount. The safety and fleet program has been rolled out.

## **INFORMATION TECHNOLOGY**

### **Accomplishments:**

- Pilot tested the versatile 2X Remote Access Virtual Desktop system, which is expected to replace the current Citrix remote access option for staff.

- Refurbished Citrix Server to prolong its life during the transition to 2X.
- Installed a 27-computer training lab at Albany WorkSource Development Center, using entirely recycled computers refurbished by IT.
- Upgraded/replaced over 60 staff and client computers from XP to Windows 7.
- Began a two-part process to upgrade the entire TOC/OWA network, through a contractual agreement.
- Improved and expanded remote access to the LifeSize video conferencing system, researched another video conference options that may be used for client education and training.

## **FINANCE:**

### **Accomplishments:**

- Received an unmodified audit and a Certificate of Achievement for Excellence in Financial Reporting for the **twenty-second** consecutive year.
- Coordinated the financial management and reporting activities for 172 different grants with federal, state, local and donor funding sources.
- Continued as a resource to the Human Resources Director providing cross-training, backup and ensuring continuity.
- Trained our newly hired Financial Analyst in audit preparation, grant accounting and governmental accounting. Hired and trained a new Accounting Technician due to staff retirement for assistance with grant billings.
- Continued training managers on a new financial data management software module that allows real-time access and customized reporting for managers to ensure optimal use of CSC resources.
- Began documentation of annual procedures in a “desk manual” format for training purposes.
- Updated portions of the Financial Procedures Manual, which will continue on a periodic basis.

## **FINANCIAL INFORMATION**

### **INTERNAL CONTROLS AND BUDGETARY CONTROL**

Community Services Consortium's management is responsible for establishing and maintaining internal controls designed to ensure the organization's assets are protected from loss, theft, or misuse and to ensure transactions are recorded properly to allow preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. Management must assess the expected benefits and related costs to determine which internal control policies and procedures will be implemented.

The Consortium is subject to the budget provisions of ORS 294.900 to 294.930. CSC is organized into three governmental accounting types of funds - the general fund, special revenue funds and fiduciary funds. For budgeting purposes, seven funds have been established. These include a General Fund and six special revenue funds: Emergency Services; Workforce and Education; Linn Benton Food Share; Housing and Community Resources; Child Development Services and Miscellaneous Grants.

The budget is approved by the Governing Board at the following level of appropriation:

- Personnel services
- Materials and services
- Capital outlay (equipment purchases)
- Fund balance increases/decreases, if applicable

Budget versus actual statements are presented in this report. Line item budgets are maintained in the accounting records and are monitored monthly by the responsible parties.

## **GENERAL GOVERNMENT FUNCTIONS**

For financial reporting purposes, there is one general fund, and six special revenue funds (reflecting **172** different funding sources, one for each federal, state or local grant or other contract).

## **INDEPENDENT AUDIT**

Oregon Revised Statutes require an annual audit by independent certified public accountants that are also licensed by the state to conduct municipal audits. CSC contracted with Grove, Mueller & Swank PC of Salem, Oregon to conduct our FY14 audit. Because CSC receives federal financial assistance, the audit must also meet the requirements of the Single Audit Act of 1996 and related OMB Circular A-133.

The auditor's report on CSC's financial statements and supplementary schedules is found at the beginning of the Financial Section. The auditor's reports related to the single audit are found in the Federal Compliance Section. These include reports on the compliance and internal control over financial reporting and compliance with requirements applicable to each major federal program and internal control over compliance. Our auditors did not identify any material weaknesses involving the internal control over financial reporting and its operations or involving the internal control over compliance and its operations or report any findings of non-compliance with applicable laws, regulations and standards.

## **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Community Services Consortium for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2013. This was the **twenty-second** consecutive year that the Community Services Consortium has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report for the fiscal year ended June 30, 2014 continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.



## **ACKNOWLEDGMENTS**

The preparation of this report could not have been accomplished without the cooperation and support of the entire staff of CSC. A very special note of thanks is extended to Debbie Jackson, Finance Director, and the members of the Finance Department – Connor Lyons, Kellie Oxford, Cherry Condron, and Kelly Gould, as well as administrative staff members Susanne Lee and Linda Swaney.

We commend the entire CSC staff for their hard work and devotion to the mission and programs CSC administers within the communities of Benton, Linn and Lincoln counties. The people and communities that we serve have many challenges awaiting them in the next fiscal year, and CSC will make every possible effort to assist.

We also thank the members of the Governing Board and our Advisory Councils for their guidance and support in conducting CSC's operations in a responsible and transparent manner.

Sincerely,

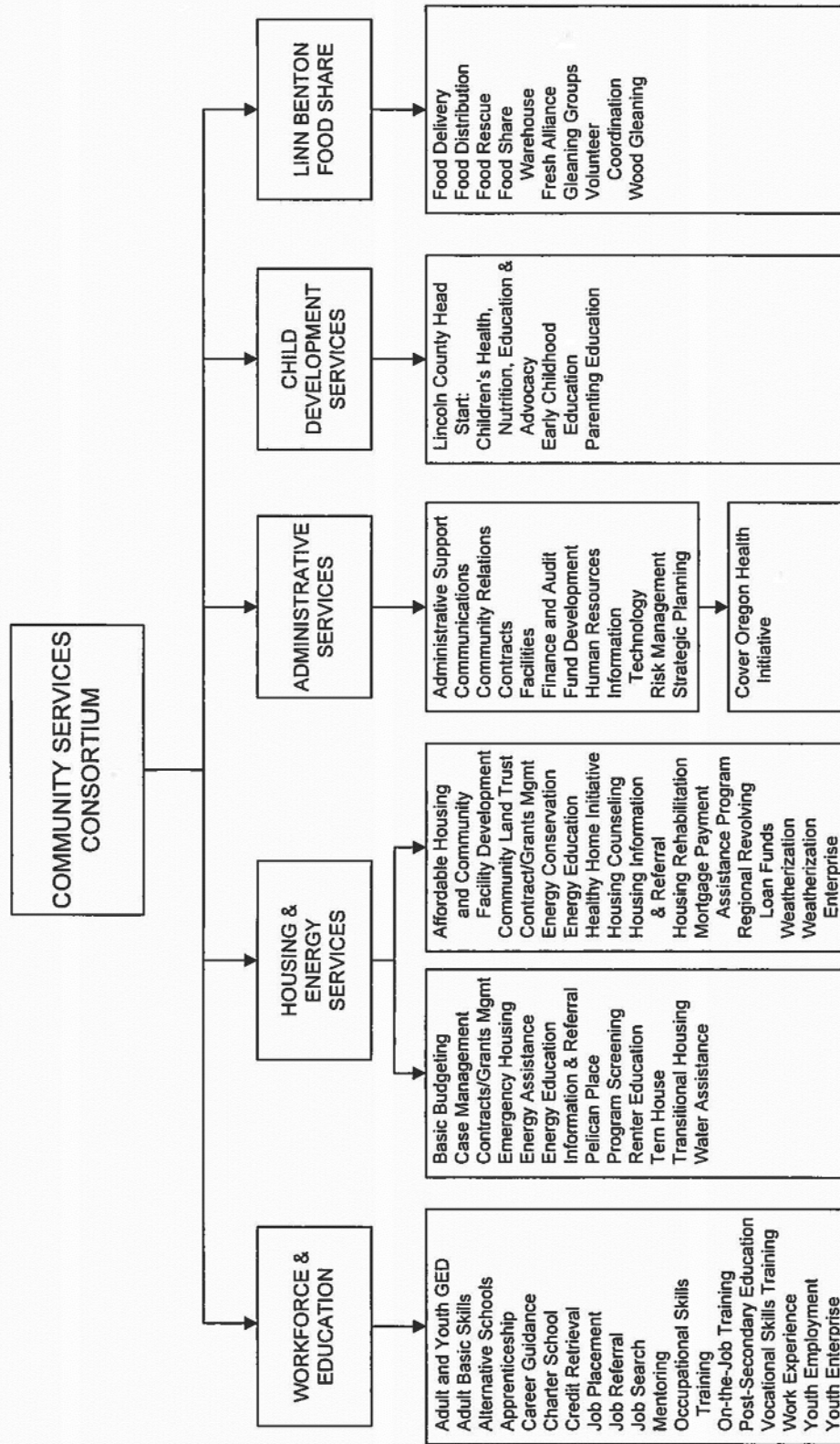


Martha Lyon  
Executive Director



Debbie Jackson, CPA, CFE  
Finance Director

# COMMUNITY SERVICES CONSORTIUM FUNCTIONAL CHART





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Community Services Consortium  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

***FINANCIAL SECTION***



## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
475 Cottage Street NE, Suite 200, Salem, Oregon 97301  
(503) 581-7788

### ***INDEPENDENT AUDITOR'S REPORT***

CSC Governing Board  
Community Services Consortium  
Albany, Oregon

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

We have audited the accompanying financial statements of the governmental activities and each major fund of Community Services Consortium (CSC) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise CSC's basic financial statements as listed in the table of contents.

#### ***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 misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions 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. 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 CSC'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 CSC'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 opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Community Services Consortium as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplemental Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13; and the schedule of revenues, expenditures and changes in fund balance – budget to actual (page 37) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to management's discussion and analysis described in the preceding paragraph in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the CSC's basic financial statements. The budgetary schedule described above was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary schedule has been subject to the auditing procedures applied in the audit of the basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Supplemental Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise CSC's basic financial statements. The other supplemental information, introductory section and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.

The other supplemental information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in

accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

***Other Reporting Required by Government Auditing Standards and Other Legal and Regulatory Requirements***


*Reporting Required by Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 23, 2014, on our consideration of CSC'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 CSC's internal control over financial reporting and compliance.

*Report on Other Legal and Regulatory Requirements*

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 23, 2014, on our consideration of CSC's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

*GROVE, MUELLER & SWANK, P.C.*  
*CERTIFIED PUBLIC ACCOUNTANTS*

By:   
Devan W. Esch, A Shareholder  
December 23, 2014

***MANAGEMENT'S DISCUSSION AND ANALYSIS***



As management of Community Services Consortium (CSC), we offer readers of CSC's financial statements this narrative overview and analysis of the financial activities of CSC for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

## Financial Highlights

- CSC is primarily a grant-based organization, with revenues of approximately \$7.1 million in federal and federal pass-through grants, \$3.0 million in state and local governmental grants and contracts, \$8.7 million in value of donated food, \$895,000 in contributions, about \$416,000 in charges for services, \$30,000 in loan repayments and \$530,000 in other miscellaneous income, totaling \$20.96 million. The vast majority of our grants are cost-reimbursement contracts, usually having a one- or two-year life before a new application for funding is required. These grants only cover costs actually expended and have no potential to build up any reserves. Any fund balances generated are restricted to the program in which they were generated, with the sole exception of the general fund balance.
- As a Community Action Agency (CAA), the largest component of our funding is focused on alleviating the effects and eliminating the causes of poverty. With the exception of our workforce development activities, including our alternative schools (about 15% of our total funding), the remaining 85% is targeted to assist low-and moderately-low income individuals.
- As a grant-based organization, we are subject to uncertainties in both the federal and state budgets. We are directly affected when Congress does not pass a budget, confirm appropriations, adjust the debt ceiling or when there is a federal government shut down. Similarly, we are impacted when the State of Oregon experiences budget shortfalls as it has in recent history. Continuing volatility in state and federal funding makes long-term funding projections almost impossible, so we now must operate on a fairly short-term planning cycle.
- We rely on a conservative estimate of revenues based on our considerable years of experience in these areas, but also have to be prepared to adjust course for external funding changes. We monitor our performance and revenue forecasts on an ongoing basis through the entire year and usually have been able to secure other grants to replace expiring ones. The upcoming FY15 forecast is not different – we are projecting an increase from our final figures of \$23.1 million to around \$23.3 million, an increase of approximately .54%.
- As we have discussed in our introductory letter, our communities have been hit hard by the recession, and CSC has been part of the solution by providing both safety net services and programs that help move clients up the ladder of financial security. Requests for assistance in both areas continue to increase. For example, demands for re-employment services and retraining for people impacted by unemployment are at a record high in all three counties. Need is growing, even as our funding drops. Oregon still has not recovered from the recession.

Overall, we feel that CSC was able to effectively manage its resources to address the increased demands felt in our communities. However, there is a growing level of unmet need due to funding shortfalls and a sluggish recovery in our state. Approximately one out of five residents in Linn and Benton counties lives in poverty. One in four receives food stamps in Lincoln and Linn Counties. Employment growth has come mainly in sectors that offer the very lowest wages. While unemployment has declined, so has median income, leaving low-income residents of our three counties in a state of increasing economic instability. The increased demand for our services is definitely challenging.

CSC will continue to look for opportunities to work with other agencies and organizations to provide sustainable quality programs for our communities. For example, with St. Vincent de Paul, CSC began offering services to veterans and their families in FY14. Although we will focus resources and further expand our community partnerships as best we can, we concede we will be unable to meet the growing needs of our community.

## **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to CSC's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

### **Government-wide financial statements:**

The government-wide financial statements are designed to provide readers with a broad overview of CSC's finances as a whole and present a longer-term view of its finances.

The government-wide financial statements include all assets and liabilities, using the accrual basis of accounting, which is similar to the method of accounting used by most private-sector business. All of the current year's revenues and expenses are taken into account when they are incurred regardless of when cash is received or paid.

These two statements report CSC's net financial position and activities and changes to them. Net Position (the difference between assets and liabilities) is one way to measure an organization's financial health. Changes in net position over time provide one indicator of whether financial health is improving or deteriorating.

### **Fund financial statements:**

Fund financial statements are also intended to give insight into CSC's overall financial health and report CSC's operations in more detail than the government-wide financial statements. CSC has only two fund types – governmental funds and fiduciary funds. The governmental funds are presented in seven different departments. Additionally, the Housing and Energy Services Department reports under two sub-headings; Emergency Services and Housing and Community Resources, which have different sources in their funding.

### **Governmental Funds:**

These funds are reported using the modified accrual basis of accounting. The governmental fund statements provide a detailed short-term view of CSC's operations. The relationship (differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in reconciliations after the fund financial statements.

### **Fiduciary Funds:**

Fiduciary funds are excluded from the government-wide financial statements and are presented separately because they are funds that are administered on behalf of other entities. The fiduciary activity reported by CSC has no measurement focus and is reported on the full accrual basis of accounting.

CSC provides administrative services and accounting services for Community Housing Services (CHS), a non-profit that is no longer a wholly owned subsidiary of CSC. The separation of CHS transferred approximately \$5.2 million of assets from the governmental funds to the fiduciary funds.

**Notes to the financial statements:**

The notes provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements. They are an integral part of the financial statements and should be read in conjunction with them.

Our auditor has provided assurance in the Independent Auditor’s Report, located immediately preceding this Management’s Discussion and Analysis, that the Basic Financial Statements are fairly presented. A user of this report should read the Independent Auditor’s Report carefully to ascertain the level of assurance being provided for each of the other parts of this document.

**Financial Analysis of the Consortium as a Whole**

**Net position** CSC’s net position at June 30, 2014 was \$6,423,394 reflecting a decrease of \$813,913 from \$7,222,283 at June 30, 2013 (See Table A). The major sources of decrease to our net position were the extraordinary decrease of \$493,983 from removing Community Housing Services (discussed above), and the general fund decrease of \$569,154. Significant factors are discussed below.

The large decrease in the General function’s net position of \$444,312 is due to Other Post-Employment Benefits. This occurs as a result of allowing retirees to purchase health insurance on CSC’s plan. Costs are projected out and amortized over thirty years. (See the additional footnote on pages 32 - 34 for further discussion on this item.) This expense does not require the use of current financial resources and is not reported in the governmental funds as an expenditure, however does impact the net position of CSC.

Additionally, the reporting of depreciation expense of \$170,785 claimed on all assets of CSC through the General function, exceeds the investment of \$50,532 in new assets by \$120,253.

**Community Services Consortium’s Net Position**  
**TABLE A**

	<u>June 30,</u> <u>2014</u>	<u>June 30,</u> <u>2013</u>
Current and other assets	\$ 5,338,271	\$ 10,209,493
Capital assets, net of depreciation	<u>4,275,108</u>	<u>4,395,361</u>
<i>Total Assets</i>	9,613,379	14,604,854
Current and other liabilities	1,414,935	6,013,061
Noncurrent liabilities	<u>1,775,050</u>	<u>1,336,486</u>
<i>Total Liabilities</i>	3,189,985	7,349,547
Net Position		
Net investment in capital assets	4,278,108	4,395,361
Restricted for grant programs	2,202,276	2,709,696
Unrestricted	<u>(53,990)</u>	<u>150,250</u>
<b>Total Net Position</b>	<u>\$ 6,423,394</u>	<u>\$ 7,255,307</u>

**Restricted and Unrestricted Net Position:**

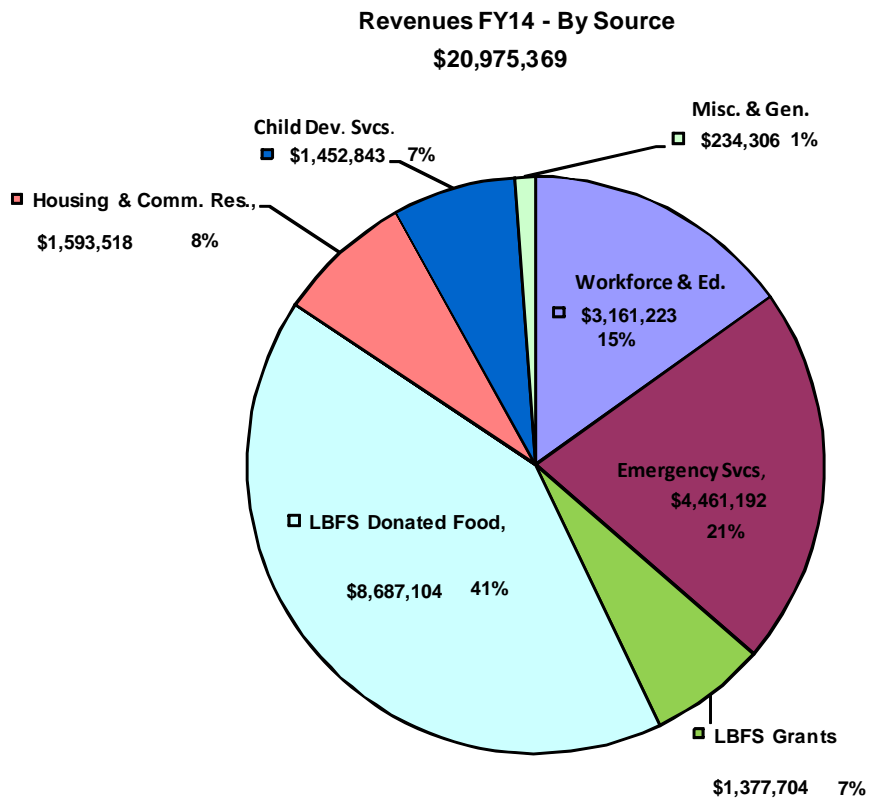
As a grant-based organization operating primarily under cost reimbursement contracts, CSC has very limited potential to build up an unrestricted reserve. Only the General Fund balance of \$477,117 is truly unrestricted with virtually all other balances being restricted by grant conditions, donor restrictions, contractual arrangements, or management assignments for specified purposes.

**Changes in net position.** CSC’s total revenues increased slightly by \$25,077 from \$20,950,292 in FY13 to \$20,975,369 in FY14. CSC’s total expenses decreased \$250,179 from \$21,563,478 in FY13 to \$21,313,299 in FY14 (See Table B). The result was a decrease of \$813,913 in net position, which was discussed above.

**Community Services Consortium’s Changes in Net Position  
TABLE B**

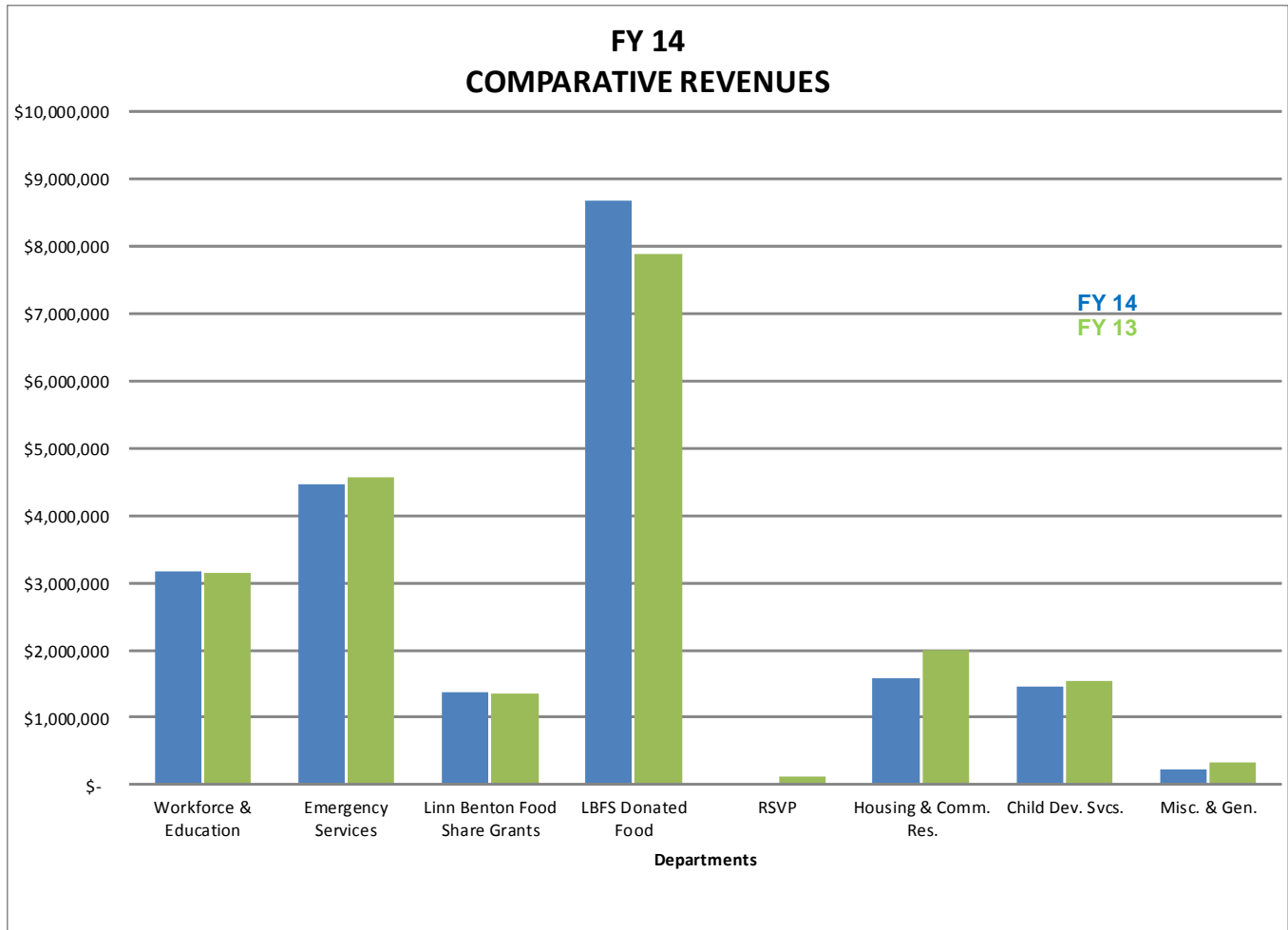
	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Program revenues		
Fees for services	\$ 416,373	\$ 909,850
Operating grants and contracts	19,656,228	19,177,882
Contributions	<u>895,289</u>	<u>851,903</u>
	20,967,890	20,939,635
General revenues, by source		
Interest and other investment earnings	<u>7,479</u>	<u>10,657</u>
<b>Total Revenues</b>	<b><u>\$ 20,975,369</u></b>	<b><u>\$ 20,950,292</u></b>
<b>Program Expenses</b>		
Personal Services	\$ 5,781,384	\$ 5,725,255
Materials and Services	6,833,957	7,808,496
LBFS Donated Food	8,647,426	8,002,779
Capital Outlay	<u>50,532</u>	<u>26,948</u>
<b>Total Expenses</b>	<b><u>\$ 21,313,299</u></b>	<b><u>\$ 21,563,478</u></b>
Extraordinary Item	<u>\$ (493,983)</u>	<u>\$ -</u>
<b>Change in Net Position</b>	(831,913)	(580,162)
Net position, beginning of year	<u>7,255,307</u>	<u>7,835,469</u>
Net position, end of year	<b><u>\$ 6,423,394</u></b>	<b><u>\$ 7,222,307</u></b>

**Figure A**  
**Sources of Revenue for the Year Ended June 30, 2014**



Components of the minimal \$25,077 revenue increase occurred in Linn Benton Food Share where about \$804,831 more in value was collected in food donations than FY13. This increase was offset by other decreases – Emergency Services received a decrease of \$116,000 in energy assistance, Child Development Services received \$80,000 less in Head Start funding due to the federal sequestration, Housing and Community Resources had \$417,000 less revenue due to the shift of Community Housing Services to outside control, and \$121,000 decreased in the RSVP department when the program awards were transferred to another agency.

**Figure B**  
**Revenue Comparison for the Years Ended June 30, 2014 and 2013**



**Changes in Fund Balances – Governmental Funds**

The **General Fund** fund balance increased overall by \$61,531 composed of an increase of about \$61,000 from contributions and the proceeds of our Barrel to Keg fundraiser for unassigned funds.

The **Emergency Services** fund decreased the ending fund balance about \$12,700 due to routine maintenance in all 18 units of supportive housing along with some vacancies during property management transition.

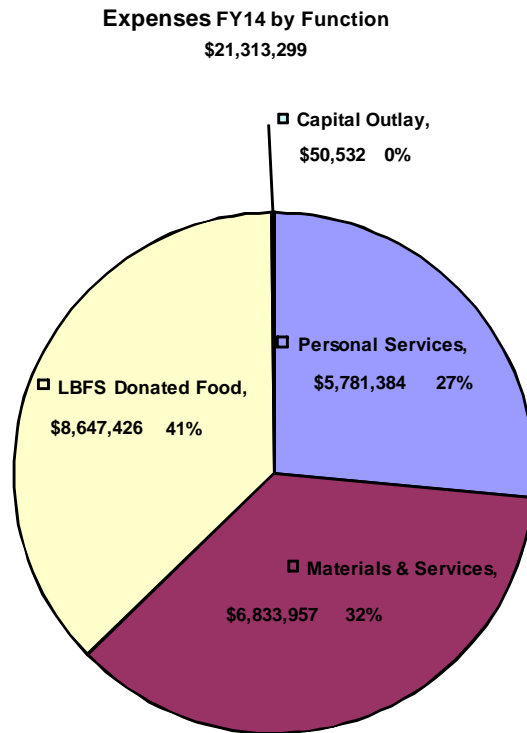
The **Workforce & Education** fund balance decreased by \$13,446 due to slight decreases in the balances for the alternative schools, as well as completing several smaller grants funded in the prior year.

**Linn Benton Food Share** fund balance increased by about \$213,000. LBFS has seen increased donations of about \$163,554 for food operations and \$50,000 was received for the Warehouse Expansion project.

**Housing and Community Resources'** fund balance decreased by about \$27,000. The Mortgage Payment Assistance fund decreased about \$54,000 as funds set aside to follow-up with participants for one year were utilized. These programs help people in various stages of foreclosure. The decrease was offset by a \$30,000 income of loan proceeds in the Self-Help Housing Ownership Program (SHOP) which were released from repayment by the grantor entity because the holding period of loan forgiveness of ten years had passed. These funds are no longer restricted and were never previously reported as revenue. In a separate extraordinary item, \$493,983 was moved from this department to the fiduciary funds because CSC is now solely the fiscal agent for Community Housing Services.

**Child Development Services** had a slight increase of about \$5,700 as donations were received for some fall school supplies.

**Figure C**  
**Expenses by Function for the Year Ended June 30, 2014**



Major components of the \$250,000 expense decrease (only about 1.2%) were due to mild decreases in federal funding across almost all departments, partially due to the federal sequestration effect. Personal services increased about \$56,000 due to minor increases in insurance costs. Our donated food had a large increase of almost \$645,000, which was offset by a decrease of about \$975,000 in materials and services. Almost \$494,000 of the materials and services decrease was due to the removal of Community Housing Services (CHS) from the Housing and Energy Services Department, as previously discussed. Another decrease of \$140,000 from the prior year, was the removal of the RSVP program to another local agency. Other significant decreases within the governmental funds will be discussed in the department summaries below.

Of the total expenses for FY14 of \$21.3 million, 62% or \$13.2 million (including food distribution) were made directly on behalf of participants in our programs. As a proportion of the FY14 materials and services of \$14.9 million, the direct assistance of \$13.2 million was 88%, a result of CSC's determination to use our resources in the most effective manner, keeping staffing and program delivery costs as low as possible. With the dedication of our passionate staff, we greatly exceeded our goal of providing 50% direct client benefit.

Only two funds had significant changes in their FY14 activities. The **Housing and Community Resources** department **decreased** by a net \$675,300. Aside from the CHS removal of \$494,000, other decreases of \$182,000 were in the Weatherization program among various federal and state sources.

The **Miscellaneous Grant** fund decreased by almost 26% (from \$182,000 down to \$134,000) due to the wrap-up of the expiring Healthy Kids program in two counties, which was replaced by a smaller Cover Oregon grant which served only Lincoln county.

### **Budgetary Highlights**

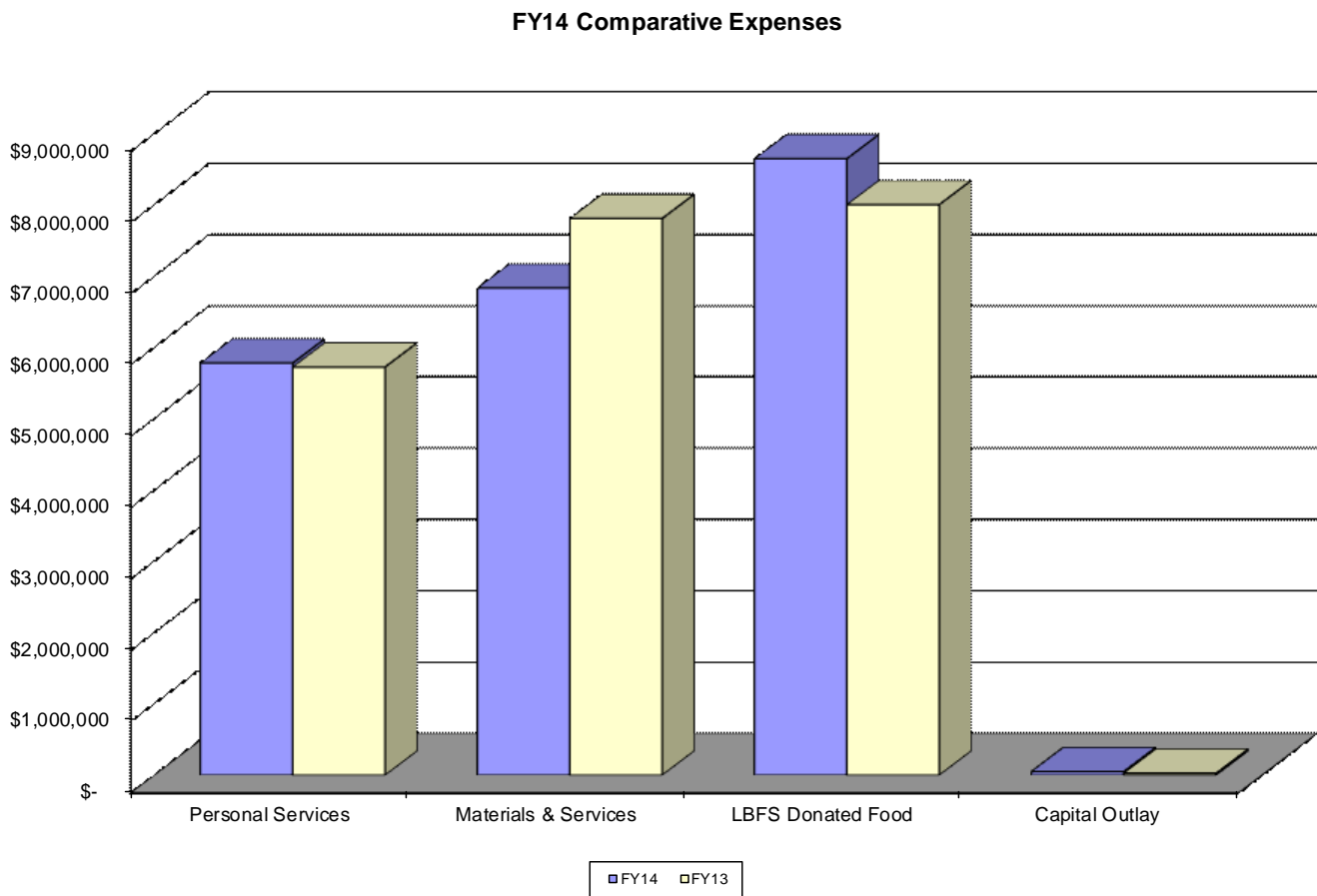
Community Services Consortium's Governing Board revised its originally adopted budget in order to address unexpected changes in revenues and expenses. The original budget was adopted on a very conservative basis with only grants whose award was almost certain included at the start of the fiscal year. There was one supplemental budget adopted this year to include additional grants received during the year as state and federal revenue sources became more certain. The total increase for those amendments was \$739,329 as shown in the Required Supplementary Information for Budget and Actual on page 37 of this report.

The following chart demonstrates a comparison of expenses between FY14 and FY13. As you can see, the proportion of personnel expenses stayed relatively stable at 27% of total expenditures. This proportion of total expenses was achieved by slight decreases in FTE or the end of certain programs, as previously discussed. Staff did not receive a cost of living adjustment again this year to ensure that we could deliver maximum services to our program participants.

Total Materials and services increased from 61% to 62% of the budget in FY14, as commitments were honored to get services and benefits out the door to help our clients in this tough recession. Services directly on behalf of our program participants, including food distributions, were over \$13.2 million dollars, approximately 62% of the total annual expenses.



**Figure D**  
**Expense Comparison for the Years Ended June 30, 2014 and 2013**



**Capital Asset Administration**

Total capital assets, net of accumulated depreciation, decreased \$120,253 from \$4,395,361 in FY13 to \$4,275,108 in FY14. As discussed in more detail on page 29 of the footnotes and in the previous sections of this analysis, CSC’s capital asset change is primarily due to the depreciation of assets already held. The only additions were replacement vehicles purchased for \$50,532.

As of June 2014, CSC did not have title to the buildings in Newport and Lincoln City occupied by the Head Start program, which are awaiting final grant closeout of the Community Development Block Grants sponsored by the communities in which they are located. The Newport and Lincoln City properties will be transferred as soon as the Block Grants are completely closed by Lincoln County. The Head Start facility in Newport began operation in the fall of 2009 and title to that building will not transfer to CSC until that Community Development Block Grant is finalized, which usually takes about 5 years or more after the grant is completed. CSC owns the underlying Newport land but renovated and expanded an existing structure to respond to growing Newport Head Start demand. The Lincoln City Head Start building was completed in FY03. CSC owns the underlying land and will take possession of the building when the CDBG grant is closed out by Lincoln City.

## **Economic Factors and Next Year's Budgets – the Real Challenge**

Federal funding is very unpredictable at this time, and the federal budgets for the year that began last October have only recently been passed and the details are not available yet. We have also experienced a federal government shutdown which caused extra concerns about the stability of funding. Funding decreases are certain for most programs, but the details of the cuts have not been revealed. Most agencies were told to forecast between a 5 and 20% cut in spending, especially where, like ours, a large part of the program budget is funded through discretionary spending. The budget passed by Congress is expected to make differential cuts to funding, rather than the across-the-board sequestration reductions that we experienced in FY 13. This adds another note of uncertainty to financial planning for the agency. At the same time, the State of Oregon budget forecast is also unpredictable, with large cuts in general funding predicted. In addition, two state level departments, through which we received large portions of our funding, are reorganizing. This may mean less program money coming out to the community action agencies to provide services.

Levels of funding and sources of pass-through funding are still relatively unstable in our experience of over thirty-four years of providing services. We will constantly be re-evaluating our funding during the next fiscal year as information becomes available. Accordingly, CSC has adopted a very conservative budget for FY15, roughly \$23.2 million, an increase of only .54% from the final adopted FY14 revenues of \$23.1 million.

To understand in greater detail how CSC has responded to the almost overwhelming need of our communities, we invite you to view some of the news stories on our website at <http://www.communityservices.us/news.htm>.

## **Requests for Information**

This financial report is designed to provide interested parties with a general overview of CSC's finances and to demonstrate CSC's accountability for the funds it receives. If you have questions about this report or need additional financial information, please contact Community Services Consortium, Finance Director, 250 Broadalbin St. SW, Ste. 2A, Albany, OR 97321.

***BASIC FINANCIAL STATEMENTS***

**COMMUNITY SERVICES CONSORTIUM**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

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**ASSETS**

**Current Assets**

Cash	\$ 2,817,366
Receivables	
Grants and contracts	1,374,620
Loans	752,829
Inventories	369,844
Prepaid items	23,612

<i>Total Current Assets</i>	5,338,271
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**Noncurrent Assets**

Non-depreciable capital assets	1,111,595
Depreciable capital assets, net	3,163,513

<i>Total Noncurrent Assets</i>	4,275,108
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<i>Total Assets</i>	9,613,379
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**LIABILITIES**

**Current Liabilities**

Accounts payable	361,970
Accrued payroll	241,492
Accrued vacation	16,470
Unearned revenue	740,003
Other payables	55,000

<i>Total Current Liabilities</i>	1,414,935
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**Noncurrent Liabilities**

Accrued vacation	267,677
Other post employment benefits	1,507,373

<i>Total Liabilities</i>	3,189,985
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**NET POSITION**

Investment in capital assets	4,275,108
Restricted for:	
Emergency Services	408,682
Workforce and Education	156,411
Linn-Benton Food Share	1,400,763
Housing	229,383
Head Start	7,037
Unrestricted	(53,990)

<i>Total Net Position</i>	\$ 6,423,394
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*The accompanying notes are an integral part of the financial statements.*

**COMMUNITY SERVICES CONSORTIUM**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2014**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Change in</u>
		<u>Fees for Service</u>	<u>Operating Grants and Contributions</u>	<u>Net Position</u>
				<u>Total</u>
<b>FUNCTIONS/PROGRAMS</b>				
General	\$ 669,315	\$ -	\$ 100,161	\$ (569,154)
Workforce and Education	3,144,564	413,999	2,747,224	16,659
Emergency Services	4,473,894	2,374	4,458,818	(12,702)
Linn Benton Food Share	9,823,128	-	10,064,808	241,680
Housing and Community Resources	1,621,132	-	1,593,518	(27,614)
Child Development Services	1,447,121	-	1,452,843	5,722
Miscellaneous Grants	134,145	-	134,145	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>Total</i>	\$ 21,313,299	\$ 416,373	\$ 20,551,517	(345,409)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>GENERAL REVENUES</b>				
Interest				7,479
<b>EXTRAORDINARY ITEM - transfer to CHS</b>				
				(493,983)
<b>CHANGE IN NET POSITION</b>				
				(831,913)
<b>NET POSITION, Beginning</b>				
				7,255,307
<b>NET POSITION, Ending</b>				
				\$ 6,423,394
				<u>                    </u>

The accompanying notes are an integral part of the financial statements.

**COMMUNITY SERVICES CONSORTIUM**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	<i>General</i>	<i>Emergency Services</i>	<i>Workforce and Education</i>
<b>ASSETS</b>			
Cash	\$ 2,816,766	\$ -	\$ 50
Receivables			
Grants and contracts	2,188	412,800	482,344
Loans	-	-	-
Due from other funds	724,502	397,580	203,838
Inventories	-	-	-
Prepaid items	11,939	1,000	10,673
	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	\$ 3,555,395	\$ 811,380	\$ 696,905
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$ 21,145	\$ 106,616	\$ 117,277
Accrued payroll	525,639	-	-
Due to other funds	2,519,555	295,082	393,593
Unearned revenue	-	-	10,000
Other payables	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities</i>	3,066,339	401,698	520,870
	<hr/>	<hr/>	<hr/>
<b>Fund Balances</b>			
Nonspendable	11,939	1,000	10,673
Restricted	-	408,682	156,411
Assigned	-	-	8,951
Unassigned	477,117	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Fund Balances</i>	489,056	409,682	176,035
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities and Fund Balances</i>	\$ 3,555,395	\$ 811,380	\$ 696,905
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Total Governmental Fund Balances

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$5,559,366 and the accumulated depreciation is \$1,284,258.

Other post employment benefits are not current financial requirements and therefore are not reported as liabilities in governmental funds.

*Total Net Position*

<i>Linn-Benton Food Share</i>	<i>Housing and Community Resources</i>	<i>Child Development Services</i>	<i>Misc. Grants</i>	<i>Totals</i>
\$ -	\$ 150	\$ 400	\$ -	\$ 2,817,366
15,160	262,461	169,974	29,693	1,374,620
-	752,829	-	-	752,829
2,166,993	359,086	75,154	83	3,927,236
286,256	83,588	-	-	369,844
-	-	-	-	23,612
<u>\$ 2,468,409</u>	<u>\$ 1,458,114</u>	<u>\$ 245,528</u>	<u>\$ 29,776</u>	<u>\$ 9,265,507</u>
\$ 48,585	\$ 27,568	\$ 38,115	\$ 2,664	\$ 361,970
-	-	-	-	525,639
30,261	507,850	154,844	26,051	3,927,236
-	728,942	-	1,061	740,003
-	55,000	-	-	55,000
<u>78,846</u>	<u>1,319,360</u>	<u>192,959</u>	<u>29,776</u>	<u>5,609,848</u>
286,256	83,588	-	-	393,456
1,400,763	229,383	7,037	-	2,202,276
702,544	5,372	45,532	-	762,399
-	(179,589)	-	-	297,528
<u>2,389,563</u>	<u>138,754</u>	<u>52,569</u>	<u>-</u>	<u>3,655,659</u>
<u>\$ 2,468,409</u>	<u>\$ 1,458,114</u>	<u>\$ 245,528</u>	<u>\$ 29,776</u>	<u>\$ 9,265,507</u>
				\$ 3,655,659
				4,275,108
				(1,507,373)
				<u>\$ 6,423,394</u>

The accompanying notes are an integral part of the financial statements.

**COMMUNITY SERVICES CONSORTIUM****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014**

	<u>General</u>	<u>Emergency Services</u>	<u>Workforce and Education</u>
<b>REVENUES</b>			
Grants and contracts	\$ 26,822	\$ 4,322,101	\$ 2,692,053
Contributions	31,462	21,903	5,607
Loan repayments	-	-	-
Fees for service	-	114,814	413,999
Commodity foods	-	-	-
Other	41,875	2,374	49,564
Interest	7,479	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	107,638	4,461,192	3,161,223
<b>EXPENDITURES</b>			
Administration	54,216	354,804	470,177
Workforce and education	-	-	2,696,383
Weatherization	-	-	-
Emergency services	-	4,119,090	-
Housing rehabilitation	-	-	-
Head Start	-	-	-
Food programs	-	-	-
Miscellaneous programs	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Expenditures</i>	54,216	4,473,894	3,166,560
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	53,422	(12,702)	(5,337)
<b>OTHER FINANCING SOURCES AND (USES)</b>			
Transfers	8,109	-	(8,109)
Transfer to CHS	-	-	-
	<hr/>	<hr/>	<hr/>
<b>NET CHANGE IN FUND BALANCE</b>	61,531	(12,702)	(13,446)
<b>FUND BALANCES, Beginning of year</b>	427,525	422,384	189,481
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES, End of year</b>	\$ 489,056	\$ 409,682	\$ 176,035
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



<i>Linn-Benton Food Share</i>	<i>Housing and Community Resources</i>	<i>Child Development Services</i>	<i>Misc. Grants</i>	<i>Totals</i>
\$ 264,617	\$ 1,276,866	\$ 1,446,416	\$ 134,145	\$ 10,163,020
829,890	-	6,427	-	895,289
-	30,444	-	-	30,444
-	132,949	-	-	661,762
8,687,104	-	-	-	8,687,104
283,197	153,259	-	-	530,269
-	-	-	-	7,479
10,064,808	1,593,518	1,452,843	134,145	20,975,367
72,961	119,754	222,589	14,908	1,309,409
-	-	-	-	2,696,383
-	1,149,804	-	-	1,149,804
-	-	-	-	4,119,090
-	351,574	-	-	351,574
-	-	1,224,532	-	1,224,532
9,778,703	-	-	-	9,778,703
-	-	-	119,237	119,237
9,851,664	1,621,132	1,447,121	134,145	20,748,732
213,144	(27,614)	5,722	-	226,635
-	-	-	-	-
-	(493,983)	-	-	(493,983)
213,144	(521,597)	5,722	-	(267,348)
2,176,419	660,351	46,847	-	3,923,007
\$ 2,389,563	\$ 138,754	\$ 52,569	\$ -	\$ 3,655,659

The accompanying notes are an integral part of the financial statements.

**COMMUNITY SERVICES CONSORTIUM**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2014**

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Amounts reported for governmental activities in the Statement of Activities are different because:

Net changes in fund balances - total governmental funds \$ 226,635

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds do not report other post employment benefits since they do not require the use of current financial resources. However, the statement of activities reports such expenses when incurred, regardless of when settlement ultimately occurs. (444,312)

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciated expense. This is the amount by which capital outlay (\$50,532) exceeded depreciation (\$170,785). (120,253)

*Change in Net Position* \$ (337,930)

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**COMMUNITY SERVICES CONSORTIUM**  
**STATEMENT OF NET POSITION- FIDUCIARY FUND**  
**JUNE 30, 2014**

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**ASSETS**

Cash	\$ 400,835
Loans receivable	4,791,765

<i>Total Assets</i>	<u>\$ 5,192,600</u>
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**LIABILITIES**

Due to Community Housing Services	<u>\$ 5,192,600</u>
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*The accompanying notes are an integral part of the financial statements.*

***NOTES TO THE BASIC FINANCIAL STATEMENTS***

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

The financial statements of Community Services Consortium (CSC) have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of CSC's accounting policies are described below:

*Reporting Entity*

CSC is organized under Oregon Revised Statutes Chapter 190 as a voluntarily-created intergovernmental organization. Operations include various employment and training programs, community services programs, weatherization and energy programs, housing rehabilitation grants, and other programs. These programs are funded primarily by WIA contracts, Head Start, Department of Housing and Urban Development contracts, contracts with Oregon Housing and Community Services, as well as other federal, state, and local sources.

Control of CSC is vested in its Governing Board, which is comprised of three representatives from the governing board of each county. Administrative functions are delegated to individuals who report to, and are responsible to the Board. The chief administrative officer is the Executive Director.

As defined by accounting principles generally accepted in the United States of America, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the Governing Board of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose its will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. CSC's financial statements include the following as blended component units. Each is a non-profit corporation under Section 501(c)(3) of the Internal Revenue Code and is governed by the Governing Board of CSC and management of CSC has operational responsibility for the units. None of the organizations issue separate financial statements.

- Linn-Benton Food Share
- Lincoln County Charter School
- Head Start in Lincoln County
- H.E.L.P.S.

*Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of CSC.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for goods and services provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues, including donations, sale of assets and interest earnings.

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

*Government-wide and Fund Financial Statements (Continued)*

Separate financial statements are provided for governmental funds and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements.

When expenditures are paid for purposes in which both restricted and unrestricted resources are available, CSC deems restricted resources to be spent first.

*Fund Balance*

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which CSC is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. In governmental funds, CSC's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the Governing Board takes formal action that places specific constraints on how the resources may be used. The Governing Board can modify or rescind the commitment at any time through taking a similar formal action.

Assigned fund balance represents amounts that are not restricted or committed, but are intended to be used for specific purposes in accordance with the annual budget adopted by the board. CSC's Finance Director uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in CSC's Comprehensive Annual Financial Report.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

*Definitions of Governmental Fund Types*

The General Fund is used to account for all financial resources not accounted for in another fund.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Definitions of Governmental Fund Types (Continued)*

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term “proceeds of specific revenues sources” means that the revenue sources for the fund must be from restricted or committed sources, specifically that a substantial portion of the revenue must be from these sources and be expended in accordance with those requirements.

*Measurement Focus, Basis of Accounting and Financial Statement Presentation*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Interest revenue and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

The fiduciary activity reported by CSC has no measurement focus and is reported on the full accrual basis of accounting.

CSC has determined that each of its governmental funds are major funds and therefore reports the following governmental funds:

*General Fund*

The *General Fund* is used to account for the financial operations of CSC not accounted for in any other fund.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)*

*Special Revenue Funds*

Special revenue funds are used to report activities of the various grants and programs operated by CSC, that are legally restricted to expenditure for specific purposes (not including expendable trusts). Each of the federal and state grants and programs funded by other sources are reported as a separate special revenue fund. CSC is the fiscal agent for the Workforce Investment Board (WIB). CSC also administers various Oregon Counties and Cities housing rehabilitation grants. CSC reports the following special revenues funds:

The *Emergency Services Fund* provides energy assistance and emergency services to low-income people.

The *Workforce and Education Fund* accounts for grants and contracts that provide job training and support services to displaced workers and economically disadvantaged adults and youth.

The *Linn-Benton Food Share Fund* carries out food distribution programs for donated commodities, coordinates activity with 74 agencies, and has coordinated efforts to build a warehouse with adequate space to store food for member agencies.

The *Housing and Community Resources Fund* benefits low income and disadvantaged individuals by providing rehabilitation loans for owner-occupied dwellings, weatherization and project management for various construction and affordable housing projects for other entities.

The *Child Development Services Fund* operates a Head Start program in several communities in Lincoln County.

The *Miscellaneous Grants Fund* reports revenue and expenditures for various grants that are awarded across the functional areas within CSC.

CSC also reports an agency fund that accounts for the activity of the Community Housing Services loan activity.

*Cash*

Oregon Revised Statutes authorizes CSC to invest in obligations of the U.S. Treasury and agencies, time certificates of deposit, bankers' acceptances, repurchase agreements and the State of Oregon Local Government Investment Pool. Such investments are stated at cost which approximates fair value.

Equity in pooled cash and investments includes amounts in demand deposits as well as amounts in investment pools that have the general characteristics of demand deposit accounts.



***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

*Inventories*

Inventories are recorded using the consumption method. Inventories of food on hand in the USDA commodity and other food distribution programs consist of donated food and are reported at estimated value. Revenue is recognized when donated food is received. Expenditures are recorded when the food is distributed.

Inventories of materials on hand and work-in-progress in the weatherization programs are recorded at cost, using the first-in, first-out method. In general, expenditures are recorded when the materials are used and the jobs are completed.

*Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are recorded using the consumption method.

*Capital Assets*

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. CSC defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life greater than one year. Interest and other costs incurred during construction are capitalized. Maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method. The useful lives for buildings are between 10-50 years and equipment between 3-25 years.

*Compensated Absences*

Vacation pay is recorded as an expenditure when earned based on grantor requirements. The funds charged with the expenditures reimburse the pooled payroll account where the liability is recorded. The liability and the cash accumulated to retire it are reported in the General Fund. The current portion of compensated absences is estimated based on a three year rolling average of actual payments made to employees.

*Unearned Revenue*

Unearned revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by CSC before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met or when CSC has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

*Due to/from Other Funds*

Because cash balances are maintained in pooled bank accounts, it is possible for a fund to expend cash in advance of receipt of grant funds or other revenues that will fund the expenditures. A fund in such a negative cash position is considered to be borrowing from other funds which have excess cash. Negative cash balances are reported as amounts due to other funds on the balance sheet, while positive cash balances are reported as due from other funds.

*Retirement Plans*

Substantially all CSC employees are participants in the State of Oregon Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and are charged as expenses/expenditures as funded.

*Interfund Transactions*

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as expenditures/expenses in the fund that is reimbursed. The effect of interfund transactions is eliminated from the government-wide financial statements.

All other interfund transactions are reported as transfers.

*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 may vary from those estimates.

***STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY***

*Budgetary Information*

Community Services Consortium, organized under Oregon Revised Statutes Chapter 190, is subject to budget provisions of Oregon Revised Statutes Sections 294.900 to 294.930. The adopted budget is on a modified accrual basis of accounting.

The governing board of CSC adopts appropriations on a budgetary basis at the agency-wide level in the following level of detail:

- Personal services
- Materials and services
- Capital outlay
- Transfers

**COMMUNITY SERVICES CONSORTIUM**  
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED JUNE 30, 2014

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**STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

*Budgetary Information (Continued)*

Expenditures may not legally exceed appropriations at this level of detail. Unspent or unaccrued appropriations lapse at year end. Under the provisions of Oregon Revised Statutes 294.900 to 294.930, only the governing body, not management, has the legal authority to amend the budget after it is adopted by the governing body.

The board adopted one supplemental budget for the year ended June 30, 2014. The change was necessary due to the receipt of additional grants that were not anticipated when the original budget was formulated.

Additionally, budgets are approved by the grantor agencies for many federal and state funded programs operated by CSC. These budgets vary considerably in the categories of expenditures used and the degree of compliance required.

**CASH AND INVESTMENTS**

CSC maintains a cash and investment pool that is available for use by all funds, except for restricted cash and investments. At June 30, 2014 the carrying value of cash and investments and fair value are approximately equal. Cash and investments are comprised of the following at June 30, 2014:

<b>Cash</b>	
Cash on hand	\$ 800
Deposits with financial institutions	1,902,850
Money market	6,560
<b>Investments</b>	
Local Government Investment Pool	1,307,991
	<u>\$ 3,218,201</u>
Cash held by CSC	\$ 2,817,366
Cash held by Fiduciary Fund	400,835
	<u>\$ 3,218,201</u>

*Deposits*

At June 30, 2014, CSC's deposits with various financial institutions had a bank balance of \$1,984,620 and a book balance of \$1,909,410. The difference is due to transactions in process. Bank deposits are secured to legal limits by federal deposit insurance. All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon.

**CASH AND INVESTMENTS** *(Continued)*

*Custodial Credit Risk – Deposits*

This is the risk that in the event of a bank failure, CSC's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for CSC's deposits with financial institutions up to \$250,000 each for the aggregate of all demand accounts and the aggregate of all savings and time deposits accounts at each institution. Deposits not covered, if any, are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. At June 30, 2014 the balance covered by the PFCP was \$1,734,620.

*Investments*

The State Treasurer of the State of Oregon maintains the Oregon Short-term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short-term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895).

At June 30, 2014, the fair value of the position in the Oregon State Treasurer's Short-term Investment Pool was approximately equal to the value of the pool shares. The investment in the Oregon Short-term Fund is not subject to risk evaluation. Separate financial statements for the Oregon Short-term Fund are available from the Oregon State Treasurer.

*Interest Rate Risk*

In accordance with its investment policy, CSC manages its exposure to declines in fair value by limiting the maximum maturity of its investment portfolio to one year or less, specifically by maintaining funds in the Local Government Investment Pool. The LGIP had an average maturity of 172 days for the calendar year ended December 31, 2012.

**COMMUNITY SERVICES CONSORTIUM**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2014*

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**CASH AND INVESTMENTS (Continued)**

*Custodial Risk - Investments*

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. The LGIP is not rated for credit quality. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP.

**LOANS RECEIVABLE/UNEARNED REVENUE**

The loans receivable of \$752,829 consists of housing rehabilitation and Self-Help Homeownership Opportunity Program (SHOP) loans. The housing rehabilitation loans total \$728,942 and are a deferred payment loan made to low income families or owners of property rented to low income tenants. The amount reported as loans receivable is the amount of original notes, less principal repayments received. The loans are at 0% interest with the majority of the loans due when the house is sold. Some loans require a small monthly payment. Repayments and interest received on these loans during the contract period are program income, to be applied against costs of the program. The full amount of the housing rehabilitation loans receivable is offset by unearned revenue on the statement of net position.

The SHOP loans are funded through Community Frameworks and provide land acquisition or infrastructure development costs to create affordable housing. Loan repayments are kept in the program for future SHOP loans. The loans receivable is offset by an accounts payable to Community Frameworks.

**INVENTORIES**

Inventories as of June 30, 2014 consist of the following:

Linn-Benton Food Share food	\$ 275,399
USDA commodities food	10,857
Weatherization materials	44,032
Weatherization work in progress	39,556
	<hr/>
<i>Total</i>	<u>\$ 369,844</u>

**COMMUNITY SERVICES CONSORTIUM**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

**CAPITAL ASSETS**

Capital assets activity for the year was as follows:

	<i>Balance July 1, 2013</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance June 30, 2014</i>
<i>Governmental Funds</i>				
Capital assets not being depreciated:				
Land	\$ 983,642	\$ -	\$ -	\$ 983,642
Construction in progress	127,953	-	-	127,953
<i>Total capital assets not being depreciated</i>	<u>1,111,595</u>	<u>-</u>	<u>-</u>	<u>1,111,595</u>
Capital assets being depreciated:				
Furniture and equipment	300,398	-	(13,427)	286,971
Vehicles	532,856	50,532	(27,466)	555,922
LBFS - Warehouse	1,059,490	-	-	1,059,490
Head Start buildings	1,102,850	-	-	1,102,850
Buildings	1,442,538	-	-	1,442,538
<i>Total capital assets being depreciated</i>	<u>4,438,132</u>	<u>50,532</u>	<u>(40,893)</u>	<u>4,447,771</u>
Accumulated depreciation				
Equipment	(240,080)	(18,641)	13,427	(245,294)
Vehicles	(423,251)	(51,500)	27,466	(447,285)
Buildings	(491,035)	(100,644)	-	(591,679)
<i>Total Accumulated depreciation</i>	<u>(1,154,366)</u>	<u>(170,785)</u>	<u>40,893</u>	<u>(1,284,258)</u>
<i>Total capital assets being depreciated, net</i>	<u>3,283,766</u>	<u>(120,253)</u>	<u>-</u>	<u>3,163,513</u>
<i>Capital assets, net</i>	<u>\$ 4,395,361</u>	<u>\$ (120,253)</u>	<u>\$ -</u>	<u>\$ 4,275,108</u>

Depreciation is recognized as an administrative expense.

**COMMUNITY SERVICES CONSORTIUM**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

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**LEASES**

CSC leases office and warehouse space in Corvallis, Albany, Lebanon, Lincoln City, and Newport under noncancellable operating leases. Rental expense under all noncancellable leases for the year ended June 30, 2014 was \$353,923.

The following is a schedule, by fiscal year, of the future minimum rental payments required under these leases as of June 30, 2014. Amounts included in the future minimum rental payments for the offices and warehouses are the gross rents payable. Based on the provisions of these leases, payments shall be reduced by an amount equal to the tax savings by the lessor due to exemption from taxation by reason of the lessee's occupancy. The leases have different termination dates with the longest lease terminating in fiscal year 2016.

<u>Year Ending</u>	
2015	\$ 243,629
2016	59,255
	<hr/>
<i>Total</i>	<u>\$ 302,883</u>

**OTHER PAYABLES**

On March 17, 2005, CSC borrowed \$40,000 from Community Frameworks for the Self-Help Home Ownership (SHOP) program. The loan is non-interest bearing and will be forgiven March 17, 2015 provided CSC complies with the terms of the agreement. \$ 40,000

On May 21, 2010, CSC borrowed \$15,000 from Community Frameworks for the Self-Help Home Ownership (SHOP) program. The loan is non-interest bearing and will be forgiven May 21, 2020 provided CSC complies with the terms of the agreement 15,000

*Total* \$ 55,000

Management's intent for the above payables are to use the funds for affordable housing purposes for ten years, at which time the note payables will be forgiven and the funds generated will remain in CSC's home ownership loan programs.

**COMMUNITY SERVICES CONSORTIUM**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

**FUND BALANCE**

Fund balance classifications for the year ended June 30, 2014 are as follows:

	<i>Emergency Services</i>	<i>Workforce and Education</i>	<i>Linn-Benton Food Share</i>	<i>Housing and Community Resources</i>	<i>Child Development Services</i>	<i>Totals</i>
<b>Restricted for:</b>						
Emergency Services	\$ 408,682	\$ -	\$ -	\$ -	\$ -	\$ 408,682
Workforce and Education	-	156,411	-	-	-	156,411
Linn-Benton Food Share	-	-	1,400,763	-	-	1,400,763
Housing	-	-	-	229,383	-	229,383
Head Start	-	-	-	-	7,037	7,037
	<u>\$ 408,682</u>	<u>\$ 156,411</u>	<u>\$ 1,400,763</u>	<u>\$ 229,383</u>	<u>\$ 7,037</u>	<u>\$ 2,202,276</u>
<b>Assigned to:</b>						
Workforce and Education	\$ -	\$ 8,951	\$ -	\$ -	\$ -	\$ 8,951
Linn-Benton Food Share	-	-	702,544	-	-	702,544
Weatherization	-	-	-	5,372	-	5,372
Head Start	-	-	-	-	45,532	45,532
	<u>\$ -</u>	<u>\$ 8,951</u>	<u>\$ 702,544</u>	<u>\$ 5,372</u>	<u>\$ 45,532</u>	<u>\$ 762,399</u>

**PENSION PLAN**

*Plan Description*

CSC contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the CSC's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. CSC participates in the state and local government rate pool (SLGRP). The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program, the defined benefit portion of the plan, applies to qualifying City employees hired after August 29, 2003, and to inactive employees who return to employment following a six-month or greater break in service.

Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.



**COMMUNITY SERVICES CONSORTIUM**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2014*

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***PENSION PLAN (Continued)***

Both PERS plans provide retirement and disability benefits, post employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to PERS, PO Box 23700, Tigard, OR, 97281-3700 or by calling 503-598-7377.

***Funding Policy***

Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. CSC is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the year ended June 30, 2014 were 12.39% and 9.96% respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

***Annual Pension Cost***

CSC's contributions to PERS for the years ending June 30, 2012, 2013, and 2014 were \$517,369, \$474,564 and \$433,928 respectively, which equaled the required contribution for the year.

***OTHER POST EMPLOYMENT BENEFITS***

CSC implemented Governmental Accounting Standards Board Statement No. 45 (GASB 45), Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions, in fiscal year 2009. To comply with GASB 45, CSC must account for other postemployment benefits (OPEB) using the accrual basis of accounting rather than a pay-as-you-go basis. Under accrual accounting, a liability must be recognized when employees earn OPEB rather than when the benefits are paid. CSC qualifies under the alternative measuring method and therefore is not required to obtain a formal actuarial valuation. No separate financial statement is available.

***Benefit Description***

Until they become eligible for Medicare, CSC allows retirees to continue health insurance coverage for themselves and their qualified dependents at the same rates as active employees, as required by ORS 243.303. Additionally, retirees have the option to continue dental insurance coverage even after becoming eligible for Medicare. Retirees must pay the entire premium in order to maintain coverage; CSC does not directly contribute to the cost of premiums for retirees. However, premiums paid by retirees do not represent the full cost of providing health insurance to retirees because CSC's rates are determined based on claims experience for both active employees and retirees. Since retirees typically have higher medical claims than active employees, medical coverage would be more expensive for retirees in a separately rated health plan. Conversely, active employees would be expected to generate lower medical claims

**COMMUNITY SERVICES CONSORTIUM**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2014

**OTHER POST EMPLOYMENT BENEFITS (Continued)**

rated health plan, resulting in lower premiums. The additional cost of allowing retirees to purchase health insurance at a blended rate is called an implicit rate subsidy and is required to be valued under GASB 45. CSC treats this implicit rate subsidy as a single-employer, defined benefit OPEB plan administered by CSC only to satisfy the accounting and financial reporting requirements of GASB 45, and a separate financial report is not issued.

*Funding Policy*

Retirees pay the entire cost of premiums at blended rates. CSC's only contribution is the implicit rate subsidy which continues to be financed on a pay-as-you-go basis. CSC has not established an irrevocable trust to accumulate assets to fund the cost of the OPEB obligation that arises from the implicit subsidy.

*Annual OPEB Cost and Net OPEB Obligation*

CSC's annual other post-employment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of CSC's annual OPEB cost for the fiscal year ending June 30, 2014, the amount actually contributed to the plans, and changes in CSC's net OPEB obligation:

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Net OPEB obligation - beginning of year	\$ 468,548	\$ 715,949	\$ 1,063,061
Annual required contribution (ARC)	280,662	380,136	487,616
Interest on net OPEB obligation	2,343	3,580	5,741
Amortization adjustment to ARC	(16,774)	(25,631)	(38,273)
Annual OPEB Cost	<u>266,231</u>	<u>358,085</u>	<u>455,084</u>
Contributions made (implicit rate subsidy)	<u>(18,830)</u>	<u>(10,973)</u>	<u>(10,772)</u>
Change in net OPEB obligation	<u>247,401</u>	<u>347,112</u>	<u>444,312</u>
Net OPEB obligation - end of year	<u>\$ 715,949</u>	<u>\$ 1,063,061</u>	<u>\$ 1,507,373</u>
Percentage of annual OPEB cost contributed	7%	3%	2%

**COMMUNITY SERVICES CONSORTIUM**  
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED JUNE 30, 2014

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**OTHER POST EMPLOYMENT BENEFITS (Continued)**

Valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

*Methods and Assumptions*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in accrued liabilities and the value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2014 valuation, the entry age normal actuarial cost method was used. The assumptions included a 0.54% investment rate of return (net of administrative expenses), inflation of 3% and an annual healthcare cost rate of 5.5%. The UAAL is being amortized over an open period of 30 years as a level of projected payroll.

<i>Year Ending</i>	<i>Value of Assets (a)</i>	<i>Accrued Liability (AAL) - Entry Age (b)</i>	<i>Unfunded AAL (UAAL) (b-a)</i>	<i>Funded Ratio (a/b)</i>	<i>Covered Payroll (c)</i>	<i>UAAL as Percentage of Covered Payroll ((b-a)/c)</i>
6/30/2014	\$ -	\$ 2,975,184	\$ 2,975,184	0%	\$ 3,971,935	75%
6/30/2013	-	2,572,418	2,572,418	0%	3,538,350	73%
6/30/2012	-	1,640,563	1,640,563	0%	4,710,091	35%

**COMMITMENTS AND CONTINGENCIES**

Reimbursement claims under federal and state program grants are subject to audit and adjustment by grantor agencies. Any disallowed claims might become a liability of CSC. CSC is aware of no communications from granting agencies regarding the lack of compliance with grant conditions that could result in a liability. There are no asserted or known unasserted claims against CSC that require disclosure or a loss accrual under ASC 450.

**NONMONETARY TRANSACTIONS**

CSC receives donated food from various sources for distribution to those in need. The value is estimated. About 5% of the food distributed is purchased with grant revenue. Revenue is recognized as the food is donated. Expenditures are recognized as the food is distributed.

**COMMUNITY SERVICES CONSORTIUM**  
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED JUNE 30, 2014

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**NONMONETARY TRANSACTIONS (Continued)**

During the year ended June 30, 2014 the following nonmonetary transactions were recorded in the Linn-Benton Food Share Fund:

	<u>USDA</u>	<u>Linn-Benton Food Share</u>	<u>Total</u>
Food received - revenue	\$ 376,158	\$ 8,310,946	\$ 8,687,104
Food distributed - expenditures	377,763	8,269,663	8,647,426
<i>Excess (Deficit) of Nonmonetary Revenues Over Nonmonetary Expenditures</i>	<u>\$ (1,605)</u>	<u>\$ 41,283</u>	<u>\$ 39,678</u>

**RISK MANAGEMENT**

CSC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. CSC carries commercial insurance for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**CONSTRUCTION OF LINCOLN COUNTY BUILDING**

CSC, in conjunction with Lincoln County, has been in the process of raising funds to construct a Head Start facility in Newport, Oregon for several years. A Community Development Block Grant (CDBG) of \$800,000 awarded to Lincoln County is the largest single source of funds. In July 2008, the proposed costs of a Request for Proposal (RFP) for construction came in considerably higher than expected, leaving an approximate \$275,000 shortfall in funding.

After considering various alternatives for funding, Lincoln County, as the sponsor of the CDBG grant and the county in which the facility will be located, offered to loan CSC the funds to complete construction. Terms and conditions of this loan are still being worked out, however, the full Governing Board accepted Lincoln County's loan offer as the lowest cost alternative to ensure timely completion of construction of the facility. Construction was completed and the building has been occupied since 2010. The proposed loan amount is approximately \$325,000 as the final amounts and terms and conditions of the loan from Lincoln County are still being determined.

**NEW PRONOUNCEMENTS**

GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities." The statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The statement was implemented in the current year.

***NEW PRONOUNCEMENTS (Continued)***

GASB Statement No. 70 “Accounting and Financial Reporting for Nonexchange Financial Guarantees.” The statement provides guidance on accounting for and reporting nonexchange financial guarantees. The statement was implemented in the current year.

CSC will implement new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements from implementing any of the pronouncements.

GASB Statement No. 68 “Accounting and Reporting for Pension Plans—an amendment of GASB Statement No. 27.” The statement establishes accounting and financial reporting requirements related to pensions provided by governments. The statement is effective for fiscal years beginning after June 15, 2014.

GASB Statement No. 69 “Government Combinations and Disposals of Operations.” The statement provides guidance on accounting for and reporting government mergers, acquisitions, transfers of operations and disposal. The statement is effective for fiscal years beginning after December 15, 2013.

GASB Statement No. 71 “Pension Transition for Contributions Made Subsequent to the Measurement Date”. The statement amends transition provisions of GASB Statement No. 68, establishes accounting and financial reporting standards for recognition of contributions made between the measurement date of the net pension liability and implementation of GASB Statement No. 68. The statement is effective for fiscal years beginning after June 15, 2014.

***EXTRAORDINARY ITEM – TRANSFER TO COMMUNITY HOUSING SERVICES***

During FY13, CSC was notified by the Oregon Economic Development Department, (now known as Business Oregon), that Community Housing Services needed to alter the Governing Board structure to continue to be eligible to administrate Community Development Block Grant (CDBG) matter. The services currently provided by Community Housing Services (CHS) to municipalities include grant administration for the housing rehabilitation grants - existing and prospective, as well as being the recipient of loan repayments to de-federalize the loans made under the program for low income households. The required change in governance was that no more than 50% of the Board of Directors of the non-profit 501(c)(3) entity could be members of governmental organization. The CSC Governing Board initiated this change, appointing 4 more non-governmental directors to the CHS board and transferring the municipal loan receivable portfolios to the independent non-profit in FY14. The extraordinary item shown in the financial statements represents that transfer of assets from CSC to CHS. CSC now treats all CHS activity in a fiduciary capacity and as a fiduciary fund.

***SUBSEQUENT EVENTS***

Management has evaluated subsequent events through December 23, 2014, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

***REQUIRED SUPPLEMENTAL INFORMATION***

**COMMUNITY SERVICES CONSORTIUM**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2014**

	<u>Original Budget*</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>	\$ 22,414,169	\$ 23,153,498	\$ 20,975,367	\$ (2,178,131)
<b>EXPENDITURES</b>				
Personal services	5,540,730	6,698,139	5,781,384	916,755
Materials and services	16,864,799	16,391,719	14,916,816	1,474,903
Capital outlay	8,640	63,640	50,532	13,108
<i>Total Expenditures</i>	<u>22,414,169</u>	<u>23,153,498</u>	<u>20,748,732</u>	<u>2,404,766</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	226,635	226,635
<b>TRANSFER TO CHS</b>	-	-	(493,983)	-
<b>FUND BALANCE, Beginning of year</b>	<u>-</u>	<u>-</u>	<u>3,923,007</u>	<u>3,923,007</u>
<b>FUND BALANCE, End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,655,659</u>	<u>\$ 4,149,642</u>

\* The adopted budget is on a modified accrual basis of accounting and is adopted at the agency-wide level.

***OTHER SUPPLEMENTAL INFORMATION***



**COMMUNITY SERVICES CONSORTIUM****COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
EMERGENCY SERVICES**

YEAR ENDED JUNE 30, 2014

	<b>Revenues</b>				<b>Total Revenues</b>
	<b>Beginning Fund Balance</b>	<b>Operating Grants/ Contributions</b>	<b>Fees for Service</b>	<b>Other</b>	
CSBG	\$ -	\$ 68,718	\$ -	\$ -	\$ 68,718
Consumer Power	15,567	1,805	-	-	1,805
Rural Benton County - Energy	-	5,000	-	-	5,000
GAS Assistance Program	11,512	370	-	-	370
LIHEAP Energy Assistance	-	1,933,110	-	-	1,933,110
LIHEAP Client Education	-	99,921	-	-	99,921
LIHEAP WX EE	-	23,701	-	-	23,701
LIHEAP Leverage	-	44,007	-	-	44,007
Oregon Energy Assistance (OEA)	-	1,015,903	-	-	1,015,903
OR Low Income Gas Assistance	26,521	81,419	-	-	81,419
Oregon Heat	54,048	10,420	-	-	10,420
SOS	18,260	15,628	-	-	15,628
BPA Energy Ed	-	38,407	-	-	38,407
Echo Energy Ed	-	31,185	-	-	31,185
NW Natural Gas - Workshops	58,065	-	-	-	-
NW Natural Dwelling Inspection	29,234	-	-	-	-
Albany Water Assistance Program	23,133	3,675	-	-	3,675
Continuum of Care IV	-	75,440	-	-	75,440
Continuum of Care - HUD - Lincoln	-	-	-	-	-
SHP - C of C - Project Passport	1	47,964	-	-	47,964
Continuum of Care - LBHA SH1	-	107,391	-	-	107,391
City of Corvallis	-	-	-	-	-
Miscellaneous Donations	4,836	1,276	-	-	1,276
Miscellaneous Housing Grants	1,923	-	-	750	750
Miscellaneous Energy Assistance	13,457	-	-	-	-
Reach FFS	12,271	2	-	-	2
EHA Emergency Housing	-	198,776	-	-	198,776
MMT Warming Centers	-	26,000	-	-	26,000
ESGP - 12	-	103,513	-	-	103,513
HOME TBA	-	151,821	-	-	151,821
SVDP - VA Support Services	-	100,486	-	-	100,486
HSP - Housing Stabilization	-	31,053	-	-	31,053
LIRHF - Low Inc. Rental Housing	-	16,782	-	-	16,782
Pelican Place - Supportive Housing	-	30,946	-	-	30,946
Pelican Place - Rental	56,834	-	78,938	1,370	80,308
Pelican Place - Rental Reserve	36,018	-	-	-	-
SHAP	-	72,146	-	-	72,146
Tern House - Supportive Housing	-	7,139	-	-	7,139
Tern House - Rental	46,749	-	35,876	254	36,130
Tern House - Rental Reserve	13,955	-	-	-	-
<b>Total</b>	<b>\$ 422,384</b>	<b>\$ 4,344,004</b>	<b>\$ 114,814</b>	<b>\$ 2,374</b>	<b>\$ 4,461,192</b>

***Expenditures***

<b><i>Administration</i></b>	<b><i>Program</i></b>	<b><i>Total Expenditures</i></b>	<b><i>Net Change in Fund Balance</i></b>	<b><i>Transfers</i></b>	<b><i>Ending Fund Balance</i></b>
\$ 10,279	\$ 58,439	\$ 68,718	\$ -	\$ -	\$ -
-	111	111	1,694	-	17,261
-	4,184	4,184	816	-	816
-	-	-	370	-	11,882
141,998	1,791,112	1,933,110	-	-	-
3,827	96,094	99,921	-	-	-
-	23,701	23,701	-	-	-
-	44,007	44,007	-	-	-
102,057	913,846	1,015,903	-	-	-
25,422	55,997	81,419	-	-	26,521
576	9,844	10,420	-	-	54,048
-	19,569	19,569	(3,941)	-	14,319
5,541	32,866	38,407	-	-	-
527	30,658	31,185	-	-	-
-	-	-	-	-	58,065
-	152	152	(152)	-	29,082
-	17	17	3,658	-	26,791
5,074	70,366	75,440	-	-	-
-	-	-	-	-	-
1,128	46,837	47,965	(1)	-	-
-	107,391	107,391	-	-	-
-	-	-	-	-	-
768	2,214	2,982	(1,706)	-	3,130
-	1,558	1,558	(808)	-	1,115
-	6,891	6,891	(6,891)	-	6,566
-	170	170	(168)	-	12,103
22,363	176,413	198,776	-	-	-
-	26,000	26,000	-	-	-
2,596	100,917	103,513	-	-	-
751	151,070	151,821	-	-	-
9,059	91,427	100,486	-	-	-
2,966	28,087	31,053	-	-	-
-	16,782	16,782	-	-	-
-	30,946	30,946	-	-	-
5,852	57,665	63,517	16,791	(10,008)	63,617
-	-	-	-	10,008	46,026
8,168	63,978	72,146	-	-	-
-	7,139	7,139	-	-	-
5,852	52,642	58,494	(22,364)	(2,872)	21,513
-	-	-	-	2,872	16,827
<b>\$ 354,804</b>	<b>\$ 4,119,090</b>	<b>\$ 4,473,894</b>	<b>\$ (12,702)</b>	<b>\$ -</b>	<b>\$ 409,682</b>

**COMMUNITY SERVICES CONSORTIUM****COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
WORKFORCE AND EDUCATION  
YEAR ENDED JUNE 30, 2014**

	<b>Revenues</b>				
	<b>Beginning Fund Balance</b>	<b>Operating Grants/ Contributions</b>	<b>Fees for Service</b>	<b>Other</b>	<b>Total Revenues</b>
CSBG	\$ -	\$ 33,441	\$ -	\$ -	\$ 33,441
DCS Administration	8,109	-	-	-	-
Garden Gnome Run	1,290	100	-	10,261	10,361
DCS Residuals	15,748	-	-	-	-
Adult Miscellaneous	3,876	-	-	-	-
Vanguard - Youth Garden	-	3,000	-	-	3,000
Benton Learning Center	9,826	1,126	-	-	1,126
Fee for Service	37,050	39,082	81,560	392	121,034
Independent Living Program	-	126,693	-	-	126,693
OYCC - LRO	-	16,500	-	-	16,500
OYCC - CRO Projects	-	16,500	-	-	16,500
OYCC - NRO	-	16,500	-	-	16,500
OYCC BLM Yaquina Head Proj	-	5,000	-	-	5,000
OYCC Benton Comm Stewardship	-	16,200	-	-	16,200
OYCC Lincoln Comm Stewardship	-	16,400	-	-	16,400
OYCC Marine Board Lincoln-Summer	-	10,000	-	-	10,000
OYCC Youthbuild School Year	-	14,772	-	-	14,772
Weatherization Training PGM	18,377	-	28,781	-	28,781
JOBS	-	165,029	-	-	165,029
Back To Work Oregon	-	142,203	-	-	142,203
Brock Home	586	-	-	-	-
Edith Stewart Grant	9,778	-	-	-	-
Youthbuild Donations	4,168	3,200	-	-	3,200
YB Americorp 2013-2014	-	13,465	-	-	13,465
YB Americorp 2012-2013	-	25,601	-	-	25,601
Youthbuild FFS Construction	-	-	-	11,382	11,382
Youthbuild Fee for Service	4,693	3,000	-	14,950	17,950
Lincoln County Charter School	66,656	503	303,658	-	304,161
Lincoln County Youth Comm. Const.	-	500	-	-	500
Mid Coast Watershed Council	-	-	-	8,079	8,079
Lincoln County Youth - Donations	3,075	3,879	-	-	3,879
Oregon Watershed Enhancement	-	25,000	-	-	25,000
WIA Adult	-	583,828	-	-	583,828
WIA Youth	16,692	644,538	-	-	644,538
WIA Student Enterprises	(16,692)	-	-	4,500	4,500
WIA Dislocated Worker	(1)	589,618	-	-	589,618
WIB-CWRC	-	5,629	-	-	5,629
Local Sector Strategy	-	6,898	-	-	6,898
WIA Local Admin Activities	-	147,382	-	-	147,382
WIA High Concentration Youth	-	9,295	-	-	9,295
WIA Incentives	-	3,257	-	-	3,257
Juan Young Trust - Helps NRO	1,771	-	-	-	-
Spirit Mountain Community Fund	1,892	-	-	-	-
James Standard Family Foundation	2,587	5,001	-	-	5,001
Benton County Foundation- Youth Careers	-	4,520	-	-	4,520
<b>Total</b>	<b>\$ 189,481</b>	<b>\$ 2,697,660</b>	<b>\$ 413,999</b>	<b>\$ 49,564</b>	<b>\$ 3,161,223</b>

**Expenditures**

<u>Administration</u>	<u>Program</u>	<u>Total Expenditures</u>	<u>Net Change in Fund Balance</u>	<u>Transfers</u>	<u>Ending Fund Balance</u>
\$ -	\$ 33,441	\$ 33,441	\$ -	\$ -	\$ -
-	-	-	-	(8,109)	-
-	5,288	5,288	5,073	-	6,363
-	-	-	-	-	15,748
-	-	-	-	-	3,876
-	3	3	2,997	-	2,997
2	419	421	705	-	10,531
10,499	86,167	96,666	24,368	-	61,418
12,659	114,034	126,693	-	-	-
1,650	14,850	16,500	-	-	-
1,650	14,850	16,500	-	-	-
1,650	14,850	16,500	-	-	-
500	4,500	5,000	-	-	-
1,620	14,580	16,200	-	-	-
1,640	14,760	16,400	-	-	-
1,000	9,000	10,000	-	-	-
1,477	13,295	14,772	-	-	-
3,100	28,548	31,648	(2,867)	-	15,510
16,499	148,500	164,999	30	-	30
11,976	130,228	142,204	(1)	-	(1)
-	586	586	(586)	-	-
-	9,778	9,778	(9,778)	-	-
-	2,189	2,189	1,011	-	5,179
673	12,792	13,465	-	-	-
1,281	24,320	25,601	-	-	-
1,138	10,243	11,381	1	-	1
2,321	20,322	22,643	(4,693)	-	-
30,346	291,373	321,719	(17,558)	-	49,098
-	-	-	500	-	500
2,423	5,656	8,079	-	-	-
-	3,940	3,940	(61)	-	3,014
2,273	22,727	25,000	-	-	-
85,335	498,492	583,827	1	-	1
41,063	592,752	633,815	10,723	-	27,415
-	15,223	15,223	(10,723)	-	(27,415)
89,163	500,455	589,618	-	-	(1)
514	5,115	5,629	-	-	-
1,653	5,245	6,898	-	-	-
145,104	2,278	147,382	-	-	-
-	9,295	9,295	-	-	-
-	3,257	3,257	-	-	-
-	-	-	-	-	1,771
-	1,892	1,892	(1,892)	-	-
516	7,072	7,588	(2,587)	-	-
452	4,068	4,520	-	-	-
<u>\$ 470,177</u>	<u>\$ 2,696,383</u>	<u>\$ 3,166,560</u>	<u>\$ (5,337)</u>	<u>\$ (8,109)</u>	<u>\$ 176,035</u>

**COMMUNITY SERVICES CONSORTIUM****COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****LINN-BENTON FOOD SHARE**

YEAR ENDED JUNE 30, 2014

	<b>Revenues</b>			
	<b>Beginning Fund Balance</b>	<b>Operating Grants/ Contributions</b>	<b>Other</b>	<b>Total Revenues</b>
CSBG	\$ -	\$ 72,175	\$ -	\$ 72,175
Linn-Benton Food Share	1,649,446	9,013,314	283,197	9,296,511
Oregon Hunger Response Fund	-	34,436	-	34,436
USDA Cash for Commodities	-	26,891	-	26,891
USDA Commodity Foods*	(10,399)	376,158	-	376,158
Benton County	-	22,000	-	22,000
Linn County	-	17,100	-	17,100
City of Corvallis	-	35,695	-	35,695
SL Gimbel Foundation	-	10,000	-	10,000
Trust Management Services	-	10,000	-	10,000
Miscellaneous Grants	139,837	57,239	-	57,239
Warehouse Building Fund	76,435	-	-	-
Warehouse Expansion Reserve	240,398	50,942	-	50,942
Food Recovery	67,063	44,845	-	44,845
LBFS Truck Reserve	13,639	-	-	-
SHAP	-	10,816	-	10,816
<b>Total</b>	<b>\$ 2,176,419</b>	<b>\$ 9,781,611</b>	<b>\$ 283,197</b>	<b>\$ 10,064,808</b>

\*Note: The negative fund balance reflects a decrease in the amount and value of the USDA commodities.

<i>Expenditures</i>						
<i>Administration</i>	<i>Food Programs</i>	<i>Total Expenditures</i>	<i>Net Change in Fund Balance</i>	<i>Transfers</i>	<i>Ending Fund Balance</i>	
\$ 4,761	\$ 67,414	\$ 72,175	\$ -	\$ -	\$ -	
52,603	9,080,354	9,132,957	163,554	(5,000)	1,808,000	
1,071	33,365	34,436	-	-	-	
-	26,891	26,891	-	-	-	
-	377,763	377,763	(1,605)	-	(12,004)	
4,200	17,800	22,000	-	-	-	
3,805	13,295	17,100	-	-	-	
4,761	30,934	35,695	-	-	-	
-	10,000	10,000	-	-	-	
-	-	-	10,000	-	10,000	
332	44,882	45,214	12,025	-	151,862	
-	-	-	-	5,000	81,435	
-	15	15	50,927	-	291,325	
-	53,102	53,102	(8,257)	-	58,806	
-	13,500	13,500	(13,500)	-	139	
1,428	9,388	10,816	-	-	-	
<b>\$ 72,961</b>	<b>\$ 9,778,703</b>	<b>\$ 9,851,664</b>	<b>\$ 213,144</b>	<b>\$ -</b>	<b>\$ 2,389,563</b>	

**COMMUNITY SERVICES CONSORTIUM****COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****HOUSING AND COMMUNITY RESOURCES**

YEAR ENDED JUNE 30, 2014

	<i>Revenues</i>				
	<i>Beginning Fund Balance</i>	<i>Operating Grants/ Contributions</i>	<i>Fees for Service</i>	<i>Other</i>	<i>Total Revenues</i>
Housing Project Dev.	\$ (18,558)	\$ -	\$ -	\$ -	\$ -
Affordable Housing	(58,733)	-	-	-	-
Land Acquisition and Development	167,443	-	-	-	-
Community Land Trust	-	-	15,601	-	15,601
Pelican Place - Foundations	(76,072)	-	-	-	-
Community Housing Services	1,323	-	-	-	-
RCAC HSG Counseling FFY12	-	1,306	-	-	1,306
Home Owner Asist Prg	18,000	3,354	-	-	3,354
NFMC - National Foreclosure Counseling	-	3,654	-	-	3,654
Self-Help Housing Ownership	27,614	-	-	30,000	30,000
SHOP - HPG Linn Match	21,262	-	-	-	-
SHOP Match - HPG Lincoln 2012	(156)	-	-	-	-
OAHAC MORTG PYMT Assistance	57,814	69,725	-	-	69,725
OHCS Pre-Mediation Foreclosure	-	14,050	-	-	14,050
RD HPG - USDA 2011	-	6,582	-	-	6,582
CSC Reloaned Proceeds	23,873	-	-	-	-
RD HPG - 2012 Lincoln	-	34,691	-	-	34,691
Lincoln County Land Trust - Financial	12,265	14,370	-	148,368	162,738
Loan Repayment - CSC as Grantee	(18,047)	-	-	-	-
LIHEAP WX	-	242,179	-	-	242,179
BPA WX 12	-	210,595	-	-	210,595
DOE FY11 WX	-	144,786	-	-	144,786
ECHO WX	-	516,787	-	-	516,787
Duke El Paso Wx	-	4,535	-	-	4,535
Rebates - Fee for Service	-	8,252	-	-	8,252
OR Low Income Energy Efficiency	-	-	69,723	-	69,723
CLPUD	1,540	-	47,625	1,534	49,159
Misc Revenue - Housing	-	2,000	-	444	2,444
Misc Revenue Weatherization	6,800	-	-	3,357	3,357
<i>Total</i>	<u>\$ 166,368</u>	<u>\$ 1,276,866</u>	<u>\$ 132,949</u>	<u>\$ 183,703</u>	<u>\$ 1,593,518</u>
<b><i>Transferred to Community Housing Services</i></b>					
Lincoln Regional Loan Fund	\$ 44,651	\$ -	\$ -	\$ -	\$ -
Linn Benton Revolving Loan	199,975	-	-	-	-
Adair Village CDBG	18,209	-	-	-	-
City of Toledo CDBG	29,846	-	-	-	-
Lincoln County CDBG 06	(58)	-	-	-	-
City of Newport CDBG	201,360	-	-	-	-
<i>Total Transferred to Community Housing Services</i>	<u>\$ 493,983</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Expenditures**

<u>Administration</u>	<u>Weatherization</u>	<u>Housing Rehabilitation</u>	<u>Total Expenditures</u>	<u>Net Change in Fund Balance</u>	<u>Transfers</u>	<u>Ending Fund Balance</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (18,558)
-	-	4,007	4,007	(4,007)	-	(62,740)
-	-	-	-	-	-	167,443
148	-	14,546	14,694	907	-	907
-	-	-	-	-	-	(76,072)
-	-	-	-	-	-	1,323
-	-	1,306	1,306	-	-	-
-	-	3,354	3,354	-	-	18,000
-	-	3,654	3,654	-	-	-
-	-	-	-	30,000	-	57,614
9	-	1,739	1,748	(1,748)	-	19,514
-	-	-	-	-	-	(156)
13,212	-	111,167	124,379	(54,654)	-	3,160
3,816	-	10,234	14,050	-	-	-
9	-	6,573	6,582	-	-	-
-	-	-	-	-	-	23,873
21	-	34,670	34,691	-	-	-
-	-	160,324	160,324	2,414	-	14,679
-	-	-	-	-	-	(18,047)
14,633	227,547	-	242,180	(1)	-	(1)
10,594	200,001	-	210,595	-	-	-
13,609	131,178	-	144,787	(1)	-	(1)
39,446	477,341	-	516,787	-	-	-
-	4,535	-	4,535	-	-	-
9,507	-	-	9,507	(1,255)	6,627	5,372
6,750	62,973	-	69,723	-	-	-
-	44,975	-	44,975	4,184	(5,724)	-
-	-	-	-	2,444	-	2,444
8,000	1,254	-	9,254	(5,897)	(903)	-
<u>\$ 119,754</u>	<u>\$ 1,149,804</u>	<u>\$ 351,574</u>	<u>\$ 1,621,132</u>	<u>\$ (27,614)</u>	<u>\$ -</u>	<u>\$ 138,754</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ (44,651)	\$ -
-	-	-	-	-	(199,975)	-
-	-	-	-	-	(18,209)	-
-	-	-	-	-	(29,846)	-
-	-	-	-	-	58	-
-	-	-	-	-	(201,360)	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (493,983)</u>	<u>\$ -</u>



**COMMUNITY SERVICES CONSORTIUM**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**

**CHILD DEVELOPMENT SERVICES**

**YEAR ENDED JUNE 30, 2014**

---

	<i>Revenues</i>		
	<i>Beginning Fund Balance</i>	<i>Operating Grants/ Contributions</i>	<i>Total Revenues</i>
Head Start Oregon Pre K	\$ -	\$ 504,754	\$ 504,754
Head Start Building Repair	871	-	-
Miscellaneous Donations	1,366	4,800	4,800
Head Start HHS 10/12 - 9/13	-	172,063	172,063
Head Start HHS 10/13 - 9/14	-	769,599	769,599
Subtotal	2,237	1,451,216	1,451,216
Head Start in Lincoln County - 501(c)(3)	44,610	1,627	1,627
<i>Total</i>	<u>\$ 46,847</u>	<u>\$ 1,452,843</u>	<u>\$ 1,452,843</u>

<i>Expenditures</i>					
<i>Administration</i>	<i>Program</i>	<i>Total Expenditures</i>	<i>Net Change in Fund Balance</i>	<i>Transfers</i>	<i>Ending Fund Balance</i>
\$ 68,146	\$ 436,608	\$ 504,754	\$ -	\$ -	\$ -
-	-	-	-	-	871
-	-	-	4,800	-	6,166
27,387	144,676	172,063	-	-	-
126,394	643,205	769,599	-	-	-
221,927	1,224,489	1,446,416	4,800	-	7,037
662	43	705	922	-	45,532
\$ 222,589	\$ 1,224,532	\$ 1,447,121	\$ 5,722	\$ -	\$ 52,569

**COMMUNITY SERVICES CONSORTIUM**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
MISCELLANEOUS GRANTS  
YEAR ENDED JUNE 30, 2014**

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	<u>Revenues</u>		
	<u>Beginning Fund Balance</u>	<u>Operating Grants</u>	<u>Total Revenues</u>
CSBG Resource Development	\$ -	\$ 80,489	\$ 80,489
Cover Oregon	-	53,656	53,656
<i>Total</i>	<u>\$ -</u>	<u>\$ 134,145</u>	<u>\$ 134,145</u>

---

<i>Expenditures</i>					
<i>Administration</i>	<i>Miscellaneous Programs</i>	<i>Total Expenditures</i>	<i>Net Change in Fund Balance</i>	<i>Transfers</i>	<i>Ending Fund Balance</i>
\$ 9,159	\$ 71,330	\$ 80,489	\$ -	\$ -	\$ -
5,749	47,907	53,656	-	-	-
<u>\$ 14,908</u>	<u>\$ 119,237</u>	<u>\$ 134,145</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COMMUNITY SERVICES CONSORTIUM**  
**COMBINING SCHEDULE OF NET POSITION – FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2014**

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	<i>Lincoln Regional Loan Fund</i>	<i>Linn Benton Revolving Loan</i>	<i>Adair Village CDBG</i>	<i>Lincoln City CDBG</i>	<i>City of Toledo CDBG</i>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>ASSETS</b>					
Cash and investments	\$ 15,418	\$ 159,570	\$ 18,209	\$ -	\$ 29,846
Loans receivable	681,417	487,022	70,387	502,886	174,273
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	<u>\$ 696,835</u>	<u>\$ 646,592</u>	<u>\$ 88,596</u>	<u>\$ 502,886</u>	<u>\$ 204,119</u>
<b>LIABILITIES</b>					
Due to Community Housing Services	\$ 696,835	\$ 646,592	\$ 88,596	\$ 502,886	\$ 204,119
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total Liabilities</i>	<u>\$ 696,835</u>	<u>\$ 646,592</u>	<u>\$ 88,596</u>	<u>\$ 502,886</u>	<u>\$ 204,119</u>

<i>Waldport CDBG</i>	<i>Benton County CDBG</i>	<i>Lincoln County CDBG</i>	<i>City of Newport CDBG</i>	<i>City of Albany CDBG</i>	<i>City of Lyons CDBG</i>	<i>Trust Management</i>	<i>Total Fidiciary Funds</i>
\$ -	\$ -	\$ (58)	\$ 167,850	\$ -	\$ -	\$ 10,000	\$ 400,835
172,288	771,469	497,740	595,013	774,532	64,738	-	4,791,765
<u>\$ 172,288</u>	<u>\$ 771,469</u>	<u>\$ 497,682</u>	<u>\$ 762,863</u>	<u>\$ 774,532</u>	<u>\$ 64,738</u>	<u>\$ 10,000</u>	<u>\$ 5,192,600</u>
\$ 172,288	\$ 771,469	\$ 497,682	\$ 762,863	\$ 774,532	\$ 64,738	\$ 10,000	\$ 5,192,600
<u>\$ 172,288</u>	<u>\$ 771,469</u>	<u>\$ 497,682</u>	<u>\$ 762,863</u>	<u>\$ 774,532</u>	<u>\$ 64,738</u>	<u>\$ 10,000</u>	<u>\$ 5,192,600</u>

**COMMUNITY SERVICES CONSORTIUM****COMBINING SCHEDULE OF CHANGES IN NET POSITION – FIDUCIARY FUNDS****YEAR ENDED JUNE 30, 2014**

	<i>Lincoln Regional Loan Fund</i>	<i>Linn Benton Revolving Loan</i>	<i>Adair Village CDBG</i>	<i>Lincoln City CDBG</i>	<i>City of Toledo CDBG</i>
Other resources	\$ 503,275	\$ 408,685	\$ 87,941	\$ 535,190	\$ 174,273
Fund Balance - Prior Year	44,651	199,975	18,209	-	29,846
<i>Balance July 1, 2013</i>	547,926	608,660	106,150	535,190	204,119
<b>Additions</b>					
Transfers in	94,474	61,651	-	-	-
Other additions	87,158	1,012	-	-	-
Loan repayments	7,997	91	-	-	-
	189,629	62,754	-	-	-
<b>Deductions</b>					
Transfers out	-	-	17,554	32,304	-
Other deductions	32,020	24,731	-	-	-
New amounts made available to loan	8,700	91	-	-	-
	40,720	24,822	17,554	32,304	-
<i>Balance June 30, 2014</i>	<u>\$ 696,835</u>	<u>\$ 646,592</u>	<u>\$ 88,596</u>	<u>\$ 502,886</u>	<u>\$ 204,119</u>

<i><b>Waldport CDBG</b></i>	<i><b>Benton County CDBG</b></i>	<i><b>Lincoln County CDBG</b></i>	<i><b>City of Newport CDBG</b></i>	<i><b>City of Albany CDBG</b></i>	<i><b>City of Lyons CDBG</b></i>	<i><b>Trust Management</b></i>	<i><b>Total Fidiciary Funds</b></i>
\$ 172,288	\$ 774,140	\$ 533,772	\$ 595,678	\$ 815,958	\$ 64,738	\$ -	\$4,665,938
-	-	(58)	201,360	-	-	-	493,983
172,288	774,140	533,714	797,038	815,958	64,738	-	5,159,921
-	-	-	-	-	-	-	156,125
-	-	580	1,382	-	-	10,000	100,132
-	-	(580)	1,139	-	-	-	8,647
-	-	-	2,521	-	-	10,000	264,904
-	2,671	36,032	26,138	41,426	-	-	156,125
-	-	-	10,558	-	-	-	67,309
-	-	-	-	-	-	-	8,791
-	2,671	36,032	36,696	41,426	-	-	232,225
<u>\$ 172,288</u>	<u>\$ 771,469</u>	<u>\$ 497,682</u>	<u>\$ 762,863</u>	<u>\$ 774,532</u>	<u>\$ 64,738</u>	<u>\$ 10,000</u>	<u>\$5,192,600</u>



***STATISTICAL SECTION***

# COMMUNITY SERVICES CONSORTIUM (CSC)

## Statistical Section

*This part of Community Services Consortium's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the CSC's overall financial health.*

### Contents

#### **Financial Trends**

*These schedules contain trend information to help the reader understand how CSC's financial performance and well-being have changed over time.*

#### **Revenue Capacity**

*These schedules contain information to help the reader assess CSC's most significant revenue source, which is derived from grants.*

#### **Demographic and Economic Information**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which CSC's financial activities take place.*

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

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***STATISTICAL SECTION***

***FINANCIAL TRENDS***

**COMMUNITY SERVICES CONSORTIUM**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS - UNAUDITED**  
*(accrual basis of accounting)*

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	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental Activities					
Investment in capital assets	\$ 4,275,108	\$ 4,395,361	\$ 4,534,314	\$ 3,786,264	\$ 3,771,555
Restricted	2,202,276	2,709,696	2,392,488	2,272,834	2,622,005
Unrestricted	<u>(53,990)</u>	<u>150,250</u>	<u>908,667</u>	<u>709,898</u>	<u>276,097</u>
Total Net Position	<u>\$ 6,423,394</u>	<u>\$ 7,255,307</u>	<u>\$ 7,835,469</u>	<u>\$ 6,768,996</u>	<u>\$ 6,669,657</u>

Financial trend schedule: Net position by component is intended to provide the user with summary data to analyze changes in the components of net position.

Accompanying schedule: Changes in net position provides user with additional detail for analytical purposes.

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<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 3,221,558	\$ 1,733,160	\$ 1,808,644	\$ 1,389,081	\$ 1,430,658
2,709,156	3,024,848	2,360,859	2,028,832	1,625,529
<u>262,130</u>	<u>248,723</u>	<u>255,194</u>	<u>207,550</u>	<u>193,327</u>
<u>\$ 6,192,844</u>	<u>\$ 5,006,731</u>	<u>\$ 4,424,697</u>	<u>\$ 3,625,463</u>	<u>\$ 3,249,514</u>

**COMMUNITY SERVICES CONSORTIUM**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS - UNAUDITED**  
*(accrual basis of accounting)*

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Expenses</b>				
Governmental activities:				
Workforce and education	\$ 2,674,387	\$ 2,575,053	\$ 3,108,337	\$ 5,278,519
Weatherization	1,149,804	1,335,908	3,224,953	2,282,750
Emergency services	4,119,090	4,136,330	4,711,932	5,517,482
Housing rehabilitation**	351,574	727,252	802,144	1,423,212
Child development services	1,224,532	1,323,522	1,311,282	1,173,940
Food programs	9,750,167	9,072,553	9,543,203	7,905,891
Retired and senior volunteers*	-	129,238	130,727	190,533
Miscellaneous programs	119,237	163,707	281,131	234,806
Administration	1,924,508	2,066,891	2,218,087	2,245,267
Total governmental activities expenses	<u>21,313,299</u>	<u>21,530,454</u>	<u>25,331,796</u>	<u>26,252,400</u>
<b>Program Revenues</b>				
Governmental activities:				
Grants and contracts	20,551,517	20,029,785	25,460,982	25,217,647
Charges for services	416,373	909,850	912,288	1,125,963
General revenues:				
Interest	7,479	10,657	11,833	6,627
Sales of house and other assets	-	-	13,166	1,500
Total governmental activities program revenues	<u>20,975,369</u>	<u>20,950,292</u>	<u>26,398,269</u>	<u>26,351,737</u>
<b>Extraordinary Item - transfer to CHS</b>	<u>(493,983)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Change in Net Position</b>	<u>\$ (831,913)</u>	<u>\$ (580,162)</u>	<u>\$ 1,066,473</u>	<u>\$ 99,337</u>

\*The Retired and senior volunteers program ended in FY13

\*\*Community Housing Services moved to a fiduciary type fund in FY14

Financial trend schedule: Changes in Net Position is intended to provide the user with detailed information related to net position activities and changes in those activities.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 6,441,682	\$ 4,403,039	\$ 4,676,578	\$ 5,578,603	\$ 5,813,186	\$ 5,161,745
2,033,711	1,344,917	884,679	854,264	1,030,992	983,601
5,993,035	4,886,597	3,544,412	3,043,521	2,861,134	3,149,305
1,300,741	1,398,821	1,410,755	1,412,293	1,255,650	1,614,365
1,596,804	1,401,874	1,613,622	1,376,038	1,230,250	1,028,853
8,337,625	8,394,943	7,997,334	8,652,019	7,868,476	7,671,270
207,425	214,813	183,752	-	-	-
376,920	172,454	241,844	187,082	10,792	5,687
<u>2,237,542</u>	<u>2,165,064</u>	<u>1,303,150</u>	<u>915,494</u>	<u>1,548,086</u>	<u>1,565,015</u>
<u>28,525,485</u>	<u>24,382,522</u>	<u>21,856,126</u>	<u>22,019,314</u>	<u>21,618,566</u>	<u>21,179,841</u>
27,850,884	24,290,332	21,625,431	21,524,612	21,041,139	19,976,456
1,138,336	1,255,349	772,544	1,137,549	944,486	1,098,952
13,078	22,948	40,185	38,127	8,890	9,791
<u>-</u>	<u>-</u>	<u>-</u>	<u>118,264</u>	<u>-</u>	<u>-</u>
<u>29,002,298</u>	<u>25,568,629</u>	<u>22,438,160</u>	<u>22,818,552</u>	<u>21,994,515</u>	<u>21,085,199</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 476,813</u>	<u>\$ 1,186,107</u>	<u>\$ 582,034</u>	<u>\$ 799,238</u>	<u>\$ 375,949</u>	<u>\$ (94,642)</u>

**COMMUNITY SERVICES CONSORTIUM**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS - UNAUDITED**  
*(modified accrual basis of accounting)*

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	11,939	13,608	20,644	10,423
Unassigned	477,117	413,917	361,590	285,203
Total general fund	<u>489,056</u>	<u>427,525</u>	<u>382,234</u>	<u>295,626</u>
All Other Governmental Funds				
Reserved, reported in:				
Special revenue funds	-	-	-	-
Nonspendable	381,517	318,499	432,723	345,088
Restricted	2,202,276	2,709,696	2,392,488	2,272,834
Assigned	762,399	644,842	809,659	537,832
Unassigned	(179,589)	(177,555)	-	(100)
Total all other governmental funds	<u>3,166,603</u>	<u>3,495,482</u>	<u>3,634,870</u>	<u>3,155,654</u>
Total Fund Balance	<u>\$ 3,655,659</u>	<u>\$ 3,923,007</u>	<u>\$ 4,017,104</u>	<u>\$ 3,451,280</u>

This schedule was modified with the implementation of GASB Statement No. 54, which occurred June 30, 2011.



<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 14,443	\$ 89,083	\$ (17,367)	\$ 13,215	\$ 10,619	\$ 10,690
261,654	173,053	231,356	241,979	207,550	193,327
-	-	-	-	-	-
-	-	-	-	-	-
<u>276,097</u>	<u>262,136</u>	<u>213,989</u>	<u>255,194</u>	<u>218,169</u>	<u>204,017</u>
2,914,484	2,878,271	3,059,582	2,360,859	2,018,213	1,614,839
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,914,484</u>	<u>2,878,271</u>	<u>3,059,582</u>	<u>2,360,859</u>	<u>2,018,213</u>	<u>1,614,839</u>
<u>\$ 3,190,581</u>	<u>\$ 3,140,407</u>	<u>\$ 3,273,571</u>	<u>\$ 2,616,053</u>	<u>\$ 2,236,382</u>	<u>\$ 1,818,856</u>

**COMMUNITY SERVICES CONSORTIUM**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS - UNAUDITED**  
*(modified accrual basis of accounting)*

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Revenues</b>				
Grants and contracts	\$ 10,163,020	\$ 10,630,359	\$ 14,122,307	\$ 16,642,556
Contributions	895,289	851,903	803,226	781,713
Loan repayments	30,444	264,807	241,289	181,758
Fees for service	661,762	887,032	912,291	1,125,963
Commodity foods	8,687,104	7,882,273	8,604,144	6,916,493
Other	530,269	423,262	628,340	695,126
Sale of houses and other assets	-	-	139,540	1,500
Interest	7,479	10,656	11,833	6,627
<b>Total Revenues</b>	<u>20,975,367</u>	<u>20,950,292</u>	<u>25,462,970</u>	<u>26,351,736</u>
<b>Expenditures</b>				
Workforce and education	2,696,383	2,602,001	3,108,337	5,294,442
Weatherization	1,149,804	1,335,908	3,224,953	2,282,750
Emergency services	4,119,090	4,136,330	4,721,932	5,532,482
Housing rehabilitation**	351,574	727,252	790,097	1,528,283
Child development services	1,224,532	1,323,522	1,311,282	1,173,940
Food programs	9,778,703	9,072,553	9,543,203	7,905,891
Retired and senior volunteers*	-	129,238	130,727	190,533
Miscellaneous programs	119,237	163,707	281,131	234,806
Interest expenses	-	-	-	-
Capital outlay	-	-	-	-
Administration	1,309,409	1,553,882	1,785,485	1,947,910
<b>Total Expenditures</b>	<u>20,748,732</u>	<u>21,044,393</u>	<u>24,897,147</u>	<u>26,091,037</u>
<b>Transfer to CHS</b>	<u>(493,983)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Net Change in Fund Balance</b>	<u><u>\$ (267,348)</u></u>	<u><u>\$ (94,101)</u></u>	<u><u>\$ 565,823</u></u>	<u><u>\$ 260,699</u></u>

\*The Retired and senior volunteers program ended in FY13

\*\*Community Housing Services moved to a fiduciary type fund in FY14

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 18,820,051	\$ 15,200,673	\$ 12,758,612	\$ 12,550,730	\$ 12,856,442	\$ 12,265,541
729,103	758,607	598,401	547,775	439,393	387,754
193,547	171,515	248,810	380,804	396,136	522,227
1,138,336	1,271,092	984,170	756,745	548,350	502,628
7,238,221	7,518,064	7,246,770	7,896,190	7,253,985	6,663,036
666,254	625,728	557,145	229,917	192,396	146,076
203,708	-	4,067	220,791	340,500	596,324
13,079	22,948	40,185	38,127	8,890	9,791
<u>29,002,299</u>	<u>25,568,627</u>	<u>22,438,160</u>	<u>22,621,079</u>	<u>22,036,092</u>	<u>21,093,377</u>
6,510,030	4,403,039	4,676,578	5,578,603	5,795,035	5,135,662
2,033,711	1,344,917	884,679	854,264	1,015,258	983,601
5,993,468	4,886,597	3,544,412	3,094,382	2,861,134	3,149,305
1,798,168	2,871,671	1,410,755	1,412,293	1,243,934	1,575,256
1,607,747	1,401,874	1,613,622	883,073	1,176,755	1,028,853
8,416,338	8,394,943	7,997,334	8,652,019	7,864,691	7,580,110
207,425	214,813	183,752	-	-	-
376,920	172,454	241,844	187,082	10,792	12,812
-	-	-	27,466	11,716	11,458
-	-	-	518,388	91,165	110,772
<u>2,008,318</u>	<u>2,011,482</u>	<u>1,227,667</u>	<u>1,033,837</u>	<u>1,548,086</u>	<u>1,592,012</u>
<u>28,952,125</u>	<u>25,701,790</u>	<u>21,780,643</u>	<u>22,241,407</u>	<u>21,618,566</u>	<u>21,179,841</u>
-	-	-	-	-	-
<u>\$ 50,174</u>	<u>\$ (133,163)</u>	<u>\$ 657,517</u>	<u>\$ 379,672</u>	<u>\$ 417,526</u>	<u>\$ (86,464)</u>

**COMMUNITY SERVICES CONSORTIUM**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE - ALL FUND TYPES**  
**LAST TEN FISCAL YEARS - UNAUDITED**  
*(modified accrual basis of accounting)*

<i>Function</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>
Grants and contracts	\$ 10,163,020	\$ 10,630,359	\$ 14,122,307	\$ 16,642,556
Contributions	895,289	851,903	803,226	781,713
Loan repayments	30,444	264,807	241,289	181,758
Fees for service	661,762	887,032	912,291	1,125,963
Commodity foods	8,687,104	7,882,273	8,604,144	6,916,493
Other	530,269	423,262	767,880	696,626
Interest	7,479	10,656	11,833	6,627
<i>Total Revenues</i>	<u>\$ 20,975,367</u>	<u>\$ 20,950,292</u>	<u>\$ 25,462,970</u>	<u>\$ 26,351,736</u>

Source: Comprehensive annual financial report.

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$	18,820,051	\$ 15,200,673	\$ 12,758,612	\$ 12,550,730	\$ 12,856,442	\$ 12,265,541
	729,103	758,607	598,401	547,775	439,393	387,754
	193,547	171,515	248,810	380,804	396,136	522,227
	1,138,336	1,271,092	984,170	756,745	548,350	502,628
	7,238,221	7,518,064	7,246,770	7,896,190	7,253,985	6,663,036
	869,962	625,728	561,212	450,708	532,896	742,400
	13,079	22,948	40,185	38,127	8,890	9,791
\$	<u>29,002,299</u>	<u>\$ 25,568,627</u>	<u>\$ 22,438,160</u>	<u>\$ 22,621,079</u>	<u>\$ 22,036,092</u>	<u>\$ 21,093,377</u>

**COMMUNITY SERVICES CONSORTIUM**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION - ALL FUND TYPES**  
**LAST TEN FISCAL YEARS - UNAUDITED**

<i>Function</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>
<b><i>Current</i></b>				
Administration	\$ 1,309,409	\$ 1,553,882	\$ 1,785,485	\$ 1,947,910
Workforce and education	2,696,383	2,602,001	3,108,337	5,294,442
Weatherization	1,149,804	1,335,908	3,224,953	2,282,750
Emergency services	4,119,090	4,136,330	4,721,932	5,532,482
Housing rehabilitation	351,574	727,252	790,097	1,528,283
Head Start	1,224,532	1,323,522	1,311,282	1,173,940
Food programs	9,778,703	9,072,553	9,543,203	7,905,891
Retired and senior volunteers*	-	129,238	130,727	190,533
Miscellaneous programs	119,237	163,707	281,131	234,806
<i>Total Current</i>	20,748,732	21,044,393	24,897,147	26,091,037
<b><i>Debt Service</i></b>				
Interest	-	-	-	-
<i>Total Debt Service</i>	-	-	-	-
<i>Total Expenditures</i>	\$ 20,748,732	\$ 21,044,393	\$ 24,897,147	\$ 26,091,037

\*The Retired and senior volunteers program ended in FY13

Source: Comprehensive annual financial report.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 2,008,318	\$ 2,011,482	\$ 1,227,667	\$ 1,552,225	\$ 1,639,251	\$ 1,592,012
6,510,030	4,403,039	4,676,578	5,578,603	5,795,035	5,161,745
2,033,711	1,344,917	884,679	854,264	1,015,258	983,601
5,993,468	4,886,597	3,544,412	3,094,382	2,861,134	3,149,305
1,798,168	2,871,671	1,410,755	1,412,293	1,243,934	1,614,365
1,607,747	1,401,874	1,613,622	883,073	1,176,755	1,028,853
8,416,338	8,394,943	7,997,334	8,652,019	7,864,691	7,625,690
207,425	214,813	183,752	-	-	-
376,920	172,454	241,844	187,082	10,792	12,812
28,952,125	25,701,790	21,780,643	22,213,941	21,606,850	21,168,383
-	-	-	27,466	11,716	11,458
-	-	-	27,466	11,716	11,458
<u>\$ 28,952,125</u>	<u>\$ 25,701,790</u>	<u>\$ 21,780,643</u>	<u>\$ 22,241,407</u>	<u>\$ 21,618,566</u>	<u>\$ 21,179,841</u>

***STATISTICAL SECTION***

***REVENUE CAPACITY***



**COMMUNITY SERVICES CONSORTIUM**  
**PROGRAM REVENUES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS - UNAUDITED**  
*(modified accrual basis of accounting)*

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Function/Program</b>				
<b>General Fund</b>				
Grants and contracts	\$ 26,822	\$ 99,996	\$ 126,416	\$ -
Contributions	31,462	12,063	11,810	8,410
Other	41,875	36,637	26,840	6,105
Interest	<u>7,479</u>	<u>7,813</u>	<u>6,141</u>	<u>5,137</u>
<i>Subtotal General Revenues</i>	<u>107,638</u>	<u>156,509</u>	<u>171,207</u>	<u>19,652</u>
<b>Governmental activities:</b>				
Grants and contracts	10,136,198	10,530,363	13,995,891	16,642,556
Contributions	863,827	839,840	791,416	773,303
Loan repayments	30,444	264,807	241,289	181,758
Fees for service	661,762	887,032	912,291	1,125,963
Commodity foods	8,687,104	7,882,273	8,604,144	6,916,493
Other	488,394	386,625	601,500	689,021
Sale of houses and other assets	-	-	139,540	1,500
Interest	<u>-</u>	<u>2,843</u>	<u>5,692</u>	<u>1,490</u>
<i>Subtotal Special Revenues</i>	<u>20,867,729</u>	<u>20,793,783</u>	<u>25,291,763</u>	<u>26,332,084</u>
<b>Total Revenues</b>	<u>\$ 20,975,367</u>	<u>\$ 20,950,292</u>	<u>\$ 25,462,970</u>	<u>\$ 26,351,736</u>

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,100	2,550	1,200	954	1,016	1,321
84	2,016	1,573	87	5,659	1,011
<u>10,586</u>	<u>22,266</u>	<u>39,415</u>	<u>37,204</u>	<u>8,106</u>	<u>8,547</u>
<u>15,770</u>	<u>26,832</u>	<u>42,188</u>	<u>38,245</u>	<u>14,781</u>	<u>10,879</u>
18,820,051	15,200,673	12,758,612	12,550,730	12,856,442	12,265,541
724,003	756,057	597,201	546,821	438,377	386,433
193,547	171,515	248,810	380,804	396,136	522,227
1,138,336	1,271,092	984,170	756,745	548,350	502,628
7,238,221	7,518,064	7,246,770	7,896,190	7,253,985	6,663,036
666,170	623,712	555,572	229,830	186,737	145,065
203,708	-	4,067	220,791	340,500	596,324
<u>2,493</u>	<u>682</u>	<u>770</u>	<u>923</u>	<u>784</u>	<u>1,244</u>
<u>28,986,529</u>	<u>25,541,795</u>	<u>22,395,972</u>	<u>22,582,834</u>	<u>22,021,311</u>	<u>21,082,498</u>
<u>\$ 29,002,299</u>	<u>\$ 25,568,627</u>	<u>\$ 22,438,160</u>	<u>\$ 22,621,079</u>	<u>\$ 22,036,092</u>	<u>\$ 21,093,377</u>

***STATISTICAL SECTION***  
***DEMOGRAPHIC AND ECONOMIC***  
***INFORMATION***

**COMMUNITY SERVICES CONSORTIUM**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN CALENDAR YEARS - UNAUDITED**

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**Date of Incorporation**

July 1, 1980

**Form of Government**

Nine-member governing board

**Area by County**

Benton County 679 square miles  
 Linn County 2,297 square miles  
 Lincoln County 992 square miles

<b>State of Oregon</b>		<b>Total Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>	<b>Percentage of Population Living In Poverty</b>
<b>Year</b>	<b>Population</b>				
2005	3,631,440	117,634,076	31,580	6.1%	14%
2006	3,690,505	127,403,090	33,648	5.4%	13.3%
2007	3,745,455	133,821,268	35,143	5.2%	12.9%
2008	3,791,075	140,948,951	35,956	5.1%	13.6%
2009	3,823,465	135,474,469	36,365	6.4%	14.3%
2010	3,837,300	139,841,938	35,667	10.3%	15.8%
2011	3,856,815	145,299,628	37,744	9.7%	17.5%
2012	3,857,625	152,721,624	39,166	8.6%	17.3%
2013	3,883,735	156,605,034	39,848	8.7%	17.0%
2014	3,919,020	N/A	N/A	7.7%	N/A

<b>Benton County</b>		<b>Total Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>	<b>Percentage of Population Living In Poverty</b>
<b>Year</b>	<b>Population</b>				
2005	82,835	2,707,034	33,256	4.9%	16.6%
2006	84,125	2,863,698	34,956	4.7%	15.3%
2007	85,300	3,012,941	36,398	4.1%	19.3%
2008	86,120	3,160,392	36,937	6.4%	18.5%
2009	86,725	3,132,559	37,755	7.6%	15.6%
2010	85,735	3,193,015	37,922	7.0%	18.9%
2011	85,995	3,306,025	38,439	6.5%	21.8%
2012	85,995	3,446,794	39,880	6.4%	23.4%
2013	86,785	N/A	N/A	6.1%	23.8%
2014	87,725	N/A	N/A	5.8%	N/A

<b>Linn County</b>					
<b>Year</b>	<b>Population</b>	<b>Total Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>	<b>Percentage of Population Living In Poverty</b>
2005	107,150	2,889,447	25,739	6.9%	16.0%
2006	108,250	3,119,012	27,190	N/A	16.8%
2007	109,320	3,292,512	28,153	6.4%	14.0%
2008	110,185	3,459,740	28,676	6.5%	14.1%
2009	110,865	3,433,550	29,273	15.2%	14.6%
2010	116,840	3,411,859	29,451	12.8%	14.9%
2011	117,340	3,530,136	29,882	11.8%	19.2%
2012	117,340	3,667,273	30,984	11.0%	19.8%
2013	118,035	N/A	N/A	10.9%	19.0%
2014	118,665	N/A	N/A	9.7%	N/A

<b>Lincoln County</b>					
<b>Year</b>	<b>Population</b>	<b>Total Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>	<b>Percentage of Population Living In Poverty</b>
2005	44,405	1,345,992	28,414	6.7%	13.9%
2006	44,520	1,438,426	30,501	6.0%	17.6%
2007	44,360	1,497,500	31,796	5.6%	17.1%
2008	44,715	1,557,959	32,530	6.5%	16.7%
2009	44,700	1,565,174	33,485	10.8%	16.5%
2010	46,135	1,550,294	33,810	10.9%	17.0%
2011	46,060	1,611,429	35,119	9.6%	14.8%
2012	46,155	1,678,713	36,374	8.9%	15.6%
2013	46,295	N/A	N/A	9.3%	16.8%
2014	46,560	N/A	N/A	8.2%	N/A

**Sources:** Population information provided by the Center for Population and Census Research, Portland State University. Personal income and unemployment data provided by the Oregon Department of Employment and U.S. Bureau of Economic Analysis. Percentage of population living in poverty provided by the U.S. Census American Community Survey.

**Note:** Population is based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average.

**COMMUNITY SERVICES CONSORTIUM**  
**MISCELLANEOUS STATISTICS**  
**LAST SEVEN FISCAL YEARS - UNAUDITED**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Population					
Benton	87,725	86,785	85,995	85,995	85,735
Linn	118,655	118,035	117,340	117,340	116,840
Lincoln	46,560	46,295	46,155	46,060	46,135
Employees					
Non-management (represented) employees	79	88	107	132	128
Management (exempt) employees	17	19	15	23	24
Total FTE	<u>96</u>	<u>107</u>	<u>122</u>	<u>155</u>	<u>152</u>
Employees by Function					
Administration	4	4	6	5	5
Finance	4	4	4	6	6
Technology	3	3	3	3	3
Workforce Investment Board	-	-	2	2	2
Community Resource Development	3	3	4	3	3
Child Development Services	19	21	19	18	20
Workforce and Education	25	27	34	59	60
Emergency Services	20	20	22	24	22
Housing and Community Resources	11	16	19	25	21
Linn Benton Food Share / Gleaning	7	7	7	7	7
Retired and Senior Volunteers	-	2	2	3	3
	<u>96</u>	<u>107</u>	<u>122</u>	<u>155</u>	<u>152</u>

The data in this table will continue to be accumulated until ten years of data can be displayed.

The populations listed are preliminary estimates of populations as of June 30<sup>th</sup> of each year.

The Center for Populations and Census Research at Portland State University, which provided these estimates, notes that they are subject to change.

It is not feasible to present the level of service as the make of the individual grants dictate what services are to be provided. Grants fluctuate widely between departments and from year-to-year. CSC operates almost two hundred grants and each would have a separate measure. Additionally, many of the grants are combined to provide services to duplicative individuals.

---

<i>2009</i>	<i>2008</i>
-------------	-------------

86,725	86,120
110,865	110,815
44,700	44,715

106	100
27	30
<u>133</u>	<u>130</u>

5	5
5	5
3	2
2	2
2	2
21	26
50	48
20	17
15	14
7	7
3	2
<u>133</u>	<u>130</u>

***STATE COMPLIANCE SECTION***





## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
475 Cottage Street NE, Suite 200, Salem, Oregon 97301  
(503) 581-7788

### ***INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS***

CSC Governing Board  
Community Services Consortium  
Albany, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Community Services Consortium (CSC) as of and for the year ended June 30, 2014, and have issued our report thereon dated December 23, 2014.

#### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether CSC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements 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.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Budgets legally required (ORS Chapter 294.900).**
- **Insurance and fidelity bonds in force or required.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe CSC was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.


***Internal Control Over Financial Reporting***

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

***Restriction on Use***

This report is intended solely for the information and use of the governing board, management of CSC, and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

*GROVE, MUELLER & SWANK, P.C.*  
*CERTIFIED PUBLIC ACCOUNTANTS*

By:   
\_\_\_\_\_  
Devan W. Esch, A Shareholder  
December 23, 2014

***FEDERAL COMPLIANCE SECTION***

**COMMUNITY SERVICES CONSORTIUM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2014**

<b>CSC GRANT Number</b>		<b>Federal CFDA Number</b>	<b>Pass Through Organization</b>	<b>Pass Through ID</b>	<b>Expenditures</b>
	<u>U.S. Department of Agriculture</u>				
	<i>Emergency Food Assistance Cluster</i>				
02-1630	Temporary Emergency Food Assistance Program - Cash	10.568	Oregon Food Bank	unknown	\$ 26,891
02-1630	Temporary Emergency Food Assistance Program - Commodities	10.569	Oregon Food Bank	unknown	<u>377,763</u>
					404,654
04-4206	Housing Preservation Grant -USDA - Lincoln	10.433	Rural Development Administration	USDA-HPG-CSC 2012-14	34,692
04-4204	Housing Preservation Grant -USDA - Linn	10.433	Rural Development Administration	USDA-RD-HCRP-HPG-2011	6,582
05-5104	Child and Adult Care Food Program	10.558	Oregon Department of Education	unknown	44,064
05-5010	Child and Adult Care Food Program	10.558	Oregon Department of Education	2103001	<u>33,156</u>
	Total U.S. Department of Agriculture				523,148
	<u>U.S. Department of Housing and Urban Development</u>				
06-6525	Continuum of Care	14.235	Direct	OR0075L0E051205	75,440
06-6531-6039	Continuum of Care HUD - Passport - CSC	14.235	Direct	OR0079B0E051104	13,860
06-6531-6000	Continuum of Care HUD - Passport - CSC	14.235	Direct	OR0079L0E051205	34,105
06-6535-6039	Continuum of Care HUD - LBHASH1	14.235	Linn-Benton Housing Authority	OR0063B0E051002	33,272
06-6535-6000	Continuum of Care HUD - LBHASH1	14.235	Linn-Benton Housing Authority	OR0063L0E051203	74,119
04-4058	Housing Counseling Assistance Program - RCAC	14.169	Rural Community Assistance Corporations	HOC13-C348	1,306
06-6629	ESGP 12 - Emergency Shelter Grant Program	14.231	Oregon Housing and Community Services	OHCS MGA 13-15 #2035	6,376
06-6630	ESGP 13 - Emergency Shelter Grant Program	14.231	Oregon Housing and Community Services	OHCS MGA 13-15 #2035	97,137
06-6650-6039	Home Tenant Based Assistance - FFY12	14.239	Oregon Housing and Community Services	OHCS MGA 13-15 #2035	64,581
06-6650-6000	Home Tenant Based Assistance - FFY13	14.239	Oregon Housing and Community Services	OHCS MGA 13-15 #2035	87,048
06-6650-6020	Home Tenant Based Assistance - FFY 12 - HQS Inspections	14.239	Oregon Housing and Community Services	OHCS MGA 13-15 #2035	<u>194</u>
	Total U.S. Department of Housing and Urban Development				487,438
	<u>U.S. Department of the Interior - Bureau of Land Management</u>				
03-2256	Oregon Youth Conservation Corps - BLM Yaquina Head Project	15.225	Oregon Community Colleges and Workforce Development	GRNT0653	<u>5,000</u>
	Total U.S. Department of the Interior - Bureau of Land Management				5,000

**COMMUNITY SERVICES CONSORTIUM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

<b>CSC GRANT Number</b>		<b>Federal CFDA Number</b>	<b>Pass Through Organization</b>	<b>Pass Through ID</b>	<b>Expenditures</b>
	<u>U.S. Department of Labor</u>				
	<i>Workforce Investment Act (WIA) Cluster</i>				
03-3100	Title IB - Adult - PY13	17.258	Oregon Community Colleges and Workforce Development	J02014	\$ 12,817
03-3100	Title IB - Adult - FY14	17.258	Oregon Community Colleges and Workforce Development	J02014	438,740
03-3100	Title IB - Adult - FY13	17.258	Oregon Community Colleges and Workforce Development	J02014	132,271
03-3400	Title IB - Local Admin - PY13 - Adult	17.258	Oregon Community Colleges and Workforce Development	J02014	1,424
03-3400	Title IB - Local Admin - FY13 - Adult	17.258	Oregon Community Colleges and Workforce Development	J02014	22,349
03-3400	Title IB - Local Admin - PY13 - Youth	17.259	Oregon Community Colleges and Workforce Development	J02014	59,883
03-3427	Title IB - High Concentration Youth - PY12- Youth	17.259	Oregon Community Colleges and Workforce Development	J02014	9,295
03-3200	Title IB - Youth - PY13	17.259	Oregon Community Colleges and Workforce Development	J02014	151,169
03-3200	Title IB - Youth - PY12	17.259	Oregon Community Colleges and Workforce Development	J02014	10,723
03-3200	Title IB - Youth - PY12	17.259	Oregon Community Colleges and Workforce Development	J02014	482,646
03-3400	Title IB - Local Admin - FY13 - Dislocated Worker	17.278	Oregon Community Colleges and Workforce Development	J02014	51,309
03-3400	Title IB - Local Admin - FY12 - Dislocated Worker	17.278	Oregon Community Colleges and Workforce Development	J02014	4,156
03-3400	Title IB - Local Admin - PY13 - Dislocated Worker	17.278	Oregon Community Colleges and Workforce Development	J02014	5,161
03-3400	Title IB - Local Admin - FY14 - Dislocated Worker	17.278	Oregon Community Colleges and Workforce Development	J02014	3,100
03-3500	WIA Incentives - FY 12 - Dislocated Worker Admin	17.278	Oregon Community Colleges and Workforce Development	J02014	3,257
01-1030	Title IB - CSC Staff Loan to CCWD - Dislocated Worker	17.278	Oregon Community Colleges and Workforce Development	IGA0472	26,063

**COMMUNITY SERVICES CONSORTIUM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

<b>CSC GRANT Number</b>		<b>Federal CFDA Number</b>	<b>Pass Through Organization</b>	<b>Pass Through ID</b>	<b>Expenditures</b>
	<u>U.S. Department of Labor (Continued)</u>				
	<i>Workforce Investment Act (WIA) Cluster (Continued)</i>				
03-3300	Title IB - Dislocated Workers - FY13	17.278	Oregon Community Colleges and Workforce Development	J02014	\$ 136,514
03-3300	Title IB - Dislocated Workers - FY14	17.278	Oregon Community Colleges and Workforce Development	J02014	378,748
03-3300	Title IB - Dislocated Workers - PY13	17.278	Oregon Community Colleges and Workforce Development	J02014	46,456
03-3300	Title IB - Dislocated Workers - FY12	17.278	Oregon Community Colleges and Workforce Development	J02014	27,900
	<i>Total Workforce Investment Act (WIA) Cluster</i>				2,003,981
	Total U.S. Department of Labor				2,003,981
	<u>U.S. Department of Treasury</u>				
04-4065	National Foreclosure Mitigation Counseling	21.XXX	Oregon Housing and Community Services	GRNT # 01138	3,654
	Total U.S. Department of Treasury				3,654
	<u>U.S. Department of Veterans Affairs</u>				
06-6660	Supportive Services for Veterans and Families SSVF	64.033	St.Vincent de Paul	GRNT # 01138	100,486
	Total U.S. Department of Veterans Affairs				100,486
	<u>U.S. Department of Energy</u>				
04-4391	BPA - WX FFY13	81.XXX	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	120,389
04-4391	BPA - WX FFY14	81.XXX	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	90,206
06-6350	BPA - Energy Education	81.XXX	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	38,407
04-4449	DOE - WX FY13	81.042	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	144,786
	Total U.S. Department of Energy				393,788

**COMMUNITY SERVICES CONSORTIUM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

<b>CSC GRANT Number</b>		<b>Federal CFDA Number</b>	<b>Pass Through Organization</b>	<b>Pass Through ID</b>	<b>Expenditures</b>
	<u>U.S. Department of Health and Human Services</u>				
05-5104	Headstart 2013-14	93.600	Direct	G-10CH0155/19	\$ 725,536
05-5103	Headstart 2012-13	93.600	Direct	G-10CH0155/18	172,063
06-6700	Housing Stabilization Program / TANF	93.558	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	31,053
01-1300	Community Services Block Grant - FFY14	93.569	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	36,869
01-1300	Community Services Block Grant - FFY13	93.569	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	217,954
06-6050	LIHEAP - Low Income Energy Assistance	93.568	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	1,933,111
06-6080	LIHEAP - Weatherization	93.568	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	23,701
06-6125	LIHEAP - Leverage	93.568	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	44,007
06-6075	LIHEAP - Education	93.568	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	99,921
04-4380	LIHEAP - Weatherization - FFY13	93.568	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	189,928
04-4380	LIHEAP - Weatherization - FFY14	93.568	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	52,251
	Total U.S. Department of Health and Human Services				<u>3,526,394</u>
	<u>Corporation for National and Community Service</u>				
03-2536	Americorps - Youthbuild - 2013-2014	94.006	Youthbuild USA	13NDHMA0010035	13,465
03-2537	Americorps - Youthbuild - 2012-2013	94.006	Youthbuild USA	10NDHMA0030053	25,601
	Total Corporation for National and Community Service				<u>39,066</u>
	Total Expenditures of Federal Awards				<u>\$ 7,082,955</u>

## ***COMMUNITY SERVICES CONSORTIUM***

### ***NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

***YEAR ENDED JUNE 30, 2014***

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#### ***Purpose of the Schedule***

The accompanying schedule of expenditures of federal awards (the Schedule) is a supplementary schedule to the Community Services Consortium's (CSC) financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of CSC, it is not intended to and does not present either the financial position, changes in net position or fund balances, or the operating funds' revenues and expenses.

#### ***SIGNIFICANT ACCOUNTING POLICIES***

##### ***Basis of Presentation***

The information in the Schedule is presented in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

##### ***Federal Financial Assistance***

Pursuant to the Single Audit Act Amendment of 1996 and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

##### ***Major Programs***

The Single Audit Act Amendment of 1996 and OMB Circular A-133 establish criteria to be used in defining major federal financial assistance programs. Major programs for CSC are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in OMB Circular A-133. Programs with similar requirements may be grouped into a cluster for testing purposes.

##### ***Reporting Entity***

The reporting entity is fully described in notes to the financial statements. Additionally, the Schedule includes all federal programs administered by CSC for the year ended June 30, 2014.

##### ***Revenue and Expenditure Recognition***

The receipt and expenditure of federal awards are accounted for under the modified accrual basis of accounting. Revenues are recorded as received in cash or on the accrual basis where measurable and available. Expenditures are recorded when the liability is incurred.



**COMMUNITY SERVICES CONSORTIUM**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

YEAR ENDED JUNE 30, 2014

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*Subrecipients*

Of the federal expenditures presented in the schedule, CSC provided federal awards to subrecipients as follows:

<b><i>Program Title</i></b>	<b><i>Federal CFDA Number</i></b>	<b><i>Amount Provided to Subrecipients</i></b>
Workforce Investment Act - WIA		
Title 1B - Adult	17.258	\$ 9,470
Title 1B - Youth	17.259	2,066
Title 1B - Dislocated Worker	17.260	7,434
		<hr/>
		\$ 18,970
		<hr/> <hr/>



## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
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### ***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***

CSC Governing Board  
Community Services Consortium  
Albany, Oregon

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 the governmental activities and each major fund of Community Services Consortium (CSC), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise CSC's basic financial statements, and have issued our report thereon dated December 23, 2014.

#### ***Internal Control over Financial Reporting***

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


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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether CSC'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*.

### ***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 CSC'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 CSC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS  
December 23, 2014



## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
475 Cottage Street NE, Suite 200, Salem, Oregon 97301  
(503) 581-7788

### ***INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133***

CSC Governing Board  
Community Services Consortium  
Albany, Oregon

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

We have audited Community Services Consortium's (CSC) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of CSC's major federal programs for the year ended June 30, 2014. CSC'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 CSC'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 CSC'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 CSC's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Community Services Consortium 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, 2014.

### ***Report on Internal Control over Compliance***


Management of CSC, 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 CSC'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 OMB Circular A-133, 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 CSC'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.

### ***Purpose of this Report***

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS  
December 23, 2014

**COMMUNITY SERVICES CONSORTIUM**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2014**

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**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	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 section 510(a) of Circular A-133?	No

Identification of major program:

**CFDA Numbers**

**Name of Federal Program or Cluster**

17.258/17.259/17.278  
64.033

Workforce Investment Act Cluster  
Supportive Services for Veterans and Families

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**FINANCIAL STATEMENT FINDINGS**

*None*

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

*None*

**PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

*None*